

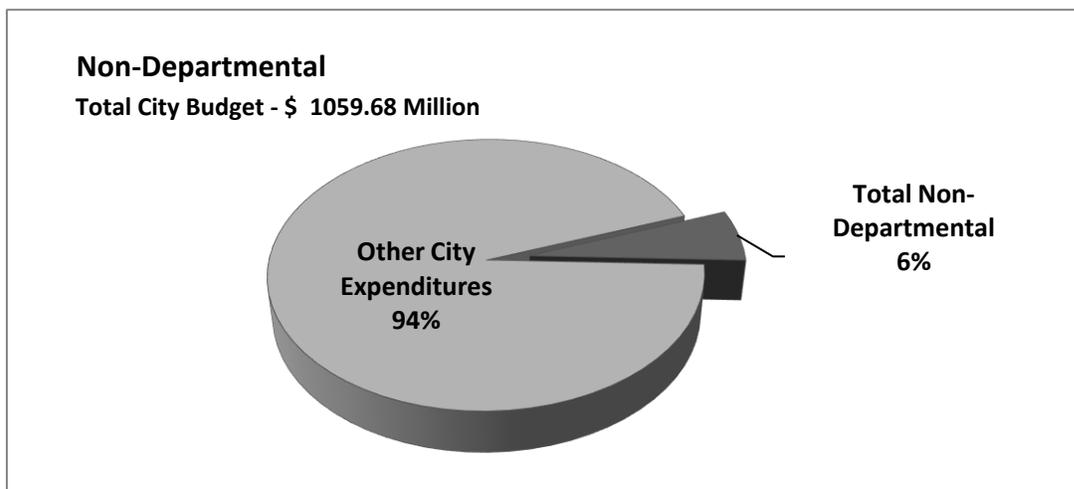
## Non-Departmental

## 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.

<b>Budget by Service</b>	<b>FY 16-17 Actual</b>	<b>FY 17-18 Budget</b>	<b>FY 18-19 Budget</b>	<b>Change from prior year</b>
Debt Services	\$ 34,658,650	\$ 41,937,225	\$ 42,767,267	2.0%
Garage/Central Fleet	14,395,020	17,080,653	17,476,299	2.3%
Risk Management	7,591,360	9,386,694	10,259,068	9.3%
Health Insurance Fund	35,143,960	40,570,000	40,244,500	N/A
Information Technology	11,633,921	12,914,908	15,302,119	18.5%
Non-Departmental	11,764,338	12,252,894	17,233,946	40.7%
<b>Total Expenditures</b>	<b>\$115,187,250</b>	<b>\$134,142,374</b>	<b>\$ 143,283,199</b>	<b>6.8%</b>
Less Billings to Other Departments				
Garage/Central Fleet	(13,707,611)	(14,617,723)	(16,317,370)	11.6%
Risk Management	(7,275,135)	(9,386,694)	(10,259,068)	9.3%
Health Insurance Fund	(30,666,712)	(35,129,000)	(35,252,200)	N/A
Information Technology	(9,078,335)	(10,798,497)	(12,954,506)	20.0%
<b>Total Non-Departmental</b>	<b>\$ 54,459,457</b>	<b>\$ 64,210,460</b>	<b>\$ 68,500,055</b>	<b>6.7%</b>



**Non - Departmental**

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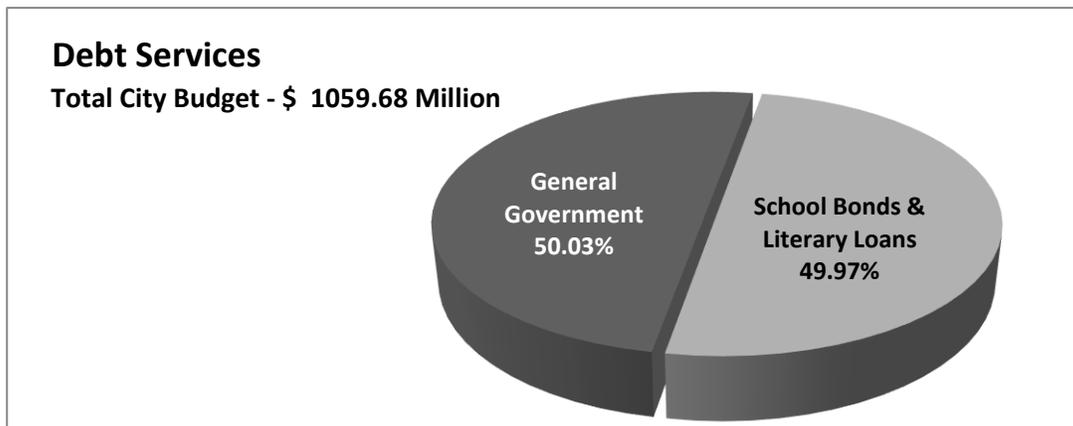
## Debt Services

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 16-17 Actual	FY 17-18 Budget	FY 18-19 Estimate	Change from prior year
General Government	\$ 13,437,829	\$ 20,224,163	\$ 18,649,163	-7.8%
School Bonds & Literary Loans	21,220,821	21,713,062	24,118,104	11.1%
<b>Total Debt Service Fund</b>	<b>\$ 34,658,650</b>	<b>\$ 41,937,225</b>	<b>\$ 42,767,267</b>	<b>2.0%</b>

General Government includes Tax Increment Financing Districts



The Operating Budget includes the funding required for the City's current year payment of principal and interest (debt service) on outstanding debt. This does not include the debt service of Enterprise Funds (Public Utilities and Chesapeake 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 16-17 Actual	FY 17-18 Budget	FY 18-19 Budget	Change from prior year
Principal	\$ 22,821,072	\$ 28,687,784	\$ 27,790,286	-3.1%
Interest	11,322,851	13,194,441	14,921,981	13.1%
Other Debt Expenses	514,727	55,000	55,000	0.0%
<b>Total General Government and School Debt Service</b>	<b>\$ 34,658,650</b>	<b>\$ 41,937,225</b>	<b>\$ 42,767,267</b>	<b>2.0%</b>

**Debt Services**

**Summary**

Operating Revenues		FY 16-17	FY 17-18	FY 18-19	Change from
Fund	Resource	Actual	Budget	Budget	prior year
<b>401</b>	<b>Debt Service Fund</b>				
	Use of Money and Property	\$ 120,015	\$ 54,889	\$ 54,889	0.0%
	Miscellaneous Revenue	257,051	360,770	453,191	25.6%
	Federal Aid	889,080	890,649	872,357	-2.1%
	<b>Total Revenues</b>	<b>\$ 1,266,147</b>	<b>\$ 1,306,308</b>	<b>\$ 1,380,437</b>	<b>5.7%</b>
<b>Transfers from:</b>					
	General Fund				
	Pre-lockbox debt	6,626,757	6,148,145	1,596,540	-74.0%
	City Lock Box	5,309,981	12,808,636	13,610,044	6.3%
	School Lock Box	13,817,891	14,847,659	19,347,683	30.3%
	Proffers	717,697	-	-	N/A
	Open Space Fund	64,430	64,430	64,430	0.0%
	Integrated Behavioral Healthcare	291,150	287,150	293,150	2.1%
	Greenbrier TIF	1,471,658	1,465,613	1,472,548	0.5%
	South Norfolk TIF	605,550	1,009,281	1,002,435	-0.7%
	Capital Fund	664,277	-	-	N/A
	Chesapeake Schools	189,864	-	-	N/A
	Use of Fund Balance	3,633,248	4,000,003	4,000,000	0.0%
	<b>Total Resources</b>	<b>\$ 34,658,650</b>	<b>\$ 41,937,225</b>	<b>\$ 42,767,267</b>	<b>1.98%</b>

**Budget by Fund:**

401	Debt Service Fund	\$ 34,658,650	\$ 41,937,225	\$ 42,767,267	2.0%
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## 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

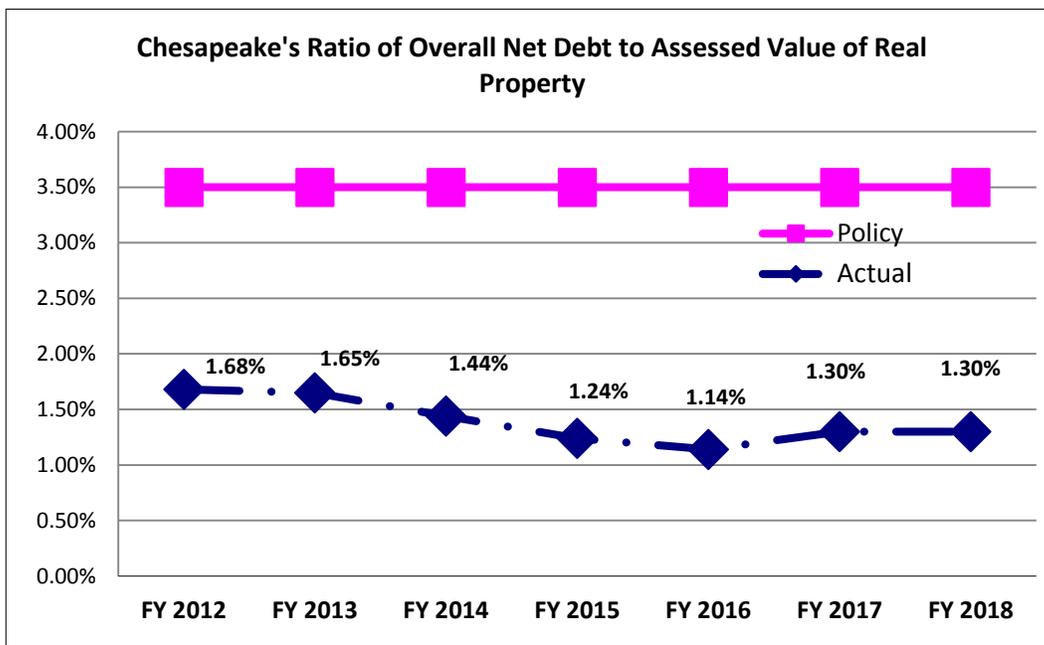
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### Debt Management Policies continued

- 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, 2017. 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, 2017, the City may incur an additional \$2,177,095,414 in debt without exceeding its legal debt limit.

Assessed Value of taxable real estate: as of June 30, 2017		\$25,174,589,034
Legal debt limit of 10% of assessed value:		\$ 2,517,458,903
Amount of debt applicable to legal debt limit:		
Total Bonded Debt	\$697,162,255	
Less: Self-Supporting Debt not chargeable to debt limit	(340,714,215)	
Less: Amounts available for debt service	(16,084,551)	
Total Debt Applicable to Legal Debt Limit		\$ 340,363,489
Legal Debt Margin for Creation of Additional Indebtedness:		\$2,177,095,414
Notes:		
*Self-Supporting Debt includes Revenue Bonds		

Source: Data in this table are from the City's Comprehensive Annual Financial Report-June 30, 2017

**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 seven fueling sites, including two compressed natural gas (CNG) stations, one propane station, and one E85 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. Central Fleet was recognized by National Fleet Management Association (NAFA) and 100 Best Fleets as the #1 fleet in the 100 Best Fleets in North America in 2017; and also named as one of the 50 Leading Fleets by the American Public Works Association and Government Fleet Magazine.

**Goals**

- Provide a highly trained, ASE and EVT certified, technical workforce
- Maintain fleet availability above the industry standard of 95%
- Reduce repair comebacks to less than the industry standard of 2%
- Maintain all customer service metrics above 90% Good/Excellent
- Repair vehicles within 4 days
- Keep overdue Preventative Maintenance Inspections to less than two per month

<b>Budget by Service</b>		<b>FY 16-17</b>	<b>FY 17-18</b>	<b>FY 18-19</b>	<b>Change from</b>
		<b>Actual</b>	<b>Budget</b>	<b>Budget</b>	<b>prior year</b>
12520	Fleet Operations	\$ 9,958,477	\$ 10,959,242	\$ -	
12521	Fleet Capital/Replacement Vehicles and Equipment	4,436,543	6,121,411	-	
12523	Bulk Fuel Distribution and Management			4,254,712	
12524	Fleet Acquisition and Disposal			6,074,746	
12525	Fleet Repair and Service Management			6,498,549	
12526	Parts Management			412,901	
12527	Fleet Environmental and Regulatory Management			235,391	
<b>TOTALS</b>		<b>\$ 14,395,020</b>	<b>\$ 17,080,653</b>	<b>\$ 17,476,299</b>	<b>2.3%</b>

*As a part of the move to performance based budgeting expenditures for FY18-19 are displayed by service rather than by program. Accordingly, spending by Central Fleet is shown in five service areas.*

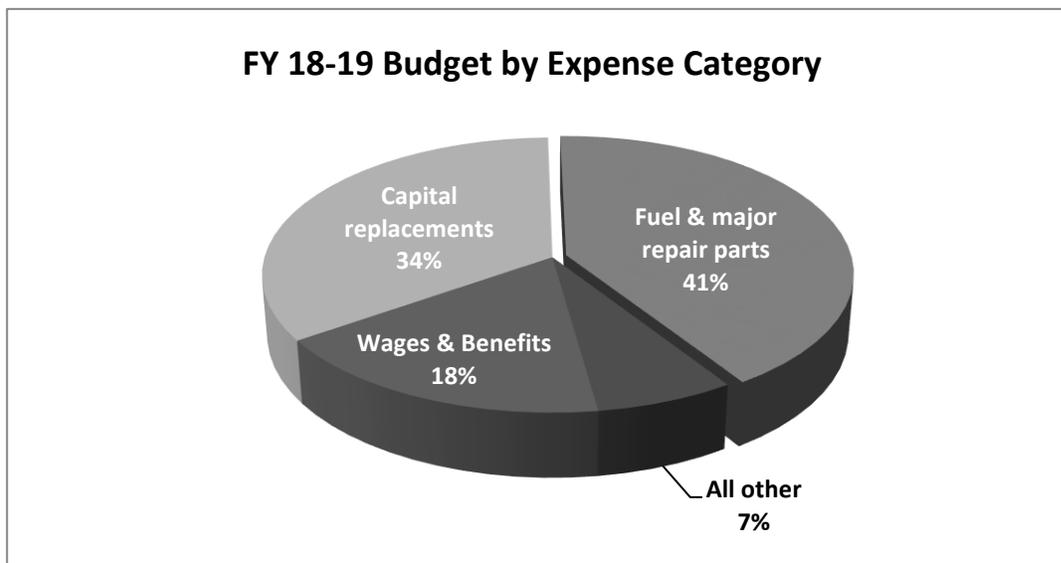
**Central Fleet**

**112012**

**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.
- Salaries include funding for a 2.5% pay increase. The increase in benefits is largely due to the rising cost of healthcare, workers' compensation, and employee retirement.
- Funding in the amount of \$74,400 is included for Clean Energy maintenance on site.
- An additional \$214,687 has been included for a computerized overhead lubrication distribution and accounting package. It is needed to replace the current ten year-old system.
- The amount allotted for fuel (diesel and gasoline) is less for FY18-19 due to the increased usage of alternative fuels such as compressed natural gas (CNG), propane, and lower fuel costs.
- The one-time funding amount of \$1.5 million was left in the department's budget to address fleet replacement underfunding.

<b>Operating Expenditures</b>	<b>FY 16-17 Actual</b>	<b>FY 17-18 Budget</b>	<b>FY 18-19 Budget</b>	<b>Change from prior year</b>
Salaries and wages	\$ 1,792,795	\$ 1,935,976	\$ 2,139,580	10.5%
Employee benefits	1,054,542	833,367	923,920	10.9%
Purchased services	1,655,723	1,006,000	1,072,656	6.6%
Other expenditures	101,941	131,825	135,835	3.0%
Materials and supplies	1,071,233	2,184,214	3,506,165	60.5%
Fuel (diesel and gasoline)	4,257,298	4,867,860	3,682,981	-24.3%
Capital Outlay	4,461,488	6,121,411	6,015,162	-1.7%
<b>Total Expenditures</b>	<b>\$ 14,395,020</b>	<b>\$ 17,080,653</b>	<b>\$ 17,476,299</b>	<b>2.3%</b>



**Central Fleet**

112012

<b>Operating Revenues by Fund</b>	<b>FY 16-17 Actual</b>	<b>FY 17-18 Budget</b>	<b>FY 18-19 Budget</b>	<b>Change from prior year</b>
<b>601 Fleet Management</b>	2017	2018	2019	
Use of Money and Property	\$ 256,181	\$ -	\$ -	0.00%
Billings to City departments	13,722,229	14,617,723	16,445,370	12.50%
Outside Sales (including schools)	928,790	962,930	1,156,329	20.08%
Recovered Costs	142,261	-	-	0.00%
<b>Total Revenues</b>	<b>\$ 15,049,461</b>	<b>\$ 15,580,653</b>	<b>\$ 17,601,699</b>	<b>12.97%</b>
Transfers from General Fund	37,976	1,500,000	-	-100.00%
Use of Fund Balance	-	-	-	0.0%
<b>Total Resources</b>	<b>\$ 15,087,437</b>	<b>\$ 17,080,653</b>	<b>\$ 17,601,699</b>	<b>3.05%</b>

<b>Use of Resources</b>				
Operations	\$ 14,395,020	\$ 17,080,653	\$ 17,476,299	2.3%
Transfers to General Fund	-	-	-	
Addition to Fund Balance	692,417	-	125,400	
<b>Total Use of Resources</b>	<b>\$ 15,087,437</b>	<b>\$ 17,080,653</b>	<b>\$ 17,601,699</b>	<b>3.05%</b>

**Budget by Fund:**

601 Central Fleet	\$ 14,395,020	\$ 17,080,653	\$ 17,476,299	2.3%
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**Position Complement**

<b>Personnel:</b>		<b>FY 16-17 Budget</b>	<b>FY 17-18 Budget</b>	<b>FY 18-19 Budget</b>	<b>Change from prior year</b>
Grade	Positions				
108	Motor Equipment Operator I	1.25	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
116-125	Automotive Technician *	27.50	30.50	30.50	0.00
115	Office Coordinator	1.00	1.00	1.00	0.00
118	Welder	1.00	1.00	1.00	0.00
123	Fleet Business Specialist/Accountant I	1.00	1.00	1.00	0.00
126	Fleet Safety Specialist *	1.00	1.00	1.00	0.00
128	Mechanic Operations Superintendent *	1.00	1.00	1.00	0.00
129	Fleet Service Coordinator *	1.00	1.00	1.00	0.00
137	Fleet Manager	1.00	1.00	1.00	0.00
<b>Total Department Personnel</b>		<b>37.75</b>	<b>40.75</b>	<b>40.75</b>	<b>0.00</b>

\* Upgrades are effective 07/07/2018

**Central Fleet**

112012

**DEPARTMENT SERVICE INFORMATION**

**12523 Bulk Fuel Distribution & Management**

- Manage the fuel, distribution, and environmental compliance at the seven fuel sites.
- Manage the sale of fuel sold to Chesapeake Schools and Chesapeake Mosquito Control.

<b>FY 2019 Budget and Staffing</b>	<b>\$ 4,254,712</b>	<b>3.00 FTE</b>
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**12524 Fleet Acquisition and Disposal**

- Responsible for identifying the specifications for all vehicles and powered equipment ordered for the various city departments.
- Responsible for new vehicle preparation and installation of accessories.
- Manages the disposal of the assets through various auction sites.

<b>FY 2019 Budget and Staffing</b>	<b>\$ 6,074,746</b>	<b>2.71 FTE</b>
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**12525 Fleet Repair and Service Management**

- Responsible for preventative maintenance inspections, repairs, overhauls, state inspections, and accident repairs on all city owned automotive and powered equipment.
- Record and document repairs for the lifecycle of all equipment.

<b>FY 2019 Budget and Staffing</b>	<b>\$ 6,498,549</b>	<b>31.08 FTE</b>
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**12526 Parts Management**

- Oversees the in-house parts vendor that owns and manages the \$2M parts inventory and supplies parts for city vehicle repairs.

<b>FY 2019 Budget and Staffing</b>	<b>\$ 412,901</b>	<b>1.29 FTE</b>
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**12527 Fleet Services Environmental and Regulatory Management**

Involves

- Provide safe, reliable, and accurate environmental programs that exceed state and federal regulations.
- Set the standard for environmental regulatory management and compliance for all state and federal programs.

<b>FY 2019 Budget and Staffing</b>	<b>\$ 235,391</b>	<b>2.67 FTE</b>
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**Occupational Health & Risk Management (Self Insurance)**

**111020**

**Description:**

The Risk Management function is administered by the Finance Department. The function handles claims for property, casualty, and workers' compensation losses.

Risk Management is an internal service fund that is part of the Finance Department, which is presented in the Governance and Management section of this document. The Risk Fund also funds some costs of the City Attorney's Office (also included with the Governance and Management section of the budget).

**Goals:**

- Support the third party administrator for Workers' 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 Workers' 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.

<b>Budget by Service</b>	<b>FY 16-17 Actual</b>	<b>FY 17-18 Budget</b>	<b>FY 18-19 Budget</b>	<b>Change from prior year</b>
12428 Occupational Health & Risk	\$ 7,591,360	\$ 9,386,694	\$ 10,259,068	9.3%

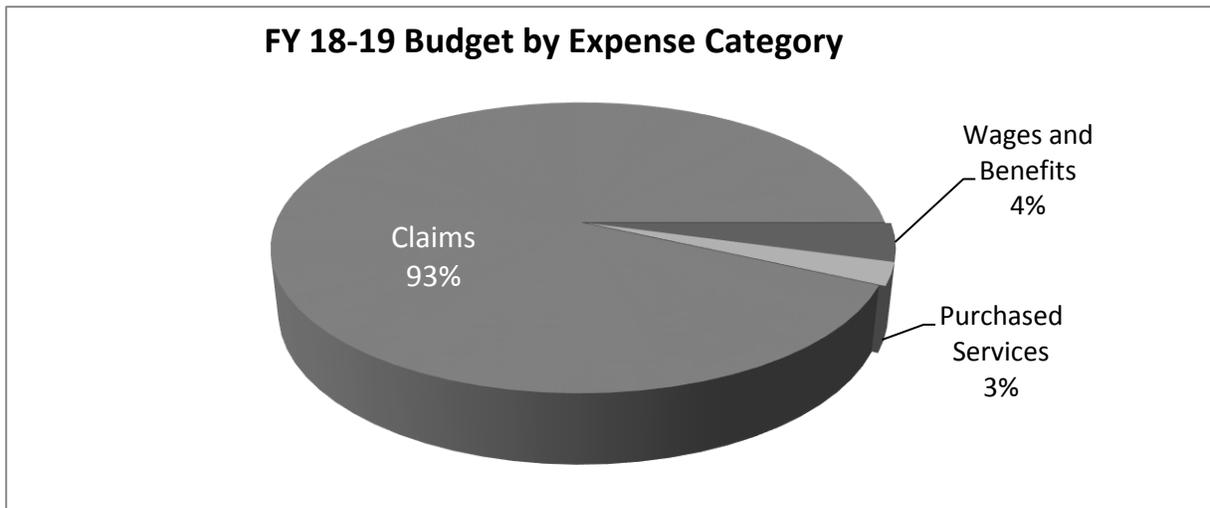
**Budget Highlights:**

- Salaries include funding for a 2.5% pay increase. Previous years salary line item included funding for 4 employees located within Risk Management and half of the salary of one Accountant position located in the Finance Department. The performance based budgeting has portions of 8 employees' salaries. The increase in benefits is largely due to the rising cost of healthcare, workers' compensation, and employee retirement.
- The allowance for professional services was decreased by \$340,206. The total amount allotted for the third party administrator, broker, and actuary is \$149,600.
- Funding allotted for medical claims was increased by 8% and 2.5% for indemnity to account for medical inflation.

**Occupational Health & Risk Management (Self Insurance)**

111020

<b>Operating Expenditures</b>	<b>FY 16-17 Actual</b>	<b>FY 17-18 Budget</b>	<b>FY 18-19 Budget</b>	<b>Change from prior year</b>
<b>Administrative Costs</b>				
Salaries and wages	\$ 277,651	\$ 281,815	\$ 319,443	13.4%
Employee benefits	58,642	107,252	117,441	9.5%
Purchased services	104,094	564,546	198,573	-64.8%
Materials	63,543	61,577	62,271	1.1%
Subtotal Expenses/Requirements:	\$ 503,930	\$ 1,015,190	\$ 697,728	-31.3%
Risk Management Claims	7,087,431	8,371,504	9,561,340	14.2%
<b>Total Expenditures</b>	<b>\$ 7,591,360</b>	<b>\$ 9,386,694</b>	<b>\$ 10,259,068</b>	<b>9.3%</b>



<b>Operating Revenues by Fund</b>	<b>FY 16-17 Actual</b>	<b>FY 17-18 Budget</b>	<b>FY 18-19 Budget</b>	<b>Change from prior year</b>
<b>606 Risk Management</b>				
Use of Money and Property	\$ 117,486	\$ -	\$ -	0.00%
Miscellaneous Revenue	7,401,775	9,386,694	10,259,068	9.29%
Recovered Costs	396,664	-	-	0.00%
<b>Total Revenues</b>	<b>\$ 7,915,924</b>	<b>\$ 9,386,694</b>	<b>\$ 10,259,068</b>	<b>9.3%</b>
Transfers from General Fund	9,415	-	-	0.00%
<b>Total Resources</b>	<b>\$ 7,925,339</b>	<b>\$ 9,386,694</b>	<b>\$ 10,259,068</b>	<b>9.29%</b>
<b>Use of Resources</b>				
Operations	\$ 7,591,360	\$ 9,386,694	\$ 10,259,068	9.3%
Contribution to Fund Balance	333,979	-	-	N/A
	<b>\$ 7,925,339</b>	<b>\$ 9,386,694</b>	<b>\$ 10,259,068</b>	<b>9.29%</b>
<b>Budget by Fund:</b>				
606 Risk Management	\$ 7,591,360	\$ 9,386,694	\$ 10,259,068	9.3%

**Occupational Health & Risk Management (Self Insurance)**

111020

**Position Complement**

Personnel:		FY 16-17	FY 17-18	FY 18-19	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
127	*Safety Officer	1.00	1.00	1.00	0.00
<b>Total Department Personnel</b>		<b>4.00</b>	<b>4.00</b>	<b>4.00</b>	<b>0.00</b>

*\*Safety Officer - upgrade from 126 to 127 effective 7/1/18*

**DEPARTMENT SERVICE INFORMATION**

**12428 Occupational Health and Risk**

- Analyze risk exposures including accident and claims trends to provide analysis.
- Purchase insurance coverage at the most effective levels within budgetary limits.

<b>FY 2019 Budget and Staffing</b>	<b>\$ 10,259,068</b>	<b>4.00 FTE</b>
<b><u>Operating and Performance Measures</u></b>		
<b>Work Load Measures</b>		
Number of Workers' Comp Cases open		351
Number of all other insurance cases open		80
Number of safety site inspections with follow-up		30

**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
- High Deductible Health Plan (HDHP).

The high deductible health plan is least costly plan because participants must pay much more of their initial health expenses. 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).

The City offers several fully-insured programs to employees, including dental and vision care. Because those programs are fully insured, they are not excluded in the Health Insurance Fund.

**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 (HIPPA) regulations for group health plans.
- Maintain an acceptable level of risk by purchasing excess insurance policies for protection from large claims and large numbers of catastrophic claims.

<b>Budget by Program</b>		<b>FY 16-17</b>	<b>FY 17-18</b>	<b>FY 18-19</b>	<b>Change from</b>
		<b>Actual</b>	<b>Budget</b>	<b>Budget</b>	<b>prior year</b>
HMO	Health Maintenance Orgn	16,296,287	18,746,745	18,430,837	-1.7%
PPO	Preferred Provider	2,963,100	3,521,719	1,823,002	-48.2%
POS	Point of Service	15,198,198	17,663,096	17,353,432	-1.8%
HDHP	High Deductible Plan	686,375	638,440	2,637,229	313.1%
<b>Total Expenditures</b>		<b>35,143,960</b>	<b>40,570,000</b>	<b>40,244,500</b>	<b>-0.8%</b>

**Budget by Participant Group**

ACT	Active employees	27,222,328	31,307,729	30,842,787	-1.5%
RET	Retirees	6,660,660	7,679,593	7,217,028	-6.0%
COB	Former employees (COBRA)	1,260,972	1,582,678	2,184,685	38.0%
<b>Total Expenditures</b>		<b>35,143,960</b>	<b>40,570,000</b>	<b>40,244,500</b>	<b>-0.8%</b>

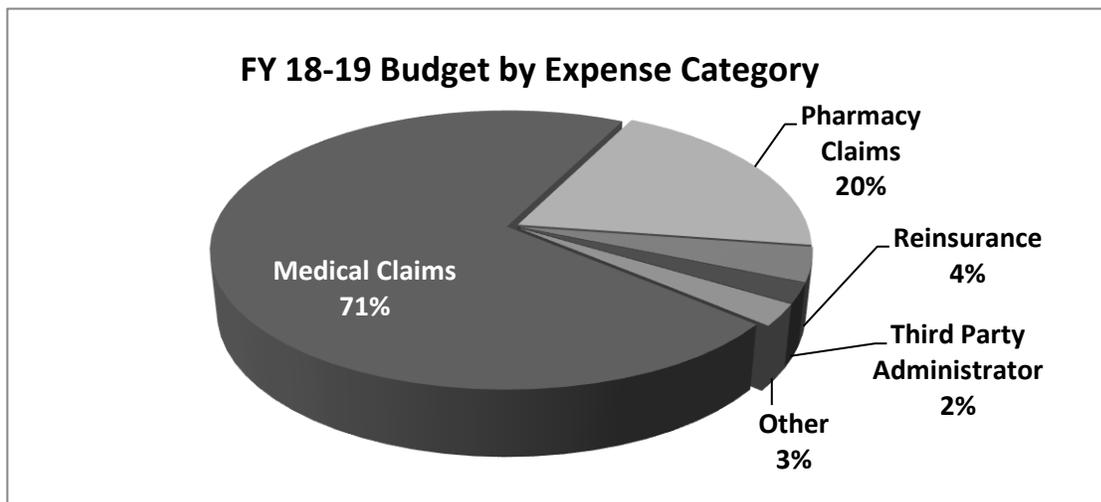
**Health Insurance Fund**

**111020**

**Budget Highlights:**

- 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 2018, the City will pay \$1,000 to the HSA of each employee enrolled in the HDHP. Lower contributions will be considered in future years.
- Healthcare is expected to grow by 8.0% annually.

	FY 16-17	FY 17-18	FY 18-19	Change from
Operating Expenditures	Actual	Budget	Budget	prior year
Medical Claims	\$ 23,252,468	\$ 27,026,246	\$ 28,711,481	6.2%
Pharmacy Claims	8,560,734	9,760,176	7,994,500	-18.1%
Reinsurance	1,520,138	1,806,123	1,592,007	-11.9%
Third Party Administrator	893,609	969,972	926,731	-4.5%
Wellness Program	271,145	320,658	330,000	2.9%
Health and Disease Management	633,408	686,825	689,781	0.4%
Related Services	12,457	-	-	
<b>Total Expenditures</b>	<b>\$ 35,143,960</b>	<b>\$ 40,570,000</b>	<b>\$ 40,244,500</b>	<b>-0.8%</b>



	FY 16-17	FY 17-18	FY 18-19	Change from
Operating Revenues by Fund	Actual	Budget	Budget	prior year
<b>605 Self-Funded Health Plan</b>				
Use of Money and Property	\$ 15,609	\$ -	\$ 16,000	100.00%
Miscellaneous	35,334,354	40,570,000	40,228,500	-0.84%
Recovered Costs	379,306	-	-	0.00%
<b>Total Revenues</b>	<b>\$ 35,729,270</b>	<b>\$ 40,570,000</b>	<b>\$ 40,244,500</b>	<b>-0.80%</b>
Transfers from other funds	-	-	-	0.00%
Addition to Fund Balance	(585,310)	-	-	0.0%
<b>Total Resources</b>	<b>\$ 35,143,960</b>	<b>\$ 40,570,000</b>	<b>\$ 40,244,500</b>	<b>-0.80%</b>

**Health Insurance Fund**

**111020**

<b>DEPARTMENT SERVICE INFORMATION</b>	
<b>Self-Insured Healthcare</b>	
<u>Operating and Performance Measures</u>	<u>FY 18-19</u>
<b>Work Load Measures</b>	
Number of insurance contracts	
Active contracts	2,856
Retired contracts	411
COBRA contracts	13
	<b>3,280</b>
Members enrolled	
Active members	5,656
Retired members	668
COBRA members	17
	<b>6,341</b>
Medical Costs per member	\$ 4,508.00
Pharmacy costs per member	\$ 1,558.00
Reinsurance costs per member	\$ 251.00

## Information Technology

111040

### Description:

The Information Technology Department provides centralized and distributed information technology services to City departments and the Chesapeake School Administration. These services include the strategy and planning, design, development, integration, testing, deployment, administration, and monitoring of all enterprise and business applications and the associated hardware and wired and wireless network infrastructure. The IT Department also manages information security, provides business continuity and disaster recovery services, end user device and telephone services, mass notifications and mobile radio services, and supports the city's Intranet and Internet connectivity and properties, and social media presence.

### Goals

- To provide secure, cost effective client computing, connectivity, productivity, print, communications, and collaboration solutions to city employees.
- To design, develop, support, and operate secure, cost effective business application services that meet the needs of city employees and the citizens we serve.
- To deploy, support, operate and secure cost effective data center, compute, storage and network services that support the city's business application and end user needs.
- To design, develop, support and operate secure, cost effective digital government platform services that support the delivery of city services and encourages citizen engagement.

Budget by Service		FY 16-17	FY 17-18	FY 18-19	Change from
		Actual	Budget	Budget	prior year
12509	Enterprise Application Services	\$ 1,629,390	\$ 1,990,839	\$ -	-100.0%
12510	Administration	807,254	984,880	-	-100.0%
12511	Enterprise Software Develop.	1,566,158	1,648,478	-	-100.0%
12512	Computer Operations	419,092	531,625	-	-100.0%
12513	Technical Support	1,775,648	2,454,550	-	-100.0%
12514	Desktop Support	643,760	643,984	-	-100.0%
12515	Mainframe Operations	865,746	-	-	0.0%
12517	PC Replacement Plan	889,191	1,155,534	-	-100.0%
12516	Geographic Information Systems (GIS)/Platform Svcs	479,975	739,531	582,384	-21.2%
12518	Enterprise Financial System	562,389	691,856	-	-100.0%
12519	E-Gov Operations	318,625	442,120	-	-100.0%
31404	800 MHz Maint/Replacement	1,486,299	1,372,020	1,527,399	11.3%
12221	Data Security Administration	190,395	259,491	290,715	12.0%
12530	End User Services	-	-	2,191,463	0.0%
12532	Business Application Services	-	-	5,038,126	0.0%
12533	Infrastructure Services	-	-	5,672,032	0.0%
<b>Total By Program</b>		<b>\$ 11,633,921</b>	<b>\$ 12,914,908</b>	<b>\$ 15,302,119</b>	<b>18.5%</b>

*As a part of the move to performance based budgeting expenditures for FY18-19 are displayed by service rather than by program. Accordingly, spending by the Information Technology Department is shown in six service areas.*

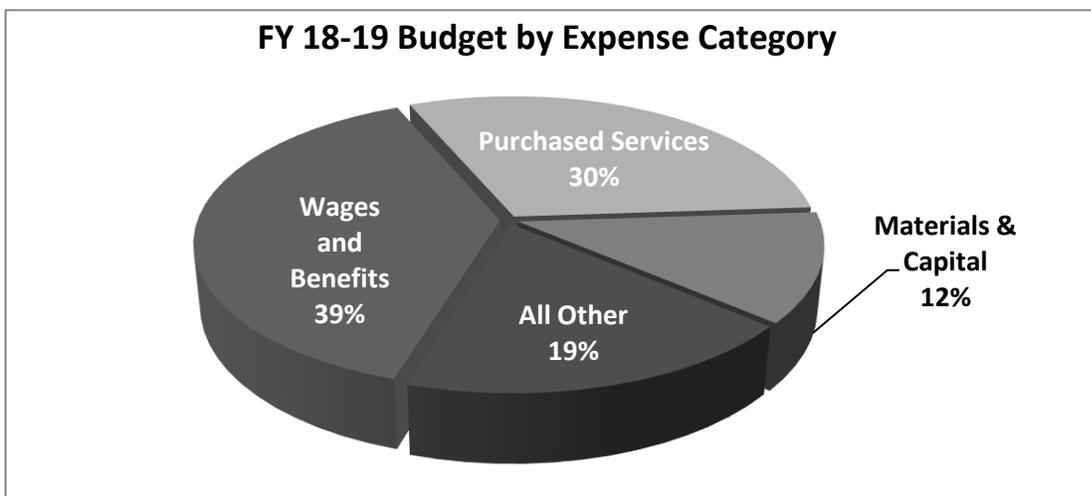
**Information Technology**

**111040**

**Budget Highlights:**

- Salaries include funding for a 2.5% pay increase. One full-time Systems Security Manager position will be added to the department's personnel complement. The newly created position is needed to help address expanding security concerns within the city. The increase in benefits is largely due to the rising cost of healthcare and an increase in retirement costs.
- The largest increase in the department's budget was the inclusion of \$1,250,610 to reinstitute the mainframe. Funding is needed for licensing and consultants to continue work on this project.
- Funding was included to allow for inflationary increases for such items as contracts, licenses, and software maintenance agreements. The largest of which is \$662,147 for the renewal of the Microsoft maintenance and support contract. Funding for Maximo Hosting, Kronos Mobile license, and FirstNet AirCards, and CSR Mobile hosting were previously funded in the Capital Improvement Budget, but are now included in the operating budget.
- Funding was included to allow for email phishing testing and online security awareness training.
- The department will have a presence in the new Public Safety Operations Building. Additional funding has been added to their budget for utilities.

<b>Operating Expenditures</b>	<b>FY 16-17 Actual</b>	<b>FY 17-18 Budget</b>	<b>FY 18-19 Budget</b>	<b>Change from prior year</b>
Salaries and wages	\$ 3,547,736	\$ 4,063,092	\$ 4,228,739	4.1%
Employee benefits	1,314,626	1,567,155	1,713,413	9.3%
Purchased services	4,593,092	5,004,816	4,648,254	-7.1%
Other expenditures	657,656	851,033	2,832,927	232.9%
Materials	1,368,358	1,298,812	1,748,786	34.6%
Capital outlay	152,453	130,000	130,000	0.0%
<b>Total Expenditures</b>	<b>\$ 11,633,921</b>	<b>\$ 12,914,908</b>	<b>\$ 15,302,119</b>	<b>18.5%</b>



**Information Technology**

111040

Operating Revenues by Fund		FY 16-17 Actual	FY 17-18 Budget	FY 18-19 Budget	Change from prior year
<b>100</b>	<b><u>General Fund</u></b>				
	General Fund Support	\$ 190,395	\$ 259,491	\$ 290,715	12.0%
	<b>Total Resources</b>	<b>\$ 190,395</b>	<b>\$ 259,491</b>	<b>\$ 290,715</b>	<b>12.0%</b>
<b>207</b>	<b><u>E-911 Operations</u></b>				
	Other Local Taxes	\$ 1,377,866	\$ 1,372,020	\$ 1,372,020	0.0%
	Use of Money and Property	18,182	-	-	0.0%
	Federal Aid	-	-	-	0.0%
	<b>Total Revenues</b>	<b>\$ 1,396,048</b>	<b>\$ 1,372,020</b>	<b>\$ 1,372,020</b>	<b>0.0%</b>
	Transfer from General Fund	80,229	106,458	155,379	45.95%
	Transfer from Other Funds	163,888	1,000	-	
	<b>Total Resources</b>	<b>\$ 1,640,165</b>	<b>\$ 1,479,478</b>	<b>\$ 1,527,399</b>	<b>3.24%</b>
	<b>Use of Resources</b>				
	Operations	\$ 1,486,299	\$ 1,372,020	\$ 1,527,399	11.3%
	Contribution to Fund Balance	153,867	107,458	-	-100.0%
		<b>\$ 1,640,165</b>	<b>\$ 1,479,478</b>	<b>\$ 1,527,399</b>	<b>3.24%</b>
<b>603</b>	<b><u>Technology Fund</u></b>				
	Use of Money and Property	\$ 264,710	\$ 36,315	\$ 35,826	-1.3%
	Miscellaneous Revenue	9,545,097	11,247,082	13,448,069	19.6%
	Recovered Costs	1,666	-	-	0.0%
	<b>Total Revenues</b>	<b>\$ 9,811,473</b>	<b>\$ 11,283,397</b>	<b>\$ 13,483,895</b>	<b>19.5%</b>
	Transfers from General Fund	283,809	866,500	-	-100.00%
	Transfers from Capital Fund	475,178	-	-	
	Use of Fund Balance	-	-	995,110	0.0%
	<b>Total Resources</b>	<b>\$ 10,570,460</b>	<b>\$ 12,149,897</b>	<b>\$ 14,479,005</b>	<b>19.17%</b>
	<b>Use of Resources</b>				
	Operations	\$ 9,957,227	\$ 11,283,397	\$ 13,484,005	19.5%
	Transfers to the E-911 Fund	163,888	1,000	-	-100.0%
	Transfer to Capital Fund	-	140,000	995,000	610.7%
	Addition to Fund Balance	449,345	725,500	-	-100.0%
		<b>\$ 10,570,460</b>	<b>\$ 12,149,897</b>	<b>\$ 14,479,005</b>	<b>19.17%</b>
<b>Budget by Fund:</b>					
	100 General Fund	\$ 190,395	\$ 259,491	\$ 290,715	12.0%
	207 E-911 Operations	1,486,299	1,372,020	1,527,399	11.3%
	603 Information Technology	9,957,227	11,283,397	13,484,005	19.5%
	<b>Total by Fund</b>	<b>\$ 11,633,921</b>	<b>\$ 12,914,908</b>	<b>\$ 15,302,119</b>	<b>18.5%</b>

**Information Technology**

**111040**

<b>Personnel:</b>		<b>FY 16-17</b>	<b>FY 17-18</b>	<b>FY 18-19</b>	<b>Change from</b>
<b>Grade</b>	<b>Positions</b>	<b>Budget</b>	<b>Budget</b>	<b>Budget</b>	<b>prior year</b>
115	Office Coordinator	1.00	1.00	1.00	0.00
118	Computer Support Technician	2.00	3.00	3.00	0.00
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	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	6.00	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	7.00	7.00	7.00	0.00
130	Software Quality Engineer I	1.00	1.00	1.00	0.00
131	Network Engineer II	3.00	3.00	3.00	0.00
132	Development/Ops Engineer	1.00	1.00	1.00	0.00
132	Systems Analyst II	2.00	2.00	2.00	0.00
133	Software Engineer II	1.00	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	1.00	1.00	1.00	0.00
134	Database Administrator II	1.00	1.00	1.00	0.00
134	Software Engineer III	1.00	1.00	1.00	0.00
134	GIS Administrator	1.00	1.00	1.00	0.00
134	Systems Analyst III	1.00	1.00	1.00	0.00
135	Strategic Technology Manager	1.00	1.00	1.00	0.00
135	System Dev. Coordinator	1.00	1.00	1.00	0.00
135	Systems Security Manager	0.00	0.00	1.00	1.00
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
<b>Total Department Personnel</b>		<b>54.00</b>	<b>55.00</b>	<b>56.00</b>	<b>1.00</b>

**Information Technology**

**111040**

**DEPARTMENT SERVICE INFORMATION**

**12530 End User Services**

Involves

- Client computing devices, software and connectivity to enable the workforce to access business applications; to communicate with other employees, partners and customers; and to create content using productivity software.
- All related delivery services associated with building, deploying, supporting and operating End User Services, including strategy and planning and security and compliance.

<b>FY 2019 Budget and Staffing</b>	<b>\$ 2,191,463</b>	<b>11.85 FTE</b>
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Operating and Performance Measures

**Work Load Measures**

# of end user related IT assets under management	6,833
# of inbound emails received	13,864,783
# of outbound emails sent	1,867,962
# of emails rejected for cause	8,902,950
# of anti-virus/malware incidents detected and cleaned	232 and 55
Desktop/Network print (pages per month)	15,177,583

**12532 Business Application Services**

Involves

- Deliver business application services to enable the City to serve its citizens and to automate and support the organization’s internal operations.
- Business Application Services also includes all related delivery services associated with building, deploying, supporting and operating Business Applications, including strategy and planning and security and compliance.

<b>FY 2019 Budget and Staffing</b>	<b>\$ 5,038,126</b>	<b>25.12 FTE</b>
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Operating and Performance Measures

**Work Load Measures**

Business applications under management	125
Business application capital projects - in progress	27
Business application capital projects completed	3

**12533 Infrastructure**

Involves

- Infrastructure Services include the core infrastructure — facilities, compute, storage and network services — that are required to deliver any technology automation.

<b>FY 2019 Budget and Staffing</b>	<b>\$ 5,672,032</b>	<b>12.90 FTE</b>
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**Information Technology**

**111040**

**DEPARTMENT SERVICE INFORMATION**

**12533 Infrastructure Continued**

**Operating and Performance Measures**

**Work Load Measures**

# of infrastructure related IT assets under management	4,731
Amount of storage under management (Terabytes)	515
# of servers under management	594
# of network physical ports under management	1,349

**Performance Measures**

Infrastructure availability (Uptime)	99.99%
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**12516 Platform Services**

**Involves**

- Platform Services include the application infrastructure (database, middleware, data visualization, GIS, mass notifications, streaming, etc.) that enables business-facing applications and services. Typically, these are not directly consumed by users. They are components upon which end user and business application services are built.

<b>FY 2019 Budget and Staffing</b>	<b>\$ 582,384</b>	<b>4.13 FTE</b>
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**Operating and Performance Measures**

**Work Load Measures**

# of transactions - Mass Notifications Platform	1,032,043
# of transactions - Streaming Platform	26,698
# of transactions - Electronic Content Management	5,216,494

**Performance Measures**

Average platform availability (Uptime)	99.99%
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**31404 Public Safety Network Support**

**Involves**

- Provides maintenance support for the Public Safety and operational services departments radio system.

<b>FY 2019 Budget and Staffing</b>	<b>\$ 1,527,399</b>	<b>1.00 FTE</b>
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**12221 Data Security Administration**

**Involves**

- 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 networking 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).

<b>FY 2019 Budget and Staffing</b>	<b>\$ 290,715</b>	<b>1.00 FTE</b>
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**Non - Departmental**

**111100**

**Description:**

The Non-departmental costs are focused on City-wide expenses that are not related to a specific department. It also includes contingencies that will be allocated to departments as estimates are finalized or needs are identified.

- **Outside Agencies** includes City support for non-profit organizations providing services to citizens.
- **Regional Cooperation & Support** includes Real Estate tax relief for eligible elderly and disabled homeowners, as well as, dues and memberships in agencies promoting region-wide cooperation.
- **City-Wide Operations** includes costs that are not specific to a particular City department.
- **Contingencies** are included in the budget to address unforeseen demands or specific costs that are not well-defined during budget development.
- **Emergency Event Contingency** provides immediate funding for materials, supplies, and overtime costs incurred during inclement weather or other declared emergencies.

<b>Budget by Program</b>	<b>FY 16-17 Actual</b>	<b>FY 17-18 Budget</b>	<b>FY 18-19 Budget</b>	<b>Change from prior year</b>
91300 Outside Agencies	\$ 494,558	\$ 330,635	\$ 398,857	20.6%
91304 City-Wide Operations	3,108,140	3,383,466	8,346,976	146.7%
91305 Airport Authority	315,630	278,506	294,050	5.6%
91311 Regional Cooperation & Support	5,850,177	6,749,857	6,809,063	0.9%
91400 Contingencies	-	1,110,430	985,000	-11.3%
91900 Emergency Event Contingency	-	400,000	400,000	0.0%
93002 Emergency Events	1,995,834	-	-	N/A
<b>Total By Program</b>	<b>\$ 11,764,338</b>	<b>\$ 12,252,894</b>	<b>\$ 17,233,946</b>	<b>40.7%</b>

**Non - Departmental**

**111100**

	FY 16-17 Actual	FY 17-18 Budget	FY 18-19 Budget	Change from prior year
<b>Outside Agencies - 91300</b>				
<b>Boards and Commissions</b>				
Commission on Health and Well Being	\$ -	\$ 5,800	\$ -	-100.0%
Commission on Aging	-	2,250	-	-100.0%
Mayor's Commission Veterans Affairs	718	360	400	11.1%
South Norfolk Revitalization	-	225	-	-100.0%
Other Boards & Commissions	14,433	-	10,000	N/A
<b>Services and Grants</b>	-			
Child Abuse Ctr of Hampton Roads	16,000	16,000	10,000	-37.5%
Children's Harbor	4,009	4,000	5,000	25.0%
CHIP (Ches. Health Investment Program)	10,000	5,000	10,000	100.0%
Comprehensive Plan for Youth & 55+	2,182	35,500	72,600	104.5%
Kin and Kids Consulting (Grandparents raising children)	-	5,000	-	-100.0%
Endeppence Center (Tidewater)	20,000	20,000	10,000	-50.0%
Foodbank -- Southeastern Virginia	13,750	10,000	10,000	0.0%
Free Clinic	142,500	142,500	140,000	-1.8%
Help & Emergency Response	20,000	15,000	10,000	-33.3%
Legal Aid Society of Eastern Virginia	4,500	4,000	5,000	25.0%
Senior Services of SE VA	-	15,000	10,000	N/A
Commission on Substance Abuse	5,758	-	-	
Professional Services	130,000	-	-	
For Kids / Our House Families	60,162	50,000	47,000	-6.0%
PARC Place	546	-	-	N/A
TBA/Homearama	50,000	-	-	N/A
Opportunity Inc.	-	-	58,857	N/A
	<b>\$ 494,558</b>	<b>\$ 330,635</b>	<b>\$ 398,857</b>	<b>20.6%</b>

**Non - Departmental**

**111100**

<b>City-Wide Operations - 91304</b>	<b>FY 16-17 Actual</b>	<b>FY 17-18 Budget</b>	<b>FY 18-19 Budget</b>	<b>Change from prior year</b>
Equipment Leases - Fire Hydrants	1,096,390	\$ 1,171,390	\$ 1,201,000	2.5%
Stormwater Management Fees	320,255	365,000	325,000	-11.0%
Line of Duty Benefits	657,156	674,100	851,400	26.3%
Oak Grove Connector - Principal	1,485,000	1,560,000	1,640,000	5.1%
Oak Grove Connector - Interest	505,000	430,750	354,000	-17.8%
Risk Management Other	-	-	-	0.0%
Environmental Protection Initiatives	48,461	225,000	159,250	-29.2%
Edinburgh Development Payments	719,753	762,000	475,000	-37.7%
Capital/Operating Contribution -				
Greenbrier Parking Garage	-	-	100,000	0.0%
Chesapeake Homes	-	-	215,250	0.0%
Land Bank Authority	-	-	3,000,000	0.0%
Chesapeake Public Health Initiative	-	-	975,000	0.0%
Process Improvement Initiative	-	-	500,000	0.0%
Retirement - Employee Benefits	1,124	1,226	1,226	0.0%
Overhead Allocation- Other Funds	(1,725,000)	(1,806,000)	(1,450,150)	-19.7%
	<b>\$ 3,108,140</b>	<b>\$ 3,383,466</b>	<b>\$ 8,346,976</b>	<b>146.7%</b>
Chesapeake Airport Authority	315,630	278,506	294,050	5.6%
<b>Total City-Wide Operations</b>	<b>\$ 3,423,770</b>	<b>\$ 3,661,972</b>	<b>\$ 8,641,026</b>	<b>136.0%</b>

**Budget Highlights:**

- The FY 2019 budget includes a new initiative focused on improving organizational effectiveness and efficiency through Process Improvements (PI). PI has been used in many organizations, both private and public to improve how employees perform their jobs. The goal is to increase worker productivity in order to better meet customer demands. The efforts are focused on increasing capacity to serve growing customer demands.
- 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**

**111100**

<b>Regional Cooperation and Support - 91311</b>	<b>FY 16-17 Actual</b>	<b>FY 17-18 Budget</b>	<b>FY 18-19 Budget</b>	<b>Change from prior year</b>
<b>Real Estate Tax Relief</b>	\$ 2,245,219	\$ 2,520,000	\$ 2,100,000	-16.7%
<b>Transit Operating Agreement</b>	2,783,757	2,700,000	2,835,000	5.0%
<b>Dues &amp; Memberships</b>				
Chamber of Commerce	8,700	8,700	8,700	0.0%
Clean Community System	15,017	15,500	15,800	1.9%
Hampton Roads Planning Commission	242,693	262,087	295,633	12.8%
<b>Local and Regional Community Development Funds</b>				
Tidewater Community College	66,500	66,500	66,500	0.0%
Highway Safety Commission	205	1,500	750	-50.0%
Hampton Roads Economic Dev. Alliance	221,702	226,150	232,900	3.0%
Eastern Virginia Medical School	84,969	85,200	89,300	4.8%
H. Rds. Military & Fed. Facilities Alliance	117,820	120,175	120,250	0.1%
Economic Develop Incentive Program	47,500	451,815	794,230	75.8%
Southeastern Virginia Health System	-	250,000	250,000	100.0%
Economic Development Authority	6,399	31,115	-	-100.0%
Chesapeake Port Authority	9,696	11,115	-	-100.0%
	<b>\$ 5,850,177</b>	<b>\$ 6,749,857</b>	<b>\$ 6,809,063</b>	<b>0.9%</b>

**Budget Highlights:**

- Real estate tax relief is provided to elderly and 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 Health 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 not 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 2019.

**Non - Departmental**

**111100**

	FY 16-17 Actual	FY 17-18 Budget	FY 18-19 Budget	Change from prior year
<b>Contingencies - 91400</b>				
Council Contingency	\$ -	\$ 145,000	\$ 10,000	-93.1%
Salary Contingency	-	360,430	375,000	4.0%
Long Term Disability Contingency	-	-	-	0.0%
Emergency Event Contingency	-	400,000	400,000	0.0%
VRS/Group Life Contingency	-	-	-	0.0%
Health Insurance Contingency	-	230,000	225,000	-2.2%
City Operating Contingency	-	375,000	375,000	0.0%
Small Grant Match Contingency	-	-	-	N/A
Storm Events	1,995,834	-	-	
	<b>\$ 1,995,834</b>	<b>\$ 1,510,430</b>	<b>\$ 1,385,000</b>	<b>-8.3%</b>

**Budget Highlights:**

- Funds are not usually paid directly from the Contingency, but rather moved to the appropriate department's expense line.
- Health Insurance and the Salary contingency are budgeted in contingencies until approved, then transferred to departments for actual expenditures.
- The salary contingency includes funding for general changes in personnel classifications during the fiscal year.

Operating Revenues	FY 16-17 Actual	FY 17-18 Budget	FY 18-19 Budget	Change from prior year
<b>Fund Resource</b>				
General Fund Support	\$ 11,764,338	\$ 12,252,894	\$ 17,233,946	40.7%
<b>Total Resources</b>	<b>\$ 11,764,338</b>	<b>\$ 12,252,894</b>	<b>\$ 17,233,946</b>	<b>40.7%</b>

**Budget by Fund:**

100 General Fund	\$ 11,764,338	\$ 12,252,894	\$ 17,233,946	40.7%
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