

Internal Services

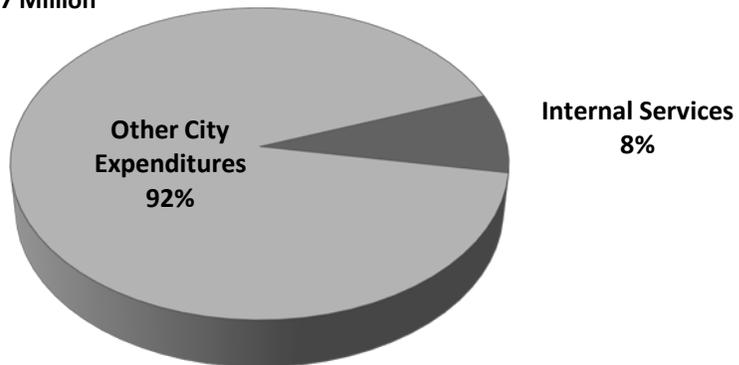
Summary

The City maintains four internal service funds to budget for the cost of services provided primarily to other departments. Internal service departments provide necessary functions throughout the organization and bill their services to other City departments. This section also includes the Debt Service for the City and Schools, and the other external agencies that receive funding from the City.

Budget by Service	FY 17-18 Actual	FY 18-19 Budget	FY 19-20 Budget	Change from prior year
Garage/Central Fleet	\$ 16,366,778	\$ 17,476,299	\$ 19,164,687	9.7%
Risk Management	8,798,749	10,259,068	10,895,671	6.2%
Health Insurance Fund	39,573,389	40,244,500	45,720,000	13.6%
Information Technology	11,750,173	15,302,119	15,838,482	3.5%
Total Expenditures	\$ 76,489,088	\$ 83,281,986	\$ 91,618,840	10.0%
Less Billings to Other Departments				
Garage/Central Fleet	\$ 14,652,190	\$ 16,477,370	\$ 17,336,722	5.2%
Risk Management	6,993,687	10,259,068	10,819,053	5.5%
Health Insurance Fund	34,758,674	35,252,200	39,872,000	13.1%
Information Technology	10,798,497	12,954,506	13,871,166	7.1%
Total Billings	\$ 67,203,048	\$ 74,943,144	\$ 81,898,941	9.3%
Net Expenditures	\$ 9,286,040	\$ 8,338,842	\$ 9,719,899	16.6%

Internal Services

Total City Budget - \$1111.17 Million



Internal Services share shown before revenue offset

Non-Departmental

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Occupational Health & Risk Management (Self Insurance)

111020

Description:

The Risk Management function is administered by the Finance Department. This 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 presented in the Governance and Management section).

Goals:

- Supports 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.
- Explores 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.
- Monitors and enhances the City-wide Safety Program to assist departments with setting standards for safety equipment and practices. Formulates individualized departmental training programs and analyzes 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.
- Continues to work with departments to limit liability exposures by making recommendations based on claim exposures. Also proactively makes recommendations for new activities, contracts or current practices, where issues may become apparent.

Budget by Service	FY 17-18 Actual	FY 18-19 Budget	FY 19-20 Budget	Change from prior year
12550 Occupational Health & Risk	\$ 8,798,749	\$ 10,259,068	\$ 10,895,671	6.2%

Occupational Health & Risk Management (Self Insurance)

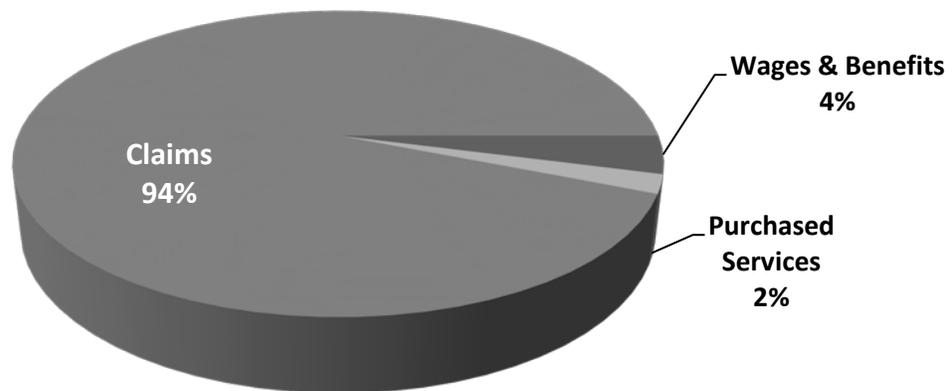
111020

Budget Highlights:

- Salaries include funding for a 3.25% pay increase. The change in salary and benefits is due to the change in the allocation percentages of employees assigned to the service area.
- Funding in the amount of \$8,170 was included for a drone insurance policy. The insurance protection will assist in mitigating risk to protect any potential future liability from increased drone usage in public such as any breach of privacy litigation or property damage.
- Funding is included to retain a CMS Reporting Contractor (\$10,000) and for appraisal services for determining current replacement values of City buildings (\$10,000).

	FY 17-18 Actual	FY 18-19 Budget	FY 19-20 Budget	Change from prior year
Operating Expenditures				
Administrative Costs				
1510 Salaries and wages	\$ 278,512	\$ 319,443	\$ 346,259	8.4%
1520 Employee benefits	87,564	117,441	89,113	-24.1%
1730 Purchased services	114,500	194,200	154,600	-20.4%
1767 Supplies - technology	48,440	49,627	61,236	23.4%
Other expenditures	12,541	24,586	27,327	11.1%
Subtotal	\$ 541,558	\$ 705,297	\$ 678,535	-3.8%
Risk Management Claims	8,257,191	9,553,771	10,217,136	6.9%
Total Expenditures	\$ 8,798,749	\$ 10,259,068	\$ 10,895,671	6.2%

FY 19-20 Budget by Expense Category



Occupational Health & Risk Management (Self Insurance)

111020

Operating Revenues by Fund	FY 17-18 Actual	FY 18-19 Budget	FY 19-20 Budget	Change from prior year
606 Risk Management				
Use of Money and Property	\$ 275,413	\$ -	\$ -	
Charges for Services (internal charges)	4,941,922	3,360,068	3,500,053	4.2%
Recovered worker compensation claims (internal charges)	2,196,325	7,099,000	7,519,000	5.9%
Recovered Costs (external)	695,967	-	-	
Revenue assigned to City Attorney's Office	(144,560)	(200,000)	(200,000)	0.0%
Total Revenues	\$ 7,965,067	\$ 10,259,068	\$ 10,819,053	5.5%
Transfers from General Fund	-	-	-	
Use of Fund Balance	833,682	-	76,618	100.00%
Total Resources	\$ 8,798,749	\$ 10,259,068	\$ 10,895,671	6.2%
Use of Resources				
Operations	\$ 8,798,749	\$ 10,259,068	\$ 10,895,671	6.2%
Contribution to Fund Balance	-	-	-	
Total Use of Resources	\$ 8,798,749	\$ 10,259,068	\$ 10,895,671	6.2%
Budget by Fund:				
606 Risk Management	\$ 8,798,749	\$ 10,259,068	\$ 10,895,671	6.2%

DEPARTMENT COMPLEMENT

Personnel: Grade	Positions	FY 17-18 Budget	FY 18-19 Budget	FY 19-20 Budget	Change from 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
Total Department Personnel		4.00	4.00	4.00	0.00

Occupational Health & Risk Management (Self Insurance)

111020

DEPARTMENT SERVICE INFORMATION

12550 Occupational Health and Risk

Identifies potential liabilities to the City, seeks methods to eliminate/reduce exposure and recommends alternative practices and safeguards. Procures insurance for those exposures that cannot be completely mitigated through insurance policies that reduce the City’s potential for serious loss. Provides guidance on safety policies and procedures through updates by OSHA and best safety practices. Limits workers’ compensation losses through appropriate management oversight and partnership with the Third Party Administrator. Performs work site inspections and accident investigations. Provides work process evaluations for appropriate safe practices.

	FY 17-18	FY 18-19	FY 19-20
Budget			
Direct Service Budget	\$ 8,798,749	\$ 10,259,068	\$ 10,895,671
Total Budget	\$ 8,798,749	\$ 10,259,068	\$ 10,895,671
Staffing (FTE)	4.00	4.00	4.00
Operating and Performance Measures			
Work Load Measures			
Workers' Comp Cases assigned	425	445	490
Workers' Comp Cases open	350	360	360
All other insurance cases assigned	450	520	530
All other insurance cases open	85	90	95
Safety site inspections with follow up	30	30	30
Safety, disability, & wellness committee meetings	4	4	4
Defensive driving courses conducted	3	4	4
Efficiency Measures			
Workers' Compensation Employee First Contacts by Risk Staff	99%	99%	99%
Work Place Hazard Assessments with Contract Services	2	3	3
Workers' Compensation Medical Savings Through TPA Network	40%	40%	40%
Complaint Response	100%	100%	100%
Property evaluations for Insurance	100%	100%	100%
Timely Insurance Renewals	100%	100%	100%
Performance Measures			
Workers' Compensation Cases Closed	60%	60%	60%

Central Fleet

112012

Description:

Central Fleet manages all of the rolling stock for the City, from procurement of the equipment through 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 maintains small power equipment (chainsaws, tractors, pumps, etc.) and manages the City’s motor pool fleet. It operates seven fueling sites located throughout the City for fueling City vehicles, including two compressed natural gas (CNG) stations, one propane station and one E85 station. It 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. It was also named one of the 50 Leading Fleets by the American Public Works Association and Government Fleet Magazine. The department was ranked #33 in North America in 100 Best Fleets Greener Fleet for the first time in 2018, and achieved Tier 2 of NAFA Sustainable Fleet Accreditation Program.

Goals:

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

Budget by Service	FY 17-18 Actual	FY 18-19 Budget	FY 19-20 Budget	Change from prior year
12520 Fleet Operations	\$ 10,382,288			
12521 Fleet Capital/Replacement Vehicles and Equipment	5,984,490			
7450 Fuel Station sales and Dispensing		\$ 4,254,712	\$ 4,580,116	7.6%
7410 Fleet Acquisition and Disposal		6,074,746	6,840,883	12.6%
7440 Fleet Repair and Service Management		6,498,549	7,261,627	11.7%
7430 Parts Management		412,901	374,220	-9.4%
7420 Fleet Environmental and Regulatory Management		235,391	107,841	-54.2%
Total by Service	\$ 16,366,778	\$ 17,476,299	\$ 19,164,687	9.7%

As a part of the move to performance based budgeting expenditures for FY19 & FY20 are displayed by service rather than by program. Accordingly, spending by Central Fleet is shown in five service areas.

Central Fleet

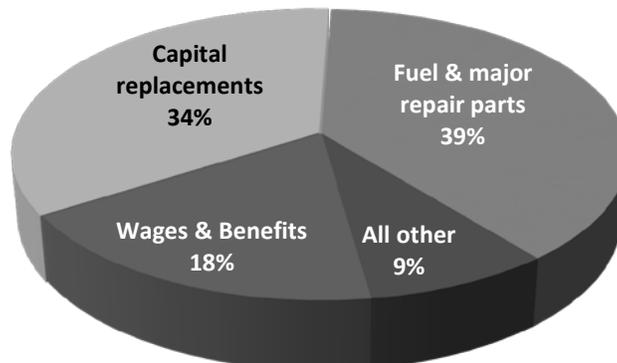
112012

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 3.25% pay increase along with an allowance for performance pay awards. One full-time Welder position was approved to be added to the personnel complement. One Customer Service Clerk I (Grade 109) position was approved to be reclassified to a newly created job classification entitled Service Writer (Grade 115) during the budget review process; however, the implementation of the reclassification occurred prior to the start of the FY 19-20 budget year. The personnel complement was adjusted by .50 FTE to accommodate the average hours worked by the three part-time (seasonal) Tradeshelper positions that were added to the department's complement during the FY19 budget year. The increase in benefits was largely due to the rising cost of healthcare.
- Funding for annual vehicle replacement was increased by \$500,000 to address the deferred replacement of waste management vehicles.
- Funding in the amount of \$16,000 was included to allow for the implementation of a \$500 supplemental payment for each ASE Master Certification obtained.
- The fuel budget includes funding for the purchase of gasoline, diesel, liquid propane gas (LPG), E85 (85% ethanol fuel/15% gasoline blend) and compressed natural gas (CNG) for City vehicles and equipment. The use of E85 is expected to increase.
- The one-time funding amount of \$1.5 million was left in the department's budget to address fleet replacement underfunding.

Operating Expenditures	FY 17-18 Actual	FY 18-19 Budget	FY 19-20 Budget	Change from prior year
1510 Salaries and wages	\$ 1,928,608	\$ 2,139,580	\$ 2,331,417	9.0%
1520 Employee benefits	898,886	923,920	1,155,533	25.1%
1733 Outside vehicle repairs	1,708,102	997,652	1,133,652	13.6%
1765 Auto parts and supplies	2,348,154	3,096,496	2,942,208	-5.0%
1768 Fuel (diesel and gasoline)	3,022,704	3,815,903	4,455,430	16.8%
1880 Capital Outlay	5,984,490	6,015,162	6,628,325	10.2%
Other expenditures	475,835	487,586	518,122	6.3%
Total Expenditures	\$ 16,366,778	\$ 17,476,299	\$ 19,164,687	9.7%

FY 19-20 Budget by Expense Category



Central Fleet

112012

Operating Revenues by Fund	FY 17-18 Actual	FY 18-19 Budget	FY 19-20 Budget	Change from prior year
601 Fleet Management				
Use of Money and Property	\$ 351,004	\$ -	\$ -	
Billings to City departments	14,652,190	16,477,370	17,336,722	5.2%
Outside Sales (including schools)	893,916	1,156,329	1,676,365	45.0%
Recovered Costs	172,728	-	-	0.0%
Total Revenues	\$ 16,069,838	\$ 17,633,699	\$ 19,013,087	7.8%
Transfers from General Fund	1,515,334	-	-	
Use of Fund Balance	-	-	151,600	100.0%
Total Resources	\$ 17,585,172	\$ 17,633,699	\$ 19,164,687	8.7%
Use of Resources				
Operations	\$ 16,366,778	\$ 17,476,299	\$ 19,164,687	9.7%
Transfers to the Debt Fund	-	-	-	
Transfers to General Fund	94,213	-	-	
Transfers to the Grant Fund	-	30,950	-	
Transfers to Capital Projects	-	-	-	
Addition to Fund Balance	1,124,181	126,450	-	
Total Use of Resources	\$ 17,585,172	\$ 17,633,699	\$ 19,164,687	8.7%

DEPARTMENT COMPLEMENT					
Personnel:		FY 17-18	FY 18-19	FY 19-20	Change from
Grade	Positions	Budget	Budget	Budget	prior year
108	Motor Equipment Operator I	1.25	1.25	1.25	0.00
108	*PT Tradeshelper	0.00	1.00	1.50	0.50
109	Customer Service Clerk I	1.00	1.00	0.00	(1.00)
113	Account Technician I	1.00	1.00	1.00	0.00
116-125	Automotive Technician	30.50	29.50	29.50	0.00
115	Office Coordinator	1.00	1.00	1.00	0.00
115	Service Writer	0.00	0.00	1.00	1.00
118	Welder	1.00	1.00	2.00	1.00
123	Accountant	1.00	0.00	0.00	0.00
126	Fleet Business Specialist	0.00	1.00	1.00	0.00
126	Fleet Safety Specialist	1.00	1.00	1.00	0.00
128	Mechanic Ops. Superint.	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
Total Department Personnel		40.75	40.75	42.25	1.50

*1 FT Automotive Technician III (#47400005) was converted to 3 PT Tradeshelper positions

Central Fleet

112012

DEPARTMENT SERVICE INFORMATION

7450 Bulk Fuel Distribution & Management

Manages the fuel, distribution, and environmental compliance at the seven fuel sites. Also manages the sale of fuel sold to Chesapeake Schools and Chesapeake Mosquito Control.

	FY 17-18	FY 18-19	FY 19-20
Budget			
Direct Service Budget		\$ 4,254,712	\$ 4,580,116
Total Budget		\$ 4,254,712	\$ 4,580,116
Staffing (FTE)		3.00	1.20
Operating and Performance Measures			
Work Load Measures			
Total gallons diesel	799,219	780,000	775,000
Total gallons gasoline	691,189	700,000	700,000
Total gallons LPG	15,642	17,000	18,000
Total gallons CNG	208,017	220,000	230,000
Total gallons E85	14,635	17,000	18,000
Performance Measures			
Number times tanks run empty	0	1	1

7410 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.

Goals:

- Vehicles ordered by January 1st
- Vehicles ordered by June 30th

	FY 17-18	FY 18-19	FY 19-20
Budget			
Direct Service Budget		\$ 6,074,746	\$ 6,840,883
Total Budget		\$ 6,074,746	\$ 6,840,883
Staffing (FTE)		2.71	2.65
Operating and Performance Measures			
Work Load Measures			
Vehicle/Equipment procured annually	172	129	140
Performance measures			
90% Annual replacement vehicles on order before January 1	91%	92%	93%
100% Department requested vehicles and equipment ordered before June 30th	100%	100%	100%

Central Fleet

112012

DEPARTMENT SERVICE INFORMATION

7440 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. Records and documents repairs for the lifecycle of all equipment.

Goals:

- Completes repairs in 4 days or less
- Completes 80% of scheduled repairs/preventative maintenance (PM) within 1 day
- Remains below industry standard of 2% for comebacks
- Keeps fleet availability at or above industry standard of 95%
- Has all technicians ASE and EVT Certified

	FY 17-18	FY 18-19	FY 19-20
Budget			
Direct Service Budget		\$ 6,498,549	\$ 7,261,627
Total Budget		\$ 6,498,549	\$ 7,261,627
Staffing (FTE)		31.08	35.90
Operating and Performance Measures			
Work Load Measures			
Annual Miles driven	11,396,440	11,510,404	11,625,508
Average age of vehicles (years)	6.54	6.61	6.67
# of Preventative Maintenance Inspections	4,367	4,411	4,455
# of maintenance repairs	10,444	10,548	10,654
Total Fleet Size	3,133	3,164	3,196
Light Duty	1,164	1,176	1,187
Heavy Duty	600	606	612
Fire	150	152	153
Small Equipment	1,219	1,231	1,244
Efficiency Measures			
Repair turnaround time (days)	5.4	4.0	4.0
Preventative maintenance completed within 1 day	91%	92%	92%
Performance measures			
% comebacks (# of repairs returned within 30 days for the same issue)	0.00048%	0.00047%	0.00046%
Fleet availability (discounting commercial repairs)	97.2%	97.3%	97.3%
>75% ASE and EVT certified technicians	100%	100%	100%

Central Fleet

112012

DEPARTMENT SERVICE INFORMATION

7430 Parts Management

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

	FY 17-18	FY 18-19	FY 19-20
Budget			
Direct Service Budget		\$ 412,901	\$ 374,220
Total Budget		\$ 412,901	\$ 374,220
Staffing (FTE)		1.29	0.80
Operating and Performance Measures			
Work Load Measures			
Number of parts issued	2,621,341	2,650,000	2,660,000
Efficiency Measures			
% Work orders on part delay (back orders)	13%	12%	11%
Performance Measures			
Average monthly stock parts at zero balance. (out of stock items)	20	18	18

7420 Fleet Services Environmental and Regulatory Management

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

	FY 17-18	FY 18-19	FY 19-20
Budget			
Direct Service Budget		\$ 235,391	\$ 107,841
Total Budget		\$ 235,391	\$ 107,841
Staffing (FTE)		2.67	1.20

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:

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

Budget by Service		FY 17-18	FY 18-19	FY 19-20	Change from
		Actual	Budget	Budget	prior year
HMO	Health Maintenance Orgn	\$ 18,774,106	\$ 18,430,837	\$ 21,721,919	17.9%
PPO	Preferred Provider	1,417,473	1,823,002	1,653,775	-9.3%
POS	Point of Service	17,204,574	17,353,432	19,629,603	13.1%
HDHP	High Deductible Plan	2,177,235	2,637,229	2,714,703	2.9%
Total by Service		\$ 39,573,389	\$ 40,244,500	\$ 45,720,000	13.6%

Health Insurance Fund

111020

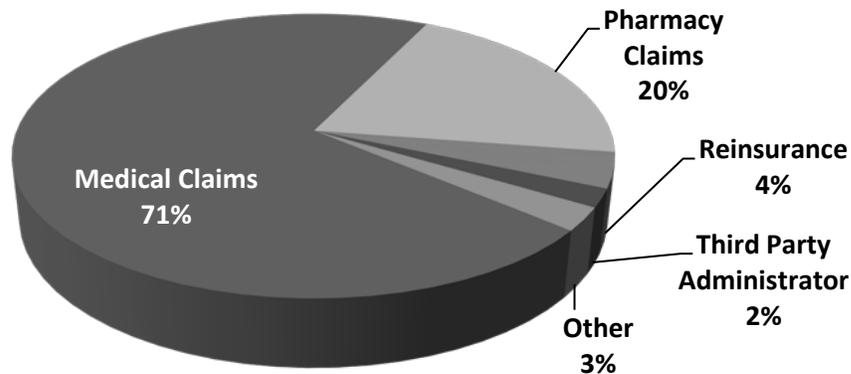
Budget by Participant Group	FY 17-18 Actual	FY 18-19 Budget	FY 19-20 Budget	Change from prior year
ACT Active employees	\$ 31,010,637	\$ 30,842,787	\$ 35,530,449	15.2%
RET Retirees	7,117,476	7,217,028	8,305,816	15.1%
COB Former employees (COBRA)	1,445,276	2,184,685	1,883,735	-13.8%
Total by Participant Group	\$ 39,573,389	\$ 40,244,500	\$ 45,720,000	13.6%

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 9.0% annually.

Operating Expenditures	FY 17-18 Actual	FY 18-19 Budget	FY 19-20 Budget	Change from prior year
Medical Claims	\$ 26,387,304	\$ 28,711,481	\$ 32,523,693	13.3%
Pharmacy Claims	9,852,535	7,994,500	9,214,460	15.3%
Reinsurance	1,541,022	1,592,007	1,830,888	15.0%
Third Party Administrator	917,295	926,731	951,383	2.7%
Wellness Program	209,421	330,000	479,500	45.3%
Health and Disease Management	665,811	689,781	720,076	4.4%
Total Expenditures	\$ 39,573,389	\$ 40,244,500	\$ 45,720,000	13.6%

FY 19-20 Budget by Expense Category



Health Insurance Fund

111020

Operating Revenues by Fund	FY 17-18 Actual	FY 18-19 Budget	FY 19-20 Budget	Change from prior year
605 Self-Funded Health Plan				
Use of Money and Property	\$ 45,584	\$ 16,000	\$ 50,000	212.5%
Premiums - Active	33,167,995	35,252,200	39,872,000	13.1%
Premiums - Retirees	4,662,751	4,976,300	5,946,300	19.5%
Recovered costs	1,590,679	-	-	
Total Revenues	\$ 39,467,009	\$ 40,244,500	\$ 45,868,300	14.0%
Transfers from other funds	-	-	-	
Use of Fund Balance	106,380	-	-	
Addition to Fund Balance	-	-	(148,300)	
Total Resources	\$ 39,573,389	\$ 40,244,500	\$ 45,720,000	13.6%

DEPARTMENT SERVICE INFORMATION

Self-Insured Healthcare

Operating and Performance Measures	FY 17-18	FY 18-19	FY 19-20
Work Load Measures			
Number of insurance contracts			
Active contracts	2,874	2,856	2,938
Retired contracts	410	411	426
COBRA contracts		13	13
Total	3,284	3,280	3,377
Members enrolled			
Active members	5,674	5,656	5,818
Retired members	673	668	692
COBRA members		17	17
Total	6,347	6,341	6,527
Medical Costs per member	\$4,157	\$4,528	\$4,983
Pharmacy costs per member	\$1,552	\$1,261	\$1,412
Reinsurance costs per member	\$243	\$251	\$281

Information Technology

2

3

4

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 department also provides information security management, business continuity and disaster recovery services, end user device and telephone services, mass notifications and mobile radio services. It also supports the City's intranet and internet connectivity and the social media presence.

Goals:

- Provides secure, cost effective client computing, connectivity, productivity, print, communications and collaboration solutions to City employees.
- Designs, develops, supports and operates secure and cost effective business application services that meet the needs of city employees and the citizens we serve.
- Deploys, supports, operates and secures cost effective data center, computer storage and network services that support the City's business application and end user needs.
- Designs, develops, supports and operates secure and cost effective digital government platform services that support city service delivery and encourage citizen engagement.

Budget Highlights:

- Salaries include funding for a 3.25% pay increase. The increase in benefits was largely due to the rising cost of healthcare.
- Four new positions were approved: Vendor Relations/Performance Coordinator, Policy and Planning Manager, Director Internal Services and Network Engineer (video). Not all positions will be hired at beginning of fiscal year. The expected first year cost is \$330,392.
- Funding was included to allow for inflationary increases for such items as contracts, licenses, and software maintenance agreements. The largest of which for the renewal of the Microsoft maintenance and support contract. Initial funding for Maximo Hosting, Kronos Mobile license, FirstNet AirCard and CSR Mobile hosting was funded in the Capital Improvement Budget, but recurrent costs are now funded in the Operating Budget.
- Communications reflects increased costs for Cox Communications.
- The department will have a presence in the new Public Safety Operations Building. Additional funding has been added to their budget for utilities.
- The department is now organized by program and service.

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Budget by Service	FY 17-18 Actual	FY 18-19 Budget	FY 19-20 Budget	Change from prior year
Administrative Services				
12510 Administration	\$ 800,337	\$ 1,065,382	\$ -	
Business Application Services				
12509 Enterprise Applications	1,810,520	2,252,332	2,628,290	16.7%
12518 Enterprise Financial System	680,057	706,192	784,050	11.0%
12511 Enterprise Software Develop.	1,414,637	1,762,603	1,863,873	5.7%
Subtotal	3,905,214	4,721,127	5,276,213	11.8%
Client Computing Services				
12514 Desktop Support	551,269	670,320	888,895	32.6%
12517 PC Replacement Plan	1,163,712	1,817,681	1,954,396	7.5%
Subtotal	1,714,981	2,488,001	2,843,291	14.3%
Infrastructure Services				
12512 Computer Operations	464,071	529,209	838,815	58.5%
12515 Mainframe Operations	790,873	1,250,610	598,250	-52.2%
12513 Technical Support	2,211,469	2,343,030	2,774,396	18.4%
Subtotal	3,466,413	4,122,849	4,211,461	2.1%
Other Technology Services				
12221 Data Security Administration	278,229	290,715	498,705	71.5%
12519 E-Gov Operations	373,129	458,689	570,193	24.3%
12516 Geographic Information Systems (GIS)/Platform Svcs	613,286	627,957	817,431	30.2%
31404 800 MHz Maint/Replacement	598,584	1,527,399	1,621,188	6.1%
Subtotal	1,863,228	2,904,760	3,507,517	20.8%
Total by Service	\$ 11,750,173	\$ 15,302,119	\$ 15,838,482	3.5%

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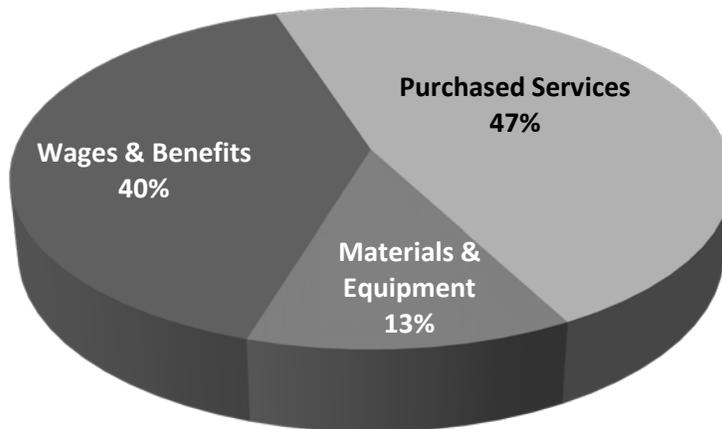
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Operating Expenditures	FY 17-18 Actual	FY 18-19 Budget	FY 19-20 Budget	Change from prior year
1510 Salaries and wages	\$ 3,418,851	\$ 4,228,738	\$ 4,586,040	8.4%
1520 Employee benefits	1,132,261	1,713,414	1,768,842	3.2%
1650 Electricity and heating	110,668	138,726	138,725	0.0%
1730 Purchased services	1,885,402	3,256,497	1,476,050	-54.7%
1733 Repairs and maintenance	3,438,355	2,873,129	4,373,502	52.2%
1750 Equip rental, travel and dues	410,283	409,018	863,436	111.1%
1752 Communications	510,778	486,638	607,800	24.9%
1767 Materials - technology	808,851	2,028,919	1,844,596	-9.1%
1880 Capital outlay	(18,600)	130,000	130,000	0.0%
Other expenditures	53,324	37,040	49,491	33.6%
Total Expenditures	\$ 11,750,173	\$ 15,302,119	\$ 15,838,482	3.5%

FY 19-20 Budget by Expense Category



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Operating Revenues by Fund		FY 17-18 Actual	FY 18-19 Budget	FY 19-20 Budget	Change from prior year
207	<u>E-911 Operations</u>				
	Other Local Taxes	\$ 1,372,020	\$ 1,527,399	\$ 1,621,188	6.1%
	Total Revenues	\$ 1,372,020	\$ 1,527,399	\$ 1,621,188	6.1%
	Use of Fund Balance	-	-	-	
	Total Resources	\$ 1,372,020	\$ 1,527,399	\$ 1,621,188	6.1%
	Use of Resources				
	Operations	\$ 598,584	\$ 1,527,399	\$ 1,621,188	6.1%
	Transfers to Capital Projects	-	-	-	
	Contribution to Fund Balance	773,436	-	-	
	Total Use of Resources	\$ 1,372,020	\$ 1,527,399	\$ 1,621,188	6.1%
603	<u>Technology Fund</u>				
	Use of Money and Property	\$ 391,928	\$ 35,826	\$ 35,826	0.0%
	Charges for Services (internal charges)	10,798,497	12,954,506	13,871,166	7.1%
	Miscellaneous Revenue (outside agencies)	364,975	493,563	326,694	-33.8%
	Total Revenues	\$ 11,555,400	\$ 13,483,895	\$ 14,233,686	5.6%
	Transfers from General Fund	866,500	-	-	
	Transfers from Capital Fund	-	-	-	
	Use of Fund Balance	-	995,110	418,608	-57.9%
	Total Resources	\$ 12,421,900	\$ 14,479,005	\$ 14,652,294	1.2%
	Use of Resources				
	Operations	\$ 10,873,360	\$ 13,484,005	\$ 14,217,294	5.4%
	Transfers to the General Fund	71,939	-	-	
	Transfer to Capital Fund	140,000	995,000	435,000	-56.3%
	Addition to Fund Balance	1,336,601	-	-	
	Total Use of Resources	\$ 12,421,900	\$ 14,479,005	\$ 14,652,294	1.2%
Budget by Fund:		FY 17-18 Actual	FY 18-19 Budget	FY 19-20 Budget	Change from prior year
207	E-911 Operations	\$ 598,584	\$ 1,527,399	\$ 1,621,188	6.1%
100	General Fund	278,229	290,715	-	-100.0%
603	Information Technology	10,873,360	13,484,005	14,217,294	5.4%
	Total by Fund	\$ 11,750,173	\$ 15,302,119	\$ 15,838,482	3.5%

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DEPARTMENT COMPLEMENT					
Personnel:		FY 17-18	FY 18-19	FY 19-20	Change from
Grade	Positions	Budget	Budget	Budget	prior year
115	Office Coordinator	1.00	1.00	1.00	0.00
118	Computer Support Technician	3.00	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	0.00	(1.00)
129	Network Engineer I	1.00	1.00	1.00	0.00
129	Network Engineer I (video)	0.00	0.00	1.00	1.00
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
130	Vendor Relations & Perf. Coord.	0.00	0.00	1.00	1.00
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	Business Analyst	1.00	1.00	1.00	0.00
133	Data Base Administrator	1.00	1.00	1.00	0.00
133	Network Engineer III	1.00	1.00	1.00	0.00
133	Software Engineer II	1.00	1.00	1.00	0.00
133	Systems Security Analyst	1.00	1.00	1.00	0.00
134	Database Administrator II	1.00	1.00	1.00	0.00
134	GIS Administrator	1.00	1.00	1.00	0.00
134	Software Engineer III	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	1.00	1.00	0.00
136	Assistant Director of IT	1.00	1.00	1.00	0.00
143	Director of Info Technology	1.00	1.00	1.00	0.00
Total Department Personnel		55.00	56.00	57.00	1.00

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DEPARTMENT SERVICE INFORMATION

7295 Administration

Provides leadership, policy direction, planning, governance, coordination and oversight while ensuring appropriate and cost-effective use of IT services.

	FY 17-18	FY 18-19	FY 19-20
Budget			
Direct Service Budget	\$ 800,337	\$ 1,065,382	\$ 1,186,803
Allocated Administrative/Support Costs			(1,186,803)
Total Budget	\$ 800,337	\$ 1,065,382	\$ -
Staffing (FTE)	6.00	9.00	9.00
Operating and Performance Measures			
Work Load Measures			
Capital Projects	33	34	34
Capital Projects Completed	5	5	5
Efficiency Measures			
IT spend per City FTE	\$2,889	\$3,145	\$3,145

7210 Business Application Services

Delivers business application services to enable the City to serve its citizens and to automate and support the organization's internal operations. This includes all related delivery services associated with building, deploying, supporting and operating business applications.

	FY 17-18	FY 18-19	FY 19-20
Budget			
Direct Service Budget	\$ 3,905,214	\$ 4,721,127	\$ 4,850,755
Allocated Administrative/Support Costs			425,458
Total Budget	\$ 3,905,214	\$ 4,721,127	\$ 5,276,213
Staffing (FTE)	19.00	19.00	19.00
Operating and Performance Measures			
Work Load Measures			
Business applications under management	125	120	120
Business applications capital projects - in progress	19	19	19
Business application capital projects - completed	3	3	3
Efficiency Measures			
Application cost per City FTE	\$1,105	\$1,105	\$1,105

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DEPARTMENT SERVICE INFORMATION

7220 Client Computing

Delivers client computing devices, software and connectivity to enable the workforce to access business applications; communicate with other employees, partners and customers; and create content using productivity software. This includes all related delivery services associated with building, deploying, supporting and operating client computing services.

	FY 17-18	FY 18-19	FY 19-20
Budget			
Direct Service Budget	\$ 1,714,981	\$ 2,488,001	\$ 2,664,151
Allocated Administrative/Support Costs			179,140
Total Budget	\$ 1,714,981	\$ 2,488,001	\$ 2,843,291
Staffing (FTE)	8.00	8.00	8.00
Operating and Performance Measures			
Work Load Measures			
End user related IT assets under management	6,833	6,850	6,900
End user pc replacements	515	515	515
Incoming emails	9,786,804	9,786,804	9,786,804
Outgoing emails	2,130,440	2,130,440	2,130,440
Desktop/Network print (pages per month)	15,177,583	15,177,583	15,177,583
Efficiency Measures			
Client Computing cost per City FTE	\$378	\$378	\$378
Client Computing cost per managed asset	\$208	\$208	\$208

7230 Cyber Security Services

Protects vital to City data and systems from loss or damage due to security threats.

	FY 17-18	FY 18-19	FY 19-20
Budget			
Direct Service Budget	\$ 278,229	\$ 290,715	\$ 453,920
Allocated Administrative/Support Costs			44,785
Total Budget	\$ 278,229	\$ 290,715	\$ 498,705
Staffing (FTE)	2.00	2.00	2.00
Operating and Performance Measures			
Work Load Measures			
Emails rejected for cause	4,402,443	4,400,000	4,450,000
Exploits prevented	6,272	6,300	6,350
Malicious files detected	1,528	1,600	1,700
Efficiency Measures			
IT security cost per City FTE	\$68.12	\$68.12	\$68.12
IT Security cost as a % of IT spend	2.2%	4%	4%
Performance Measures			
Emails blocked for cause	44%	44%	44%

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DEPARTMENT SERVICE INFORMATION

7240 E-Gov

Provides public facing portals for citizens and visitors of Chesapeake. The E-Gov service area manages the City's website (CityofChesapeake.net), social media sites (such as Facebook and Twitter) and the web interface for Chesapeake Alert (the City's citizen notification system).

	FY 17-18	FY 18-19	FY 19-20
Budget			
Direct Service Budget	\$ 373,129	\$ 458,689	\$ 503,015
Allocated Administrative/Support Costs			67,178
Total Budget	\$ 373,129	\$ 458,689	\$ 570,193
Staffing (FTE)	3.00	3.00	3.00
Operating and Performance Measures			
Workload Measures			
Transactions - Mass Notifications Platform	2,440,520	2,500,000	2,600,000
Transactions - Streaming Platform	69,124	75,000	80,000
Transactions - Electronic Content Management	60,099	70,000	75,000
Website views	4,805,060	4,900,000	5,000,000
Efficiency Measures			
E-Gov spend per citizen	2	2	2
Performance Measures			
Average platform availability (Uptime)	99.99%	99.99%	99.99%

7250 Geographical Information Systems (GIS)

Provides mapping and geospatial technology support by administering the central repository for geospatial data and maintaining GIS applications and software integrations.

	FY 17-18	FY 18-19	FY 19-20
Budget			
Direct Service Budget	\$ 613,286	\$ 627,957	\$ 683,076
Allocated Administrative/Support Costs			134,355
Total Budget	\$ 613,286	\$ 627,957	\$ 817,431
Staffing (FTE)	4.00	6.00	6.00
Operating and Performance Measures			
Work Load Measures			
Avg. # of transactions per year	426,564	447,892	470,287
Efficiency Measures			
GIS costs per average annual transactions	\$1.36	\$1.29	\$1.23
Performance Measures			
Average platform availability (Uptime)	99.99%	99.99%	99.99%

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DEPARTMENT SERVICE INFORMATION

7260 Infrastructure

Manages the hardware and software infrastructure including network connectivity, database support, and voice, data and internet access. Provides system monitoring, batch processing and service desk support.

	FY 17-18	FY 18-19	FY 19-20
Budget			
Direct Service Budget	\$ 3,466,413	\$ 4,122,849	\$ 3,897,966
Allocated Administrative/Support Costs			313,495
Total Budget	\$ 3,466,413	\$ 4,122,849	\$ 4,211,461
Staffing (FTE)	13.00	14.00	14.00
Operating and Performance Measures			
Work Load Measures			
Infrastructure related IT assets under management	4,731	4,731	4,731
Amount of storage under management (Terabytes)	515	515	515
Servers under management	594	594	594
Network physical ports under management	1,349	1,349	1,349
Efficiency Measures			
IT infrastructure cost per City FTE	\$631.77	\$631.77	\$631.77
Performance Measures			
Average platform availability (Uptime)	99.99%	99.99%	99.99%

7270 Land-Mobile Radios

Provides a high availability radio system to Public Safety and other departmental users to promote a safe community.

	FY 17-18	FY 18-19	FY 19-20
Budget			
Direct Service Budget	\$ 598,584	\$ 1,527,399	\$ 1,598,795
Allocated Administrative/Support Costs			22,393
Total Budget	\$ 598,584	\$ 1,527,399	\$ 1,621,188
Staffing (FTE)	1.00	1.00	1.00
Operating and Performance Measures			
Work Load Measures			
Chesapeake Public Safety radios under management	3,335	3,340	3,350
Chesapeake P25 Radio System Subscriber Totals	14,966	15,000	15,100
Efficiency Measures			
LMR cost per Subscriber	\$55.13	\$55.13	\$55.13