



Executive Summary

Fiscal Year 2019-20

Proposed Resource Management Plan City of Virginia Beach



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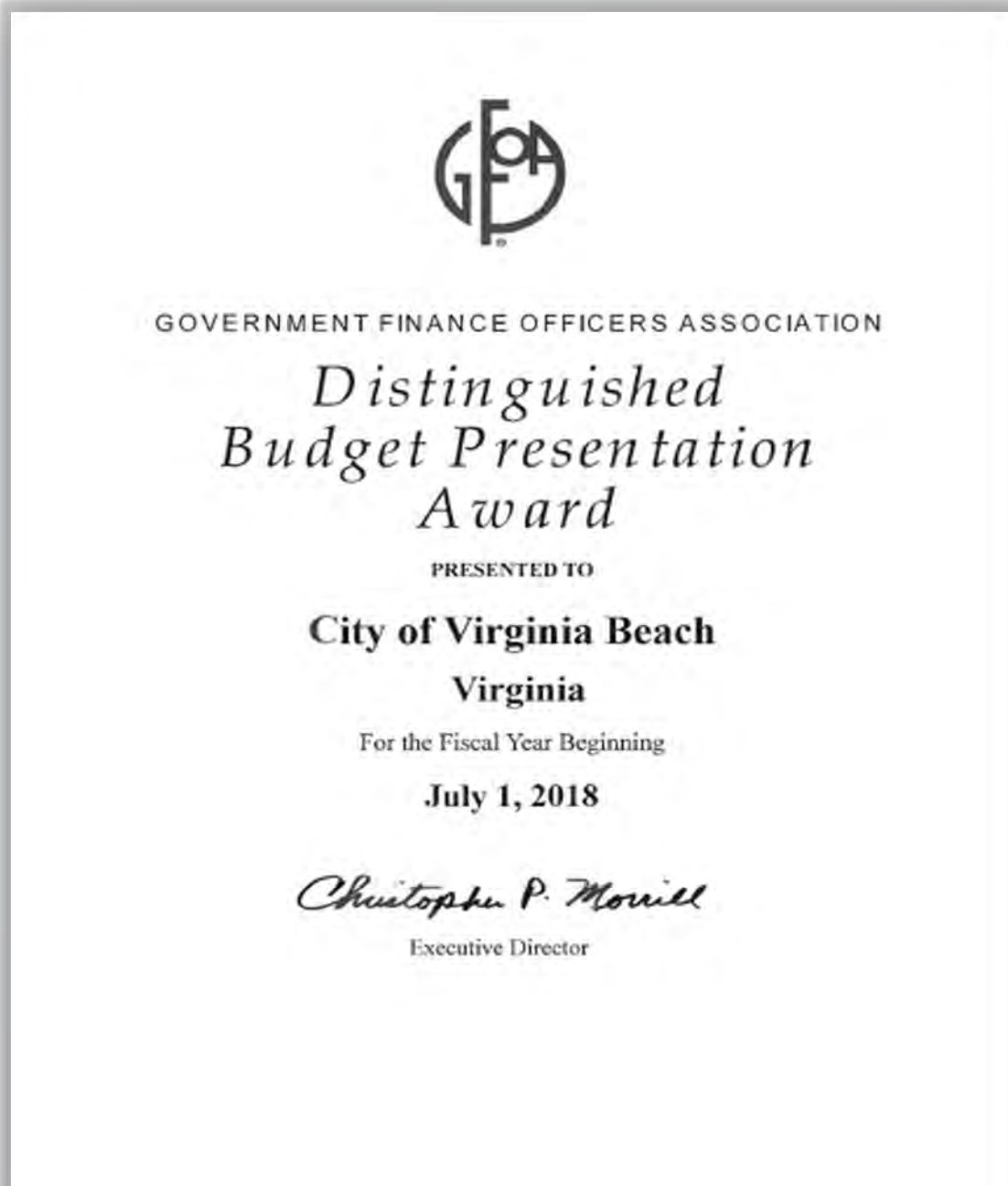
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DISTINGUISHED BUDGET AWARD

Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to **City of Virginia Beach, Virginia** for its Annual Budget for the fiscal year beginning **July 1, 2018**. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.





ACKNOWLEDGEMENTS

The Department of Budget and Management Services expresses its gratitude to every department for their thoughtful submission of budgetary needs. A special thank you goes to the City Manager and Deputy City Managers who spent many hours sorting through a variety of complex issues. As with any proposed budget, our objective is to meet the goals as defined by City Council, and we appreciate their vision for our City's future. The reader will notice the Executive Summary, Operating Budget and Capital Improvement Program link City services, programs and projects to City Council's goals.

Finally, I want to express my sincere appreciation to the staff of the Department of Budget and Management Services. Their dedication, professionalism, competence and positive attitude are unsurpassed:

Ashlea Bailey, Kevin Chatellier, Jacqueline Conley, Alex Gottschalk,
Jonathan Hobbs, Kaitlyn James, Beth Kavanaugh, Crystal Skinner,
Jesse Stephenson, Brandi Swansen, Mary Anna Twisdale, Adrienne Withrow

Sincerely,

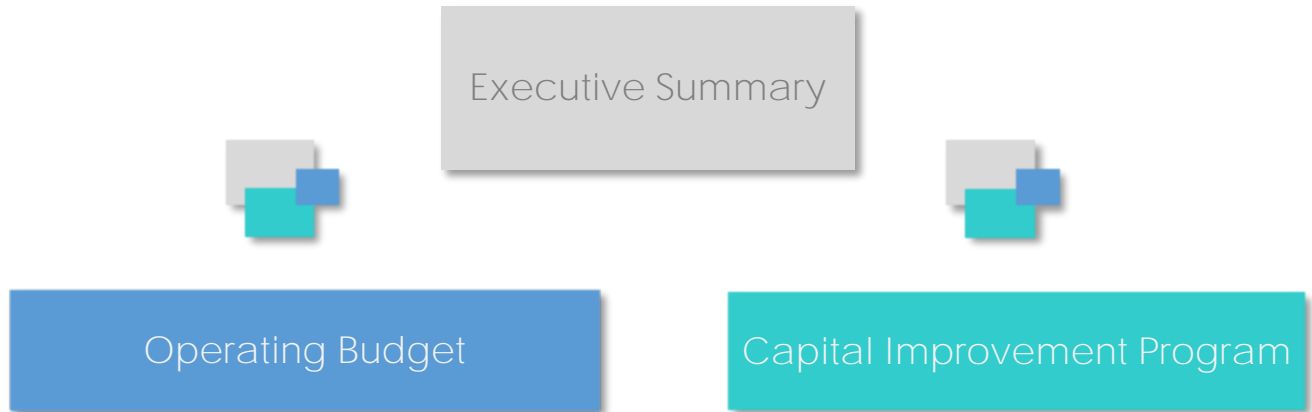
David A. Bradley, Director
Budget and Management Services





OVERVIEW

The Resource Management Plan is comprised of three volumes: the Executive Summary, Operating Budget and Capital Improvement Program. These volumes are interrelated and help to support and define each other. Three volumes are considered and adopted by the City Council as an integrated whole.



Executive Summary

This volume provides a comprehensive overview of the policies, both service and fiscal, which guide the development and implementation of the annual Operating Budget, the Capital Budget, and the five planning years of the Capital Improvement Program. It includes a projection of expenses, resources and trends, as well as brief highlights of new or expanded programs or projects. This document is designed to provide the reader with a quick and comprehensive understanding of the financing strategies of the government.

Operating Budget

This volume provides detailed information on the City's anticipated spending needs for the upcoming fiscal year, beginning July 1st through June 30th. It provides detailed discussions of revenues and appropriations for each department.

Capital Improvement Program (CIP)

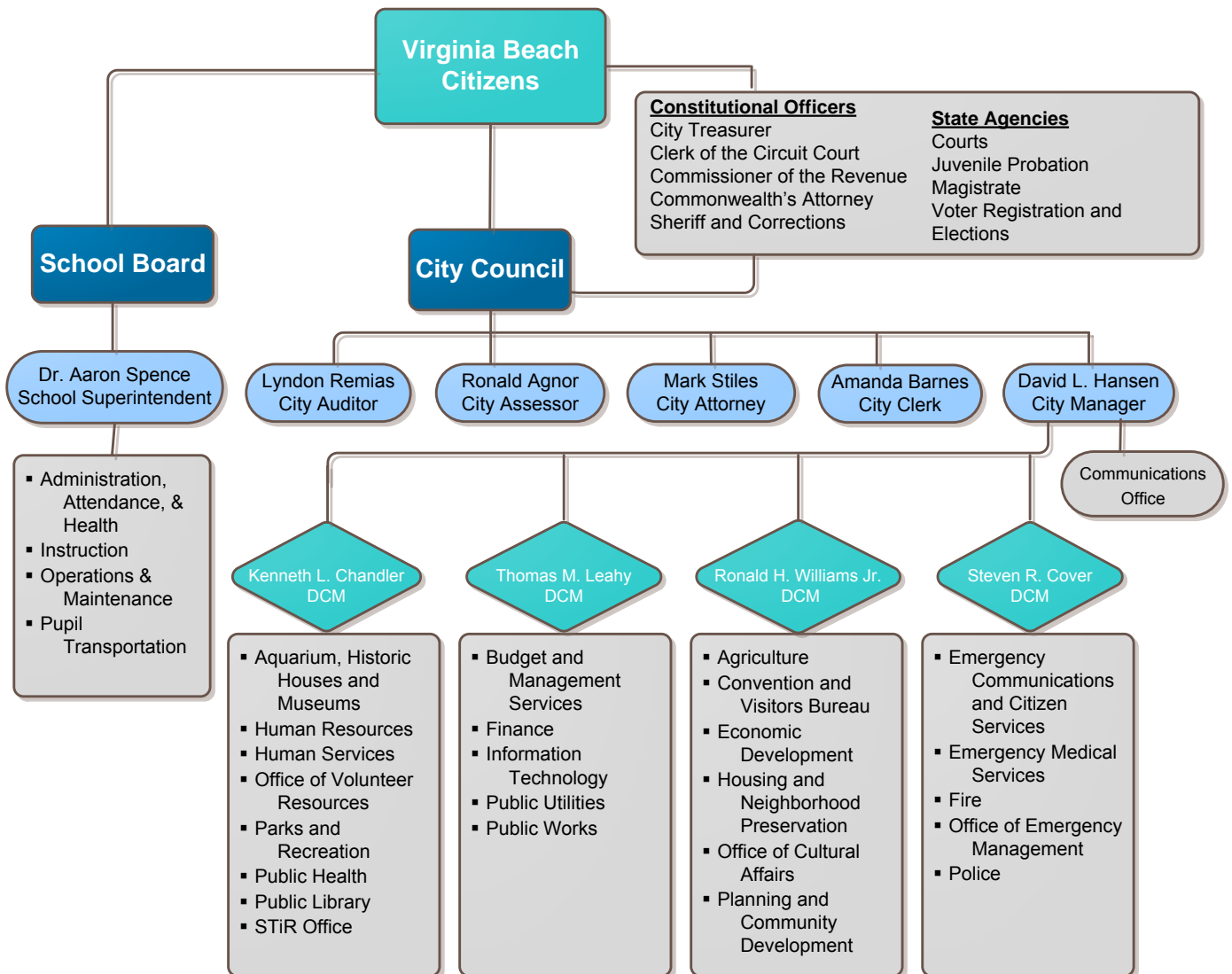
This volume is comprised of the annual Capital Budget (year one of the six year plan) and five planning years (years two through six). The CIP is organized into sections based on functional areas: Roadways, Buildings and Assets, Coastal, Economic and Tourism Development, Schools, Parks and Recreation, Water Utilities, Sewer Utilities, Storm Water Utilities, and Information Technology. Within each functional area, each project page includes a brief description of the project, a financing plan, and a location map, if applicable.



CITY ORGANIZATION & INFORMATION

The City of Virginia Beach was chartered as a municipal corporation by the General Assembly of Virginia on January 1, 1963. The City operates under a Council-Manager form of government. The 11 member City Council is the City's legislative body. The City Manager is appointed by Council and acts as Chief Executive Officer and, through City staff, the City Manager implements policies established by Council.

Virginia Beach has 258.7 square miles of land and 51.3 square miles of water. As of FY 2018-19, there was a population of 453,410 residents of which 297,239 are registered voters. Per the City Real Estate Assessor, the number of residences within the City for FY 2019-20 is 181,023.

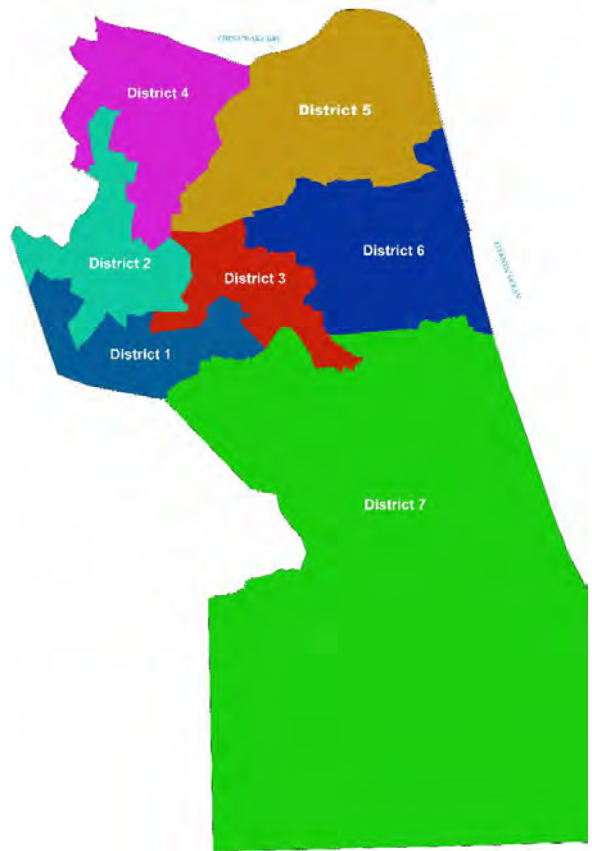




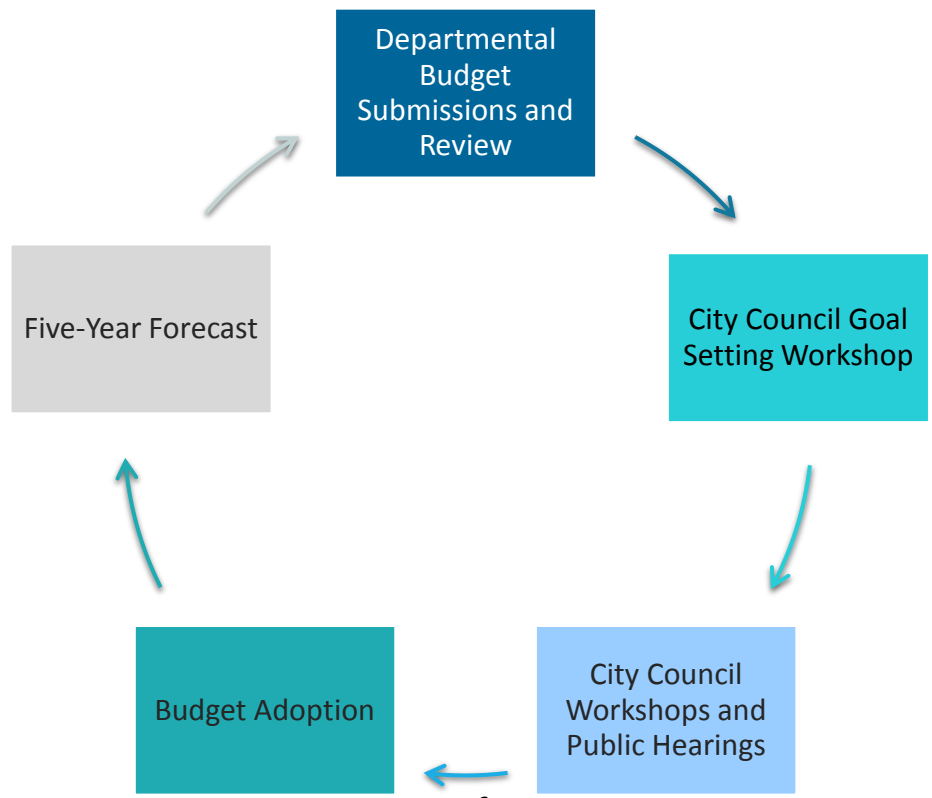
CITY COUNCIL

The 11 member City Council is the City’s legislative body. Members of Council serve four-year terms and are elected on a staggered basis. Three City Council members and the Mayor serve “at large” with no district residency requirement; all other members are required to live in the district they represent.

- Robert M. “Bobby” Dyer, Mayor
- James L. Wood, Vice-Mayor, District 5-Lynnhaven
- Jessica P. Abbott, District 2-Kempsville
- Barbara M. Henley, District 7-Princess Anne
- Louis R. Jones, District 4-Bayside
- Shannon DS Kane, District 3-Rose Hall
- John D. Moss, At-Large
- Vacant, District 6-Beach
- Aaron R. Rouse, At-Large
- Rosemary C. Wilson, At-Large
- Sabrina Wooten, District 1-Centerville



The City Charter requires the City Council to adopt an annual budget. Virginia Beach’s fiscal year spans from July 1st to June 30th, with a year-round budget planning process which includes:





City of Virginia Beach

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BUILDING 1
2401 COURTHOUSE DRIVE
VIRGINIA BEACH, VA 23456-9001

March 26, 2019

The Honorable Robert M. Dyer, Mayor
Members of City Council

Subject: FY 2019-20 Proposed Resource Management Plan

Dear Mayor and Council Members:

Strong, vibrant cities don't just plan for their future, they create it, and it requires more than establishing a vision and adopting a strategic plan. We are always weighing competing priorities and balancing service delivery needs. Achieving long-term goals takes dedication and commitment to making the necessary incremental decisions.

Few of these decisions are considered easy and even fewer are free of opposing views. Some decisions are years in the making. Others require urgent action. All require a fundamental adherence to sound financial principles and alignment with desired outcomes.

I am pleased to present for your collective consideration my recommendations for the FY 2020 Operating Budget and FY 2020-25 Capital Improvement Plan. This budget responds to each of the City Council's 10 Strategic Goal Areas while concentrating considerable resources on the 5 top priorities City Council and our community stakeholders have identified: Storm water/recurrent flooding/sea level rise, public safety, transportation, education/public schools and economic growth/jobs. To provide this focus, it also right-sizes government commensurate with the size of Virginia Beach and the services we are expected to deliver.

As City Council discussed during the City Council's annual strategic planning workshop, effectively dealing with storm water, recurrent flooding and sea level rise is today's version of our historic Lake Gaston water pipeline project. That effort required a long planning horizon and the fortitude to remain steadfast throughout the decade and a half it took to secure a reliable water supply for our community. The same approach is necessary today as we face the formidable but not insurmountable challenge of mitigating storm water. As the Dewberry study has informed us, two to five billion dollars will be necessary to pay for the infrastructure and environmental projects required to effectively address the issues associated with recurrent flooding and climate change.

The proposed General Fund Operating Budget – supported primarily by property taxes, sales tax, restaurant tax, business license tax, utility tax and fees – sustains essential service operations, ensures long-term resiliency and advances projects critical to maintaining and repairing our aging infrastructure. After careful review of the range of options available for responsibly addressing our ongoing community's need to continue growing our storm water program, this budget proposes a 1.5 cent increase in the real estate tax rate and continuing annual increases in the ERU fee to address storm water infrastructure operations and maintenance, flood control projects and water quality concerns.

This will provide the sustained funding necessary to grow our storm water program, hire the necessary staff and accelerate project design, construction, operations and maintenance to more rapidly reduce our flooding risks. The increase on the real estate property tax rate equates to about \$45 a year on a \$300,000 home and the 3 ½¢ ERU per day will add \$1.05 to the monthly residential City services bills. This is the second installment of additional real estate funding necessary to combat public enemy number 1. The City Council added 1¢ in FY 18 and we are projecting additional 2¢ increase in FY 23, 26 and 30.

The Executive Summary and full documentation for the FY 20 Recommended Operating Budget and FY 2020-2025 Capital Improvement Plan provide the details. Below are some key elements emphasizing the top 5 major areas of focus:

1. **Storm Water, Recurrent Flooding and Sea Level Rise** – In response to the City Council’s request to increase resourcing and our efforts to combat the impacts of recurrent flooding and sea level rise we have created a 15 year capital improvement program that generates over \$1.3 billion and will significantly increase our operations and maintenance effort as well as construct the numerous recurrent flooding preventative projects we currently understand are needed. With dedicated real estate tax, continued growth in our daily storm water ERU fee, and redirection of our road CIP funding in the outer years, we can initiate the necessary infrastructure protection program to preserve our economic vitality and our quality of life.
2. **Public Safety** – Virginia Beach continues to have one of the lowest crime rates of any large city in America despite the fact that we have fewer officers per capita than most cities our size. This budget adds police officers by focusing on civilianizing certain positions and moving the sworn positions to street operations. As we continue to deploy body worn cameras, we have added positions in the Office of the Commonwealth’s Attorney to respond to the additional workload. This budget also provides additional staffing for the Animal Care and Adoption Center and new staffing in both Fire and EMS for the new Burton Station fire station. It expands the professional development program, started in the Police Department this year, by having both Fire and EMS develop the 3 year certification requirements and accompanying salary increase. It funds critical improvements to our emergency information systems in ECCS, overtime training needs for the Sheriff’s Office and court-ordered services for juveniles on probation, including group homes, counseling and GPS tracking.
3. **Transportation** – When the state drastically cut new road construction in cities during the recession, Virginia Beach chose to commit local funding to ensure continued growth and construction rather than fall behind. In so doing, Virginia Beach was able to maintain momentum that saw us through the most financially challenging years in recent history. In addition to the large number of new start road projects programmed to begin this year and next, this budget continues to invest in our transportation infrastructure by moving forward with the North Great Neck/London Bridge/Virginia Beach Blvd. intersection improvements, Elbow Road Extended Phase II-D, rural road ditch cleaning and Sandbridge Road – Nimmo Phase VII-A. Additionally, we have partnered with Chesapeake to cost share a new bus route from Greenbrier to our Town Center on a 30 minute cycle time. But transportation infrastructure is more than just roads. This budget also includes more money and people to keep our ditches and BMPs clean and functioning, to expand our transportation network with more walking and biking trails, maintain our intelligent transportation system and to expand high-speed Internet access throughout the city.
4. **Schools** – The quality of our public schools and the education our children receive are vital to our city’s success in attracting businesses and residents. This budget includes funding to continue to move to full-day kindergarten and improve school safety. It does not include the tax increase requested after receiving the adopted school budget. It also provides matching funds for a grant awarded to the City by the Bloomberg What Works Cities program and expands early childhood education. School funding will be used to begin addressing the backlog of school buses in need of replacement.
5. **Growing the Economy** – Being a “City of Yes” has emerged as a mantra for what we do, no more so than in the essential area of economic development and job creation. Continuing our strong collaborative relationship with the military will be more essential than ever as we both must find ways to preserve our contribution to economic vitality. Equally important is our investments in the Tourism industry and with City

Council resolve we are on the cusp of creating the year round destination needed to make a significant leap in maximizing our resort offerings as the preferred Coastal City on the East Coast.

To be a City of Yes, we are using current dedicated financing programs for their intended uses and expanding commercial and managed district grant programs. I have recommended reprogramming money set aside for a pier project to fund infrastructure improvements to enhance our 17th Street gateway in the same way we did Pacific Avenue.

This budget prioritizes activities that respond to the issues identified in the disparity study by promoting entrepreneurship, small business start-ups, Small, Women-and Minority Owned (SWaM) business contracting through sheltered bidding, small business information forums and accountability for meeting our subcontractor minority participation goals.

Other Recommendations

The five areas noted above are only part of our network of services provided to the residents and visitors to Virginia Beach. A few examples of additional initiatives include:

- In Human Services, we are including funding to ensure clients get the requisite referrals for same-day access to rehabilitation and community services programs and adding clinicians to meet enhanced Department of Justice guidelines.
- In Planning, we are adding zoning inspectors and a planning technician to assist customers and improve service delivery and timeliness of our response.
- In Parks and Recreation, we are ensuring sufficient funding to properly maintain the landscaping at new facilities and recommending pay increases for the part-time employees in the Out of School Time program and eliminating fees associated with dog and skateboard parks. They are incorporating storm water features into their park development design concepts.
- In IT, we are continuing to invest in our security infrastructure to safeguard data and have been engaging in designing and implementing the update of many outdated enterprise resource programs.

Employees – Recruiting and retaining outstanding employees is one of the most important things we do as a city. Our employees shine every day and they are extraordinary during emergencies. As the economy has continued to improve and job markets have become even more competitive, the City and Schools must commit to funding salaries that not only attract new employees to available positions but appropriately recognizes our current employees' meritorious work. This budget includes a 3% compensation increase for City employees (on par with the 3% increase for Virginia Beach City Public Schools personnel) and resolves problems in vertical pay compression. We are programming the use of hire lag salary funds to assist in delivering this much deserved pay raise so that we can avoid any tax increase or cut in other essential services.

We are continuing to ensure Virginia Beach has the best schools, the lowest crime rate, the most parks and high quality recreation centers, the biggest technology centric library system, and the best roads of any city in Hampton Roads. While this budget maintains the quality everyday city services our citizens and businesses expect, it is committed to grow the resourcing and commensurate staff effort to undertake implementing solutions to mitigate the emerging threat of recurrent flooding and sea level rise.

I look forward to discussing this with you in the coming weeks.

Respectfully,



David L. Hansen
City Manager

DLH/DB/jc



SCHEDULE OF WORKSHOPS & PUBLIC HEARINGS

March 26	Budget Presentation to Council City Manager's FY 2019-20 Operating Budget and Capital Improvement Program "Proposed Budget" to City Council	Council Conference Room
April 2	Council Workshop	Council Conference Room
April 9	Council Workshop	Council Conference Room
April 16	Council Workshop	Council Conference Room
April 23	Council Workshop	Council Conference Room
April 24	Public Hearing	Old Donation School 6:30 p.m.
April 30	Council Workshop	Council Conference Room
April 30	Public Hearing	City Council Chambers 6:00 p.m.
May 7	Reconciliation Workshop	Council Conference Room
May 14	Council Votes on Budget The FY 2019-20 Operating Budget and Capital Improvement Program	City Council Chambers 6:00 p.m.



MAJOR PRIORITIES OF THE FY 2019-20 RESOURCE MANAGEMENT PLAN

Based on the City Council retreat held in February of 2019, the following section describes the major priorities that guided resource allocation decisions during the FY 2019-20 budget process.

Storm Water, Flooding and Sea Level Rise

City Council's top priority is mitigating the effects of sea level rise and recurrent neighborhood flooding. A strategic plan containing goals, approach, timeframe, and funding is continuing as well as a public education and information campaign to inform and engage all citizens. All possible funding sources, such as Federal and State, will be explored with the understanding that the City may need to act independently. The FY 2019-20 Budget includes significant investment in flood control and maintenance of the existing storm water system.

The acceleration of backlogged operations and maintenance projects as well as creating a list of shovel-ready projects are immediate steps that will be taken to mitigate storm water flooding issues and prepare for possible State and Federal funding. Funding for storm water projects has increased by 41% compared to the FY 2018-19 approved CIP and is now the largest section of the Capital Improvement Program with funding at \$395 million over a six-year period. The Proposed FY 2019-20 Budget contains a 3.5 cents daily ERU rate increase for each of the next six years and a 1.5 cents real estate tax rate increase directed toward funding storm water personnel, operations and CIP projects. Several positions in operations such as mosquito control and street sweeping moved to the General Fund creating capacity within the Storm Water Enterprise Fund to finance additional CIP projects. The City anticipates the need to continue funding storm water projects well into the future to address the issues created by sea level rise. Staff is conducting an analysis of the storm water ERU rate with the intention of developing options that would reduce the regressive nature of a single rate for all residences across the city.

Public Safety

Virginia Beach continues to rank as one of the safest cities of its size. Over the last five years, 137.11 FTEs have been added in the City's public safety departments including 43.5 in Fire, 39.4 in Police, 20.25 in EMS, 12.58 in the Commonwealth Attorney's Office, 11.38 in the Virginia Beach Sheriff's Office and 10 in ECCS. At their February 2019 retreat, Council re-committed to the goal to "Be the Safest City in the Nation".

The FY 2019-20 Operating Budget includes an additional 6.6 FTEs in the Police Department as part of a process designed to hire civilian employees in support roles such as public safety analysts. This initiative allows 12 sworn officers currently staffing these roles to return to field duty. The Budget also adds 1.8 FTEs in the Police Department for the Virginia Beach School Bus Stop Arm Program. This program was created to help keep students safe as they are getting on and off the bus. The final two phases of the body worn camera initiative are included in this Budget with six positions added to the Commonwealth's Attorney Office in Fiscal Year 2019-20 as responsibility for review of camera footage increases with the phased in camera implementation.

Funding is also included in the Proposed Budget for the first phase of staffing for the Burton Station Fire/EMS Station. While construction on the station is not anticipated to be completed until the fall of 2020 (FY 2020-21), 15 firefighter positions will be hired for a January 2020 academy to allow for sufficient time to complete their training prior to the opening of the station. Eight EMS positions will also be added in May of 2020 in anticipation of the opening of the station.

Transportation

Transportation is important to growing the economy. Attracting a strong workforce, enhancing mobility, and transportation improvements are major components of the Comprehensive Plan. Transportation issues include safety-related concerns and congestion mitigation strategies and programs. Researching ways to better serve the mobility needs of the aging population and setting policies for emerging technologies such as autonomous vehicles are important components of a 21st century transportation program.

The Roadways CIP section will receive over \$67 million in the coming fiscal year and over \$290 million throughout the six-year program. During FY 2019-20, the City will embark on construction of 10 different projects. This will join seven projects that were initiated in FY 2018-19. These projects are shown in the table below. Included within this new construction list are several projects of significance such as on the Laskin Road corridor, the intersection of First Colonial Road and Virginia Beach Boulevard, and further construction of Elbow Road and Rosemont Road.

Roadways Projects Beginning Construction

Project	Construction Start*
Laskin Road Bridge Replacement	January 2019
Laskin Road Phase 1-A	January 2019
Landstown Road Improvement Phase I	March 2019
West Great Neck Road Sidewalk	March 2019
Nimmo Parkway Phase II-A	March 2019
Pungo Ferry Bridge Rehabilitation	April 2019
First Colonial Road & Virginia Beach Intersection Improvements	May 2019
General Booth/Camp Pendleton Intersection Improvements	July 2019
Providence Road Sidewalk	July 2019
Independence Boulevard/Baxter Road Sidewalk	September 2019
Shipps Corner Road Improvements	October 2019
West Neck Road Phase IV	October 2019
Elbow Road Extended Phase II-B	November 2019
Rosemont Road Phase V	December 2019
Upton Drive and Dam Neck Improvements	December 2019
Shore Drive Phase III	January 2020
Parliament Drive Sidewalk Phase II	March 2020

*Construction start is when the contract is advertised

New projects added to the six-year CIP in FY 2019-20 include North Great Neck/ London Bridge/ Virginia Beach Boulevard Intersection Improvements, Princess Anne Road/ TCC Intersection Improvements, and General Booth/ Oceana Intersection Improvements. The North Great Neck/ London Bridge/ Virginia Beach Boulevard Intersection is the 4th most congested signalized intersection in Virginia Beach; therefore, the addition and extension of turn lanes, and the reconstruction of medians will work to reduce delays along the entire intersection.

Two new programs dedicated to improving public safety are also added to the Roadways section of the CIP. The traffic calming program will expand the work of an earlier program that was focused on enforcement, by funding the acquisition/construction of physical traffic calming devices in targeted neighborhoods. The rural road resiliency program is designed to help maintain ingress/egress for residents and emergency vehicles in the Southern Watershed impacted by flooded roadways. This includes during wind driven tidal events, which can occur even in the absence of a severe weather event.

The City will also continue its investment in mass transit. In partnership with the City of Chesapeake, Virginia Beach will fund a new Hampton Roads Transit route. Known as Route 24, this service will provide bus transit operating every half-hour in peak periods and every hour during other times (such as midday, evening, and weekends) from Pembroke Mall in Virginia Beach to the Greenbrier Mall area of Chesapeake. In order to connect these two locations, buses on Route 24 will travel along Witchduck and Kempsville Roads while in Virginia Beach. This will provide service to the Housing Resource Center and will travel along one of the most heavily utilized areas of the City, which presently does not have access to transit. This route will provide Virginia Beach residents with more options and will fulfill an identified need in the long-term Transit Development Plan for the Hampton Roads region.

Schools

Investment in education has historically been a top City Council priority. For the second consecutive year, 100 percent of schools tested in VBCPS earned full state accreditation from the State of Virginia. The City continues to provide more funding than is required by the Standards of Quality (SOQ) by approximately \$272 million in FY 2019-20.

The Superintendent's Estimate of Needs (SEON) includes a net increase of 78.7 FTEs. This includes 42 positions connected to the implementation of full-day kindergarten, as well as additional elementary guidance counselors, high school teachers, elementary behavioral intervention specialists, psychologists, special education teacher assistants, special education teachers, academy teacher positions, a program compliance teacher and an interpreter. While there is a net increase in positions in instruction, there is a decrease of 12.5 FTEs in the other categories within the Schools Operating Fund, for a net increase of 63.7 FTEs in that fund. The SEON also adds a net increase of 15 FTEs in other School funds.

The CIP also continues to address aging school infrastructure. Virginia Beach Public Schools will receive \$56.8 million in FY 2019-20 and a total \$256 million over the course of the six-year program to modernize and replace buildings. Major projects funded in this section include the replacements of Thoroughgood Elementary, Princess Anne High School and initial funding for the replacement of Bettie F. Williams Elementary School.

Growing the Economy

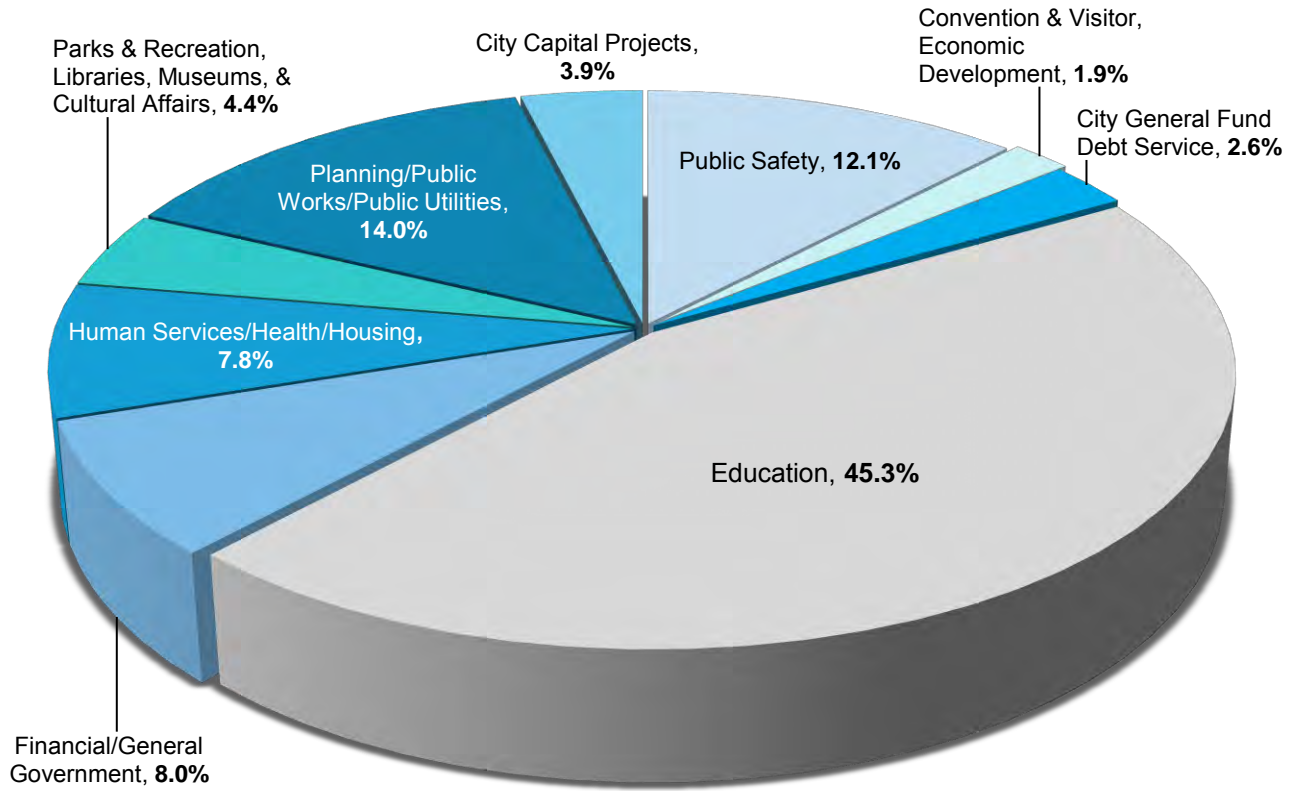
In order to grow the local economy and to keep taxes low, the City has dedicated considerable resources towards maintaining and developing infrastructure and tourism related projects. For FY 2019-20 the City is investing in the development of the resort area with projects such as the Sports Center, Oceanfront Bathrooms, Something in the Water Festival, Dome Site and infrastructure improvements such as 17th Street Improvements - Phase I Pacific to Cypress. All of these projects are being supported by the Tourism Investment Program (TIP). Further information on these projects can be found in the CIP Section of the Executive Summary.

Other economic initiatives focus on economic expansion and revitalization of certain areas of the city as well as working proactively to address a district investment program by providing matching capital investment grants for businesses within managed or commercial districts; the potential expansion of Town Center; continuation of building the biomedical park and targeted industry cluster development; revitalization of the Vibe District as an attractive component for creative businesses; attracting higher paying technology jobs; and improvement of broadband access. The MAREA subsea cable is fully operational and is the fastest submarine cable in the world. The Virginia Beach Development Authority is adding additional conduit infrastructure to the Corporate Landing Business Park to support expansion of new data center developments.



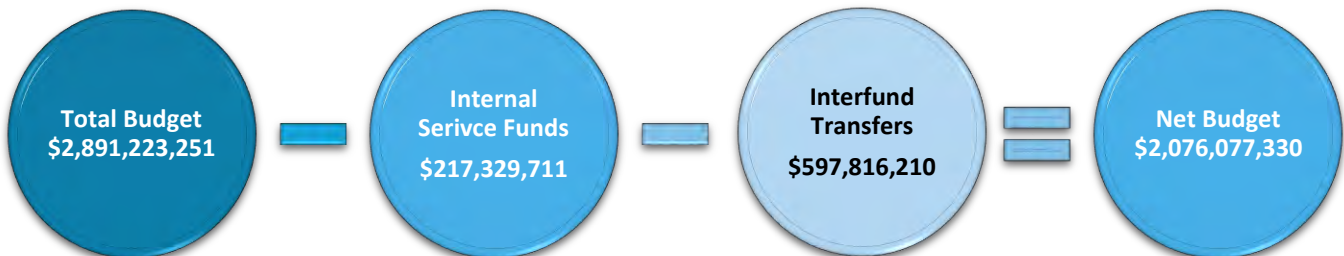
APPROPRIATIONS

FY 2019-20 Operating Budget Total Estimated Appropriations



The City Manager’s Proposed FY 2019-20 Operating Budget totals \$2,076,077,330, which is an increase of 3.6%. When controlling for major tax and fee increases associated with storm water, water and solid waste, the Operating Budget is growing 2.6%. The greatest portion of City resources are dedicated to the City Council priorities of education (45.3%), infrastructure (14.0%) and public safety (12.1%). An illustration of how City resources are allocated is displayed in the pie chart above. Overall, the City is adding a net of 53.47 FTEs, and the Schools are adding a net of 78.7 FTEs.

The Operating Budget is expressed in terms of the “Net Budget.” In FY 2019-20 the net budget is just over \$2 billion. The calculation of the net budget is illustrated below and involves eliminating the duplication of funding between the various City accounting funds (interfund transfers and internal service funds). For example, the transfer of revenues from the City’s Operating Budget to the School’s Operating Budget and internal service fund charges like city garage charges would be duplicated if not deducted as reflected in the calculation below.



At City Council’s retreat in February 2019, City Council re-affirmed its ten goals with heavy emphasis on five key areas: storm water, public safety, transportation, schools, and economic growth. This Budget funds additional initiatives to meet these areas of emphasis. Additional details about these initiatives are highlighted later within the Executive Summary as well as within the CIP and Operating Budget documents.

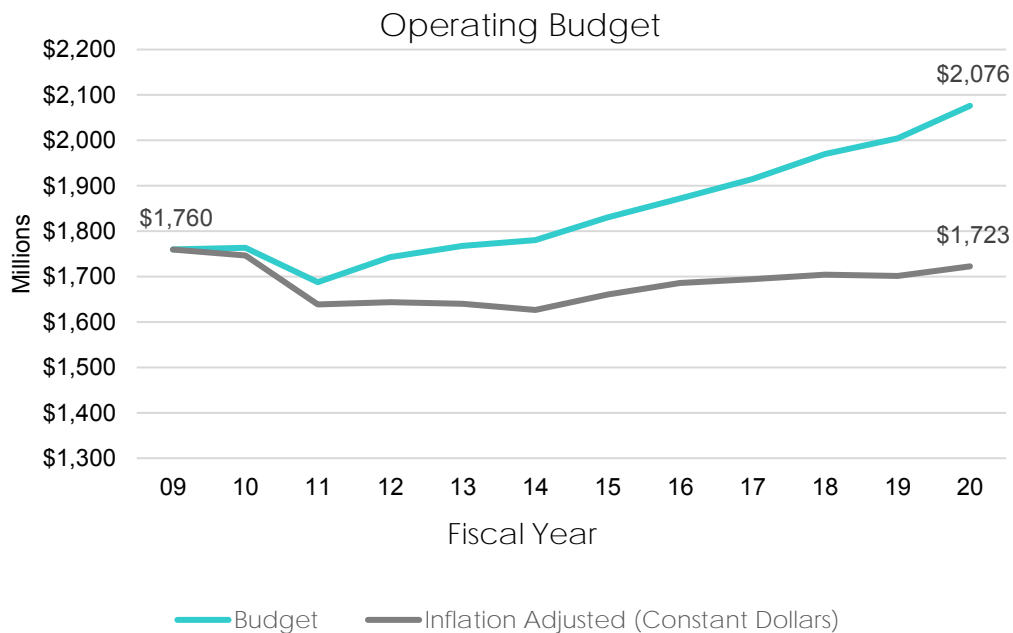
The following table details the 3.6% increase by major appropriation category:

Operating Budget by Appropriation Category

	FY 2018-19 Total City & Schools Adjusted Budget	FY 2019-20 City Budget	FY 2019-20 Schools Budget	FY 2019-20 Total City & Schools Budget	% Change	\$ Change
Personnel	917,178,143	403,507,820	531,988,227	935,496,047	2.0%	18,317,904
Fringe Benefits	331,077,855	139,027,886	201,064,396	340,092,282	2.7%	9,014,427
Operating Expenses	471,894,367	332,719,480	153,086,870	485,806,350	2.9%	13,911,983
Capital Outlay & Leases	30,667,082	22,772,054	7,522,484	30,294,538	-1.2%	(372,544)
Debt Service	161,710,118	124,676,861	45,829,596	170,506,457	5.4%	8,796,339
Pay-As-You-Go	72,571,819	80,800,555	-	80,800,555	11.3%	8,228,736
Reserves	19,516,897	33,081,101	-	33,081,101	69.5%	13,564,204
Total	\$ 2,004,616,281	\$1,136,585,757	\$ 939,491,573	\$ 2,076,077,330	3.6%	\$71,461,049

Note: The City's "Personnel" does not include funding for proposed salary increases. This funding is included in a "Reserve" account. The Schools proposed salary increase is included in "Personnel".

Climbing out of the Great Recession



Though fiscal conditions are improving as we move away from the Great Recession, overall revenue growth has not returned to its pre-recession levels when accounting for inflation. Over the last 11 years, the City’s total Operating Budget has increased by 1.6% on average per year. When controlling for inflation and looking at the FY 2019-20 Proposed Operating Budget in true constant dollars, the City’s Operating Budget is \$37 million less than the FY 2008-09 Operating Budget. Although the budget growth has been less than the rate of inflation, City operations and services were expanded over that same time period to meet citizen demands for services. Some

examples of service expansion over the last decade include: implementation of the Police body worn camera program, and construction of the new EMS headquarters, multiple Fire Stations, Housing Resource Center, three new recreation centers and the Joint Use Library, with significant staffing and operations and maintenance costs. Staffing and operational expenses are also included in the FY 2019-20 Operating Budget for the eventual opening of the Burton Station Fire/EMS Station and a new 4th Police Precinct building. Even with the costs associated with expansion of services offered over the last decade, the City's Operating Budget has grown less than the rate of inflation.

Hiring and Retaining Qualified Staff

Recruiting and retaining a qualified staff is a critical component to providing quality customer service. Both the City and Schools remain dedicated to investing in staff compensation through various methods. The City and Schools have both proposed a pay increase of 3%. The City will provide a 3% merit increase to qualifying employees and will also increase the minimum of each pay range by 1% to remain competitive and attract new talent. School employees will receive a 3% total compensation increase composed of a 2.5% cost of living adjustment and a 0.5% step increase to move employees along the scale of their pay range.

The City Manager's Proposed Budget helps to address both vertical and horizontal compression for City employees. Horizontal compression occurs when an employee makes the same amount or more than an employee that is more tenured in the same position, while vertical compression occurs when a supervisor has a subordinate employee that is paid more than the supervisor. Compression is often created when merit salary increases are not given; therefore, employees are not moving across their respective pay range. In FY 2018-19, City Council included \$3 million to address both types of compression.

In an effort to alleviate horizontal compression, for the past several years, the City will calculate the merit increase it provides to employees based on the midpoint of the salary range. By calculating an employee's salary increase off of the midpoint, employees at the lower end of the salary range receive a higher percentage increase of their salary. This strategy also maintains equity among the workforce by providing the same dollar amount of increase to every employee within the same salary range. The use of merit raises calculated on the range midpoint helps push junior members towards the midpoint at a faster rate.

Despite the efforts of City Council to address vertical compression, this type of compression continues to be created as employees are promoted into supervisory positions. In an effort to eliminate vertical compression and avoid costly one-time adjustments, a new strategy for compensating employees promoted into supervisory classifications is proposed for implementation in FY 2019-20. Under this strategy, employees promoted into supervisory classifications will be advanced to the midpoint of their salary range in a maximum of three years from the time of promotion.

To accomplish this, an employee promoted to a supervisory rank/classification, will receive a 10% pay increase or have their salary increased to the minimum of the supervisory pay range, whichever is greater. At the beginning of the next fiscal year, the employee will receive a salary increase equal to half of the monetary value needed to move the employee to the midpoint of the supervisory salary range. The following fiscal year, the employee's salary will be increased to the midpoint of the salary range. By moving these employees to the midpoint, only a small unique set of subordinates with significant tenure with the City would continue to make more than the supervisor. These conditions are short lived. This initiative is projected to cost approximately \$1.2 million in fiscal year 2019-20.

The Budget also includes the expansion of the Police Department’s Workforce Development Program to the Fire Department and Emergency Medical Services. Both departments will be instituting this career development program modeled after the Police Department program that was implemented with the FY 2018-19 Budget. This program allows Police Officers to receive a 5% salary increase after three years on the job and the successful completion of a required professional development plan. Prior to the implementation of this plan, the first opportunity for promotion occurred upon attaining six years of service as a Police officer. While the main focus of this program is career development and training for the City’s first responders, it also allows these personnel the opportunity to move through their pay range earlier in their career, which also helps to alleviate horizontal compression and has a positive impact on retention.

In addition to salary increases, the Proposed Budget for both the City and Schools includes no change in employee health insurance premiums for calendar year 2020. Despite the moderate increases in health insurance costs being experienced across the country, not increasing these premiums for City and School employees will ensure that they receive the full impact of the proposed 3% salary increases. To ensure the long-term financial viability of the Health Insurance Fund, both the City and Schools will be increasing employer contributions by 3% beginning on January 1, 2020.

On the City side, the Proposed Budget also includes additional benefits for hybrid employees through modification of the paid time off (PTO) accrual. “Hybrid Employees” are employees hired after January 1, 2014. A long-term strategy to assist in the retention of qualified staff is to modify the PTO leave accruals and maximum carryover amounts. The proposed increases are reflected in the table below with light blue being the current accrual and maximum carryover and the darker blue representing the proposed change.

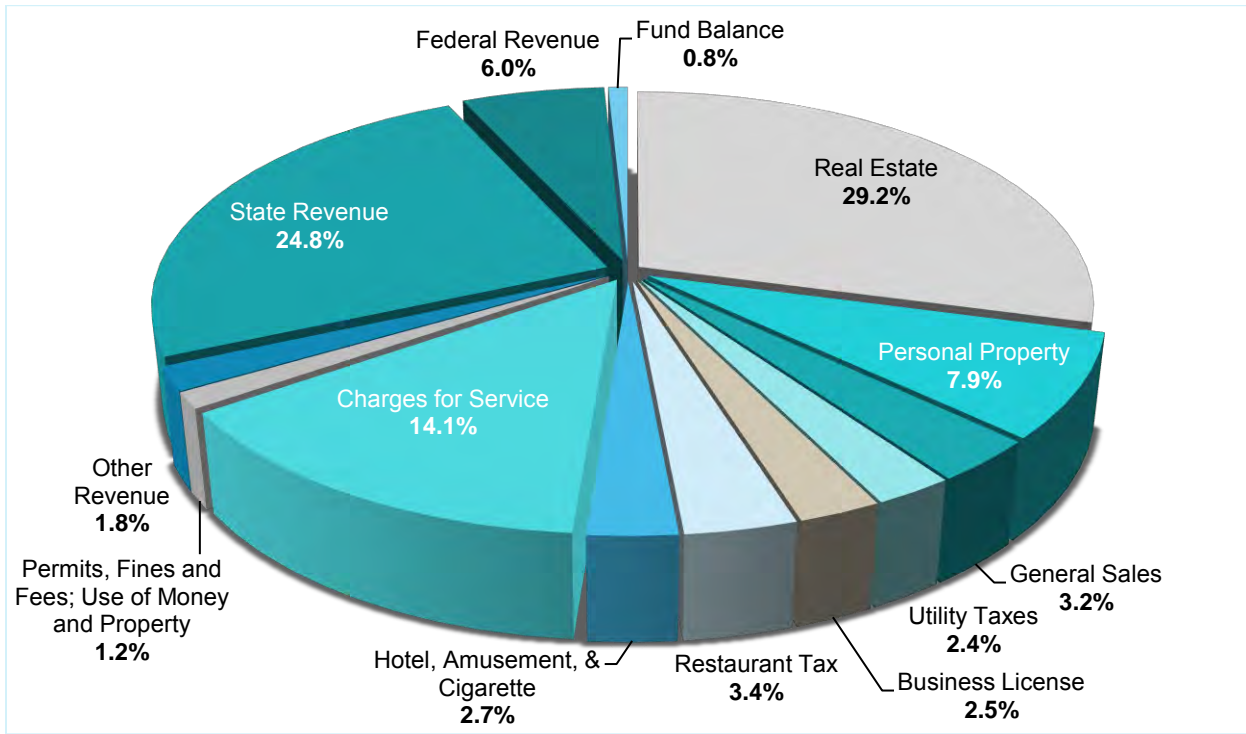
Service Time	Monthly Accrual		Days Per Year		Maximum Carryover	
0 < 5	10 hrs.	11 hrs.	15 days	16.5 days	15 days	22 days
5 < 10	12 hrs.	13 hrs.	18 days	19.5 days	18 days	25 days
10 < 15	14 hrs.	15 hrs.	21 days	22.5 days	21 days	28 days
15 +	16 hrs.	17 hrs.	24 days	25.5 days	24 days	31 days

Modifications to the PTO plan, as reflected above, provides additional benefit to recently hired employees allowing a better home/work life balance.

Budgeting for Attrition

Budgeting for attrition is the practice of under budgeting personnel and fringe benefit costs in anticipation of vacancies or hire lag. To balance the FY 2018-19 Operating Budget, the decision was made by City Council to budget \$5.3 million for attrition as a part of City Council reconciliation. Of this amount, \$3 million was to address horizontal and vertical compression and \$2.3 million was to offset the elimination of an increase in the automobile fee and cigarette tax proposed in the FY 2018-19 Operating Budget. In continuation of this practice, the City Manager's FY 2019-20 Proposed Budget relies on the use of \$5,140,801 in attrition to help fund the 3% merit and vertical compression adjustment. Historically, any vacancy savings would fall to the General Fund-Fund Balance at year-end and then be used in the following year's CIP. This practice continues but at a lower commitment level of fund balance usage in the CIP. The attrition savings used to balance the Proposed FY 2019-20 Operating Budget will not be available at year-end and therefore is projected to impact the projected General Fund-Fund Balance. Any additional use of attrition will result in the General Fund-Fund Balance being below 10%.

FY 2019-20 Operating Budget Total Estimated Revenue



For the sixth consecutive year, real estate assessments are on the rise in Virginia Beach. This indicates that the overall economy of the City is on an encouraging trajectory. As the pie chart above illustrates, real estate is the largest single revenue source for the City. Therefore, the City’s ability to fund services is heavily dependent upon the health of the housing market. The second largest revenue source for Virginia Beach is money received from the Commonwealth of Virginia. The vast majority of the revenue received from this source is allocated to the Virginia Beach City Public School System. Revenues driven by consumer behaviors such as the general sales, hotel, and amusement taxes are also growing, but at a slower rate than the increase in assessment values. Additional information about the growth of these revenues and the assumptions that make up each revenue are included in the Revenue section of the Operating Budget. Overall, revenue growth for the City of Virginia Beach in FY 2019-20 is 3.6%. When controlling for rate adjustments discussed below, the actual growth is 2.6%. This summary highlights several major revenue issues involved in the creation of this year’s Operating Budget.

The primary revenue increases, and the services for which they support, proposed in the FY 2019-20 Budget are as follows: a 1.5¢ increase in the real estate tax rate, which will be used for storm water related purposes; an increase of the authorized 2.5¢ daily Equivalent Residential Unit (ERU) rate for the next four fiscal years (FY 2019-20 thru FY 2022-23) to a 3.5¢ daily rate increase for the next six fiscal years (FY 2019-20 thru FY 2024-25); a \$2 increase in the monthly Waste Management Fee to recapitalize the Waste Management Fund and continue services at their existing levels; and a 49¢ increase in the Water Utility rate in order to pay for the extension of the City’s long-term water contract with the City of Norfolk. The following pages will have a more thorough discussion of these changes and their related impacts. In FY 2019-20, some departmental fees within Parks and Recreation are increasing. Additional information with respect to the specifics of these fees is provided in the “Summary of Fee and Tax Adjustments” section included later in this document.

Revenues

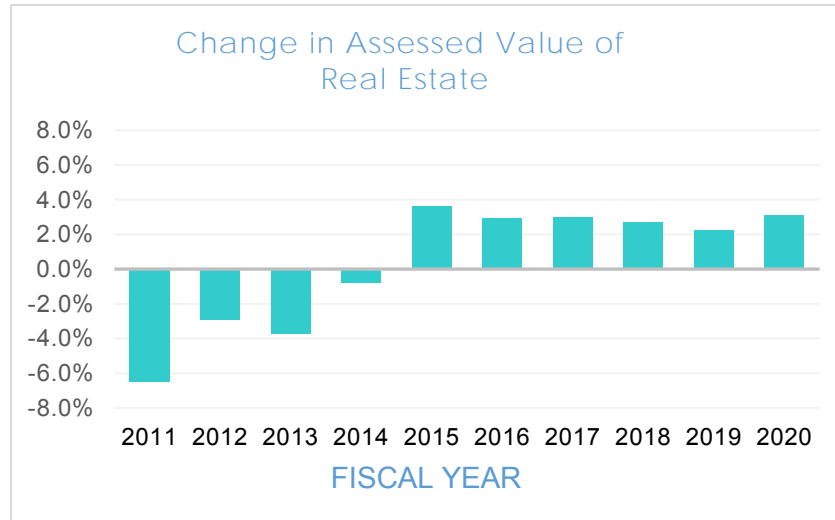
Below is an overview of all major revenue streams included in the Proposed Operating Budget. The large negative number in the City Budget (shown as a positive in the School's Budget column) reflects the transfer of local funding to support the School system as part of the City/Schools Revenue Sharing Formula.

	FY 2018-19 Adjusted Budget	FY 2019-20 City Budget	FY 2019-20 Schools Budget	FY 2019-20 Total City & Schools Budget	Percent Change
Real Estate**	578,242,982	575,691,440	30,018,534	605,709,974	4.8%
Personal Property	159,729,356	163,497,601	0	163,497,601	2.4%
General Sales	66,621,323	66,745,446	0	66,745,446	0.2%
Utility Tax	49,337,837	49,578,224	0	49,578,224	0.5%
Business License	48,669,429	51,892,052	0	51,892,052	6.6%
Restaurant Tax	70,481,007	70,026,667	0	70,026,667	-0.6%
Amusement Tax	6,872,387	7,019,378	0	7,019,378	2.1%
Hotel Room Tax	37,309,175	37,944,530	0	37,944,530	1.7%
Cigarette Tax	11,609,814	11,179,170	0	11,179,170	-3.7%
Revenue Sharing Formula		-417,982,003	417,982,003	0	0.0%
General Fund Balance	507,970	5,830,587	0	5,830,587	1047.8%
Other Fund Balance	14,723,957	1,126,260	9,992,435	11,118,695	-24.5%
Utility Fees	165,734,310	173,545,748	0	173,545,748	4.7%
Other Revenue	145,079,935	126,684,072	17,952,817	144,636,889	-0.3%
Waste Collection Fee	34,122,980	37,073,799	0	37,073,799	8.6%
State Revenue	495,416,543	129,583,724	386,301,786	515,885,510	4.0%
Federal Revenue	120,157,276	47,149,062	77,243,998	124,393,060	4.0%
Total Operating Budget	2,004,616,281	1,136,585,757	939,491,573	2,076,077,330	3.6%

**5.25 cents of the real estate tax rate is dedicated to education. The City/Schools funding formula can be viewed in the Appendix section of the Operating Budget. The real estate tax revenue has been adjusted in FY 2018-19 to reflect the accounting change associated with the Disabled Veterans Tax Relief program being netted from revenues starting in FY 2019-20. This provides a better reflection of true growth between fiscal years.

Real Estate

As mentioned earlier, the real estate tax is the single largest local source of revenue for the City. Real estate revenue represents 29.2% of the City's total revenue and 42.2% of local revenue collected. Increases in this revenue occur through growth in the assessed value of homes, new development, and changes in the tax rate. In FY 2019-20, overall real estate tax revenue is anticipated to grow. This increase is attributable to a combination of a total projected FY 2019-20 citywide assessment growth of 3.2% and a 1.5¢ proposed increase in the real estate tax rate.



Real Estate assessments are primarily a reflection of the housing market. The housing market remains positive, and as previously noted, the City is now projecting its sixth consecutive year of real estate assessment growth. This has allowed the City to recover from the housing assessment decline created by the Great Recession at the beginning of the decade. Beyond FY 2019-20, future assessment growth is still anticipated, but is projected to be below the City's historic average.

Over the years, City Council has dedicated revenue to address specific goals and initiatives. Dedications exist in the form of Tax Increment Financing (TIF) districts, Special Service Districts (SSDs), as well as through direct dedication of portions of the overall real estate tax rate to programs such as the Virginia Beach City Public Schools, Parks and Recreation for recreation centers, the Agricultural Reserve Program (ARP), the Outdoor Initiative, Storm Water and Roadways. Programs that receive these direct dedications receive a proportionate share of the tax revenue increase.

Dedications through TIFs occur differently. TIFs receive the benefit of real estate growth within their geographical boundary. For example, real estate assessments are anticipated to be 3.2% higher in FY 2019-20. Of this, designated TIFs will retain all of their respective gains resulting in less available overall revenue for the General Fund to support citywide demand for services. It is important to note that tax dedications are sometimes modified by City Council, and the funds in which these dedications reside can sometimes change.

The next table demonstrates allocations in the real estate tax revenues based on the City's Proposed Operating Budget:

Changes in Real Estate Revenue FY 2018-19 to FY 2019-20

	FY 2018-19	FY 2019-20	Difference
City Operations and CIP*	\$264,327,447	\$285,953,971	\$21,626,524
Schools Operations and CIP	254,677,434	258,671,379	3,993,945
Parks and Recreation	22,044,369	22,562,411	518,042
Sandbridge Special Service District	739,993	735,502	-4,491
Agriculture Reserve Program	4,966,225	5,146,034	179,809
Sandbridge TIF District	10,297,813	10,411,393	113,580
Central Business District TIF District	7,333,268	8,033,042	699,774
Town Center Special Service District	2,034,071	2,111,141	77,070
Roadways/Line of Duty	11,173,020	11,435,631	262,611
Dredging Special Service Districts	649,342	649,470	128
Total	\$578,242,982	\$605,709,974	\$27,466,992

*Amount reflects the Public Works Storm Water Operations moved from the Storm Water Enterprise Fund to the General Fund.

In the FY 2019-20 Operating Budget, the real estate tax rate proposed by the City Manager will increase by 1.5¢ (please note the School Board has requested a \$0.0085 or eighty-five hundredths of a cent real estate tax increase to accelerate the expansion of full-day kindergarten which is not included within the Schools Adopted Budget). The City Manager's Proposed Budget will increase the rate from \$1.0025 to \$1.0175 per \$100 of assessed property value. This increase is necessary because approximately \$14.2 million of FTE salary, benefits, and other operational expenses are being reallocated from the Storm Water Enterprise Fund Operating Budget to the General Fund. This reallocation is equivalent to 2.5 cents of the Real Estate Tax (1 cent that was dedicated to Storm Water in the FY 2017-18 Budget, and the 1.5 cent increase proposed in this FY 2019-20 Budget). This will increase the funding available in the Storm Water Enterprise Fund to support PAYGO, bond sales, and debt service related to storm water projects. In total, the reallocation will allow the City to be in a better position to fund essential and needed storm water projects, while preserving general government bond capacity for other critical infrastructure projects.

Personal Property Revenue

Personal property taxes are the most difficult for staff to estimate of all revenues collected by the City of Virginia Beach due to its June 5th due date. At the time revenue estimates are made, on average only 19% of the revenue for the current year has been collected. Working closely with the Office of the Commissioner of Revenue, staff projects a slight increase in the Personal Property assessment base. Additional information about the variables and assumptions behind this estimate are provided in the Revenue section of the Operating Budget.

Most personal property categories will be taxed at \$4.00 per \$100 of assessed value. Of this amount, some revenue is allocated to Schools through the City/School Revenue Sharing Formula and 30 cents is dedicated to support public safety needs. In an effort not to increase the personal property tax rate, additional requests to increase public safety assets have been curtailed.

State and Federal Revenue

Revenue from the Commonwealth, as estimated in this Budget, reflects a 4% increase from a year ago. The vast majority of Revenue from the Commonwealth received by the City is devoted to education. This year, revenue from the Commonwealth is expected to increase primarily due to the decision by the General Assembly to include the State's portion of salary increases granted to state-funded school instructional positions within their amendments to the Commonwealth's 2018-2020 Operating Budget. For Virginia Beach, the State's portion of the instructional pay raises is anticipated to be over \$11.3 million in FY 2019-20. In addition, revenue from the Commonwealth is also higher due to the fact that the share of the state sales tax remitted to localities to assist in education is projected to increase 4.8%, or \$3.6 million.

In FY 2012-13, due to significant cuts in State funding for schools as a result of the recession, City Council dedicated 4¢ of the real estate tax to the schools. This dedication was to be reviewed when funding from the State to the Schools exceeded \$350 million; however, it has taken eight years to reach this level of funding when both Basic Aid and State Sales Tax revenue are combined. The City Manager's Proposed Budget maintains this dedication to schools as it is necessary to achieve City Council's goal to have World Class Schools and Educational Programs. This dedication will be reviewed in conjunction with the School Funding Formula in the summer of 2019.

A second source of revenue from the Commonwealth for the City is State Aid to Localities with Police Departments, which is also known as "599 Funding." 599 Funding is distributed by Virginia to local governments who have authorized a police department that is "responsible for the prevention and detection of crime, the apprehension of criminals, the safeguard of life and property, the preservation of peace and the enforcement of state and local laws, regulations, and ordinances." The recently amended state budget did not contain any additional increases to 599 Funding beyond the increase that was already programmed in the biennial budget passed by the General Assembly in 2018. However, the precise distribution of the FY 2019-20 funds to individual localities has not yet been released by the Virginia Department of Criminal Justice Services. Federal revenue is estimated to be 4% higher in this year's Budget. There is no one driver of this increase in federal revenue; rather this additional revenue is spread out across the City's departments and services. As with revenue from the Commonwealth, a large part of the City's federal revenue is devoted to educational assistance.

Storm Water ERU Fee

The City Manager's Proposed Budget includes a 3.5¢ per day increase in the Storm Water Equivalent Residential Unit (ERU) rate over the next six years. In FY 2017-18, City Council approved a five-year plan that would raise the daily rate by 2.5¢ each year; however, in FY 2018-19, City Council decided to eliminate the 2.5¢ increase scheduled for that year and extended the adopted 2.5¢ increase through FY 2022-23. While many of the

operating costs that were to be supported by that fee increase were eliminated from the Budget, the storm water capital program was not reduced. Now that the storm water capital program is being expanded in the FY 2019-20 Budget and the operating costs to support this expansion are also included, the 2.5¢ increase will not be adequate to fund the proposed program. If the 3.5¢ per day increase is approved, this would set the FY 2019-20 ERU rate at 49.3¢ per day. This would represent a \$12.78 increase per year for the average household in the city. The 3.5¢ increase is requested each year for the six year CIP program period. As part of the planned increases in the ERU rate moving forward, staff is conducting an analysis that will provide options to reduce or eliminate of the regressive nature of having a single ERU rate for all residences.

For more detailed information on the planned usage of the Storm Water ERU and its increased rate, please see the Appropriations Section of the Executive Summary and the Department of Public Works Operating Budget. As those sections detail, additional City resources and funding sources are required within the Storm Water Utility Enterprise Fund and the Storm Water section of the CIP in order to rehabilitate and upgrade storm water infrastructure throughout the city, address flood control initiatives designed to alleviate present flooding situations as conditions arise, and prepare for expected future increases in sea levels in the Hampton Roads region.

Waste Management Fee

The Proposed Operating Budget includes a \$2 increase from \$23 to \$25 per month in the Waste Management Collection fee. The purpose of the fee increase is to assist the Waste Management Fund, which is a relatively new enterprise fund, chart a path to fiscal self-sustainment. Proceeds from the fee increase are expected to fund the replacement of collection vehicles, other equipment and facilities, and to provide the Fund with adequate resources to potentially issue future debt to finance the construction of replacement waste management facilities. For more detailed information on the planned usage of the Waste Management Fee and its increased rate, please see the Department of Public Works Operating Budget.

Water Rate

In the fall of 2018, the Cities of Virginia Beach and Norfolk agreed to terms on an extension of the cities' current Water Services Agreement and on a new water purchase agreement. As part of the contract, there is an annual surplus water purchase from Norfolk. In order to offset this new expense, the Proposed Operating Budget includes a 49¢ increase in the Water Rate charge from the present \$4.41 to \$4.90 per thousand gallons. This represents a \$2.45 increase per month for the average household in the city using 5,000 gallons per month. For more detailed information on the planned usage of the Water Rate charge and its increased rate, please see the Department of Public Utilities Operating Budget.

Annual Tax and Fee Impact

The following graphic summarizes the total impact of the FY 2019-20 Budget on taxpaying households in Virginia Beach and compares this impact to FY 2018-19. Values and totals in bold reflect changes in tax rates or adjustments in values in this Proposed Budget. The bottom line impact for taxpaying households who own a median valued house and own 2 cars is an additional \$179 this year, or \$14.92 per month. This amount is subject to change for each individual taxpayer depending on variables such as home value, vehicle value, the number of cars owned, and consumption choices.

2019

Tax or Fee	Value	Annual
Real Estate Tax	\$242,300 (City Median) X \$1.0025 per \$100 of value	\$2,429
Personal Property Tax	\$8,200 (City Car Average) X \$4 X 49.7% Citizen Share X 2 Cars	326
Electricity Utility Tax	\$3 per month	36
Gas Utility Tax	\$3 per month	36
Telecomm Tax	5% on \$90 per month phone bill + cable ROW fee + E-911 tax	76
Water Utility Tax	\$3 per month	36
Restaurant Tax	Food Away From Home* (\$3,665) X 5.5%	202
Admissions Tax	Participatory* (\$69 X 5%) + General Admissions* (\$135 X 10%)	17
Vehicle License Registration	\$30 per car X 2 Cars	60
Storm Water Utility Fee	45.8 cents per day X 365 Days	167
Waste Management Fee	\$23 per month	276
Water & Sewer	Average cost of a 5,000 Gallon household	687
	Water: \$26.46 per month; Sewer \$30.81 per month	
Total		\$4,348

*Figures come from 2017 BLS Consumer Expenditure Survey for Virginia Beach's median income level.

2020

Tax or Fee	Value	Annual
Real Estate Tax	\$249,500 (City Median) X \$1.0175 per \$100 of value	\$2,539
Personal Property Tax	\$8,200 (City Car Average) X \$4 X 49.9% Citizen Share X 2 Cars	327
Electricity Utility Tax	\$3 per month	36
Gas Utility Tax	\$3 per month	36
Telecomm Tax	5% on \$90 per month phone bill + cable ROW fee + E-911 tax	77
Water Utility Tax	\$3 per month	36
Restaurant Tax	Food Away From Home* (\$3,665) X 5.5%	202
Admissions Tax	Participatory* (\$69 X 5%) + General Admissions* (\$135 X 10%)	17
Vehicle License Registration	\$30 per car X 2 Cars	60
Storm Water Utility Fee	49.3 cents per day X 365 Days	180
Waste Management Fee	\$25 per month	300
Water & Sewer	Average cost of a 5,000 Gallon household	717
	Water: \$28.91 per month; Sewer \$30.81 per month	
Total		\$4,527

*Figures come from 2017 BLS Consumer Expenditure Survey for Virginia Beach's median income level. Please note the real estate tax calculation does not include the School Board's request to accelerate the expansion of full-day kindergarten.

Rate Comparisons

Virginia Beach's taxes and fees compare very favorably with other Hampton Roads localities. The table below includes major tax rates and fees that are imposed on residents and visitors and indicates that Virginia Beach has among the lowest tax rates in Hampton Roads. This occurs even as Virginia Beach offers services and programs that compare quite favorably with those offered by its neighbors.

Selected Tax Rates: Virginia Beach Proposed FY 2019-20 and Other Cities Adopted FY 2018-19							
	Virginia Beach	Chesapeake	Norfolk	Portsmouth	Suffolk	Hampton	Newport News
<i>In dollar amounts:</i>							
Real Estate (per \$100 /A.V.)	1.0175	1.05	1.25	1.30	1.11	1.24	1.22
Personal Property (Vehicles & Business)	4.00	4.08	4.33	5.00	4.25	4.50	4.50
Personal Property (Machinery & Tools)*	-	0.64	1.70	1.50	0.63	1.23	1.25
Automobile License Registration	30.00	23.00	31.00	32.00	26.00	35.00	26.00
Cigarette (per pack)	0.75	0.65	0.95	0.90	0.75	0.85	0.85
Solid Waste Fee (per month)**	25.00	-	25.01	30.16	19.50	38.89	28.47
<i>In percent:</i>							
Meals	5.5	5.5	6.5	6.5	6.5	7.5	7.5
Admissions	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Hotel	8.0	8.0	8.0	8.0	8.0	8.0	8.0

*For Virginia Beach, the rate is one millionth of one cent, essentially zero. The Code of Virginia requires that localities assess and levy all classifications of personal property. With an adopted rate of one millionth of one cent, the City's Treasurer will not issue a nuisance bill. For the other cities, the effective rate is cited, which is a product of the tax rate multiplied by the assessment percentage. Using Chesapeake as an example, their tax rate is \$3.20, but they only assess 20% of the value, producing an effective tax rate of 0.64 cents (\$3.20 X 20%).

**Hampton represents average monthly cost of recyclers and non-recyclers. Newport News represents an average for Standard and Medium Container.

In addition to comparing tax and fees with the other Hampton Roads localities, the City also regularly compares its expenditures per capita as a percentage of per capita income with other jurisdictions. As the table below illustrates, Virginia Beach has the lowest expenditures as a percentage of per capita income (6.32%) when compared to the cities of Hampton Roads.

Relative Measure of Tax Burden

Locality	Per Capita Expenditures as a % of Per Capita Income
Virginia Beach	6.32%
Chesapeake	7.10%
Hampton	9.36%
Newport News	9.26%
Norfolk	8.81%
Portsmouth	9.28%
Suffolk	7.21%

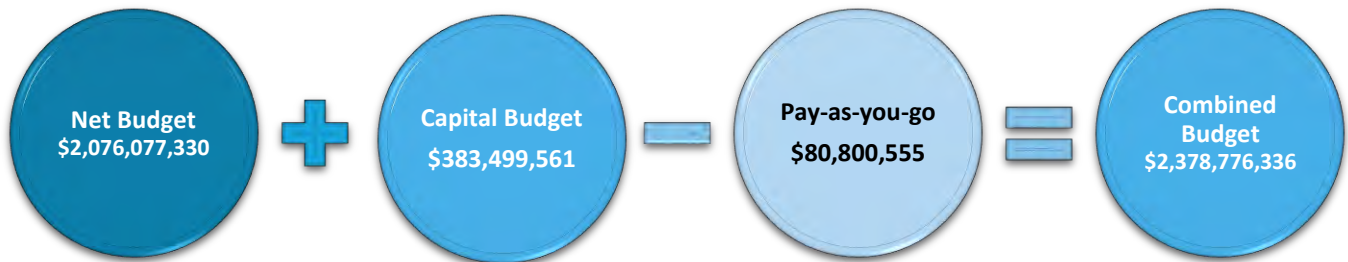
Sources: Auditor of Public Accounts, Bureau of Economic Analysis, and the Weldon Cooper Center.



CAPITAL IMPROVEMENT PROGRAM (CIP) SUMMARY

The Capital Improvement Program (CIP) is the City's six-year plan for the acquisition, construction, maintenance, and improvement of facilities and infrastructure. Continued investment in existing assets as well as the strategic planning of additional assets is key to the success of the City.

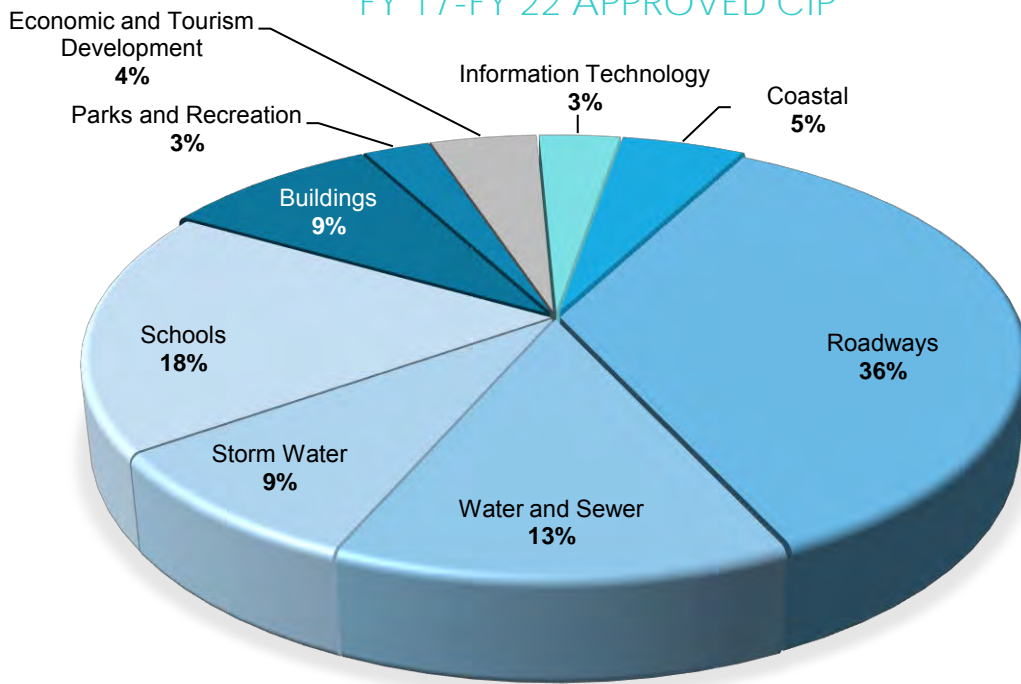
The CIP serves as the City's framework for establishing priorities, planning future funding, and anticipating the impact of large scale projects on the Operating Budget. Budgeting for the CIP includes appropriations to date as well as the first year (Capital Budget) of the six year program. Years two through six are included for planning purposes only, and are not formally adopted as appropriations by City Council. Planning over a six-year period ensures that projects are appropriately estimated. The FY 2019-20 through FY 2024-25 CIP (including appropriations to date) totals over \$3.2 billion. The combined total appropriations for the FY 2019-20 Operating Budget and Capital Budget are shown below.



The combined budget included in the Resource Management Plan for FY 2019-20 is \$2,378,776,336. Just as internal service funds and interfund transfers must be subtracted from the Operating Budget, pay-as-you-go funding must be reduced from the Capital Budget and Net Budget or the funding would be duplicated. Pay-as-you-go is current revenue that pays for capital projects.

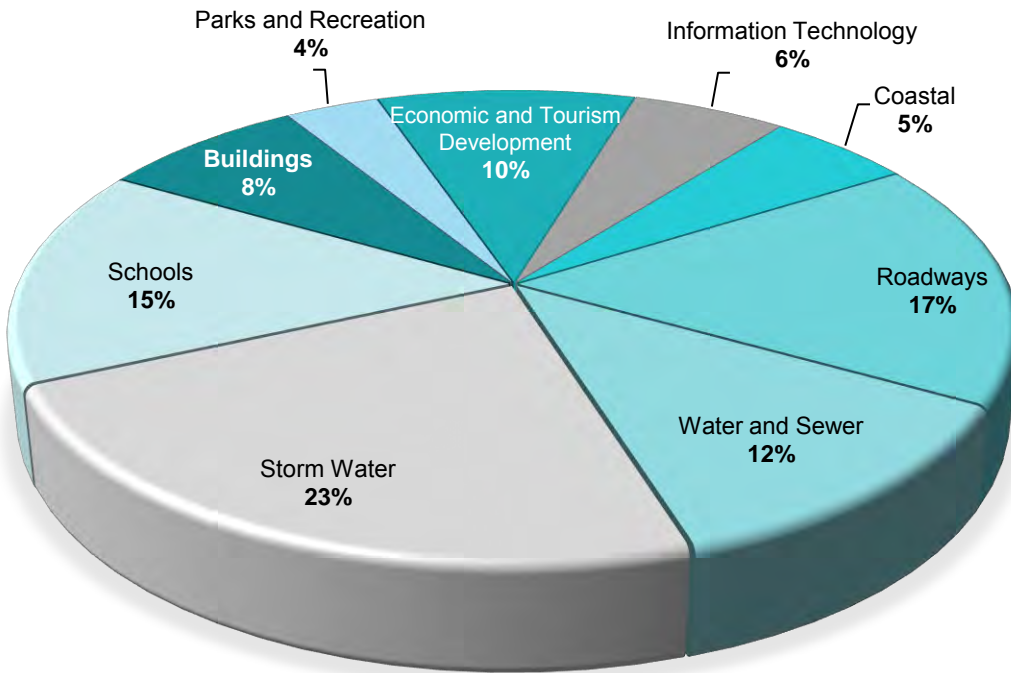
The FY 2019-20 Budget includes increased investment towards flood control, water quality, and maintenance of the existing storm water system. One of City Council's top priorities is mitigating the effects of sea level rise, as well as recurrent flooding in neighborhoods across the city. For this reason, the six-year FY 2019-20 Capital Improvement Program increases funding to storm water projects by \$114.9 million or 41% compared to the FY 2018-19 approved CIP. Since FY 2016-17, funding to Storm Water projects has increased by 191%, and is now the largest section of the Capital Improvement Program at \$395 million over the six-year period. The pie charts on the following page show the overall change in the CIP since FY 2016-17 and reflects the additional investment in storm water. Another top priority of City Council's is investment in growing the economy as reflected in the Economic and Tourism Development Section of the CIP.

FY 17-FY 22 APPROVED CIP



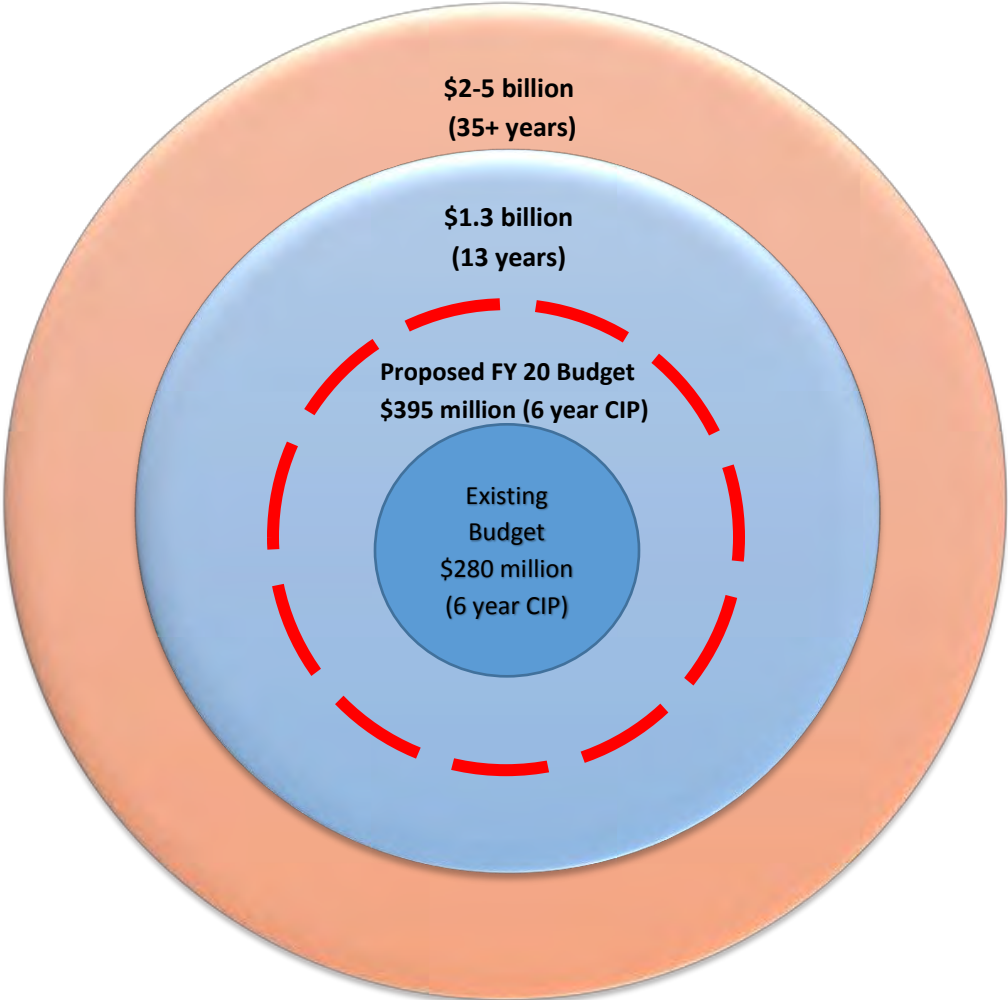
Total Six Year CIP \$1,561,086,519

FY 20-FY 25 PROPOSED CIP



Total Six Year CIP \$1,704,187,394

Long-Term Storm Water and Sea Level Rise Capital Funding Needs



The graphic above represents the City’s strategy for addressing storm water needs. The City’s approach has been to work from the inside of the graphic out as funding becomes available. The dark blue circle in the center represents the FY 2018-19 adopted CIP, which was funded through a 2.5¢ ERU rate increase that occurred in FY 2017-18 and 1 cent of the Real Estate tax. This is the “core” of the storm water CIP, and this level of funding was focused upon long-term backlogged neighborhood projects, neighborhoods impacted by Hurricane Matthew, and backlogged major maintenance projects. The dotted red line represents the Proposed FY 2019-20 Budget, which includes a 3.5¢ ERU rate increase for each of the next six years, coupled with a 1.5¢ real estate tax rate increase directed towards funding storm water personnel and operations. The light blue represents the amount of funding necessary to fully fund critical recurrent flooding and maintenance projects over the next 13 years. The orange circle illustrates the level of funding the City anticipates needing to support storm water projects in the coming years to address needs created by sea level rise.

In order to maximize the use of the Equivalent Residential Unit (ERU) Rate for Storm Water Capital Improvement Projects, several divisions of Storm Water (Mosquito Control, Street Sweeping, Surface Water Regulatory Compliance and a portion of Operations) are reallocated to the City’s General Fund. The total amount of this change is \$14.3 million dollars including 105 FTEs, which will be offset by the redirection of the previous General Fund transfer (equal to 1¢ of the real estate tax) to the Storm Water CIP and a proposed real estate tax increase of 1.5¢. The General Fund will retain this 2.5¢ to support these storm water operations moving forward. This new

funding model allows for the Storm Water ERU and revenue bonds to fully support the Storm Water CIP without General Fund support, which preserves bond capacity for general government projects like school modernization, replacement of public buildings, and addressing roadway needs.

Other Council priorities include the modernization of Schools and improving the City's transportation system. Virginia Beach Public Schools will receive \$56.8 million in FY 2019-20 and \$256 million over the course of the six-year program to modernize and replace school buildings. Major projects funded in this section include the replacements of Princess Anne High School and Thoroughgood Elementary School. Roadway projects will receive over \$67 million in the coming fiscal year, and \$291 million throughout the six-year program. New transportation projects added to the six-year CIP include North Great Neck/ London Bridge/ Virginia Beach Boulevard Intersection Improvements as well as Princess Anne Road/ TCC intersection improvements. Existing projects include Laskin Road IA and the Laskin Road Bridge, Centerville Turnpike II and III, Elbow Road II-B and II-C, First Colonial Road and Virginia Beach Blvd. Intersection, Indian River Road VIII-A and VII-B, Princess Anne Road VII, Sandbridge-Nimmo VII-A and Shore Drive III and IV. While school projects are mainly financed through the use of debt, roadway projects use a combination of debt, General Fund Pay-Go, and funding from the State and Federal government.

Another major priority of City Council is growing the local economy. Projects in the Economic and Tourism Development section of the CIP are aimed at creating economic as well as tourism growth in the city to spur private development. Key projects in the Proposed CIP include: the Virginia Beach Sports Center; redevelopment of the former Dome Site into a mixed-use, high density development including space and parking for residences, offices, retail, restaurants, a surf park, and an entertainment venue; streetscape enhancements related to the Dome Site redevelopment project; upgrades to existing and the construction of additional Oceanfront restrooms; and continued support to the Economic Development Incentive Program which provides grant funding to economic development initiatives as approved by the Virginia Beach Development Authority.

Funding for the resort area projects comes from the Tourism Investment Program (TIP), which is supported by hotel, amusement, and restaurant taxes, as well as other revenue sources. Part of this dedicated funding stream was established in FY 1993-94 to provide funding for tourism related projects. In FY 2019-20 projects in the Economic and Tourism Development section of the CIP total nearly \$101.2 million, and \$168.2 million over the course of the six year program.

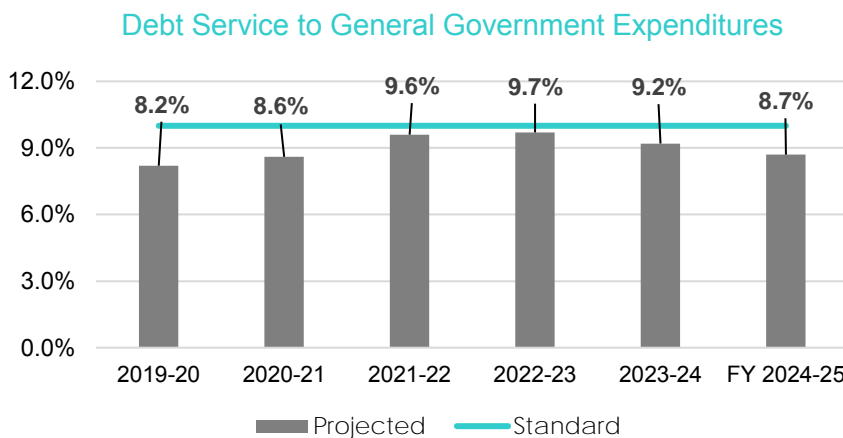
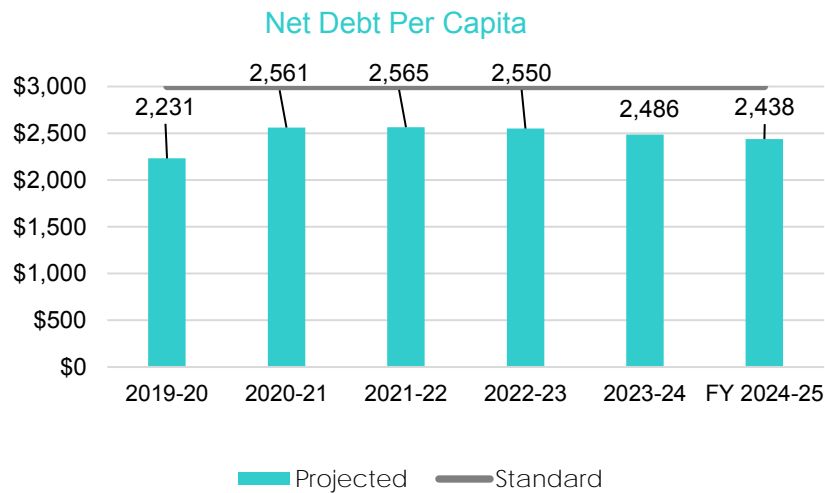
Capital Improvement Program (CIP)

The table below shows the total programmed funding for each section of the CIP.

Project Type	Appropriations to Date	FY 2019-20 Capital Program Budget Year 1	Remaining Years of the Capital Program Budget Years 2 - 6	Programed 6 Year Funding
Schools	\$ 156,185,000	\$ 56,791,000	\$ 199,455,000	\$ 412,431,000
Roadways	453,232,541	67,052,241	223,584,724	\$ 743,869,506
Buildings and Assets	181,977,181	\$ 22,236,576	\$ 111,227,210	\$ 315,440,967
Parks and Recreation	73,614,864	9,700,168	51,581,221	\$ 134,896,253
Utilities	111,454,485	30,373,971	173,985,000	\$ 315,813,456
Coastal	79,350,075	18,720,000	75,494,733	\$ 173,564,808
Economic and Tourism Development	165,066,859	101,912,280	66,251,882	\$ 333,231,021
Information Technology	60,875,024	21,713,325	79,108,063	\$ 161,696,412
Storm Water	249,416,778	55,000,000	340,000,000	\$ 644,416,778
Total CIP	\$1,531,172,807	\$ 383,499,561	\$1,320,687,833	\$3,235,360,201

Debt and the CIP

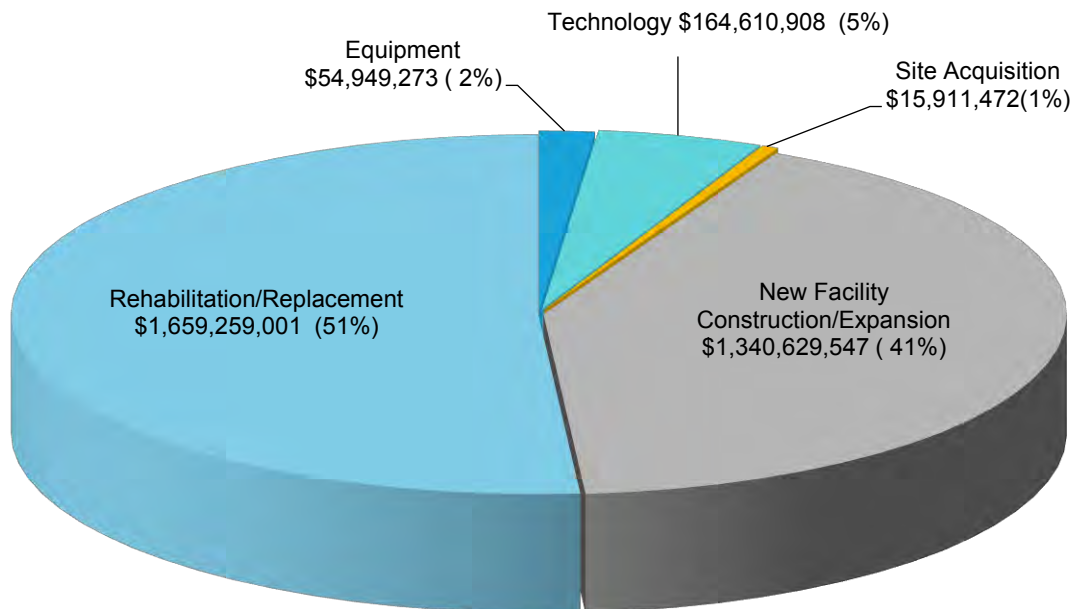
The City uses four indicators to help in its debt management. Using data from the FY 2019-20 through FY 2024-25 CIP, projections of the two most restrictive of these indicators are shown on the following graphs.



To guide the development of the CIP and address long-term debt management issues, the City uses debt indicators as well as the following guidelines: 1) debt will be the last source of funding considered; 2) the City will issue bonds for capital improvements with a cost in excess of \$250,000 or which cannot be financed from current revenues; 3) when the City finances capital projects by issuing bonds, it will pay back the debt within a period not to exceed the expected useful life of the projects, generally the City issues debt over a 20 year term for general obligation debt and a 25 year term for revenue bonds; 4) where possible, the City will develop, authorize, and issue revenue, special fee, or other self-supporting instruments instead of general obligation bonds; 5) the debt structure of the government will be managed in a manner that results in minimal deviation from the City’s debt indicators; and 6) the City will maintain good communications regarding its financial conditions and will regularly evaluate its adherence to its debt policies.

CIP Funding by Type

Total FY 2019-20 - FY 2024-25 Proposed CIP
by Category including Appropriations to Date



As mentioned above, the continued investment in existing assets is a critical component of the City’s Capital Improvement Program. Much of the infrastructure in the City of Virginia Beach is over half a century old, and 51% of the total \$3.2 billion CIP is dedicated to address maintenance, rehabilitation and replacement of aging infrastructure. Though a large amount of the CIP is dedicated to maintaining existing assets, there remains a significant backlog of these maintenance and replacement projects. There is currently a \$1.4 billion backlog in school replacement needs, and with the current funding program, each school building will be an average of 100 years old at the time of replacement. In addition, there is approximately \$2 billion in unfunded roadway projects, and another \$2 to \$5 billion in sea level rise related storm water projects.



ALIGNING THE RESOURCE MANAGEMENT PLAN TO CITY COUNCIL'S GOALS

The City Council's vision for the City is to create "A Community for a Lifetime." This simple but powerful statement encompasses so much and guides the City in all the programs and services that we provide.

In order to make this vision actionable, the City Council meets annually to discuss the goals that will bring the vision to reality. These goals are critical to determining the priorities in the Operating Budget and CIP (these two documents along with this Executive Summary are called the Resource Management Plan).

For each goal, City staff has identified a series of high level community indicators that provide insight into how the community is performing. While the City only has varying levels of influence on the performance of these indicators, they can help to identify areas where additional resources may be needed.

Included in the next several pages are the community indicators associated with each of these goals, and examples of specific initiatives and projects included in the FY 2019-20 Resource Management Plan that will help achieve these goals.



I. Grow the Local Economy

A growing economy provides citizens with the jobs and opportunities to support their families. It also helps to expand and diversify the tax base, which provides the necessary revenue for the City to provide services and amenities. Economic strength and diversity are also key components of being a resilient community.

While the City has a role in the growth of the economy, there are a multitude of external factors that contribute to the achievement of this goal. The table below includes some of the performance metrics that the City monitors when assessing the local economy.

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Average Monthly Employment	206,585	212,145	215,118	215,996	218,681	221,183	220,565	219,060	221,466	227,247
Average Monthly Unemployment Rate	6.0%	6.5%	6.1%	5.7%	5.4%	4.9%	4.3%	3.9%	3.6%	2.9%
Average Weekly Wage	\$697	\$708	\$731	\$759	\$749	\$765	\$783	\$789	\$805	\$805
Median Household Income	\$59,298	\$64,212	\$64,614	\$61,126	\$62,855	\$68,816	\$67,281	\$71,117	\$72,586	N/A
Residents Satisfied with the Job Opportunities in Virginia Beach	69.8%	N/A	73.7%	N/A	78.3%	N/A	76.9%	N/A	73.4%	N/A
Number of Startups per 100,000 Residents	105	95.9	90.2	106.6	120.9	120.9	130.1	106.5	108	122
Patents per 100,000 Residents	6.2	10.0	6.3	8.0	10.5	8.9	7.9	N/A	N/A	N/A
Average Monthly Jobs	165,928	164,022	162,574	164,585	169,419	171,026	173,655	176,404	178,270	180,142
Median Single Family Home Value	N/A	N/A	N/A	N/A	\$242,700	\$239,400	\$247,200	\$252,300	\$260,100	\$281,500
Individuals in Poverty	6.4%	7.5%	8.6%	8.8%	8.8%	8.2%	7.9%	7.9%	8.0%	N/A

*Figure represents the first three quarters of 2018 data, other figures represent full year.

Please note with the table above and those on subsequent pages, data is provided when available. The years noted above are calendar years unless specified otherwise. In some cases, data has not yet been released for calendar year 2018.

As with all of the goals, the City is constantly looking for ways to improve and diversify the local economy. Some of the initiatives in the Resource Management Plan that are intended to grow the local economy are outlined below. These initiatives are aligned with the City Council's desire to:

- Create job opportunities with higher pay for residents to work in Virginia Beach.
- Establish a reasonable property tax rate through a more diverse tax base resulting in more revenues for the City.
- Create a local economy more insulated from an economic downturn.
- Develop opportunities to start and grow a business in Virginia Beach.
- Provide greater convenience in residents' daily lives – less commute time and more time for family.

Dome Site Project Moves Closer to Reality

In January, Virginia Beach took a major step toward turning a longstanding dream into reality. City Council approved a non-binding term sheet submitted by Venture Realty Group for the development of property known locally as “The Dome.” One of the partners in the development is entertainer and producer Pharrell Williams, a Virginia Beach native.

As part of the overall planned development, the City will construct an entertainment venue (CIP 9-053 “Dome Site Entertainment Venue”) with an approximate capacity of 3,500 that would be capable of hosting a multitude of events including live musical performances, comedic acts, sporting events, spoken word events and speaking engagements. In addition to the entertainment venue, the City will also provide streetscape improvements (CIP 9-050 “Dome Site Streetscapes”) and public parking spaces (CIP 9-065 “Dome Site Parking”) through the acquisition of 1,935 parking spaces in multiple garages with mixed use development. All three of these projects will support the estimated \$325 million Atlantic Park project which will include more than 200,000 square feet of retail and restaurant space, 150,000 square feet of office space, a surf park, and 426 residential units.

A development agreement will likely be considered by City Council in June or July. The Atlantic Park project will help the City achieve its goal of being a year-round destination. In addition to attracting tourists during the summer, Atlantic Park will add year-round activities, dining, and shopping that make it a destination for both tourists and locals during the summer and in the off-season.

19th Street Improvements to Connect Sport Center and Dome Site

The 19th Street corridor will undergo a major upgrade (CIP 9-100 “19th Street Infrastructure Improvements”) in an effort to connect the Dome Site with the Convention Center and the new Virginia Beach Sport Center. This project provides for critical streetscape and traffic improvements that will improve pedestrian access and safety with widened sidewalks, improve aesthetics by undergrounding overhead utilities, and improve storm water drainage by replacing undersized storm drains. This project, in combination with other major projects in this area, will help to transition the Resort Area from a seasonal vacation spot to a year-round, world-class urban resort destination by creating three distinct districts at Laskin Gateway, Central Beach, and Rudee Inlet Marina. This project also supports the ViBe Creative District Connectivity Plan.

Virginia Beach Bio

The CIP also includes the final year of funding for critical infrastructure for the first phase of the City’s biomedical park (CIP 9-030 “Virginia Beach Bio Infrastructure”). This project funds the essential infrastructure for road access, extension of utilities and frontage needed within the Princess Anne Commons Special Economic Growth Area. The project supports the City’s Three-Year Strategic Economic Vitality strategy to grow a diverse economy that attracts and retains private companies that want to invest within the City of Virginia Beach. Specifically, the project and biomedical park will help attract start-ups in Science, Technology, Engineering and Mathematics (STEM) related fields. Construction related to this project is anticipated to be completed in December of 2019.

This past year, Economic Development announced strategic global partnerships to expand the bio brand with AseBio, Spain’s biotechnical association, and OBN, the main biomedical trade association in the United Kingdom. In addition, the City of Virginia Beach and the Virginia Beach Department of Economic Development have partnered with the Center for Advancing Innovation (CAI) to launch the Virginia Beach Bio Innovation Challenge. The Virginia Beach Bio Accelerator will be a shared lab space designed for startup companies and graduates of the Virginia Beach Bio Innovation Challenge, whose winners will be announced in the spring of 2019.

II. Maintain a Financially Sustainable City Providing Excellent Services

The City of Virginia Beach provides excellent and varied resources to our citizens as evidenced by our excellent school system, public safety response, waterway and beach amenities, well-maintained infrastructure, library system, parks and recreation amenities, and cultural facilities. As each Operating Budget is prepared, staff ensures that services are sustainable in the long-run.

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Pounds of Solid Waste Produced per Capita per Day - FY	2.38	2.45	1.83	1.68	1.63	1.58	2.52	2.55	2.18	2.07
Recycling Rate	36.5%	39.3%	44.6%	41.2%	39.9%	37.4%	31.7%	34.7%	N/A	N/A
Water Consumption per Capita (Gallons per Day) - FY	75.8	72.5	74.5	68.5	66.9	65.7	64.2	68.0	69.3	68.4
Residents Who Agree they Can Conveniently Access City Services	95.4%	N/A	93.8%	N/A	95.4%	N/A	94.6%	N/A	92.1%	N/A
Residents Who "Overall" Are Satisfied with City Services	91.4%	N/A	91.0%	N/A	93.8%	N/A	94.0%	N/A	90.7%	N/A
Resident Satisfaction with the Courtesy of City Employees	90.4%	N/A	91.3%	N/A	92.1%	N/A	91.0%	N/A	85.8%	N/A
City of Virginia Beach Bond Rating (Moody's, Standard & Poor's, Fitch)	AAA	AAA	AAA	AAA	AAA	AAA	AAA	AAA	AAA	AAA
Operating Expenditures Per Capita	\$4,058	\$4,037	\$3,846	\$3,930	\$3,953	\$3,960	\$4,055	\$4,128	\$4,214	\$4,334
Number of Volunteer Hours (In Millions)	1.3	N/A	1.4	1.4	N/A	1.4	1.3	1.2	1.2	1.1

Below are some of the initiatives included in the Resource Management Plan related to this City Council goal. These initiatives are aligned with the City Council's desire to:

- Provide City services delivered in the most cost-effective manner.
- Provide Reliable City services that contribute to hassle-free daily living.
- Feeling safe and secure within Virginia Beach – any place, anytime.
- Provide a timely response to an emergency call for service.
- Provide City services that are readily accessible and are provided in a customer friendly manner.

Implementation of Enterprise Resource Planning System Set to Begin

The City of Virginia Beach has long been recognized for its outstanding financial management. This is evidenced by the City earning and maintaining the highest possible bond rating from the three major rating agencies. For the past 18 years, the City has utilized Oracle E-Business Suite (EBS), which is based on a mature technology that is approaching the end of its usable life.

The current system must be replaced with a new modern ERP to reliably and efficiently support day-to-day municipal transactions into the decades ahead. The new ERP system will replace current budget and financial applications and more than double the existing financial modules available to department users to manage financial processes. These new modules will help to reduce the number and frequency of manual processes performed by City staff and make doing business with the City easier. With the procurement and implementation

of a Cloud based ERP, the City will be positioned to support the ongoing technological needs of departments and maintain the City's standard of financial excellence.

New Positions Will Help Maintain Fiscal Strength

The City of Virginia Beach Department of Finance continuously upholds a standard of financial excellence. The City has been rated Triple-A for the last nine consecutive years by all three major ratings agencies: Fitch, Moody's, and Standard & Poor's as a result of its excellent financial management practices. The Triple-A rating indicates an extremely strong capacity to meet financial commitments, resulting in favorable interest rates whenever the City borrows money. As the City grows, the complexity of financial operations continue to increase. To address the needs of the Department of Finance, this Budget includes the addition of a Procurement Specialist II to work in the purchasing division and a Financial Analyst for the Comptroller Bureau to assist in accounting, reporting, and accounts payable.

In addition, the Budget includes funding for an additional Account Clerk in the Department of Human Resources to centralize Family Medical Leave Act procedures. This new position will be responsible for acting as a liaison between the employee, Occupational Health, and Employee Relations, and for all record keeping associated with each FMLA case.

New Positions Help Ensure Long-Term Sustainability of the Storm Water Enterprise Fund

With recurrent flooding and sea level rise requiring additional resources in the City's storm water program, the Budget includes two new positions that will help maintain financial accountability in the storm water enterprise fund. The Public Works' Budget includes a new Financial Analyst and a Human Resources Assistant for the Business Center. The Business Center coordinates and manages the budget, finance, and human resources operations for the entire Public Works. The Business Center is currently staffed with an Administrative Services Manager and an Administrative Specialist; however, over the last few years, the responsibility of this division has increased dramatically.

The Financial Analyst will be responsible for monitoring cash flows of enterprise funds, perform complex analysis of financial issues for the department, assist division managers in financial analysis, and be the lead on debt related issues as the number of bond sales is anticipated to increase in the future.

Real Estate Software Revitalization

Safeguarding the City's single largest revenue source is important to the long-term viability of the City. The CIP includes a new project which will fund the replacement of the legacy Real Estate Assessment platform. Replacing this platform will improve business processes by modernizing all components and ensuring the future stability of the City's revenue collection tools.

To accomplish this, the project will facilitate enhanced business capabilities by deploying an integrated solution that resolves pervasive and extensive manual workarounds, moves the current system to a web-based application, and provides mobile capabilities to field assessors that eliminates re-work. The new Assessment platform will provide enhanced features for seamless data sharing to improve internal processes, to accurately and efficiently assess, manage, calculate, collect, and report Real Estate revenues to the City.

III. Improve the Transportation System

Improving the transportation systems requires improving connectivity, providing alternative modes of transportation, and maintaining the infrastructure that allows citizens to travel to destinations as efficiently as possible.

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Citizen Satisfaction with the Flow of Traffic	39.6%	N/A	40.2%	N/A	51.6%	N/A	50.4%	N/A	40.3%	N/A
Percent of Lane Miles in the Two Lowest Grades for Transportation Efficiency – City Roads	21.6%	20.3%	20.2%	19.9%	20.0%	19.0%	19.6%	19.0%	19.0%	19.0%
Street System Meeting the Minimum Physical Condition Rating – City Roads	74.5%	76%	79%	82%	82%	81%	81%	80%	80%	83%
Bikability Score	N/A	N/A	N/A	N/A	N/A	46	N/A	46	N/A	41
Percent of Residents Who Commute Using Alternative Forms of Transportation	16.6%	17.5%	17.4%	18.2%	18.7%	17.1%	16.3%	19.5%	17.4%	N/A
Walkability Score	N/A	N/A	N/A	N/A	N/A	31	N/A	33	N/A	33
Commute Time (in Minutes)	22.9	23.4	22.4	22.6	23.6	23.8	24.1	23.4	23.3	N/A
Resident Satisfaction with the Planning and Construction of New City Roads	48.4%	N/A	59.1%	N/A	70.2%	N/A	71.7%	N/A	55.1%	N/A

Below are some of the initiatives included in the Resource Management Plan related to this City Council goal. These initiatives are aligned with the City Council’s desire to:

- Create greater ease of movement within Virginia Beach and Region.
- Establish more predictable and acceptable travel times from “Point A” to “Point B” within Virginia Beach.
- Expand choices of transportation mode: car, trail system or public transportation.
- Ensure Safer streets for automobile, pedestrians and bike travel.
- Provide quality public transportation linking Town Center, Convention Center and Oceanfront.

The FY 2019-20 CIP includes funding for the construction of several large roadway projects that will ease congestion and improve travel throughout the roadway system and improve the predictability of estimated travel times from “Point A” to “Point B”.

New Traffic Calming Project Looks to Expand on Previous Efforts

The City of Virginia Beach has had a traffic calming program in place since the late 1990’s, but it has been funded in recent years as part of CIP 2-111 “Traffic Safety Improvements IV”. This year, CIP 2-183 “Traffic Calming” is a standalone project that will allow the program to grow into additional neighborhoods and provide funding for the construction of physical traffic calming improvements in neighborhoods already in the program. This includes the purchase and installation of speed tables, mini-roundabouts, and other similar devices. It also includes the installation of “higher fine” signs on approved neighborhood streets and supplemental police enforcement on targeted streets.

The program is designed to improve the quality of life for the City’s residents on neighborhood streets. It is intended to address speeding concerns in residential neighborhoods by reducing motor vehicle speeds, increase the perception of safety for pedestrians and bicyclists, and reduce cut-through traffic on residential streets.

Funding Allocated to Begin Addressing Recurrent Flooding and Sea Level Rise

CIP 2-184 “Rural Road Recurring Flooding, Sea Level Rise and Resiliency” allocates \$500,000 annually to raise road segments and intersections within the rural sections of the city to minimize the impacts of recurrent flooding and address sea level rise. Road segments in the southern portion of the city experience periodic closures due to flooding. Closures are the result of major rainfall events including hurricanes, but can also result from wind driven tidal events that include little or no rainfall. In many cases, there are few alternative routes available to avoid flooded roadways. These closures impact residents, commuters, school bus routes, agricultural vehicles, and public safety access.

Raising the roadway at strategic locations will reduce the number of closures due to flooding and improve safety. The program includes design and study efforts to determine the most practical and feasible projects to implement. Improvements funded by this project will include geometry upgrades, shoulder and fill slope improvements, utility relocations, and acquisition of property and easements.

Construction Begins on Two Major Projects to Reduce Congestion

Two major roadway projects, with an emphasis on reducing congestion, are slated to begin construction in May 2019.

CIP 2-072 “First Colonial Road and Virginia Beach Boulevard Intersection Improvements” will add turn lanes and traffic signalization improvements to this intersection. As of the City's 2016 technical ranking of congested signalized intersections, this intersection ranked as the third most congested out of 49. The project includes widening areas of First Colonial Road from the I-264 overpass to 1,000 feet south of Oceana Boulevard from four lanes to six lanes in a 130-foot right-of-way. This project will also include construction of a multi-use path and sidewalk. Existing aerial utilities will be relocated to a combination of new underground and overhead locations.

CIP 2-126 “Laskin Road Phase I-A (VDOT)” is the second phase of the overall Laskin Road Phase I project. The project includes construction of an 8-lane divided highway (three through lanes and a continuous right turn lane in each direction) from Republic Road to the limits of the Laskin Road Bridge Replacement project at Fremac Drive. This phase also includes full improvements to the Laskin Road/First Colonial Road intersection as well as construction of a 6-lane divided highway on First Colonial Road from Laurel Lane to I-264. The feeder roads along Laskin Road within the project limits will be removed with this project. This project will provide 14-foot wide outside lanes for cyclists and a 10-foot wide shared-use path on one side of the roadway with a 5-foot wide sidewalk on the other side of Laskin Road. Aesthetic improvements such as a landscaped median and verge areas will be provided to enhance the roadway corridor.

New HRT Bus Route will Serve Kempsville Corridor

The City has agreed, in conjunction with the City of Chesapeake, to fund a new Hampton Roads Transit (HRT) route. New Route 24 will run from Pembroke Mall to Greenbrier Mall in Chesapeake. The route will serve the Kempsville corridor, including the Housing Resource Center. Approximately two thirds of the route will be located in Virginia Beach. This new bus route fills a need for transportation in one of the largest corridors without public transit support. Route 24 provides transportation to central locations in both Chesapeake and Virginia Beach that will enable residents of the corridor to engage in both consumption and work related activities. The intended start date of Route 24 is in October 2019.

IV. Revitalize Neighborhoods & Plan for the Future

Neighborhoods are where we live, work and play. They need to be safe with proper neighborhood amenities.

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Residents Reporting That Their Neighborhood is a Safe Place to Live	93.6%	N/A	92.0%	N/A	90.7%	N/A	90.2%	N/A	86.4%	N/A
Urban Tree Canopy	N/A	36%	N/A	38%	N/A	38%	N/A	N/A	N/A	N/A
Resident Satisfaction with the Appearance of Their Neighborhood	93.4%	N/A	88.0%	N/A	91.3%	N/A	90.4%	N/A	89.9%	N/A
Resident Satisfaction with the Overall City Appearance	94.0%	N/A	94.0%	N/A	92.3%	N/A	91.7%	N/A	96.3%	N/A
Resident Satisfaction with City Efforts to Protect Natural Resources, the Environment, and Open Space	70.9%	N/A	80.2%	N/A	81.3%	N/A	79.1%	N/A	69.9%	N/A
Resident Satisfaction with the City's Planning for Residential Development	61.7%	N/A	64.7%	N/A	72.2%	N/A	71.9%	N/A	57.7%	N/A
Percent of Residents Living in a "Food Desert"	N/A	9.0%	N/A	N/A	N/A	N/A	6.8%	N/A	N/A	N/A
Overall Real Estate Assessment Average Change	2.56%	-3.46%	-5.54%	-3.09%	-5.29%	-2.22%	1.93%	1.94%	2.79%	2.21%

Below are some of the initiatives related to this City Council initiative in the Resource Management Plan. These initiatives are aligned with the City Council's desire to:

- Ensure protection of residents' property values.
- Ensure Safe homes and buildings in the city.
- Create a more attractive and inviting city.
- Ensure upgraded older, aging homes and buildings.
- Ensure convenient access to commercial and retail areas.

New Positions will Advance Storm Water Program

After being delayed in FY 2018-19, the Budget includes the second phase of a three year phase-in plan to add positions for the Storm Water Center of Excellence.

The Municipal Separate Storm Sewer System (MS4) permit has significantly increased mandated water quality regulatory requirements of the City. The MS4 permit is issued by the Virginia Department of Environmental Quality (DEQ) under authority of the Environmental Protection Agency and the Clean Water Act. These new requirements will increase the staff workload for MS4 program management. The increased workload for MS4 program management necessitates a total of ten additional staff members to manage the program and maintain compliance.

This year, an additional four Engineer positions are added to support Storm Water Regulatory Compliance and the City's MS4 permit. The division also supports the storm water billing program, storm water utility fee adjustment program, and the Virginia Storm Water Management Program (VSMP) and Virginia Erosion and Sediment Control Program (VESCP) for Public Works Engineering Capital Improvement Projects.

Neighborhood Revitalization and Citywide Strategy Pilot Project

The City supports many ongoing projects that fund storm water and roadway improvements in Windsor Woods, Princess Anne Plaza, and The Lakes neighborhoods necessary to alleviate wide spread area flooding due to moderate rain events, and during periods of significant high tides from the Lynnhaven River. These neighborhoods are located in a low lying area that is flooded by moderate to severe rain and high tides. Drainage improvements include the addition of storm water pump stations, tide control devices, storm drain pipe improvements, channel improvements, construction of detention/retention ponds, and more. These improvements are needed to alleviate flooding that occurs during, and after moderate to severe rain storm events.

In response to these neighborhood specific challenges, the Budget includes seed funding for the development of a citywide housing and neighborhood strategy and the implementation of a pilot neighborhood revitalization project in coordination with the planned storm water investments in the Princess Anne Plaza, Lakes, and Windsor Woods neighborhoods. If this pilot project is successful, additional funding could be added to this project in order to fund the design and implementation of options to reduce flood vulnerability, facilitate public outreach to communicate with residents, perform housing rehabilitation improvements on individual properties, participate in and acquire properties from voluntary sellers to reduce flood vulnerability and create new housing types. The purpose of this project is to create a vibrant housing market that is attractive to a wide range of occupants and future home buyers with rising values and revitalized neighborhoods.

New Project to Fund Rehabilitation of Major Storm Water Outfall

The U.S. Army Corp of Engineers conducts annual inspections of the City's hurricane protection system and inspections of the outfall that discharges into the Chesapeake Bay from the oceanfront storm water pump stations every three years. Based on the inspection completed for the 42nd street outfall pipes, one of the four pipes (outfall number three - south middle pipe) has exposed aggregate and is significantly deteriorated. Due to its condition, the outfall pipe is currently only operated during emergencies, routine pump start maintenance and during significant weather events.

Based on an analysis that was completed in June of 2017 to evaluate possible alternatives, this project (CIP 7-079 42nd Street Pump Station Outfalls") will fund the slip-lining of all four of the 48-inch reinforced concrete (RCP) outfall pipes with 42-inch high density polyethylene plastic (HDPE). Completion of this project is important to ensure the integrity of the entire oceanfront hurricane protection system.

Water Quality Projects

This Budget includes two major water quality improvement projects to assist in the achievement of regulatory standards under the Municipal Separate Storm Sewer System (MS4) permit to discharge storm water from the City's system to local waterways.

CIP 7-060 "Bayville Lake Water Quality Improvement Project" and CIP 7-061 "Lake Edward Water Quality Improvement Project" are for the design and construction of water quality improvements to the existing Lake Edward, which was a former borrow pit, and to the existing lake within Bayville Park. This project will reduce nutrients, sediment, and bacteria from storm water that discharges into the Elizabeth River and the Chesapeake Bay. These project improvements will include the installation of pretreatment forebays with dredging, the creation of wetland areas with bank restoration, and an aeration system along portions of the existing lakes.

Increased Funding for Code Enforcement

The Department of Housing and Neighborhood Preservation's Operating Budget includes additional funding for the abatement of certain code enforcement violations. This funding will support the City's new abatement contractor who responds, at the direction of the City's Code Enforcement Division, to property maintenance code violations that require mitigation. This contractor is used when vacant properties violate City Code and includes work such as cutting overgrown grass, removing trash, boarding up vacant structures, removing hazardous trees, and demolishing unsafe structures. On average, the Department of Housing refers 600 properties to an abatement contractor, and property owners are ultimately responsible for repaying the remediation costs. Performance of this work is important to maintaining the overall appearance of neighborhoods and the City as a whole.

Open Space & Park Infrastructure Development

CIP 4-306, "Open Space & Park Infrastructure Development & Maintenance II" provides funding for the capital design, construction, and ongoing renovations of all City properties that have been acquired through the City Open Space Program. This project provides safe, well-maintained public recreational space within a 10-minute walk of every residence to planning areas identified in the Outdoors Plan. The FY 2019-20 CIP provides an additional \$500,000 to this project for automatic restroom locks and electronic gate systems at various signature, metro, community and special use parks throughout the city. This automation will improve the efficiency of services provided to citizens.

V. Be a Competitive, Sustainable, Year-Round Destination for Residents, Businesses, & Tourists

The resort area is a major driver of City revenues and quality of life for both residents and tourists. People from all over the world visit Virginia Beach and enjoy our sandy beaches, salty air, and world class amenities. The forward looking CIP continues to make this City Council goal an on-going reality.

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Days with Beach Advisory	3	13	3	10	4	19	1	1	5	4
Citizen Satisfaction with the City's Museums, Aquarium, and Cultural Arts Activities	93%	N/A	94.4%	N/A	95.6%	N/A	96.5%	N/A	96.3%	N/A
Overnight Visitation (In Millions)	5.3	5.5	5.7	5.9	5.9	6.0	6.4	7.1	7.4	N/A
Percent of Visitors to Virginia Beach Traveling From Outside the US	11.7%	7.9%	6.8%	4.8%	4.7%	5.9%	5.3%	15.8%	N/A	N/A
Repeat Tourism	77%	75.2%	72.5%	74.7%	73.7%	76.8%	75.6%	75.8%	N/A	N/A
Summer Visitor Satisfaction Rating	92%	91.8%	93.3%	94.1%	92.7%	93.7%	92.5%	92.9%	N/A	N/A
Visitor Spending (In Billions)	\$1.06	\$1.13	\$1.22	\$1.28	\$1.31	\$1.37	\$1.40	\$1.49	\$1.92	N/A
Residents Who are Satisfied with the Public Beaches in the City	88.6%	N/A	88.2%	N/A	89.1%	N/A	88.3%	N/A	87.5%	N/A
Summer Visitor Satisfaction with Number of things to See and Do	N/A	N/A	N/A	96.1%	94.5%	96.3%	96.3%	95.7%	N/A	N/A
Hotel Occupancy	N/A	N/A	N/A	N/A	N/A	N/A	N/A	62.7%	63.7	63.1

Below are some of the outcomes related to this City Council goal in the Resource Management Plan. These initiatives are aligned with the City Council's desire to:

- Job opportunities for residents and youth.
- Tourist amenities for use by residents that add value to the quality of life.
- New tourist dollars to the local economy.
- More choices for leisure time.
- Quality leisure activities for families.

Resort Area to get Modernized Restroom Facilities

Access to clean, modern public restrooms and changing facilities in the Resort Area are a common customer demand. This project addresses these needs by providing funding for the design and construction of modern restroom facilities and showers in the Resort Area of the Oceanfront between 2nd and 40th Streets. Existing facilities will also be assessed and upgraded and a new shower facility will be constructed at the 2nd Street Connector Park and Boardwalk. Locations for three new 400 square foot restroom facilities and additional shower facilities will be determined and constructed east of Atlantic Avenue.

Construction Begins on Virginia Beach Sports Center

In July 2018, City Council approved a Comprehensive Agreement that provided official notice to proceed with the construction of the Sports Center project. Ground broke on the project in the fall, and the project is moving forward with an anticipated November 2020 completion. In December, the Operating Agreement was approved for Eastern Sports Management (ESM) as the operator of the building. The Department's Sports Marketing team continues to communicate the capabilities of this facility and are submitting proposals to new groups and tournaments who have an interest in the City's new Sports Center. Though impacted by the wet weather this winter, progress to erect the steel frame continues to make good headway.

Something in the Water Festival

In October 2018, Pharrell Williams and his team presented an opportunity to the City of Virginia Beach to develop a festival during what is traditionally College Beach Weekend. The festival, named "Something in the Water", will reflect the variety of successful people who come from Virginia Beach and the Hampton Roads region in the fields of music, art, film, technology and more. The event will include various types of activities at and around the Virginia Beach Convention Center and Oceanfront including the stages at 5th Street, 17th Street, 24th Street and 31st Street. The Festival will provide a variety of events from music, conferences, and cultural gatherings that will serve as a launching pad for fashion, music, food and guest speakers. The "Something in the Water Festival" provides an opportunity to elevate Virginia Beach to international prominence as a cultural hub of music, art, and technology. In FY 2018-19, the City provided a sponsorship of \$250,000 to help launch the "Something in the Water" Festival. An additional \$250,000 has been included in the FY 2019-20 Budget within the Tourism Investment Program (TIP) Fund. This sponsorship is similar in the amount provided to the Patriotic Festival and the Neptune Festival.

Aquarium Gears Up for Transformation

The Darden Marine Animal Care Center (MACC) will house the Aquarium's aquatic animal collection and quarantine operations as well as the Stranding Response Program, including specialized treatment areas and increased housing for stranding rehabilitation patients. The MACC is scheduled to open to the public in early 2020. In addition to the MACC, renovations for the South building are expected to be completed in the spring of 2021. This renovated facility will house a jellyfish gallery and an Undersea Super Powers Gallery. The new facility will also feature a giant Pacific octopus aquarium and an Indo-Pacific invertebrate touch pool.

The renovated aquarium facility will include a new toddler play area featuring favorite age-appropriate activities themed around the ocean, science, and nature. A large outdoor watershed exhibit featuring a hands-on area with water experiments, pollution solution activities, marine scientist role play, and Otter Den play area will be included. The facility will also include a new veterinarian center that will house the staff and facilities needed to care for our animals.

In addition to these major projects, the Budget includes funding to renovate the reception area within the department's administrative offices and improvements to the Virginia Aquarium lobby to enhance the overall guest experience. Renovations include realigning ticketing stations, adding a desk for a lobby host who will greet and direct guests, and redesigning the member desk to increase functionality.

This Budget includes the first phase of a proposed multi-year approach to add staff in an effort to increase visitation to the Aquarium complex (as well as the departments other facilities). The Budget includes a position to lead group sales. This position will be responsible for generating and pursuing qualified sales leads to accomplish group sales goals for the Virginia Aquarium. They will work with management to develop and implement an on-going, effective sales strategy for the Aquarium, identify prospects, develop and maintain key accounts, and

cultivate collaborative relationships with the Convention and Visitor's Bureau, other industry associations, and tour/travel groups. Additionally, a new Coordinator of Guest Experiences will plan, direct and evaluate activities related to enhancing the visitor experience, including education and exhibits to maximize the experience for each visitor. A new Digital Marketing Manager will develop and increase the department's presence and brand awareness through digital media channels.

VI. Be the Safest City in the Nation

Virginia Beach has long been recognized as one of the safest cities of its size in the country and one of the City Council’s top priorities is keeping it that way. At their February 2018 retreat, Council renamed this goal to “Be the Safest City in the Nation.” To make Virginia Beach the safest City in the Nation, people, be they residents, guests, or just passing through, must feel safe anywhere at any time.

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Age Adjusted Mortality Rate	709.4	690.7	686.9	689.3	691.3	692.8	674.7	675.6	667.6	N/A
Founded Cases of Child Abuse per 1,000 Children	5.0	5.1	4.1	3.3	3.3	2.4	2.3	2.2	1.9	N/A
Property Crime Rate	30.9	30.4	27.9	26.5	25.3	21.9	22.3	22	19.5	17.5
Violent Crime Rate	2.1	1.9	1.8	1.7	1.5	1.4	1.3	1.4	1.4	1.4
Substantiated Reports of Abuse, Neglect, or Exploitation of Elders and Incapacitated Adults	2.2	2.2	2.1	2.3	2.0	1.7	1.5	1.9	N/A	N/A
Infant Mortality Rate	5.5%	7.0%	6.9%	6.1%	5.7%	4.4%	5.6%	5.1%	N/A	N/A
Low Birth Weight Babies	6.9%	7.9%	8.2%	8.5%	7.2%	7.6%	8.1%	7.6%	N/A	N/A
Primary Care Physicians per 100,000 Residents	N/A	N/A	87.7	87.7	77.0	77.3	77	76	75	75.5
Cardiac Arrest Survival Rate	N/A	N/A	45%	36%	33%	41%	41%	38%	37%	37%
Fire Deaths Per 100,000	0.2	0.2	0.7	0.9	1.1	1.3	0.9	0.9	0.9	0.6

The Property Crime Rate and the Violent Crime Rate shown are calculated using data compiled by the Virginia State Police and published in *Crime in Virginia*. The State Police reports in an Incident Based Reporting format, while the Virginia Beach Police Department uses the Uniform Crime Reporting format. While UCR reports the most serious crime occurring during an incident, IBR counts all crimes occurring during the event. For example, if a Murder and Rape occurred on the same victim during the same “event”, both would count towards IBR, while UCR only the murder would be counted. Data for 2009-2017 are reflected with IBR, but due to unavailability of data from VA State Police, 2018 data is reflected using UCR.

Below are a number of major public safety initiatives included in the Resource Management Plan. These initiatives are aligned with the City Council’s desire to:

- Residents feel safe throughout city
- Decreased opioid addiction
- Increased access to quality health care
- Increased property values
- Increased business relocations and openings
- Engaged citizens

Final Phases of Body Worn Camera Program to be Implemented

Like other departments across the country, the Virginia Beach Police Department is implementing body worn cameras as another tool to gather evidence, provide information about police interactions, increase accountability and strengthen the relationships within the community. The FY 2019-20 Budget will provide for the final two phase-ins of staffing for the Commonwealth Attorney’s Office to offset the workload increases anticipated with full implementation of Police Body Worn Cameras (i.e. video reviewing and redacting, case preparation, and presentation). Phases three and four of the Virginia Beach Body Camera Program adds three Assistant Commonwealth’s Attorney positions, two Paralegal positions and one Clerk position. In total, there have been four phases of the program which have added 13 FTEs to the Commonwealth Attorney’s Office.

EMS and Fire Department Add First Phase of Staffing for Burton Station Facility

CIP 3-075 “Fire/EMS Station Burton Station” funds the design and construction of a new Fire and EMS Station to serve the residents and businesses in the Burton Station area of the city.

This project will reduce Fire and EMS response times for first arriving unit and effective response force (ERF) to homes and businesses in the Burton Station area. Current response times in this area exceed the goal of 4 minutes travel time for urban areas per the Commission on Fire Accreditation International (CFAI) and the National Fire Protection Association (NFPA) 1710. Service delivery in this area can routinely exceed 10 minute response times. This station will serve this and the surrounding community as well as support service requests requiring multiple apparatus in Haygood, Chesapeake Beach, and Northern Kempsville. The current service demand in this area is approximately 518 calls per year in a 3.3 square mile area.

In addition to the construction of the station, which is anticipated to be completed in fall of 2020, the Budget also includes funding for eight career paramedics and 15 new firefighter positions. While the Station will not open until FY 2021, these positions are being added in FY 2020 to allow for sufficient training time for deployment when the station is opened. This staffing will allow for a Fire Engine Company at station as well as an ambulance staffed 24 hours per day.

Police Department Civilianizes Roles to Put Officers on the Street

The Police Department will be adding 6.6 FTEs in Fiscal Year 2019-2020 as part of a process designed to hire civilian employees in support roles such as public safety analysts. This initiative thereby allows 12 sworn officers currently employed in these roles to return to field duty which places experienced law enforcement professionals in the best possible positions to carry out their job duties and serving their mission of protecting the people of Virginia Beach. In addition, having civilians in administrative and support roles for the Department will bring specialized skills in writing, reporting, research, statistics, and analytics.

New Program Aims to Improve Student Safety

The City of Virginia Beach School Bus Stop Arm Program was created to help keep students safe as they are getting on or off the bus. The Virginia Beach City Public Schools added exterior cameras to its buses. These cameras capture pictures and videos of motorists illegally passing when stop arms are extended and red lights are flashing. The cameras can detect any vehicle coming from any direction that passes a bus and can also capture the vehicle's license plates and GPS location. Images will be reviewed by the Virginia Beach Police Department and can result in citations for the drivers at fault. The Budget adds part-time positions (1.8 FTEs) in the Police Department to implement this program. While these positions will be in the Police Department, their costs will be reimbursed by the VBCPS; therefore, creating no new cost to the City's General Fund.

VII. Be an Inclusive Community that is Welcoming and Empowers All

Virginia Beach strives to be a city in which all its residents feel welcome and empowered to engage in their community. To this end, the City is working to bolster the range of services offered to residents to ensure that all their various needs are met while engaging with the public to build awareness and ensure the equitable access to all City services and programs.

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Homeless Population	N/A	517	428	440	456	440	419	389	349	243
Poverty Rate - Children	9.6%	10.5%	12.4%	15.5%	13.0%	11.5%	11.9%	10.8%	11.4%	N/A
Poverty Rate - Elderly	4.9%	5.0%	5.1%	4.9%	7.2%	6.6%	3.5%	5.1%	5.4%	N/A
Poverty Rate -Individuals	6.4%	7.5%	8.6%	8.8%	8.8%	8.2%	7.9%	7.9%	8.0%	N/A
Residents who are Satisfied with City Services for Needy or Homeless Families	74.3%	N/A	71.9%	N/A	74.5%	N/A	72.5%	N/A	54.8%	N/A
Residents Who are Satisfied with City mental health and intellectual disability Services	82.2%	N/A	82.8%	N/A	79.1%	N/A	81.0%	N/A	68.3%	N/A
Renters Paying in Excess of 30% of Median Household Income for Housing Expenses	49.5%	53.5%	54.9%	55.2%	53.1%	52.5%	54.5%	49.7%	51.5%	N/A
Homeowners Paying in Excess of 30% of Median Household Income for Housing Expenses	40.0%	37.8%	35.3%	33.6%	31.4%	28.9%	29.3%	33.2%	34.1%	N/A

Below are some of the key initiatives included in the Resource Management Plan related to this goal. These initiatives are aligned with the City Council’s desire to:

- Establish exciting neighborhoods and events
- Create a comfortable and welcoming communities and neighborhoods
- Ensure easy access to government participation and services

Additional Funding Allocated to Housing Resource Center

The Budget includes approximately \$1 million in additional funding for the Housing Resource Center (HRC). The HRC, which opened in September 2018, serves homeless and at-risk population of Virginia Beach and its opening has created new opportunities to serve these populations.

This funding is to annualize the operating costs for the HRC within the Department of Housing and Neighborhood Preservation and Human Services, which both play a vital role in serving clients at the facility. Funding is also included to expand of the HRC’s family shelter program by increasing the staff presence on-site from Monday through Friday, 8 a.m. to 8 p.m. to 24/7 coverage. Currently, only security is present at the HRC after normal hours of operating; however, this funding will ensure that trained staff is available to assist resident of the shelter.

Same Day Access Program Helps Those Experiencing Crisis

The Virginia Department of Behavioral Health and Developmental Services issued a new mandate that requires same day access to a clinical assessment as well as a mental health or substance use service within 10 business days. Rapid access to care at the time people need help can reduce unnecessary incarceration, homelessness, and hospitalization. These individuals have complex needs and many require case management services in order to stabilize in the community as well as to meet the 10-day service requirement.

The Budget includes funding to convert six contractual case manager positions to full-time City employees and to reclassify two existing positions to aid in the program. Due to the lack of full-time positions, caseloads have been over capacity and the waiting list has reached as high as 73 with clients waiting two to three months to receive case management services.

Intellectual and Developmental Disability Case Management

Due to enhanced United States Department of Justice requirements as a result of a settlement between the federal government and the Commonwealth of Virginia, three additional staff FTEs added for an expansion of Intellectual and Developmental Disability Case Management and ensuring 24/7 operation of Point of Entry crisis access. The Commonwealth is required to have a statewide community crisis system that is available 24 hours a day/7days a week/365 days a year and mobile crisis response must be available in home and community settings. The Commonwealth must ensure that all services for individuals in the target population are of good quality, meet individuals' needs, and help individuals achieve positive outcomes, including avoidance of harms, stable community living, as well as increased integration, independence, and self-determination.

Inclusion and Diversity Council Position

Included in the Budget is a position within the Department of Human Resources to support the Inclusion and Diversity Council (IDC). The IDC was established in May 2009 to address and expand a shared understanding of diversity and inclusion within the organization and is comprised of a cross section of City members. Its creation followed an extensive internal assessment of how the organization could best further support the City's core strategy of valuing and promoting diversity. This position will assist in developing creative initiatives, designed to ensure we are a highly culturally competent organization that recruits and retains talented applicants of various cultural, racial and ethnic backgrounds. Proactive recruitment, particularly in a relatively tight labor market, is necessary to recruit diverse and quality talent to fill current and future vacancies. More and more, municipalities are leveraging social media to promote their employment brand, to further their reach to active and passive job seekers, and to provide a "candidate experience" highlighting the work culture, accomplishments, and opportunities for growth in the organization. A position devoted to this function ensures a constant and fresh presence on social media while also creating marketing materials highlighting employment with the City of Virginia Beach.

VIII. Have World Class Schools and Educational Programs

The City is renewing its commitment to provide the highest quality education to children while creating numerous opportunities for lifelong learning and growth for residents of all ages. To achieve this goal, the City is collaborating with the school division to ensure students are prepared for success while also working throughout the community to provide a broad range of cultural activities for all residents.

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
High School Dropout Rate	6.1%	6.8%	6.2%	5.6%	4.7%	4.8%	5.3%	4.7%	4.5%	3.8%
On-time High School Graduation Rate	85.3%	85.5%	86.8%	86.9%	88.0%	88.5%	89.8%	91.3%	91.9%	93.4%
Percent of Children Reading at Grade Level by 3 rd Grade	N/A	N/A	N/A	73%	74%	73%	75%	76.8%	76.2%	76.0%
Percent of Children Whose PALS-K Scores Meet or Exceed Kindergarten Readiness Levels	88.5%	89.2%	90.0%	90.7%	90.7%	90.9%	90.3%	88.7%	89.0%	88.0%
Percent of High School Graduates with an Advanced Diploma	N/A	54.0%	56.0%	56.0%	57.0%	56.0%	58.0%	57.3%	56.6%	56.7%
Resident Satisfaction with the City's Public School System	88.0%	N/A	85.7%	N/A	88.0%	N/A	85.8%	N/A	84.1%	N/A
Percent of High Schools that are Blue Star Certified	N/A	N/A	N/A	N/A	8.1%	81.8%	90.9%	90.9%	83.3%	75.0%
Residents Age 25 or Older With a Bachelor's Degree	31.1%	31.6%	33.3%	32.6%	34.7%	34.7%	32.8%	35.0%	35.3%	N/A
Residents Age 25 or Older With a Graduate or Professional Degree	10.0%	10.9%	11.9%	11.3%	11.9%	11.9%	11.1%	12.3%	13.1%	N/A
Residents Age 25 or Older With a High School Diploma or Equivalent	92.8%	93.1%	93.9%	93.1%	94.8%	92.7%	93.0%	93.4%	93.6%	N/A
Residents Age 25 or Older Without a High School Diploma or Equivalent	7.2%	6.9%	6.1%	6.9%	5.2%	7.3%	7.0%	6.6%	6.4%	N/A
Percent of Virginia Beach preschool centers receiving early literacy story times and deposit collections through outreach library service	N/A	N/A	N/A	N/A	N/A	25.0%	36.0%	38.0%	57.0%	57%
Percent of youth with library cards	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	36.0%	37.7%
Number of VA Quality Rated preschool centers	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	30	39

A few of the initiatives included in the Resource Management Plan which will address this goal are below. These initiatives are aligned with the City Council's desire to:

- Opportunities for lifelong learning.
- Quality schools and libraries.
- Enhanced community workforce.
- Access to diverse arts and cultural activities.

Virginia Beach Public Libraries Move Forward with Major Renovations

Eight of the City's 10 library locations will undergo renovations over the next year (CIP 3-071 "VA Beach Public Library Transformation"). This will result in temporary closures of the Kempsville Area Library and Princess Anne Area Library which will require citizens to visit the City's other locations for library services. While the Kempsville Branch is closed, limited library services and programs will still be offered in the community thanks to partnerships with the Virginia Beach Treasurer's Office and Parks and Recreation Department. Once these renovations are complete, the libraries will be more accessible to customers throughout the system by providing

more shared public spaces. Library branches will add smaller service desks and provide additional public spaces for community members to gather together to interact, share ideas, and work collaboratively in upgraded meeting rooms. The renovations will also add enclosed children's areas, children's program rooms, and study rooms.

Instructional Positions Added to Continue Full Day Kindergarten

The Superintendent's Estimate of Needs (SEON) includes funding for a net increase of 76.2 FTEs in the instruction category of the School Operating Fund. This includes 42 positions connected to the implementation of full-day kindergarten. Currently, the program is offered at 35 of the 55 elementary schools and these positions will be utilized to expand that number to 52 schools over the next two school years.

In addition to these positions for full day kindergarten, schools will also be adding elementary school guidance counselors, high school teachers, elementary behavioral intervention specialists, psychologists, special education teacher assistants, special education teachers, academy teacher positions, a program compliance teacher and an interpreter. While there is a net increase in positions in instruction, there is a decrease of 12.5 FTEs in the other categories within the Schools Operating Fund, for a net increase of 63.7 FTEs in that fund. The SEON also adds a net increase of 15 FTEs in other Schools funds.

The additional positions at the high school level will reduce the number of teachers that are assigned more than 150 students while the positions for special education and the academies will ensure students receive more direct educational support and instruction. The counselors, behavioral specialists, and psychologists will seek to minimize classroom disturbances by working with children and their parents to correct disruptive behaviors before they negatively impact the learning environment for other students in the classroom.

Several Major School Replacement Projects in the Works

Replacement of Princess Anne Middle School began in October 2018 and is anticipated to be completed in 2021. Princess Anne Middle School, originally built in 1974, can no longer adequately house the required instructional programs, and this project will extend the useful life of the facility by 80 to 100 years. In addition, Princess Anne High School, originally built in 1954 is scheduled to be replaced beginning in FY 2022-23. The Thoroughgood Elementary School Replacement project is also underway and is scheduled to be completed in 2020. The new facility will add approximately 25,000 square feet in usable space and will extend the useful life of the facility by 50 years.

The six-year Capital Improvement Program also includes initial funding for the replacement of Bettie F. Williams Elementary School with a facility that can accommodate the current 4th and 5th grade students along with the students attending the Bayside 6th Grade Campus. Bettie F. Williams Elementary School, originally built in 1961, and the Bayside 6th Grade Campus, originally built in 1957, can no longer adequately accommodate the required instructional programs, and as a result, both facilities are in need of replacement. This combined school that will house grades 4 through 6 and will be built on the current Bettie F. Williams site.

IX. Leverage Data and Technology to Enhance Community Livability, Prosperity, and Sustainability

One of the most important ways to ensure continued growth for the City is to foster technological innovation and create a globally competitive, network infrastructure. To lure the best companies to stimulate the local economy and provide high paying jobs, the City must provide the best quality broadband services and become a leader in data driven decision making and transparency.

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Percent of Households with a Broadband Internet Connection	N/A	N/A	N/A	N/A	84.2%	83.7%	84.8%	89.6%	90.9%	N/A
Resident Satisfaction with the Opportunity to Share Ideas or Opinions Before the City Makes Important Decisions	60.7%	N/A	61.9%	N/A	70.1%	N/A	67.9%	N/A	63.3%	N/A
Residents voting in Elections for Local Office	N/A	44.7%	17.7%	74.5%	37.0%	30.9%	23.0%	66.0%	43.0%	56.0%
Resident Satisfaction with the Level of Communication the City has with them	N/A	N/A	73.3%	N/A	75.2%	N/A	74.6%	N/A	70.3%	N/A

The following are some of the key initiatives included in the Resource Management Plan to achieve this goal.

These initiatives are aligned with the City Council’s desire to:

- Transparent government
- Access to affordable broadband and wireless connectivity
- Increased government responsiveness
- Increased cyber security
- Engaged citizens

Library Modernization

The Virginia Beach Public Library system continues to add technology for circulation, use in the library, and as part of library programming. Libraries now have a collection of 160 Wi-Fi hotspots and began circulating these devices as part of the library’s overall collection. Additional examples of the growing technology collections are Roku Streaming devices, Kibo, Dash & Dot, Sphero, and Cubetto robotics, and 3-D Printing. These services fill the need for internet and technology access at home or on the go for citizens of Virginia Beach.

Comprehensive Health Record

The Department of Human Services is currently replacing their aging electronic health record system with a state-of-the-art comprehensive health record (CHR). The anticipated 18-month system implementation process kicked off in January 2019 in partnership with the Virginia Beach Information Technology Department, and is expected to go live in early 2020.

Replacement of this system was necessary to remain compliant with the federal Centers for Medicare & Medicaid Services’ Meaningful Use Program and for data reporting required by the State’s Department of Behavioral Health and Developmental Services (DBHDS). Remaining compliant with Meaningful Use not only means ensuring an incentive revenue stream for the next several years, more importantly, it provides a more comprehensive and effective health benefit to individuals accessing Community Services Board (CSB) services.

VB Connect

The Department of Information Technology is guiding the City's digital transformation with a citizen-centric approach to technology initiatives. In September 2018, the department launched VB Connect on Amazon Alexa and Google Assistant platforms to provide citizens an easier way to access City information about events, voting districts, job opportunities, waste collection schedules and more. Within four months of its release, the digital assistant app won a Smart 50 Award for community engagement. The annual award program honors the world's most transformative smart city projects. This digital assistant is helping the City engage with citizens in new ways to create more responsive services and provide the information they need easier than ever. The application is expected to continue growing as new features are requested by residents and departments.

Water and Sewer Technology Upgrades

This Budget provides funding for CIP 5-155 & 6-155, "Utilities Technology Support Program" to enhance technology initiatives for the Department of Public Utilities and supports the department's ongoing efforts to streamline business processes and leverage technology to improve the efficiency and effectiveness of utility operations to meet regulatory requirements. This includes professional services, system maintenance, integrations, upgrades, replacements, and new acquisitions of hardware and software associated with the application and systems management necessary to carry out and enhance business functions of the Water and Sewer Utility operations. Planned projects include Public Utilities' portion of the replacement or upgrade of the enterprise Infor Hansen System, acquisition of a knowledge management system, ArcGIS upgrade, Laserfiche upgrades and integrations, Interactive Voice Response (IVR) system replacement, the second phase of the CCTV software upgrade, and monitoring system alerting.

X. Modernize City Assets and Infrastructure

Protecting the City’s natural resources and infrastructure is one of the most important goals of the organization. To ensure that these assets continue to provide the services required by residents, the City strives to enhance and plan for the future needs of its roads, storm water systems, buildings, and water resources.

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Percent of Drinking Water Tests Meeting or Exceeding Federal Standards	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Acres of Protected Farmland per 1,000 Residents	18.1	18.5	20.0	19.8	20.5	20.4	20.4	20.5	21.4	21.6
Public Open Space per 1,000 Residents	15.9	16.1	16.7	16.5	16.5	16.4	15.6	15.6	15.6	15.6
Residents Satisfied with the Condition of the Streets in Their Neighborhood	81.1%	N/A	78.2%	N/A	81.3%	N/A	80.8%	N/A	76.3%	N/A
Resident Satisfaction with the Maintenance of Existing City Roads and Bridges	62.8%	N/A	61.1%	N/A	68.7%	N/A	71.3%	N/A	66.3%	N/A

Some of the key proposals addressing this area in the Resource Management Plan are included below. These initiatives are aligned with the City Council’s desire to:

- Assets needed for daily life are reliable and accessible
- Green spaces and parks increase quality of life
- Decreased flooding of neighborhoods and businesses
- Decreased cost of service due to improved maintenance over the long term.

Additional Funding for Replacement and Maintenance of City Fleet

Maintaining currently owned assets as well as replacing those past their useful life is an important component to quality service delivery. The Waste Management fee increase included in this Budget provides for funding to support equipment and vehicle replacement for waste collection. The Buildings and Assets CIP also includes increased funding to support the purchase of additional replacement Fire apparatus. Equipment for both Waste Management and the Fire Department requires timely replacement to ensure efficiency and safe delivery of services to the community.

In addition to additional funding to support the purchase of vehicles and equipment, the Budget includes an additional mechanic position to the City Garage. City Garage is responsible for over 3,800 vehicles and other equipment and adequate staffing is necessary to reduce the backlog of work orders to ensure service delivery of all City departments. Since 2015, over 100 new assets have been added to the City Fleet which reduces the divisions’ ability to complete work in a timely fashion.

Positions Added for Building Maintenance

Maintenance of existing infrastructure is a high priority within the City and is important for a sustainable future. In FY 2017-18 Public Works, Building Maintenance Division identified the need for 12 additional FTEs to support the division. These 12 positions were phased in over the last three fiscal years, and the FY 2019-20 Budget includes the final phase of staffing. The four positions added are an Electrician, an HVAC Mechanical Engineer, a Painter, and a Plumber. Building Maintenance is responsible for the maintenance of 370 City Buildings, the

exterior of 427 pump stations, 56 miscellaneous structures, and 230 park shelters for a total of approximately 4.8 million square feet

Dredge and Berthing Facility

Included in the FY 2019-20 CIP is funding for the purchase of a replacement dredge as well as funding to upgrade the Dredge Operations Building/Berthing Facility. CIP 8-036, "Dredge Operation Rehab and Modifications," will provide funding to rehabilitate and upgrade the bulkhead and the mooring piles at the dredge operations berthing facility. These upgrades are necessary in order to make necessary repairs to the building, but also to be able to accommodate the purchase of a new dredge. This dredge will be funded through CIP 8-402, "Replacement for Rudee Inlet Dredge." The purchase of a second dredge will enhance the operational capabilities at Rudee Inlet. Funding will be used for facility repairs, purchase of the dredge support boats, and purchase of the dredge and pipeline with pontoons. Once the new dredge has been placed into service and its operational capabilities have been demonstrated, the current dredge, the Rudee II, may either be sold or kept in service to support expanded dredging operations

City Plans Multiple New Water and Sewer Updates

The Fiscal Year 2019-20 Budget includes funding for several water and sewer rehabilitation and revitalization capital projects. These projects all include updates to the City's existing water and sewer infrastructure.

CIP 5-156 "Virginia Beach Boulevard Water System Improvements" provides funding for the evaluation, development of project schedule, design, and construction for 19 miles of water transmission improvements in the Virginia Beach Boulevard corridor from Newtown Road to the ocean front. This project is being established to begin efforts for the phased replacement of critical water transmission mains. This work will replace aging water transmission pipe that was installed as early as 1924. This is a critical water transmission corridor for the city. Once fully developed, this project will include the acquisition of property for the relocation, management, operation and maintenance activities required for the replacement of the Virginia Beach Boulevard water transmission main system.

CIP 6-153 "Pump Station Program VI" provides funding to meet the needs for sanitary sewer pump stations throughout the city. This includes upgrading or replacing stations experiencing hydraulic, mechanical, and electrical problems; as well as addressing wet well rehabilitation, ventilation, corrosion and odor problems. New stations will also be programmed when sanitary sewer system condition assessments indicate a new or additional station is necessary to meet the needs of a given service area.

CIP 6-111 "Sanitary Sewer Revitalization Program III" includes funding for The Sanitary Sewer System Revitalization Program, which corrects defects in the sanitary sewer collection system. Repairs and rehabilitation are performed to address severe structural and operational defects that require prompt corrective action to minimize risk of system failure or to address critical defects that pose a threat to the environment or public health and safety. In addition, this project funds corrective action necessary for addressing infiltration and inflow of surface or groundwater into the sanitary sewer collection system.

CIP 5-158 "Royal Palm Arch Water System Rehabilitation" provides funding for the design, renewal, and replacement of aging water system mains and laterals in the King's Forest and Malibu subdivisions. This project is planned in four separate construction phases to reduce residential impact. This work will be coordinated with the replacement of deteriorated sanitary sewer collection system components under the companion CIP Project 6-058 - Royal Palm Arch Sanitary Sewer Rehabilitation.



TRANSPARENCY INITIATIVES CONTINUE

Connecting citizens to how the Resource Management Plan helps achieve City Council goals is critical to citizen engagement in funding decisions. The last two decades have seen a worldwide explosion in the amount of information available at our fingertips. Along with the availability of information is the demand that governments have accessible information that citizens can review at whatever level they choose. Transparency allows citizens to have open dialogue with their elected officials at levels unprecedented in previous years. Below are five initiatives that Virginia Beach proudly has available for citizen interaction.

[Open Budget \(http://budgetdata.vbgov.com/\)](http://budgetdata.vbgov.com/)

The easiest and most granular information about the City's Resource Management Plan is on the Open Budget portal. This tool provides citizens access to the City's Budget information at the same detail that City staff use. Users are able to access information about specific revenue and appropriation categories, either in summary or line-item form. Citizens are also able to access the City's capital projects via an interactive map on the site that includes detailed project descriptions. It is important to note that this software reports the City's Operating Budget at the gross budget level meaning that certain expenditures and revenues will be counted multiple times across the various funds and projects.

[Open Performance Initiative \(https://performance.vbgov.com/\)](https://performance.vbgov.com/)

Key indicators ranging from community level outcomes to departmental performance metrics are included to illustrate how well the City is achieving the 10 City Council goals.

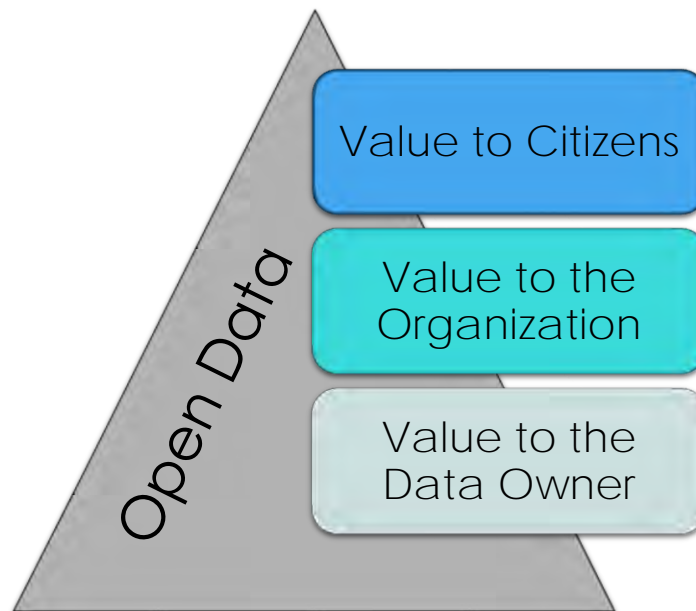
[Balancing Act \(http://virginiabeachva.abalancingact.com\)](http://virginiabeachva.abalancingact.com) and [Taxpayer Receipt \(http://virginiabeachva.abalancingact.com/taxreceipt\)](http://virginiabeachva.abalancingact.com/taxreceipt)

In an effort to increase transparency and more effectively communicate budgetary decisions of the City to its citizens, Budget and Management Services implemented two interactive tools, Balancing Act and Taxpayer Receipt. These web based applications allow residents to directly engage in the budget process and learn about the many factors that impact the funding decisions of a major City. Balancing Act allows anyone to create their own budget by allocating funds to the programs and services that matter most to them while learning about the tradeoffs inherent in all budgetary decisions. Using the Proposed City Budget as a baseline, residents can create and submit their own vision of what the City's funding priorities should be.

Taxpayer Receipt enhances residents' investment in their local government by providing a department level breakdown of all the programs and services that their local taxes support. By answering a few simple questions, the application is able to personalize the receipt to each citizen's level of taxation, giving citizens a tangible outcome for their tax dollars. These tools aim to raise the level of citizen engagement in the budget process by exposing them to the delicate and complex funding decisions of City leadership and giving them a platform to express their own vision of how the City should allocate its limited resources.

Open Data (<https://data.vbgov.com/>)

In 2016, the City Manager appointed a multi-agency board to develop policies requiring departments to make data open. This involves taking raw data and extracting it from its natural system and making it available in a machine readable data file. Once data has been put through this process, it is possible to conduct analysis across data sets, perform predictive analysis to find potential problems, improve processes, evaluate various methods of service delivery, and create business opportunities. The core value of this initiative is to make the management and filling of requests for data easier for the data owner. A secondary benefit to the organization is the streamlining of data analysis to improve processes and identify inefficiencies. Finally, citizens are able to use the system to find data about their City government without having to file cumbersome Freedom of Information Act requests. They may also find new ways to use City data to start businesses, write mobile applications, and help flag other opportunities for the City to improve.



Budget Fact Cards

In addition to being available to citizens, each City employee will receive a budget fact card to understand the issues driving the City Manager's Proposed Budget. The cards have been updated this year to provide a more visual display of the Resource Management Plan. These cards will provide key summary tables concerning the Operating Budget and CIP, an overall compensation discussion, and list of major initiatives. The goal of the budget fact cards is to engage employees, so they have a clear understanding of the overall spending plan for the next year.



FINANCIAL STRATEGY

Virginia Beach has a strong financial system. This system is based on sound strategies that guide the financial activities of the government and ensure it continues to be transparent to the public. These strategies provide guidance in both good and bad economic times. They are forward looking with the intent to sustain the community and the organization into the future.

Review of Tax Relief Programs

The City's Elderly and Disabled Real Estate Tax Relief program is a program offered by the City to provide tax relief assistance for qualifying individuals. This is an optional program that the City offers and is not mandated by the State. Since its inception, cost for this program have annually increased at a rapid rate. In FY 2014-15, City Council established a task force to review the Tax Relief for the Elderly and Disabled Program and the cost driving factors associated with the program. The task force made several recommendation to City Council at a March 3, 2015 meeting. City Council voted and adopted an alternative that lowered the income eligibility parameters, established growth of the income thresholds to annually grow by the same rate as single family home assessed growth, removed the tax deferral program, and recommended an option for City Council to revise the program every three years. A three year update was last provided to City Council in a letter dated May 15, 2018. For the FY 20 Budget this program is expected to provide \$12,283,370 in elderly tax relief.

Beginning in FY 2019-20, the City will account for disabled veteran's tax relief by reducing the total estimated real estate revenue, instead of budgeting a revenue and corresponding expenditure for the estimated cost of the veterans tax relief. In FY 2019-20, this program will cost the City an estimated \$1.2 million more than in FY 2018-19 due to increased participation in the program as well as increased real estate tax assessments. For the FY 20 Budget this program is expected to provide \$6,579,622 in disabled veteran's tax relief.

City/School Revenue Sharing Formula

The current City/School Revenue Sharing Formula expired on June 30, 2018. A letter from the City Manager recommending an extension to the existing funding formula through June 30, 2019 is attached in the appendix of the FY 2019-20 Operating Budget. The City's revenue for FY 2019-20 is allocated according to the current policy. Once the FY 2019-20 Resource Management Plan is adopted by City Council in May, a working group with both City and School employees will be established to make recommendations regarding any revisions to the revenue sharing formula before the FY 2020-21 budget process.

Open Government Initiative

The City is committed to financial transparency. The continued support of an open government initiative is a major step in creating a culture of transparency, participation, and collaboration in government operations.

This will maintain important lines of communication and cooperation between the City and the public.

This will continue to increase public access to data and information online, in a user friendly and interactive format, that promotes accountability and more informed public participation.

Internal Process

Internal financial controls including use of city provided equipment will be reviewed annually to ensure compliance with accepted accounting procedures.

Financial records and statements will be transparent and open to public review via the City's website, www.vbgov.com.

Purchases and contracts will continue to be made on a competitive basis to ensure best prices while maintaining quality and diversity.

The City will use an accrual basis of accounting for revenues and expenditures. This accounting will be annually reviewed by an independent auditor as required by state law.

Capital Improvement Program Practices

Capital requirements will be linked to the adopted Comprehensive Plan and identified over a six-year period to allow adequate financial planning.

Infrastructure maintenance is a critical service provided to the community and therefore will be a primary focus of the City's Operating Budget and Capital Improvement Program.

- Existing resources will first go to the maintenance of existing infrastructure.
- New projects will require new revenues to support construction, operations and long-term maintenance needs.
- Fund capital projects using a pay-as-you-go strategy first (current funding strategy is local revenues first followed by state or federal revenues and finally available City fund balance) and only then look to debt financing strategies.

Budgetary Practices

Taxes and fees will be recommended to sustain critical services to the community while being conscious of the impact on the taxpayers.

- Diversity of revenue sources will be maintained to the extent allowed under the Dillon Rule to ensure economic stability of City services.
- Equity among differing taxpayer classes (commercial, homeowner, industrial and non-homeowners) shall be maintained to the extent possible under the law.

Ensure the city maintains adequate funding to address emergency needs; assure the city's bond holders that funding is available to make bond payments; and to address unforeseen needs to accomplish this, the City maintains:

- A general fund balance between 8-12% of the following years revenues.
- An annual reserve (Reserve for Contingencies) backed by current revenues not to exceed one-half of one percent of the total General Fund.

Provides services desired by the community and authorized by City Council at the minimum funding level necessary to accomplish the program's goals.

Budgetary Practices (cont.)

As a way to meet this requirement, full-time permanent positions must be authorized by the City Council. The City Manager may establish part-time or temporary positions to meet specific requirements.

Transfers or increases of appropriations over \$100,000 require City Council authorization.

Employees of the City and school system will receive adequate compensation, commensurate with their expected duties and comparable job titles.

Health care will be provided with an employer contribution determined by the City Council and School Board. Employees will pay the difference between that contribution and the premium amount.

Eligible employees are required to participate in the Virginia Retirement System and the City and school system provides funding according to state law.

Positions may be added or removed based on service requirements or budgetary constraints, but the City and school system will work with employees to transition those whose positions were removed to available positions.

Balance the Operating Budget with current revenues only using previous year's balances for one-time purchases either in the Operating Budget or in the Capital Improvement Program, except in times of economic downturn when the use of fund balance is needed to prevent drastic service cuts.

City Council dedicated revenues will be reviewed annually as a part of the Operating Budget process and adjustments will be recommended to ensure that revenues are in line with long-term program goals. Revenues that were increased by City Council to meet specific goals are separately monitored by staff.

Leverage private dollars with local resources to encourage development and job creation that meets the City's long-term goal of fiscal sustainability for the community.

- Where possible, redirect new revenues generated by the project to meet public infrastructure demands of the project (Tax Increment Financing or Special Service Districts).
 - Use funding set up in the Economic Development Incentive Program to incentivize the expansion of existing businesses or to attract new businesses in order to encourage job growth in the community.
-



ESTIMATED GENERAL FUND BALANCE

At June 30, 2019

Beginning Fund Balance at July 1, 2018 (CAFR)*	\$211,608,582
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Add:	Revenues		
	FY 2018-19 General Fund Revenues- Revised Estimate	\$1,157,387,927	
	Surplus from Sandbridge TIF	8,000,000	1,165,387,927

Total Fund Balance and Revenues	\$1,376,996,509
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Less:	Anticipated FY 2018-19 Expenditures:		
	Operating Expenditures	\$630,389,917	
	Attrition	\$5,316,360	
	School Operations**	470,538,146	
	Other Transfers**	98,969,362	1,205,213,785

Total Projected Fund Balance at June 30, 2019	\$171,782,724
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Less:	Anticipated Uses of Fund Balance:		
	Loans, Advances, and Inventory	\$10,656,006	
	Encumbrances and Carryforwards	10,000,000	
	Aquarium and Historic Homes	361,208	
	Aquarium Parking Lease	2,270,795	
	Human Services	3,198,584	
	Community Services Board	2,201,965	
	School Operating Budget	409,000	
	FY 2019-20 Capital Budget	19,224,242	
	Attrition Funding	5,140,801	53,462,601

Total Estimated Unrestricted Fund Balance at June 30, 2019	\$118,320,123
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Calculation of Unrestricted General Fund Balance Reserve

Projected FY 2019-20 General Fund Revenues***	\$1,183,457,484
Unrestricted Fund Balance as a percentage of FY 2019-20 Revenues	10.00%

Notes:

*The total General Fund balance reported in the FY2018 CAFR was \$230,104,677. This included \$17,299,308 for the School Reserve Fund and \$1,196,787 in Trust and Gift funds that are reported with the General Fund in the CAFR but not included in the number above.

** Reflects full transfer of budgeted amounts

*** Net of Fund Balance Usage



REVENUE SUMMARY

	FY 2018 Actual	FY 2019 Adjusted Budget	FY 2020 Proposed Budget	% Change
Revenue Source Summary				
Revenue from Local Sources				
General Property Taxes				
Real Estate	567,488,731	578,242,982	605,709,974	4.75
Personal Property	160,918,060	159,729,356	163,497,601	2.36
Total General Property Taxes	728,406,791	737,972,338	769,207,575	4.23
Other Local Taxes				
General Sales Tax	63,529,276	66,621,323	66,745,446	0.19
Utility Tax	47,527,207	49,337,837	49,578,224	0.49
Business License	48,676,655	48,669,429	51,892,052	6.62
Automobile License	10,961,726	11,407,313	11,652,769	2.15
Cigarette Tax	11,406,152	11,609,814	11,179,170	-3.71
Amusement Tax	6,349,234	6,872,387	7,019,378	2.14
Hotel Room Tax	35,493,796	37,309,175	37,944,530	1.70
Restaurant Meal Tax	66,264,685	70,481,007	70,026,667	-0.64
Other Taxes	13,348,796	11,399,109	11,704,971	2.68
Total Other Local Taxes	303,557,527	313,707,394	317,743,207	1.29
Other Local Revenue				
Permits, Privilege Fees, and Regulatory Licenses	5,987,044	6,184,817	6,081,945	-1.66
From the Use of Money and Property	14,350,746	12,712,270	13,932,295	9.60
Charges for Services	277,095,531	282,067,169	292,135,831	3.57
Miscellaneous Revenue	12,210,157	10,756,420	11,194,384	4.07
Fines and Forfeitures	5,906,403	6,290,086	5,442,719	-13.47
Total Other Local Revenue	315,549,882	318,010,762	328,787,174	3.39
Revenue from the Commonwealth				
State Shared Sales Tax	74,264,874	75,344,490	78,981,847	4.83
Other Sources from the Commonwealth	417,612,758	420,682,928	436,903,663	3.86
Total Revenue from the Commonwealth	491,877,633	496,027,418	515,885,510	4.00
Revenue from the Federal Government				
Non-Revenue Receipts	109,807,873	119,546,401	124,393,060	4.05
Total Revenues	1,952,902,357	1,989,384,354	2,059,128,048	3.51
Fund Reserves Summary				
Specific Fund Reserves	20,294,485	15,231,927	16,949,282	11.27
Total Fund Reserves	20,294,485	15,231,927	16,949,282	11.27
TOTAL FINANCING REQUIRED	1,973,196,842	2,004,616,281	2,076,077,330	3.56



DEDICATION OF LOCAL REVENUES

Real Estate *			
\$574,695,635 (Rate = \$1.0175 per \$100 of assessed value)			
Recreation Centers \$19,875,128 (3.476¢)	Agricultural Reserve Program \$5,146,034 (0.90¢)		
Outdoor Initiative CIP \$2,687,283 (0.47¢)	Roadways CIP \$9,885,632 (2¢ less line of duty cost)		
General Government Capital Projects \$4,574,253 (0.8¢)	General Fund Storm Water Operations \$14,294,540 (2.5¢)		
General Fund Operating Budget \$10,806,672 (1.89¢)	School Operations & CIP \$30,018,534 (5.25¢)		
Sandbridge TIF \$10,411,393	Town Center TIF \$8,033,042		
Special Service Districts			
Sandbridge SSD \$735,502 (additional rate of 6¢)	Town Center SSD \$2,111,141 (additional rate of 45¢)		
Bayville Creek SSD \$74,522 (additional rate of 47.2¢)	Harbour Point SSD \$27,360 (additional rate of 12.0¢)		
Chesapeake Colony SSD \$215,632 (additional rate of 29.13¢)	Old Donation Creek SSD \$70,545 (additional rate of 18.4¢)		
Shadowlawn Area SSD \$29,314 (additional rate of 15.94¢)	Hurds Cove SSD \$218,111 (additional rate of 43.8¢)		
Gills Cove SSD \$13,986 (additional rate of 6.3¢)			
Personal Property *			
\$163,497,601 (Rate = \$4.00 per \$100 of value)			
Public Safety Initiative \$11,398,363 (30¢ of the \$4.00 is dedicated to public safety)			
Restaurant Meals *			
\$70,026,667 (local rate = 5.5%)			
Tourism Investment Program \$13,471,505 (1.06%)	Open Space \$5,591,945 (0.44%)	Tourism Advertising Program \$6,354,483 (0.50%)	
Hotels *			
\$37,944,530 (local rate = 8% plus \$2 per room night)			
Tourism Advertising Program \$6,439,564 (1% plus \$1 per room night)	Tourism Investment Program (TIP) \$19,044,631 (5% plus \$1 per room night)	Central Business District TIF \$500,000	Sandbridge SSD \$4,165,452 (\$1 per room night plus 6.5% of the tax generated in the Sandbridge SSD)
Other Revenue Dedications			
Amusement \$7,019,378 (local rate = 5% & 10%)	Cigarette * \$11,179,170 (local rate = 75¢ per pack)		Automobile * \$11,652,759 (\$30 vehicles under 4,000 pounds)
Tourism Investment Program \$7,019,376 (100%)	Economic Development Investment Program \$2,384,890 (16¢)	Tourism Investment Program \$745,278 (5¢)	City Operations/Economic Development Biomedical \$745,278 (5¢)
			CIP – General Government \$1,782,128 (\$5)
			Local Vehicle Registration \$960,000 (\$2)
Other Non-Dedicated Local Revenues			
City Tax on Deeds * \$7,625,760	Bank Net Capital * \$3,987,442	Wills * \$91,768	Business License * \$51,892,052
General Sales * \$66,745,446	Utility Taxes * \$49,578,224		



SUMMARY OF FEE & TAX ADJUSTMENTS

Department	Title	Current Fee	Proposed Fee
General Government	Real Estate Tax	\$1.0025	\$1.0175
General Government	Real Estate Tax- Energy-Efficient Buildings	0.8525 cents	0.8675 cents
General Government	Real Estate Tax- Virginia Landmarks Register	0.5325 cents	0.5475 cents
General Government	NDSSD Rate for Harbour Point	7.9 cents	12.0 cents
General Government	Personal Property- Manufactured Homes	\$1.0025	\$1.0175
Public Works	Waste Collection Fee	\$23 monthly	\$25 monthly
Public Works	Storm Water ERU	45.8 cents per day	49.3 cents per day
Town Center SSD	Block 2 and Block 9 Added to District	\$0.00	45.0 cents per day
Parks and Recreation	Out of School Time -Kindergarten AM	\$298	\$308
Parks and Recreation	Out of School Time- Kindergarten PM	\$397	\$410
Parks and Recreation	Out of School Time-Preschool All Day	\$662	\$682
Parks and Recreation	Out of School Time-Preschool AM	\$298	\$308
Parks and Recreation	Out of School Time- Preschool PM	\$397	\$410
Parks and Recreation	Out of School Time-Pre-K All Day	\$662	\$682
Parks and Recreation	Out of School Time-Pre-K AM	\$298	\$308
Parks and Recreation	Out of School Time-Pre-K PM	\$397	\$410
Parks and Recreation	Recreation Center-Based School Age After School	\$295	\$310
Parks and Recreation	School-Based School Age After School	\$194	\$204
Parks and Recreation	School-Based School Age Before School	\$126	\$132
Parks and Recreation	Out of School Time-Pre-K Buddies Combo	\$0	\$514
Parks and Recreation	Out of School Time-Pre-K Buddies AM	\$0	\$174
Parks and Recreation	Out of School Time-Pre-K Buddies PM	\$0	\$350
Parks and Recreation	Swim League	\$135	\$150
Parks and Recreation	Water Polo League	\$150	\$160
Parks and Recreation	Adult Basketball League	\$600	\$650
Parks and Recreation	Champions Program Registration Processing Fee	\$0	\$15
Parks and Recreation	Camp Explore	\$1,100	\$1,200
Parks and Recreation	Extended Care Camp Explore	\$450	\$475
Parks and Recreation	New Junior Ventures	\$900	\$1,000
Parks and Recreation	Extended Care Junior Ventures	\$200	\$255
Parks and Recreation	Around Town	\$40-\$75	\$45-\$85
Parks and Recreation	Sprayground Rental	\$100	\$125
Public Utilities	Water Commodity Rate (per thousand gallons)	\$4.41	\$4.90



EXPENDITURE SUMMARY

Department Name	FY 2018	FY 2019	FY 2020	%
	Actual	Adjusted Budget	Proposed Budget	
Agriculture	3,346,695	5,956,645	5,612,249	-5.78
Budget and Management Services	1,365,182	1,438,075	1,451,354	0.92
City Attorney	4,477,543	4,513,926	4,557,406	0.96
City Auditor	885,581	957,251	938,831	-1.92
City Clerk	661,156	646,549	570,326	-11.79
City Manager's Office	2,340,996	2,639,343	2,840,594	7.63
City Real Estate Assessor	3,186,738	3,379,270	3,335,467	-1.30
City Treasurer	5,861,053	6,350,171	6,196,789	-2.42
Commissioner of the Revenue	4,746,025	4,789,141	4,829,737	0.85
Commonwealth's Attorney	8,819,921	9,895,482	10,222,376	3.30
Communications Office	1,661,398	1,819,393	1,796,015	-1.28
Convention and Visitors Bureau	27,007,948	28,037,875	28,663,311	2.23
Courts and Courts' Support	6,656,494	7,035,435	7,052,347	0.24
Cultural Affairs	2,452,716	2,442,068	2,441,959	0.00
Debt Service	49,326,017	52,883,834	54,414,230	2.89
Department of Aquarium, Historic Houses, and Museums	10,830,992	12,899,494	12,868,209	-0.24
Economic Development	4,242,488	5,915,839	5,654,013	-4.43
Emergency Communications and Citizen Services	9,122,163	11,195,201	10,985,909	-1.87
Emergency Medical Services	12,213,687	12,596,593	12,955,859	2.85
Finance	5,501,700	6,561,410	7,036,932	7.25
Fire	57,691,562	55,328,748	57,041,143	3.09
Future C.I.P. Commitments	0	8,000,000	8,500,000	6.25
Health	3,442,479	3,486,963	3,401,742	-2.44
Housing and Neighborhood Preservation	28,452,429	32,955,094	34,674,049	5.22
Human Resources	4,606,868	4,942,414	5,102,362	3.24
Human Services	110,770,870	121,865,458	124,318,995	2.01
Information Technology	24,774,176	26,875,592	27,408,401	1.98
Library	18,018,350	18,569,061	18,479,617	-0.48
Municipal Council	587,086	583,962	663,050	13.54
Non-Departmental	67,648,868	73,412,531	77,418,146	5.46
Office of Emergency Management	487,498	554,123	548,202	-1.07
Parks and Recreation	52,004,887	57,101,314	58,097,994	1.75
Pay-As-You-Go Capital Projects	68,951,409	72,071,819	80,800,555	12.11
Planning and Community Development	23,602,231	23,920,262	24,676,221	3.16
Police	99,210,007	103,997,459	102,960,533	-1.00
Public Education	876,563,309	914,254,108	939,491,573	2.76
Public Utilities	93,438,589	108,753,098	115,988,263	6.65
Public Works	135,540,276	142,776,707	149,775,359	4.90
Reserve for Contingencies	0	2,225,638	10,602,757	376.39
Sheriff's Office	47,620,284	48,645,172	49,345,817	1.44
Strategy, Transparency, Innovation & Resiliency Office	485,650	606,320	624,907	3.07
Voter Registration & Elections	2,066,711	1,737,443	1,733,731	-0.21
TOTAL EXPENDITURES	1,880,670,030	2,004,616,281	2,076,077,330	3.56



CITY PERSONNEL SUMMARY

Department Name	FY 2018	FY 2019	FY 2020	% Change
	Actual	Adjusted Budget	Proposed Budget	
Agriculture	12.50	9.00	9.00	0.00
Budget and Management Services	14.00	14.00	14.00	0.00
City Attorney	42.61	42.61	43.61	2.35
City Auditor	7.00	8.00	8.00	0.00
City Clerk	6.00	6.00	6.00	0.00
City Manager's Office	16.50	20.00	20.00	0.00
City Real Estate Assessor	34.00	34.00	35.00	2.94
City Treasurer	74.60	74.60	74.60	0.00
Commissioner of the Revenue	65.53	64.93	64.93	0.00
Commonwealth's Attorney	94.83	97.83	103.83	6.13
Communications Office	18.50	20.50	20.50	0.00
Convention and Visitors Bureau	120.28	120.28	120.28	0.00
Courts and Courts' Support	75.00	75.00	75.00	0.00
Cultural Affairs	3.00	4.00	5.00	25.00
Department of Aquarium, Historic Houses, and Museums	153.61	151.20	144.00	-4.76
Economic Development	19.00	20.00	21.00	5.00
Emergency Communications and Citizen Services	137.75	137.75	137.75	0.00
Emergency Medical Services	87.55	89.55	97.55	8.93
Finance	59.00	59.00	61.00	3.39
Fire	521.71	523.21	538.83	2.99
Health	9.08	9.08	6.38	-29.74
Housing and Neighborhood Preservation	79.00	80.00	80.00	0.00
Human Resources	49.00	50.00	52.00	4.00
Human Services	1,148.71	1,175.95	1,171.30	-0.40
Information Technology	184.00	193.00	193.00	0.00
Library	251.50	253.00	253.00	0.00
Municipal Council	11.00	11.00	11.00	0.00
Office of Emergency Management	5.00	6.00	6.00	0.00
Parks and Recreation	886.21	886.53	886.53	0.00
Planning and Community Development	134.00	137.00	141.00	2.92
Police	1,040.76	1,048.76	1,060.16	1.09
Public Utilities	417.00	415.00	415.00	0.00
Public Works	925.88	938.88	953.88	1.60
Sheriff's Office	532.82	536.82	536.82	0.00
Strategy, Transparency, Innovation & Resiliency Office	6.00	6.00	6.00	0.00
Voter Registration & Elections	12.00	12.00	12.00	0.00
Total City Positions	7,254.93	7,330.48	7,383.95	0.73
Education	10,207.77	10,333.42	10,412.12	0.76
Totals				
Total City Full Time Positions	6,583.50	6,670.00	6,737.00	1.00
Total City Part Time Positions	660.43	649.48	635.95	-2.08
Total City Council Members	11.00	11.00	11.00	0.00
Total School Positions	10,207.77	10,333.42	10,412.12	0.76
Total Positions	17,462.70	17,663.90	17,796.07	0.75



CITY ADDITIONS & REDUCTIONS

Department	FTE changes between Adopted FY 2018-19 & Adjusted FY 2018-19	# FTEs	FTE changes between Adjusted FY 2018-19 & Adopted FY 2019-20	# FTEs	Total Dept. FTE Variance
Aquarium, Museums, & Historic Houses			Administrative Tech	1.00	-7.20
			Exhibitions Technician I	-2.00	
			Guest Services Coordinator	1.00	
			Media & Communications Coordinator	1.00	
			Operation Assistant I	-0.55	
			Operations Assistant II	-4.85	
			Operations Assistant III	0.20	
			Support Specialist II	-3.00	
City Attorney			Office Assistant I	1.00	1.00
City Manager's Office	Assistant to the City Manager	1.00			
	Executive Assistant IV	1.00			
City Real Estate Assessor			Real Estate Appraiser I	1.00	1.00
Commonwealth's Attorney			Assistant Commonwealth's Attorney	3.00	6.00
			Paralegal	2.00	
			Clerk II	1.00	
Convention & Visitors Bureau			Administrative Tech	1.00	0.00
			Office Assistant II	-1.00	
Cultural Affairs			Arts Programs Specialist	1.00	1.00
Economic Development			Office Assistant II	1.00	1.00
Emergency Medical Services			Paramedic	8.00	8.00
Finance			Financial Analyst	1.00	2.00
			Procurement Specialist III	1.00	
Fire			Firefighter Recruit	15.00	15.62
			Account Clerk III	1.00	
			Code Inspector II	-0.58	
			EMS Instruction Supervisor	0.20	
Health			Family Services Specialist III	-1.00	-2.70
			Nurse II	-1.70	
Human Resources			Account Clerk II	1.00	2.00
			Administrative Specialist	1.00	
Human Services	Office Assistant I	0.25	Administrative Assistant	-1.00	-4.65

Department	FTE changes between Adopted FY 2018-19 & Adjusted FY 2018-19	# FTEs	FTE changes between Adjusted FY 2018-19 & Adopted FY 2019-20	# FTEs	Total Dept. FTE Variance
	Office Assistant II	1.00	BH/DS Assistant	-0.10	
			BH/DS Behavior Specialist		
	BH/DS Clinician II	2.00	I	0.17	
	BH/DS Clinician III	2.00	BH/DS Clinician I	-0.20	
	BH/DS Behavior Specialist		BH/DS Clinician II		
	I	1.00		-0.15	
	Human Services Educator				
	II	2.00	BHDS Behavior Specialist I	-1.00	
			BHDS Behavior Specialist		
	Administrative Assistant	1.00	II	-3.00	
	Eligibility Worker II	6.00	BHDS Clinician I	2.00	
	Eligibility Supervisor	2.00	BHDS Clinician II	8.25	
	Family Services Specialist				
	III	1.00	BHDS Clinician III	-2.00	
	Licensed Practical Nurse				
	(LPN)	-0.50	BHDS Supervisor II	-1.00	
			Clerk I	-0.25	
			Clerk III	-2.00	
			Clerk Typist I	-0.75	
			Eligibility Worker Assistant	-2.00	
			Food Service Assistant	0.42	
			Human Services Educator		
			II	-2.15	
			Van Driver	0.11	
Parks and Recreation			Account Clerk II	1.00	0.00
			ACTIVITY CENTER AIDE	1.73	
			ACTIVITY CENTER ASST		
			LEADER	-0.38	
			FACILITY CUSTOMER		
			ASSISTANT	-0.25	
			LIFEGUARD	-1.00	
			PARKS & REC AIDE I	-0.69	
				-	
			PARKS & REC AIDE II	10.01	
			PARKS & REC AIDE III	7.00	
			PARKS & REC AIDE IV	1.00	
			Parks and Recreation Aide		
			I	-2.00	
			PERSONAL TRAINER	1.22	
			Programming and		
			Operation Manager	1.00	
			RECREATION		
			SPECIALIST I	1.38	
Police			Public Safety Systems		
			Analyst	1.00	11.40
			Public Safety Analyst II	3.00	
			Administrative Tech	1.00	
			Public Safety Investigator	3.40	
			Clerk III	1.00	
			Animal Caretaker I	1.00	
			Safety Engineer	1.00	

Department	FTE changes between Adopted FY 2018-19 & Adjusted FY 2018-19	# FTEs	FTE changes between Adjusted FY 2018-19 & Adopted FY 2019-20	# FTEs	Total Dept. FTE Variance
Planning & Community Development	Transportation and Transit Manager	-1.00	Planning Technician I Zoning Code Inspector I Planner III	1.00 2.00 1.00	4.00
Public Works			Traffic Signs and Markings Aide Electrician II Plumber II Maintenance Engineer II Financial Analyst Human Resources Assistant Engineer III Construction Inspector Engineer IV Mechanic III Painter II	-2.00 1.00 1.00 1.00 1.00 1.00 1.00 8.00 1.00 1.00 1.00 1.00	15.00
Sheriff's Office	Master Sheriff Deputy Master Sheriff Deputy Deputy Sheriff Deputy Sheriff	3.00 -3.00 2.00 -2.00			
Total Net New		18.75		53.47	



SCHOOL PERSONNEL SUMMARY

Budgeted Positions for All School Board Funds

	FY 2015/16 Budget	FY 2016/17 Budget	FY 2017/18 Budget	FY 2018/19 Adopted	FY 2019/20 Adopted	Variance
General Fund						
Fund 115 - School Operating						
Instruction	6,736.60	6,800.00	6,853.85	6,972.45	7,048.65	76.20
Administration, Attendance and Health	276.80	279.80	280.30	281.30	281.30	-
Pupil Transportation	666.13	675.13	675.13	693.88	693.88	-
Operations and Maintenance	1,169.50	1,169.50	1,152.50	1,134.50	1,123.50	(11.00)
Technology	170.00	176.00	182.00	186.00	185.00	(1.00)
School Operating Fund Total	9,019.03	9,100.43	9,143.78	9,268.13	9,332.33	64.20
Fund 104 - Green Run Collegiate	32.90	39.30	39.30	39.30	38.80	(0.50)
General Fund Total	9,051.93	9,139.73	9,183.08	9,307.43	9,371.13	63.70
Categorical Grants and Other Funds						
Fund 114 - Cafeterias	490.89	490.89	495.89	492.89	527.39	34.50
Fund 116 - Categorical Grants	478.50	509.20	516.80	521.10	501.60	(19.50)
Fund 117 - Textbooks	1.50	1.50	1.50	1.50	1.50	-
Fund 614 - Risk Management	5.00	7.00	4.00	4.00	4.00	-
Funds 615/617 - Health Insurance	6.50	6.50	6.50	6.50	6.50	-
Other Funds Total	982.39	1,015.09	1,024.69	1,025.99	1,040.99	15.00
TOTAL BUDGET	10,034.32	10,154.82	10,207.77	10,333.42	10,412.12	78.70

Breakdown of Categorical Grant Funds and Other Funds

	FY 2015/16 Budget	FY 2016/17 Budget	FY 2017/18 Budget	FY 2018/19 Adopted	FY 2019/20 Adopted	Variance
Adult Basic Education Funds	5.00	5.00	5.00	5.00	5.00	-
DoDEA MCASP Operation GRIT	-	-	1.00	1.00	1.00	-
DoDEA MCASP Operation Pride	3.00	2.00	-	-	-	-
DoDEA Special Education	1.00	1.00	1.00	1.00	-	(1.00)
MTSS-B Impact Evaluation Study	-	1.20	-	-	-	-
Preschool Incentive	5.00	5.00	4.00	4.00	4.00	-
Title I, Part A	116.00	122.00	128.00	125.00	111.00	(14.00)
Title I, Part D - Subpart 1	-	-	-	-	0.50	0.50
Title I, Part D - Subpart 2	1.00	1.00	1.00	1.00	0.50	(0.50)
Title II, Part A	26.00	24.00	24.00	18.00	17.00	(1.00)
Title III, Part A - Language Acquisition	1.00	1.00	1.00	1.00	1.00	-
Title IV, Part A, Student Support and Academic Enrichment	-	-	-	1.00	4.00	3.00
Title VI, Part B (IDEA)	306.50	253.00	245.80	245.80	245.80	-
Virginia Preschool Initiative Plus (VPI+)	-	-	-	12.00	-	(12.00)
Federal Grants Total	464.50	415.20	410.80	414.80	389.80	(25.00)
						-
Early Intervention Reading Initiative (PALS)	1.00	1.00	1.00	1.00	1.00	-
Jail Education Program	1.00	1.00	1.00	1.50	1.00	(0.50)
Juvenile Detention Home	11.00	11.00	11.00	11.00	11.00	-
VA Initiative for At-Risk Four-Year-Olds	-	80.00	92.00	90.00	86.00	(4.00)
Virginia Preschool Initiative Plus (VPI+)	-	-	-	-	10.00	10.00
State Grants Total	13.00	93.00	105.00	103.50	109.00	5.50
						-
Hampton Roads Workforce Council - ALC	-	-	-	0.80	0.80	-
Hampton Roads Workforce Council - STEM	1.00	1.00	1.00	2.00	2.00	-
Local Grants Total	1.00	1.00	1.00	2.80	2.80	-
						-
Categorical Grants Total	478.50	509.20	516.80	521.10	501.60	(19.50)
						-
Cafeterias	490.89	490.89	495.89	492.89	527.39	34.50

Health Insurance	6.50	6.50	6.50	6.50	6.50	-
Risk Management	5.00	7.00	4.00	4.00	4.00	-
Textbooks	1.50	1.50	1.50	1.50	1.50	-
Other Funds Total	503.89	505.89	507.89	504.89	539.39	34.50
Categorical Grants and Other Funds Total	982.39	1,015.09	1,024.69	1,025.99	1,040.99	15.00



DEMOGRAPHICS

	1980	1990	2000	2010	2017
Gender:					
Male	50.8%	50.8%	49.5%	48.9%	49.2%
Female	49.2%	49.2%	50.5%	51.1%	50.8%
Age:					
Under 18	30.7%	28.0%	27.5%	24.0%	22.6%
65 and Over	4.5%	5.9%	8.4%	10.7%	12.7%
Peak Earning Years (age 35 – 54)	23.1%	24.9%	30.5%	28.3%	26.3%
Median Age	26.9	28.9	32.7	34.9	35.6
Dependency Population (<18 & > 65)	35.2%	33.9%	35.9%	34.7%	35.3%
Race:*					
White	86.5%	80.5%	71.4%	67.7%	67.2%
Black/African American	10.0%	13.9%	19.0%	19.6%	19.0%
American Indian/Alaskan Native	0.2%	0.4%	0.4%	0.4%	0.2%
Asian/Hawaiian/Pacific Islander	2.5%	4.3%	5.0%	6.3%	6.7%
Other Race	0.7%	0.9%	1.5%	2.0%	1.7%
Two or More Races	NA	NA	2.7%	4.0%	5.1%
Hispanic	2.0%	3.1%	4.2%	6.6%	7.8%
Households:					
Family Household	79.2%	75.4%	71.8%	68.6%	69.1%
Married Couple Family	66.6%	62.9%	55.7%	52.9%	50.7%
Female Head of Household	10.3%	9.5%	12.4%	12.3%	13.9%
Households with Children under 18	NA	44.8%	42.1%	35.4%	35.5%
Housing Occupancy: Owner	64.2%	62.5%	65.6%	65.7%	63.8%
Housing Occupancy: Renter	35.8%	37.5%	34.4%	34.3%	36.2%
Average Household Size	2.97	2.82	2.70	2.65	2.61
Average Family Size	3.35	3.21	3.21	3.16	3.10
Health Insurance					
% with Health Insurance Coverage	NA	NA	NA	88.9%	92.1%
Marital Status:					
Single, Never Married	26.5%	24.7%	25.5%	28.3%	31.7%
Married	61.0%	58.4%	57.1%	53.5%	49.5%
Separated	3.0%	5.4%	3.2%	2.9%	2.2%
Widowed	4.0%	4.0%	4.7%	4.7%	5.5%
Divorced	5.5%	7.6%	9.5%	10.5%	11.1%
Median Household Income					
	\$20,203	\$36,271	\$48,705	\$64,212	\$72,586
Median Family Income					
	\$21,809	\$39,122	\$53,242	\$75,757	\$86,305
Per Capita Income					
	\$10,836	\$20,652	\$30,633	\$46,105	\$55,108

	1980	1990	2000	2010	2017
Poverty:					
Persons	8.9%	5.9%	6.5%	7.5%	8.0%
Families	7.7%	4.3%	5.1%	5.5%	5.9%
Children under 18	13.0%	7.6%	8.6%	10.5%	11.4%
65 and Over	10.3%	8.0%	4.7%	5.0%	5.4%
Female Head of Household	38.9%	20.2%	18.9%	18.9%	17.9%
Female Householder with Children	45.8%	26.5%	23.1%	24.2%	23.3%
Housing Expenses:					
Owner Expenses Exceeding 30% of Income	26.3%	30.7%	27.4%	42.7%	34.1%
Renter Expenses Exceeding 30% of Income	37.8%	39.0%	37.9%	53.5%	51.5%
Percent of Homeowners Mortgage Free	11.1%	11.4%	13.9%	19.7%	23.5%
Educational Attainment:					
High School Graduate	80.0%	88.0%	90.4%	93.1%	93.3%
College Graduate	22.4%	25.5%	28.1%	31.6%	34.8%
Labor Force:					
Civilian Labor Force Participation Rate	58.3%	62.5%	63.2%	71.0%	69.9%
Civilian Female Labor Force Participation	54.6%	63.5%	62.9%	63.7%	62.8%
Percent of Labor Force in Armed Forces	18.2%	18.6%	13.3%	10.2%	7.1%
Percent Unemployed**	5.3%	4.7%	4.1%	6.5%	2.9%
Transportation-Related:					
Percent Who Drive Alone	67.5%	78.4%	82.0%	82.5%	82.6%
Percent Who Car Pool	21.2%	12.0%	10.8%	9.4%	8.2%
Percent Who Use Public Transportation	1.7%	0.8%	0.7%	0.8%	0.7%
Percent Who Work at Home	1.1%	3.3%	2.8%	4.3%	4.2%
Mean Travel Time (minutes)	21.9	22.7	23.9	23.4	23.3

*Totals may not equal 100% due to rounding.

**Far right column is 2018 Data

Source: American Community Survey, Virginia Labor Market Information, Bureau of Economic Analysis