

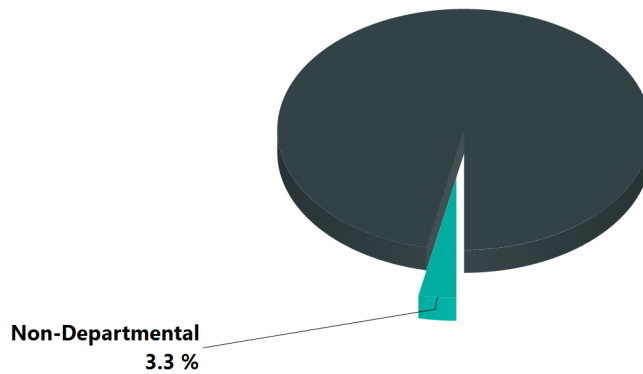
Non-Departmental

Summary

Budget by Department	FY 18-19 Actual	FY 19-20 Budget	FY 20-21 Budget	Change from prior Year
111100 Debt Service	\$ 37,801,120	\$ 42,617,449	\$ 43,275,400	1.5%
111100 Non-Departmental	14,433,152	7,261,726	(5,365,967)	-173.9%
Total Expenditures	\$ 52,234,272	\$ 49,879,175	\$ 37,909,433	-24.0%
Less Billings to Other Departments	-	-	-	-
Total Non-Departmental	\$ 52,234,272	\$ 49,879,175	\$ 37,909,433	-24.0%

Non-Departmental

Total City Budget - \$1,162.2 Million



Debt Service**111100****Description:**

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.

Department Objectives:

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 are 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.
- Equipment or improvements must have an expected useful life of at least four years.
- Chesapeake will determine and utilize the least costly financing method available.
- 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.
- 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.
- Short-term tax and other revenue anticipation debt will not exceed anticipated revenue (federal or state grants) or anticipated proceeds of long-term financing.

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.

Budget by Program		FY 18-19 Actual	FY 19-20 Budget	FY 20-21 Budget	Change from prior Year
95100	Debt Services	\$ 37,801,120	\$ 42,617,449	\$ 43,275,400	1.5%
Total by Program		\$ 37,801,120	\$ 42,617,449	\$ 43,275,400	1.5%

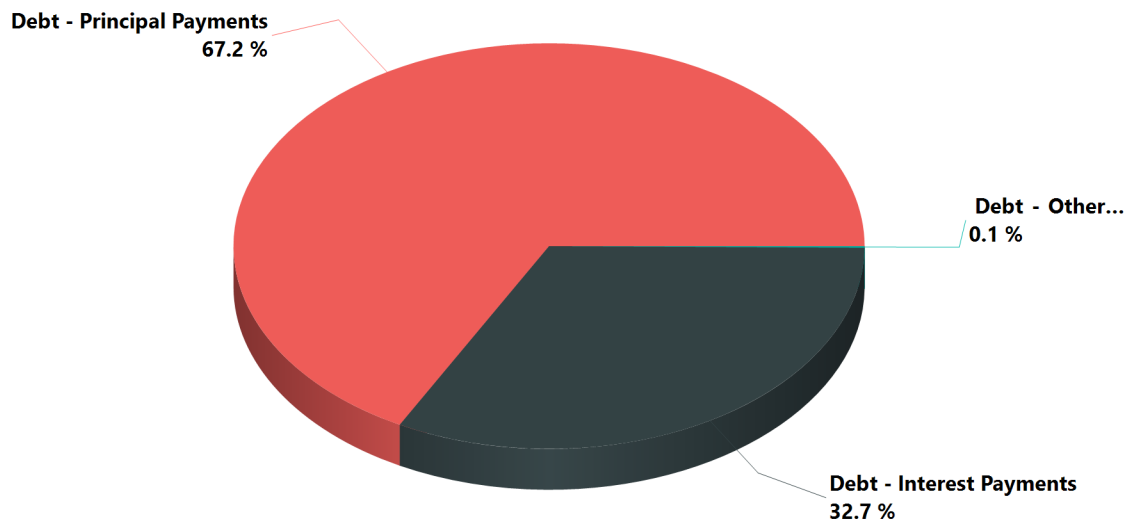
Budget by Service		FY 18-19 Actual	FY 19-20 Budget	FY 20-21 Budget	Change from prior Year
7300	Debt Service	\$ 37,801,120	\$ 42,617,449	\$ 43,275,400	1.5%
Total by Service		\$ 37,801,120	\$ 42,617,449	\$ 43,275,400	1.5%

Debt Service

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		FY 18-19	FY 19-20	FY 20-21	Change from
Operating Expenditures		Actual	Budget	Budget	prior Year
1690	Debt - Other Payments	\$ 33,854	\$ 55,000	\$ 55,000	0%
1691	Debt - Principal Payments	25,019,586	27,872,635	29,060,412	4.3%
1692	Debt - Interest Payments	12,747,680	14,689,814	14,159,988	-3.6%
Total Expenditures		\$ 37,801,120	\$ 42,617,449	\$ 43,275,400	1.5%

FY 20-21 Budget by Expense Category



Budget Highlights:

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 the 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. However, the City Charter provides 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 bones 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

Debt Service

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assessment for taxes. Contractual obligations of the City other than bonds and notes are not included within the prohibitions described in this paragraph.

Determination of Legal Debt Limit and Margin:

- Assessed Value of taxable real estate at June 30, 2019 \$27,625 million
- Legal debt limit - 10% of assessed value 2,762 million
- General Obligation bonds and debt outstanding 285 million
- Legal Debt Margin - maximum amount of new debt \$ 2,477 million

Most general government debt is funded through the two lockboxes established for capital or from one of the two TIF Funds. Approximately \$2.9 million of annual debt service on debt that preceded the establishment of these mechanisms is covered by a surplus in the Debt Service Fund.

		FY 18-19	FY 19-20	FY 20-21	Change from
Operating Resources		Actual	Budget	Budget	prior Year
Revenue:					
1415	Use of Money & Property	\$ 398,504	\$ 54,889	\$ 49,400	-10.0%
1418	Miscellaneous Local Revenues	453,191	458,195	498,326	8.8%
1432	Federal Government	876,007	841,467	806,218	-4.2%
Total Revenues		\$ 1,727,702	\$ 1,354,551	\$ 1,353,944	0.0%
Other Resources:					
1321	Use of Fund Balance	\$ 916,019	\$ 3,614,734	\$ 2,942,574	-18.6%
1930	Transfer from Other Funds	1,099,129	356,280	354,830	-0.4%
1931	Transfers from General Fund	28,864,640	34,812,544	36,153,125	3.9%
1932	Transfers from Capital Funds	2,717,640	-	-	-
1933	Transfers from TIF Funds	2,475,990	2,479,340	2,470,927	-0.3%
Total Resources		\$ 37,801,120	\$ 42,617,449	\$ 43,275,400	1.5%
Use of Resources:					
Expenditures		\$ 37,801,120	\$ 42,617,449	\$ 43,275,400	1.5%
Total Use of Resources		\$ 37,801,120	\$ 42,617,449	\$ 43,275,400	1.5%
Budget by Fund:					
401	Debt Service Fund	\$ 37,801,120	\$ 42,617,449	\$ 43,275,400	1.5%
Total by Fund		\$ 37,801,120	\$ 42,617,449	\$ 43,275,400	1.5%

Debt Service

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DEPARTMENT SERVICE INFORMATION

7300 Debt Service

Debt service represents the annual payments required principal and interest on bonds and other debt.

	FY 18-19	FY 19-20	FY 20-21
	Actual	Budget	Budget
Budget			
Direct Service Budget	\$ 37,801,120	\$ 42,617,449	\$ 43,275,400
Allocated Administrative/Support Costs	-	-	-
Total Budget	\$ 37,801,120	\$ 42,617,449	\$ 43,275,400
Staffing (FTE)	-	-	-
Operating and Performance Measures			

Non-Departmental

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Description:

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

- Outside Agencies includes City support for non-profit organizations providing services to citizens. Starting in FY 2020 outside agencies are included in department budgets.
- Regional Cooperation and Support includes dues and memberships in agencies promoting region-wide cooperation. Starting in FY 2020 outside agency payments are included in department budgets.
- City-Wide Operations includes costs that are not specific to a particular City department, including:
 - o Debt payments on Oak Grove Connector
 - o Credits for enterprise fund overhead allocations
 - o Stormwater management fees
 - o Administrative support of Land Bank Authority
 - o Public Health - Healthy Chesapeake
 - o Public Health - South Norfolk Clinic (Southeastern Health System)
- 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.

Non-Departmental accounts are included in the General Fund and are funded entirely from general tax revenue.

Department Objectives:

None

Budget by Program		FY 18-19 Actual	FY 19-20 Budget	FY 20-21 Budget	Change from prior Year
91300	Outside Agencies	\$ 369,802	\$ -	\$ 1	-
91304	Non-Departmental Items	5,413,860	5,876,726	(6,750,969)	-214.9%
91311	Regional Cooperation and Support	8,649,490	-	1	-
91400	Operating Contingencies	-	985,000	985,000	0%
91900	Emergency Event Contingencies	-	400,000	400,000	0%
Total by Program		\$ 14,433,152	\$ 7,261,726	\$ (5,365,967)	-173.9%

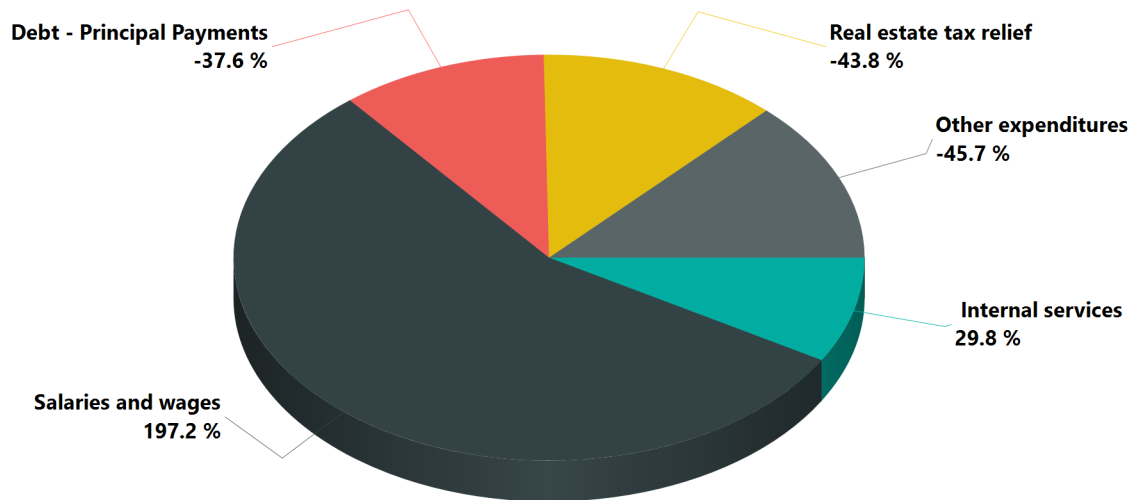
Budget by Service		FY 18-19 Actual	FY 19-20 Budget	FY 20-21 Budget	Change from prior Year
7350	Non-Departmental	\$ -	\$ 5,876,726	\$ (6,750,967)	-214.9%
7900	Contingencies	-	1,385,000	1,385,000	0%
Total by Service		\$ -	\$ 7,261,726	\$ (5,365,967)	-173.9%

Non-Departmental

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Operating Expenditures		FY 18-19 Actual	FY 19-20 Budget	FY 20-21 Budget	Change from prior Year
1520	Employee benefits	\$ 880,382	\$ 226,226	\$ 226,250	0.0%
1691	Debt - Principal Payments	1,640,000	1,720,000	2,015,000	17.2%
1692	Debt - Interest Payments	352,750	281,000	206,750	-26.4%
1730	Purchased services	41,308	-	-	-
1750	Other expenditures	1,803,220	325,000	325,002	0.0%
1770	Community agencies	4,351,934	2,742,500	907,400	-66.9%
1771	Real estate tax relief	2,173,395	2,329,000	2,350,000	0.9%
1790	Contingencies	-	785,000	785,000	0%
	Other expenditures	(1,450,150)	(1,147,000)	(12,181,369)	962.0%
Total Expenditures		\$ 14,433,152	\$ 7,261,726	\$ (5,365,967)	-173.9%

FY 20-21 Budget by Expense Category



Budget Highlights:

Starting in FY 2019-20, most costs previously included in the non-departmental section were moved to the department that is primarily responsible. This was done for two reasons: (1) More accurately state cost of services and (2) Improve internal vendor payment process and ensure appropriate payment approvals. This change affects department budget as follows:

Non-Departmental

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Moved to Community Programs Division of Human Services:

- a. Community Service Grants
- b. Comprehensive planning for youth and elderly

Moved to City Clerk - Boards and Commissions

Moved to Police, Fire and Sheriff - Line of Duty Program

Moved to City Attorney - Outside counsel (primarily for environmental defense)

Moved to Fire Department

- a. Rental and maintenance of fire hydrants
- b. Hampton Roads Planning District Commission - Medical Response

Moved to City Manager's Office

- a. Hampton Roads Planning District Commission and other regional organizations
- b. Process Improvement Initiative

Moved to Public Works - Hampton Roads Transit payments

Moved to Economic Development

- a. Support of the Economic Development Authority
- b. Economic Development Incentives
- c. Hampton Roads Economic Development Alliance

Approximate amount moved from Non-Departmental section: \$8,346,255

OPERATING REVENUE (next page)

Listed here are General Fund revenues that are not are undesignated and unassigned to specific purposes. These funds are available for funding general government and school activities. We have subtracted amounts that are used to fund specific departments (account 1450) leaving revenues available for transfers to other operating and capital funds.

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Non-Departmental**111100**

Operating Resources		FY 18-19 Actual	FY 19-20 Budget	FY 20-21 Budget	Change from prior Year
Revenue:					
1411	General Property Tax	\$ 336,657,321	\$ 348,907,916	\$ 348,421,871	-0.1%
1412	Other Local Taxes	134,783,136	137,202,242	120,857,818	-11.9%
1413	Licences, Permits, and Fees	2,720	5,000	2,070	-58.6%
1414	Fines and Forfeitures	1,414,896	1,704,200	1,032,155	-39.4%
1415	Use of Money & Property	4,601,665	1,951,000	995,900	-49.0%
1416	Charges for Services	225,451	114,600	81,600	-28.8%
1418	Miscellaneous Local Revenues	163,453	-	-	-
1419	Recovered Costs	22,348	-	-	-
1423	Commonwealth of Virginia - Non-Categorical	31,346,347	31,251,301	27,699,291	-11.4%
1424	Commonwealth of Virginia - Categorical: Other	1,102,509	1,000,000	-	-100%
1432	Federal Government	103,575	35,000	35,000	0%
1450	Other Non-Designated Revenue	(201,440,132)	(235,043,553)	(237,462,279)	1.0%
Total Revenues		\$ 308,983,289	\$ 287,127,706	\$ 261,663,426	-8.9%
Other Resources:					
1321	Use of Fund Balance	\$ -	\$ 21,564,376	\$ 66,941,690	210.4%
1930	Transfer from Other Funds	913,173	-	-	-
1932	Transfers from Capital Funds	548,649	-	-	-
1933	Transfers from TIF Funds	4,245,392	4,405,600	7,381,900	67.6%
Total Resources		\$ 314,690,503	\$ 313,097,682	\$ 335,987,016	7.3%
Use of Resources:					
	Expenditures	\$ 14,433,152	\$ 7,261,726	\$ (5,365,967)	-173.9%
1319	Fund Surplus	-	84,700	602,056	-85.9%
1320	Fund Balance Increases	22,075,618	-	57,500,721	-100%
1942	Transfers to Capital Funds	25,935,177	35,761,051	23,415,170	52.7%
1943	Transfers to Grant Funds	8,060	-	-	-
1944	Transfers to Other Operating Funds	21,914,383	21,584,661	15,055,911	43.4%
1946	Transfers to Debt Fund	28,864,640	34,812,544	36,153,125	-3.7%
1960	Transfers to School Operating Funds	201,225,385	213,593,000	208,626,000	2.4%
Total Use of Resources		\$ 314,456,415	\$ 313,097,682	\$ 335,987,016	-173.9%
Budget by Fund:					
		FY 18-19 Actual	FY 19-20 Budget	FY 20-21 Budget	Change from prior Year
100	General Fund	14,433,152	7,261,726	(5,365,967)	-173.9%
Total by Fund		\$ 14,433,152	\$ 7,261,726	\$ (5,365,967)	-173.9%

Non-Departmental

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DEPARTMENT SERVICE INFORMATION

7350 Non-Departmental

	FY 18-19 Actual	FY 19-20 Budget	FY 20-21 Budget
Budget			
Direct Service Budget	-	\$ 5,876,726	(\$ 6,750,967)
Allocated Administrative/Support Costs	-	-	-
Total Budget	-	\$ 5,876,726	(\$ 6,750,967)
Staffing (FTE)	-	-	-
Operating and Performance Measures			

Non-Departmental

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DEPARTMENT SERVICE INFORMATION

7900 Contingencies

	FY 18-19 Actual	FY 19-20 Budget	FY 20-21 Budget
Budget			
Direct Service Budget	-	\$ 1,385,000	\$ 1,385,000
Allocated Administrative/Support Costs	-	-	-
Total Budget	-	\$ 1,385,000	\$ 1,385,000
Staffing (FTE)	-	-	-
Operating and Performance Measures			