

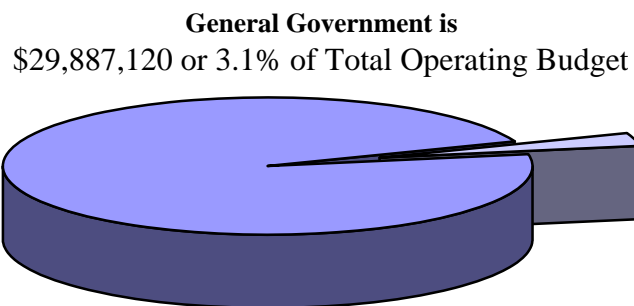
GENERAL GOVERNMENT

SECTIONAL SUMMARY

DEPARTMENTS	FY 08-09 Amended Budget	FY 09-10 Budget	Increase/ (Decrease)	Percentage Change
Economic Development	1,624,462	1,609,243	(15,219)	-0.94%
Greenbrier TIF	824,963	838,345	13,382	1.62%
South Norfolk TIF	132,413	250,000	117,587	88.80%
TIF Infrastructure Maintenance	-	172,753	172,753	N/A
Chesapeake Conference Center	4,570,352	3,493,850	(1,076,502)	-23.55%
Conventions and Tourism	761,532	998,682	237,150	31.14%
Planning	2,197,150	2,058,515	(138,635)	-6.31%
Open Space & Agriculture Presv.	235,570	235,570	-	0.00%
City Manager	1,819,869	1,663,093	(156,776)	-8.61%
Public Communications	1,360,293	1,301,193	(59,101)	-4.34%
Registrar/Electoral Board	1,052,716	1,063,926	11,210	1.06%
Audit Services	500,944	503,397	2,453	0.49%
Independent Audit	161,200	168,410	7,210	4.47%
City Treasurer	4,349,804	4,222,099	(127,706)	-2.94%
Commissioner of Revenue	3,372,189	3,209,974	(162,215)	-4.81%
Real Estate Assessor	2,432,974	2,315,474	(117,500)	-4.83%
City Attorney	1,730,867	1,772,378	41,511	2.40%
City Council	401,824	356,334	(45,490)	-11.32%
City Clerk	566,422	546,580	(19,842)	-3.50%
Contingencies	2,734,272	1,320,000	(1,414,272)	N/A
Emergency Event Contingency	600,000	250,000	(350,000)	-58.33%
Contingencies - Grants	1,340,000	1,537,305	197,305	14.72%
Totals	32,769,816	29,887,120	(2,882,696)	-8.80%

The functions of the City included in this section are those City offices and departments, which are city-wide in nature and are appointed by and report directly to Council, departments which report directly to the City Manager, or departments of City Officials elected by the citizens of Chesapeake. The specific departments or functions are listed in the table above.

The following chart illustrates that the total appropriations for General Government are \$29,887,120 or 3.1% of the City's total Operating Budget of \$961,087,839 for FY 2009-10.



Conference Center

The Conference Center will transfer \$100,000 to the General Fund as well as \$260,000 to Conventions and Tourism. Also, the amount of the debt payment to the City Wide Debt Fund will be increased to \$1,000,000. The Conference Center will also be reorganized with one employee being shared with Conventions and Tourism.

Economic Development

Funding for the Portlock Galleries at SoNo has been transferred to the Parks and Recreation Department. Please see the Administration and Leisure section of this document.

Tax Increment Financing Funds

A transfer from the "Declared Surplus" will be made for the operating costs associated with the improvements made in both the Greenbrier and South Norfolk TIF districts.

Planning

The Planning Department eliminated a vacant Senior Planner position and a vacant Office Specialist 1 position (to be filled by a temporary worker) as a means of reducing costs. Also reduced contractual services.

City Manager

One vacant position has been eliminated as have a portion of the temporary services budget since the position is being filled by a Call Center employee.

Funding for the Virginia Municipal League and Virginia Institute of Government dues have been moved from Non-Departmental to the City Manager's budget.

City Treasurer

The department underwent a reorganization and as a result three positions were eliminated.

Real Estate Assessor

One vacant position has been eliminated for the FY 09-10 budget.

City Attorney

During FY 2008-09 the part-time City Attorney position has been upgraded to full-time due to increased workload.

Contingencies

The Contingency accounts represent estimated vacancy savings City wide from positions which will be identified through the Voluntary Retirement Incentive Program and the Reduction in Force policy. In addition funds are provided for a small payment for weekly employees to transition to a bi-weekly payroll.

The Contingency for Grants has been increased for Technology Trust Funds, and increase in the CASA Grant, the Guardianship Grant, and other various grants.

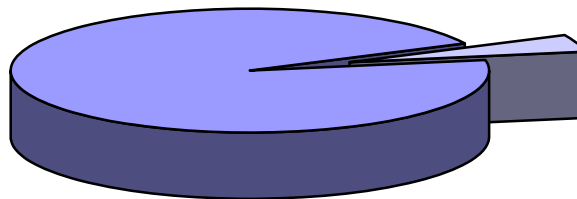
<u>DEPARTMENTS</u>	<u>FY 08-09</u> <u>Amended Budget</u>	<u>FY 09-10</u> <u>Budget</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
Parks & Recreation	9,735,321	8,987,740	(747,580)	-7.68%
Library	8,339,099	7,880,761	(458,338)	-5.50%
Info Tech -- 800 MHz Maintenance	1,448,926	2,281,698	832,772	57.48%
Info Tech -- Data/Security Admin.	326,949	228,921	(98,028)	-29.98%
Finance	2,547,859	2,418,310	(129,549)	-5.08%
Finance -- Non Departmental	14,534,893	15,388,632	853,739	5.87%
Human Resources	2,985,853	3,479,356	493,504	16.53%
Required Staffing Reduction	-	(1,993,863)	(1,993,863)	N/A
Other Post Employment Benefits	4,493,548	5,493,548	1,000,000	22.25%
Budget	796,712	776,292	(20,420)	-2.56%
Total	45,209,158	44,941,395	(267,763)	-0.59%
<u>DEPARTMENT</u>				
<u>Internal Service Funds:</u>				
Risk Management	3,658,671	3,664,001	5,330	0.15%
Information Technology	9,395,043	9,537,278	142,234	1.51%
Totals	13,053,714	13,201,279	147,565	1.13%

Internal Service Funds are listed separately because the appropriations are included within other funds and not appropriated separately.

The departments included in this section are those, which deal with the “administrative infrastructure”, as well as, those departments which provide amenities to our citizens. The specific departments are listed in the above table. The Department of Information Technology and the Risk Management function of the Finance Department, although shown separately due to Internal Service fund status, are within this organizational component.

The following chart illustrates that the total appropriations for Administration and Leisure are \$44,941,395 or 4.7% of the City's total Operating Budget of \$961,087,839 for FY 2009-10.

Administration and Leisure is \$44,941,395 or 4.7% of Total Operating Budget



Parks and Recreation

- The department has increased fees and changed policies in an effort to mitigate the impact of the reduced transfer from the General Fund.
- Two full-time vacant positions have been eliminated for FY 2009-10 as well as a vacancy savings estimate of \$87,679.
- Reductions in contractual services, maintenance and repairs, and certain special programs were taken to balance the budget.
- The Portlock Gallery program has been moved from Economic Development to the Parks and Recreation Department.

Library

- Eliminated 15 vacant part-time positions (\$118,120).
- Reduction in materials budget (\$50,000).
- Four vacant full-time positions have been eliminated for FY 2009-10 budget.

Finance

- Two vacant full-time positions have been eliminated for FY 2009-10 budget.
- Reduction of \$32,156 taken from contractual services, temporary services and office supplies.
- Funding has been added for backfilled positions for the Human Resources Payroll/Personnel capital project.

Human Resources

- One vacant full-time position has been eliminated for FY 2009-10 budget as well as reducing a second position from full-time to part-time.
- The Tuition Assistance Program was suspended.
- Reduced Career Development funding by \$19,200.
- The Service Award Ceremony will be revamped which yields a total cost savings of \$30,021.
- A contingency for increased Health Insurance costs is located in the Human Resources Special Programs budget.
- Funding has been added for backfilled positions for the Human Resources Payroll/Personnel capital project.

Budget

- The department was reorganized to better meet its customer needs. One full-time position will be reclassified to part-time.

Information Technology

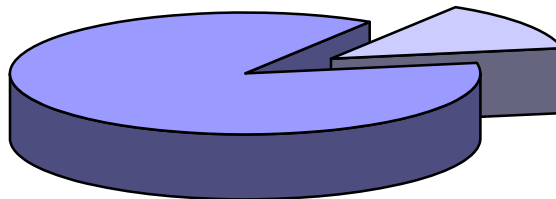
- Funding has been added for backfilled positions for the Human Resources Payroll/Personnel capital project.
- One vacant full-time position has been eliminated for FY 2009-10 budget as well as a Required Staffing Reduction savings estimate of \$87,679.
- The department is currently undergoing reorganization, but is not finalized as of this printing.

<u>DEPARTMENTS</u>	<u>FY 08-09 Amended Budget</u>	<u>FY 09-10 Budget</u>	<u>Increase/ (Decrease)</u>	<u>Percentage Change</u>
Police	45,023,472	43,462,015	(1,561,457)	-3.47%
Fire	39,572,830	37,866,080	(1,706,750)	-4.31%
Fire Grants and Programs	702,700	669,774	(32,926)	-4.69%
HEAT	179,100	93,160	(85,940)	-47.98%
Human Services	32,060,682	31,451,675	(609,006)	-1.90%
Community Services	18,589,830	17,707,707	(882,123)	-4.75%
Development and Permits	3,669,182	6,366,076	2,696,894	73.50%
Code Compliance - Demolition	100,000	90,896	(9,104)	-9.10%
Customer Contact Center	637,868	713,402	75,534	11.84%
Neighborhood Coordination	301,934	233,782	(68,152)	-22.57%
Office of Youth Services	277,830	818,373	540,542	194.56%
Office of Housing	224,373	226,020	1,647	0.73%
Health	2,838,629	2,963,935	125,306	4.41%
Agriculture	442,460	416,890	(25,570)	-5.78%
Mosquito Control (excludes Capital)	5,063,800	5,286,602	222,802	4.40%
Totals	149,684,689	148,366,387	(1,318,302)	-0.88%

The departments included in this section are those departments which deal with people, the "human infrastructure" of the City, and focus on major issues, such as health, safety, and welfare of the community. The specific departments are listed in the above table. Mosquito Control has been added to provide information about the Commission's resources and activities.

The following chart illustrates that the total appropriations for Community Initiative / Human Development are \$148,366,387 or 15.4% of the City's total Operating Budget of \$961,087,839 for FY 2009-10.

Community Initiative / Human Development is \$148,366,387 or 15.4% of Total Operating Budget



Police

- Reduced four resource officer positions based on the Police study, thus saving \$216,511.
- Restricted overtime which will result in overtime savings of \$500,000.
- Reduced ammunition for training purposes \$18,711.
- Reduced expenditures in Animal Control supply costs, medical costs, and utilities costs which will result in a \$12,625 savings.

Fire

- Reduced maintenance and supplies (\$50,000) and purchases of uniforms and wearing apparel (\$50,000) in Fire Suppression. Reduced program initiatives in Environmental Compliance (\$119,973).
- Reduced overtime across the Fire Department.
- Eliminated of two-way pagers and the Marine 1 fire boat.

Human/Social Services

- The overall budget did not decrease significantly due to increased revenue from reimbursements from the State and Federal sources.
- There is an anticipated vacancy savings reduction of \$226,158 for the FY 2009-10 budget.

Juvenile Services

- Revenues from the State were reduced by \$623,000 and the General Fund transfer was reduced by \$216,213. The per diem rate charged to other localities will be increased from \$170 per day to \$190 per day.
- There is an anticipated vacancy savings reduction of \$145,758 for the FY 2009-10 budget.

Community Services

- There is an anticipated vacancy savings reduction of \$175,357 for the FY 2009-10 budget.

Development and Permits

- The Department of Neighborhood Services underwent a reorganization in an effort to improve the development review process. The department has been renamed as Development and Permits. Thirty-four employees from Public Works Engineering program that deal with Development Plans review have been merged with the Development and Permits Department.

Bureau of Community Programs

- The Customer Contact Center, Neighborhood Coordination, Office of Youth Services, and the Housing Office have been combined to form the Bureau of Community Programs.

Bureau of Community Programs - Office of Youth Services

- The Court Services Unit Volunteer Services has been combined with the Office of Youth Services.
- The Family Resources Coordinator position will be shared equally by the Office of Youth Services and Neighborhood Coordination programs.
- Funding for the Pendleton Project has been moved from Non-Departmental to the Office of Youth Services.

Health Department

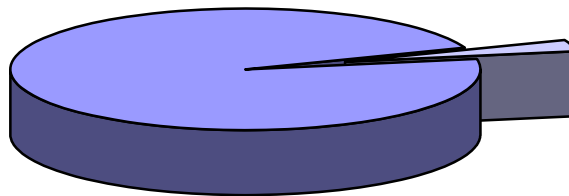
- Funding for Indigent Maternity Care has been moved from Non-Departmental to the Health Department- General Clinic.

<u>DEPARTMENTS</u>	<u>FY 08-09 Amended Budget</u>	<u>FY 09-10 Budget</u>	<u>Increase/ (Decrease)</u>	<u>Percentage Change</u>
Sheriff's Office	36,502,351	36,359,766	(142,585)	-0.39%
Judicial	3,167,536	3,166,825	(711)	-0.02%
Clerk of the Circuit Court	2,157,579	2,078,540	(79,039)	-3.66%
Commonwealth's Attorney	3,688,690	3,646,436	(42,254)	-1.15%
Court Services Unit	806,379	359,935	(446,444)	-55.36%
Totals	46,322,536	45,611,502	(711,034)	-1.53%

The departments and agencies included in this section are those departments which provide the City's court system and jail operations. The departments are funded primarily through the State Compensation Board and the State Department of Juvenile Justice. Departments included in this section, as listed in the above table, include the Sheriff, Circuit Court, General District Court, Magistrate's Office, Juvenile and Domestic Relations District Court, Commonwealth's Attorney, and Court Services Unit.

The following chart illustrates that the total appropriations for Judicial and Sheriff are \$45,611,502 or 4.7% of the city's total Operating Budget of \$961,087,839 for FY 2009-10.

**Judicial & Sheriff is
\$45,611,502 or 4.7% of Total Operating Budget**



Sheriff's Office

- Additional funding of \$600,000 has been added for the Jail Medical contract.
- A new program called Mowing Services has been added to help reduce maintenance costs throughout the City. The savings will be felt by Parks and Recreation, General Services, Public Utilities and Public Works.
- The work release program has been eliminated.
- Eliminated the Client Technologies Analyst II position.

Commonwealth Attorney

- Both an Attorney position and a Paralegal position have been reduced from full-time to part-time status in order to reduce costs.

Circuit Court Clerk

- Reclassified 1 FT Deputy Clerk of the Circuit Court II and 1 FT Deputy Clerk of the Circuit Court IV to part-time.

Court Services Unit

- The Volunteer Services program was moved to the Office of Youth Services. Please see the section entitled Community Initiative/Human Development.

OPERATIONS

SECTIONAL SUMMARY

<u>DEPARTMENTS</u>	<u>FY 08-09 Amended Budget</u>	<u>FY 09-10 Budget</u>	<u>Increase/ (Decrease)</u>	<u>Percentage Change</u>
Public Works	29,735,813	25,131,418	(4,604,394)	-15.48%
Solid Waste	10,568,333	8,904,439	(1,663,894)	-15.74%
Solid Waste Disposal & Recycling	12,895,040	22,105,120	9,210,080	71.42%
Stormwater Management	8,136,347	9,023,978	887,631	10.91%
Jordan Bridge	1,677,000	-	(1,677,000)	-100.00%
Chesapeake Expressway	7,714,346	7,930,395	216,049	2.80%
Public Utilities	50,804,818	54,839,688	4,034,870	7.94%
General Services	7,954,821	7,422,525	(532,296)	-6.69%
Purchasing	871,809	793,636	(78,173)	-8.97%
Totals	130,358,327	136,151,200	5,792,874	4.44%

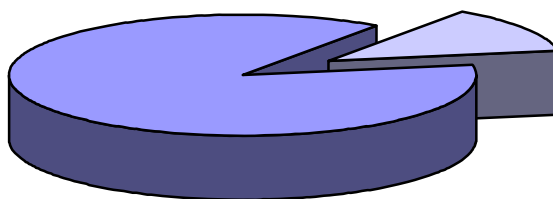
<u>DEPARTMENTS</u>	<u>FY 08-09 Current</u>	<u>FY 09-10 Budget</u>	<u>Increase/ (Decrease)</u>	<u>Percentage Change</u>
<u>Internal Service Funds:</u>				
Central Fleet	16,209,711	15,383,011	(826,700)	-5.10%

Internal Service Funds are listed separately because the appropriations are included within other funds and not appropriated separately.

The functions of the City included in this section are those departments that deal with the "physic infrastructure" of the City and focus on major issues such as the efficient and high quality delivery of basic City services, major infrastructure, and the overall appearance of the City. The specific departments or functions are listed in the table above.

The following chart illustrates that the total appropriations for Operations are \$136,151,200 or 14.2% of the City's total Operating Budget of \$961,087,839 for FY 2009-10.

Operations is
\$136,151,200 or 14.2% of Total Operating Budget



Public Works

- **Public Works Reorganization:**The Public Works department has undergone a reorganization to
- **Bridges and Structures:** Deleted one Bridge Administrator position
- **Streets:** Reductions made in Contractual Services for smaller road improvements, street repairs, and shoulder mowing.
- An additional eight vacant full-time positions have been eliminated throughout the Public Work Department for the FY 2009-10 budget

Solid Waste Disposal and Recycling

- A new fee of \$3 per household / per month is established for solid waste disposal and expanded recycling program. The Solid Waste Disposal/Recycling Fund covers only the cost from the Southeastern Public Service Agency for tipping fees of solid waste and the expanded recycling fees. The cost of personnel and equipment associated with trash pickup will continue to be paid from the General Fund.

General Services

- **Building Maintenance:** Deferring routine maintenance in favor of emergency and other critical repairs (\$213,543)
- Reclassified Facility Maintenance Technician I to a General Supervisor and further reduced repairs (\$10,000)
- **Housekeeping:** Outsource services in 11 outlying facilities which will result in a savings of \$26,600 in part-time salaries and supplies and \$4,900 in vehicle expenses
- **Grounds Maintenance** Eliminated small equipment purchases of \$39,000
- **Administration:** Reduced funding of outside Professional Services and perform the work in-house (\$108,150)
- Delay hiring of an Engineer IV

Public Utilities

- Public Utilities will provide a transfer to the General Fund for operating support of \$1.2 million

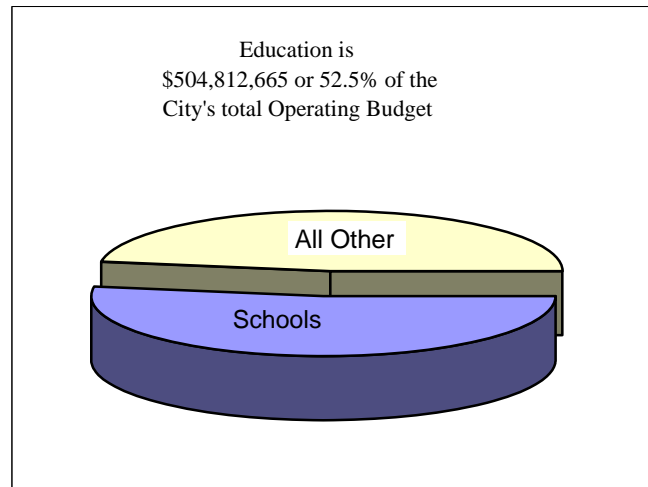
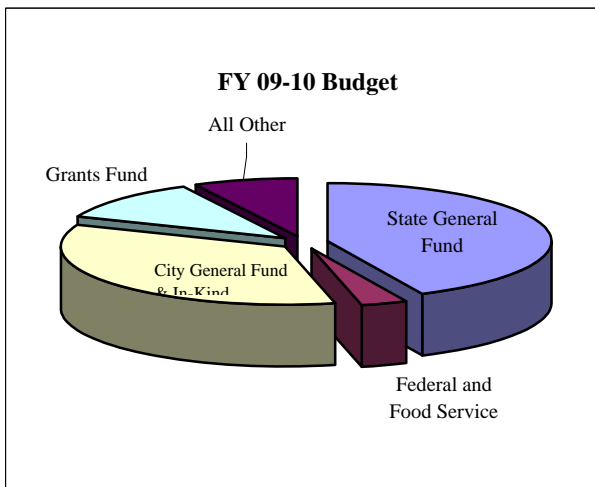
<u>SOURCES OF FUNDS</u>	<u>FY 08-09</u> <u>Amended Budget</u>	<u>FY 09-10</u> <u>Budget</u>	<u>Increase/</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
State General Fund	237,697,959	217,974,509	(19,723,450)	-8.30%
Federal	3,251,800	3,000,600	(251,200)	-7.72%
Tuition, rent, other local	2,726,000	3,070,200	344,200	12.63%
City General Fund	185,006,949	173,343,767	(11,663,182)	-6.30%
School Textbook Fund	4,098,533	1,721,650	(2,376,883)	-57.99%
School Food Service Fund	13,845,944	13,695,910	(150,034)	-1.08%
School Grants Fund	25,771,040	56,428,005	30,656,965	118.96%
Cell Tower Fund	-	-	-	
Subtotal	472,398,225	469,234,641	(3,163,584)	-0.67%
City In-kind Support - General Fund *	2,288,556	2,027,556	(261,000)	-11.40%
School Debt Service	34,370,975	33,550,468	(820,507)	-2.39%
Totals	509,057,756	504,812,665	(4,245,091)	-0.83%

* Costs are included in the General Fund for school dumpster services, school traffic guards, school resource officers, and special traffic control assignments for school crossings.

For FY 2009-10, Schools shared in City support by providing \$1 Million to City General Fund operations.

The Education section includes the operating costs associated with the City of Chesapeake's School System. The City's school system is operated under the direction of the City of Chesapeake School Board and the School Superintendent. The specific functions within this section, School Operating Fund, include Administration and Attendance/Health, Instruction, Facilities, Operation and Maintenance, and Pupil Transportation.

The following charts illustrate that the total resources for the School System, including School Debt Service is \$504,812,665 or 52.5% of the City's total Operating Budget of \$961,087,839 for FY 2009-10. This share percentage will change when School Grants and other special funds are added.



Funding for the School Operating Fund is provided primarily through local funding, State General Fund support, and State Share Sales Tax designated for local education. State lottery funds are reflected in the State General Fund resources. The Composite Index based on student population and fiscal stress is 0.3025 for State General Fund support. This means the City is required to provide a 30.25% match to State funds for K-12 education.

As do most Virginia localities, Chesapeake provides more support to its schools than this minimum requirement. Chesapeake's efforts in this regard rank among the top 5 localities in the State. City General Fund resources represent 43.6% of the FY 2009-10 Schools Budget, exclusive of existing debt service and the Reserve for Future School Capital Needs.

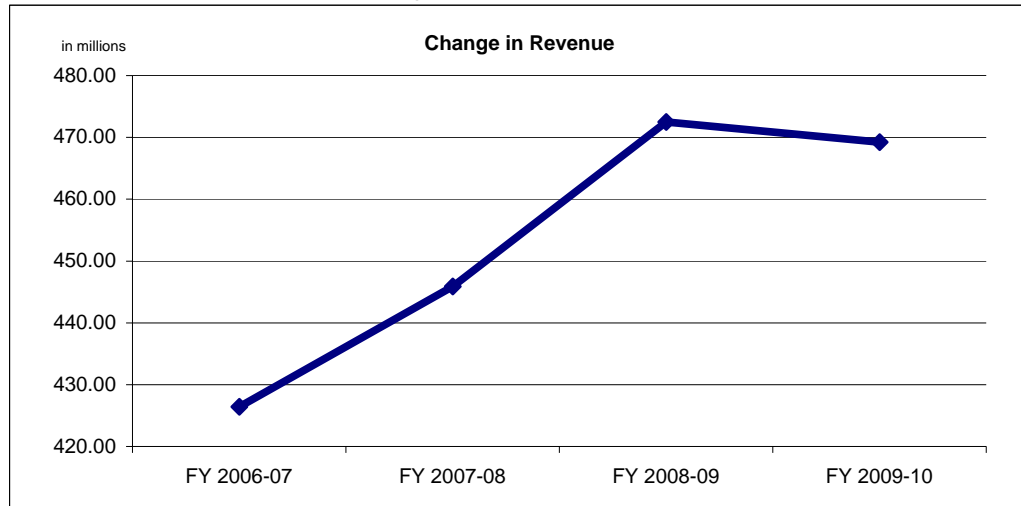
For FY 2009-10, the Superintendent has proposed a School Operating Budget of \$397,389,076. This includes \$173,343,767 in General Fund support at a \$1.04 non-mosquito real estate tax rate. The budget assumes a decrease of \$19.7 million in State support for the Operating Fund. The School Operating Fund resources are as follows:

	FY 2007-08 Actual	FY 2008-09 Amended	FY 2009-10 Budget	Decr. FY08-09 to FY09-10	
				Amount of change	% of Change
State General Fund	217,219,253	237,697,959	217,974,509	(19,723,450)	-8.30%
Federal	3,926,009	3,251,800	3,000,600	(251,200)	-7.72%
Tuition, rent, other local	2,914,549	2,726,000	3,070,200	344,200	12.63%
City General Fund	189,393,501	185,006,949	173,343,767	(11,663,182)	-6.30%
TOTAL	413,453,312	428,682,708	397,389,076	(31,293,632)	-7.30%

The American Recovery and Reinvestment Act of 2009 (ARRA) provides funding for public education to preserve teaching jobs at risk because of state and local budget cuts and support effective reforms.

ARRA funding for public schools includes State Fiscal Stabilization Fund grants and formula grants awarded through existing federal programs such as Title I, Part A of the Elementary and Secondary Education Act of 1965 (also known as No Child Left Behind) and Part B of the Individuals with Disabilities Education Act. ARRA funds are distributed to school divisions on a reimbursement basis. All funds must be spent by September 30, 2011. For 2009-2010, total ARRA funding is \$27,973,072.

The following graph shows the trend for Total Revenues including the Grants Fund, Food Service Fund, Textbook Fund and federal economic stimulus funding:



In addition to resources for School operations, the following additional City resources are provided for School purposes:

- o \$12.6 million are set aside for the Reserve for School Capital.
- o \$33.6 million in debt service for School capital projects.
- o \$2.0 million in in-kind services including School resources officers, School crossing guards and solid waste disposal at Schools.

A summary of this commitment is shown in the following chart.

SCHOOL OPERATIONS, DEBT & CAPITAL				
	FY 2008-09		FY 2009-10	
	Amended	% of Total	Budget	% of Total
State General Fund	188,965,730	37.12%	179,598,324	35.58%
Lottery	6,410,805	1.26%	-	0.00%
State Share Sales Tax	42,321,424	8.31%	38,376,185	7.60%
Federal	3,251,800	0.64%	3,000,600	0.59%
Tuition, rent, other local	2,726,000	0.54%	3,070,200	0.61%
City General Fund for Operations	185,006,949	36.34%	173,343,767	34.34%
General Fund In-Kind Support	2,288,556	0.45%	2,027,556	0.40%
School Debt - City Commitment	34,370,975	6.75%	33,550,468	6.65%
School Textbook Fund	4,098,533	0.81%	1,721,650	0.34%
School Food Service Fund	13,845,944	2.72%	13,695,910	2.71%
School Grants Fund	25,771,040	5.06%	56,428,005	11.18%
TOTAL SCHOOL FUNDING	509,057,756	100.00%	504,812,665	100.00%

Funds are also provided from shared revenue to the School Lock Box for debt service payments.

	FY 2008-09	FY 2009-10
City Funds to School Lock Box	12,865,529	12,588,218