

City Council Policy and Programmatic Levers

Work Session Date	Policy Lever/ Program	What is it?	One-Time Revenue	Annual Recurring Revenue	Borrowing Capacity Generated*
4/13	6% Charter Reserve	The City is required by Section 5.04 of the City Charter to maintain a reserve equal to 6% of General Fund Revenues as a Cash Flow and Emergency Reserve. Any change would require General Assembly action.	Every 1% reduction in the reserve frees up approximately \$6,000,000	**Every 1% frees up approximately \$136,443 before Schools sharing formula	1% reduction supports a one-time \$1.5 million issuance
4/13	Fund Balance Reserve Policy	Per Council policy, the City has a reserve requirement of 10% with a practice (delineated in the policy) of budgeting at 12%.	Every 1% frees up approximately \$6,000,000	**Every 1% frees up approximately \$136,443 before Schools sharing formula	1% reduction supports a one-time \$1.5 million issuance
4/13	Police Speeding Cameras	State legislation was passed allowing municipalities to charge a \$100 fine in school zones. Fines are deposited into a special revenue fund that supports the program.	-	\$1,275,000	N/A
4/20	Recycling Services	The cost of providing recycling has increased, while the market for recyclables has dried up. Therefore the "recyclables" are being disposed of in the same manner as other solid waste collected from residential customers, but the City continues to pay a premium for "recycling." The City of Chesapeake does not currently charge a user fee for this service and is unique in Hampton Roads in this respect.	N/A	Every \$1/month fee generates \$840,000	Every \$1/month fee supports a one-time \$9 million issuance
4/20	Real Estate Tax Supplement Process	The real estate supplement is the process whereby new construction and building additions are added to the tax rolls effective January 1st. The City currently conducts this process once annually. Options for increasing the frequency of the real estate supplement process can positively impact revenue.	\$370,729***	N/A	N/A
4/27	Stormwater Program	The City has an extensive network of stormwater infrastructure with significant maintenance needs and challenges. Staff will provide an overview of the stormwater program to include current and recommended maintenance schedules, review of the stormwater fee structure, and resource requirements to achieve the optimal maintenance schedule.	N/A	Every 10¢/month additional fee generates \$215,000	N/A

Federal Funding

Work Session Date	Federal Program	What is it?	One-Time Revenue	Annual Recurring Revenue	Borrowing Capacity Generated
TBD	American Rescue Plan Allotment	The City is in receipt of estimates of Chesapeake's allotment from several sources and a preliminary timetable for disbursement. The City is awaiting official notification from Treasury. Once final amounts and allowable uses are known, staff will brief City Council. Based on information received to date, staff is optimistic that these funds will be a significant resource for capital projects such as broadband.	\$48 to \$58 million****	-	N/A
TBD	American Rescue Plan Grant Opportunities	Congress approved various federal funding programs that may help to fund the City's broadband initiatives as well as other unmet capital needs. The details of these programs have not been fully determined. Staff is monitoring these opportunities closely.	TBD	-	N/A
TBD	Other Federal Programs (TBD)	The president has proposed a significant infrastructure bill that if adopted may help the City fund various unmet capital needs. The details of this proposal have not been fully determined and it has not been approved by congress. Staff is monitoring this proposal closely.	TBD	-	N/A

* Any additional bond issuances would need to be reviewed to ensure compliance with Policy limits

** This amount will vary annually as it based on year-over-year revenue growth. The amount shown is for illustrative purposes and reflects the growth in revenue from FY 2019 to FY 2020.

*** This amount will vary annually based on construction activity. The amount shown is for illustrative purposes and reflects estimated tax revenue foregone for FY 2021.

**** Amount not confirmed by U.S. Treasury and is subject to change.