



CITY OF VIRGINIA BEACH

Executive Summary

ADOPTED FY 2023-24



CITY OF
**VIRGINIA
BEACH**

CONTENTS

Contents	1
Distinguished Budget Award	2
Acknowledgements	4
Overview	5
City Organization & Information	6
City Council	7
Schedule of Workshops and Public Hearings	8
Reconciliation Letter.....	9
City Manager’s Transmittal Letter	52
Highlights of the Adopted Resource Management Plan	64
Appropriations.....	79
Revenue	81
Capital Improvement Program Summary	94
Performance Metrics	105
Transparency Initiatives Continue	110
Financial Strategy	111
Estimated General Fund Balance.....	113
Changes in Fund Balance	114
Revenue Summary.....	115
Dedication of Local Revenues	116
Summary of Fees and Tax Adjustments	117
Expenditure Summary	119
City Personnel Summary.....	120
City FTE Additions & Reductions.....	121
School Personnel Summary	126
Demographics	128
Departments / Fund Matrix.....	130
Performance Measure Data Sources	131

DISTINGUISHED BUDGET AWARD

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the **City of Virginia Beach, Virginia**, for its Annual Budget for the fiscal year beginning **July 1, 2022**. 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.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

**City of Virginia Beach
Virginia**

For the Fiscal Year Beginning

July 01, 2022

Christopher P. Morrell

Executive Director

Recognition For Budget Preparation

When a Distinguished Budget Presentation Award is granted to an entity, a Certificate of Recognition for Budget Preparation is also presented to the individual (s) or department designated as being primarily responsible for having achieved the award. This has been presented to the **Department of Budget and Management Services**.



**The Government Finance Officers Association
of the United States and Canada**

presents this

CERTIFICATE OF RECOGNITION FOR BUDGET PREPARATION *to*

**Department of Budget and Management Services
City of Virginia Beach, Virginia**



The Certificate of Recognition for Budget Preparation is presented by the Government Finance Officers Association to those individuals who have been instrumental in their government unit achieving a Distinguished Budget Presentation Award. The Distinguished Budget Presentation Award, which is the highest award in governmental budgeting, is presented to those government units whose budgets are judged to adhere to program standards

Executive Director

Christopher P. Morrell

Date: **September 02, 2022**

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, Deputy City Managers, and Assistants to the City Manager who spent many hours sorting through a variety of complex issues. I would also like to specifically thank the Department of Information Technology for providing additional staff support and assistance in the production of this document. As with any Budget, our objective is to meet the goals as defined by City Council, and we appreciate their vision for our City's future.

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

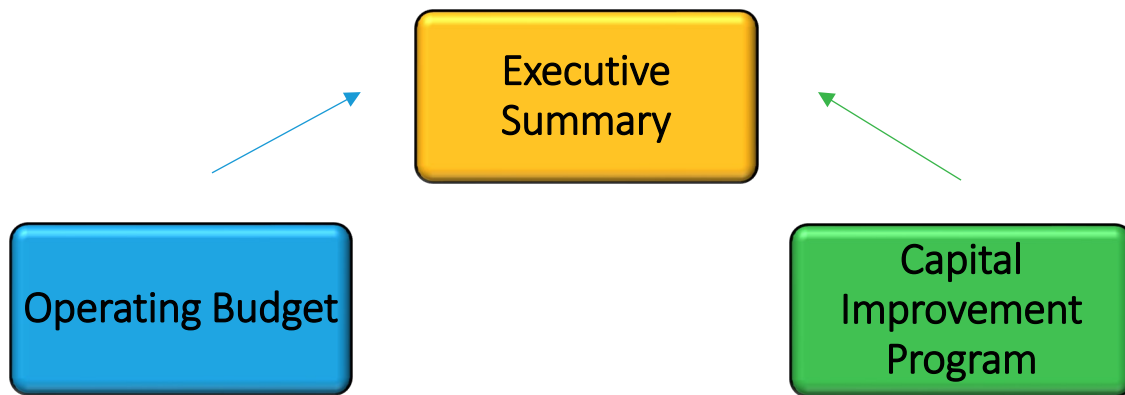
*J. Hunter Anderson, Sharla Burnett, Jacqueline Conley, Kremena Dimitrova, Portia Easter, Michael Evans,
Jordan Frijas, Kaitlyn James, Abiola Kazeem, Stuart McCrery, Alexander Nichols, David Nicholson*

Sincerely,

A handwritten signature in dark ink, appearing to read "Kevin Chatellier". The signature is fluid and cursive, with the first name "Kevin" and last name "Chatellier" clearly distinguishable.

Kevin M. Chatellier, 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 and ending June 30th. It provides detailed discussions of revenues and appropriations for each department.

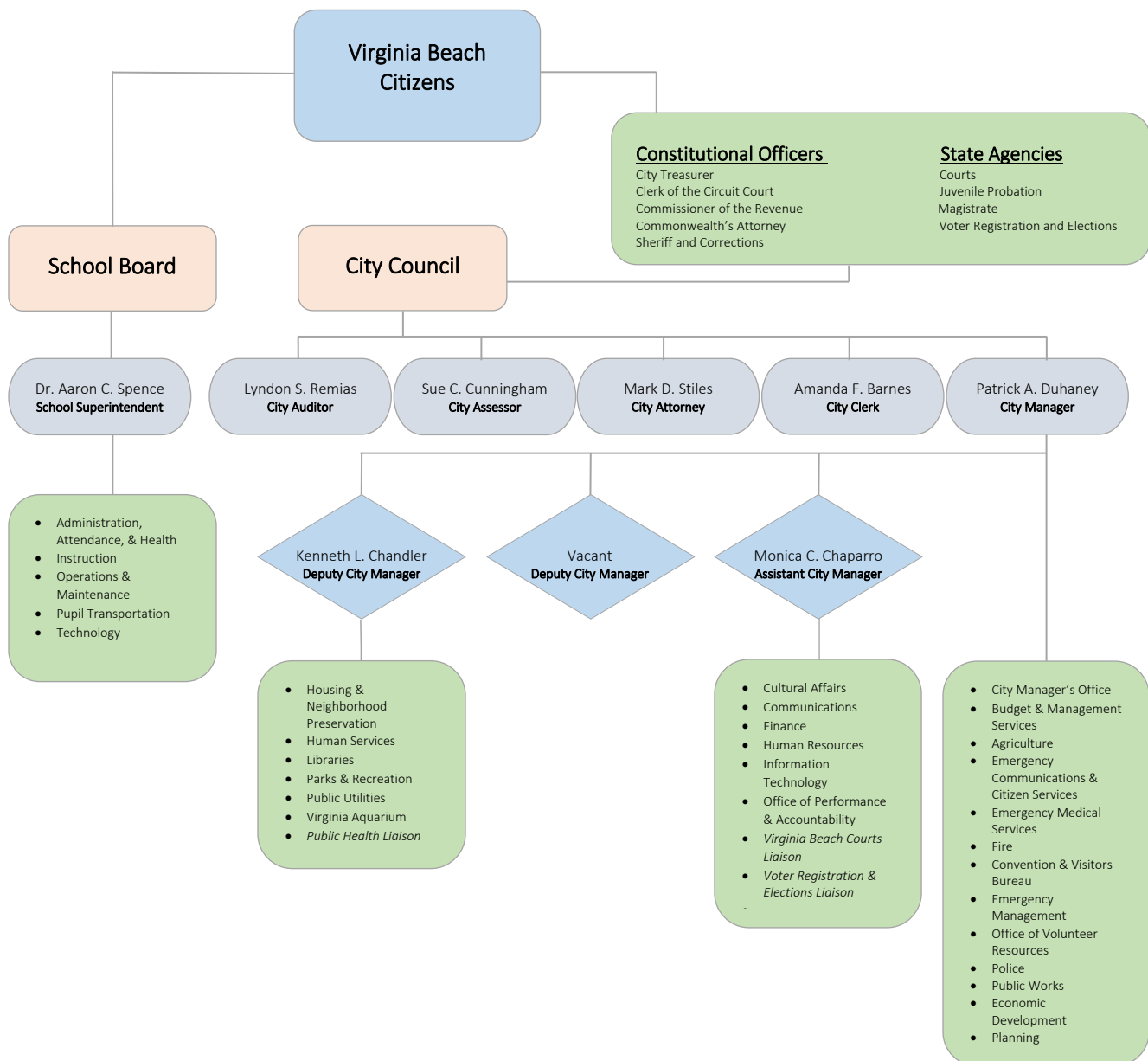
Capital Improvement Program (CIP)

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, Stormwater Utilities, Information Technology, and Flood Protection. 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

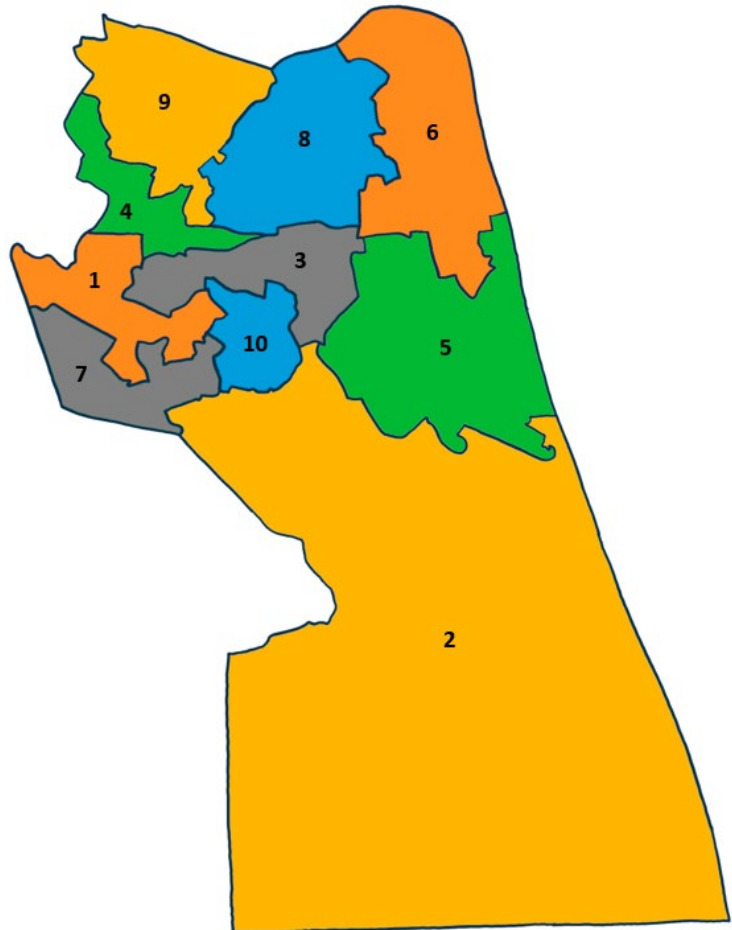
The City of Virginia Beach was chartered as a municipal corporation by the General Assembly of Virginia on January 1, 1963. The City operates under a Council-Manager form of government. The 11-member City Council is the City's legislative body. The City Manager is appointed by Council and acts as Chief 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 the most recent census, there is a population of 459,470 residents, of which approximately 312,000 are registered voters. Per the City Real Estate Assessor, the estimated number of residences in the City for FY 2023-24 is 184,582.



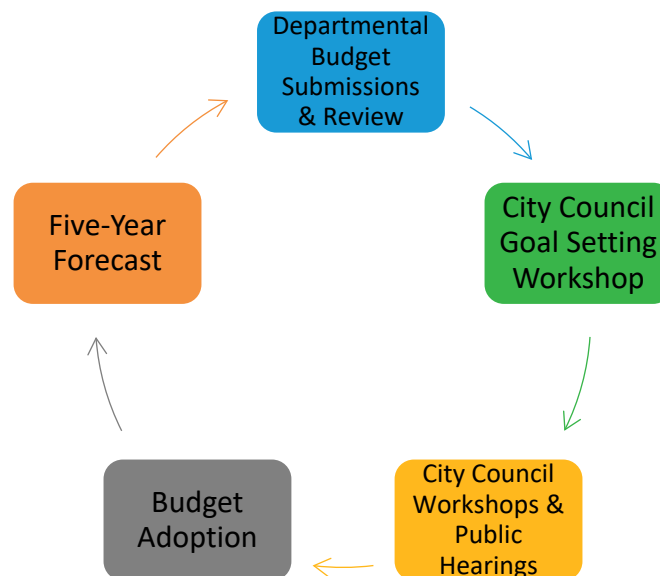
CITY COUNCIL

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. Virginia Beach is currently operating through a 10-1 election district system. Under this system, the Mayor is the only representative to serve "at-large," with no district residency requirement. All other members are required to live in the district they represent. In the past, all registered voters were eligible to vote for all members of the City Council. In the November 2022 election, residents were only able to vote for candidates who live in their newly defined district (as determined by the U.S. District Court). All residents will still be able to vote for the mayor. The mayor's election will take place in 2024. In November 2022, the residents of Virginia Beach elected four new Council members. The City is currently in the process of engaging residents to gather feedback and input on the election system.



- Robert M. "Bobby" Dyer, Mayor, At-Large
- Member(s) Residing in New District:
 - N.D. "Rocky" Holcomb, District 1
 - Barbara M. Henley, District 2
 - Michael F. Berlucchi, District 3
 - Dr. Amelia N. Ross-Hammond, District 4
 - Rosemary C. Wilson, Vice Mayor, District 5
 - Robert W. "Worth" Remick, District 6
 - Sabrina D. Wooten, District 7
 - Chris Taylor, District 8
 - Joashua F. "Joash" Schulman, District 9
 - Jennifer V. Rouse, District 10

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:



SCHEDULE OF WORKSHOPS AND PUBLIC HEARINGS

DATE:	EVENT:	LOCATION:
March 21	Budget Presentation to City Council ("Proposed" FY 2023-24 Resource Management Plan)	City Council Chamber
April 4	Council Workshop	City Council Chamber
April 11	Council Workshop	City Council Chamber
April 18	Council Workshop	City Council Chamber
April 19	Public Hearing ("Proposed" FY 2023-24 Resource Management Plan)	Virginia Beach Convention Center (1000 19 th Street, VB) 6:00 p.m.
April 25	Council Workshop/*Special Session*	City Council Chamber
April 25	Public Hearing ("Proposed" FY 2023-24 Resource Management Plan)	City Council Chamber (City Hall – Building #1) 6:00 p.m.
May 2	Reconciliation Workshop	City Council Chamber
May 9	City Council Votes on Budget ("Adopted" FY 2023-24 Resource Management Plan)	City Council Chamber



City of Virginia Beach

VBgov.com

ROBERT M. "BOBBY" DYER
MAYOR

MUNICIPAL CENTER
BUILDING 1
2401 COURTHOUSE DRIVE
VIRGINIA BEACH, VA 23456-9000
(757) 385-4581
FAX (757) 426-5699

May 2, 2023

Members of City Council

Subject: FY 2023-24 Resource Management Plan Reconciliation

Dear City Council Members:

On March 21, 2023, the City Manager presented the Proposed FY 2023-24 Operating Budget and Capital Improvement Program (CIP). Since that time, through a series of City Council workshops, including briefings from individual departments and Capital Improvement Program section managers, we have worked diligently as a collective body to finalize a budget that meets the needs of the community. Through those workshop meetings, as well as valuable input from the community at public hearings, emails to City leadership, digital participation through Balancing Act, SpeakUp VB, and via social media, recommended changes to the Proposed Budget are outlined below.

1. To honor the sacrifice of military families within our community, it is recommended that the real estate tax rate for surviving spouses of military service members who died in the line of duty be reduced to \$0.000001 (one millionth of one cent) per \$100 of assessed value. It is estimated this rate reduction will reduce real estate revenue by \$89,040. This reduction in revenue will be fully absorbed by the General Fund and will not be shared with Virginia Beach City Public Schools.
2. Reduce the Sandbridge Real Estate tax rate by 1¢, decreasing the FY 2023-24 Real Estate Tax revenue within the Sandbridge Special Services District (SSD) Fund by \$172,973. This reduction in revenue will be offset through an equivalent reduction in the Sandbridge SSD's reserve for contingencies. Due to the healthy performance of lodging tax revenues dedicated to the fund, as well as anticipated federal cost sharing in the amount of \$22.2 million for the next phase of sand replenishment, this reduction in real estate tax revenue is not anticipated to negatively impact the sand replenishment cycle or prevent the current practice of having two replenishments fully funded. In FY 2023-24 the total Sandbridge SSD real estate tax rate will be \$1.00 per \$100 of assessed value, which comprises the 99¢ citywide base tax rate and the 1¢ SSD tax rate.

3. Following the financial close-out of FY 2022-23 in August 2023, the City Manager shall report to the City Council the actual revenue collections for Business, Professional, and Occupational License (BPOL) tax compared to the budgeted estimates for both FY 2022-23 and FY 2023-24. The report should provide options for consideration for amending the threshold for businesses beginning in January 2024 in the event updated projections reflect higher than budgeted estimates. If capacity exists, the options should be budget neutral and not necessitate a need for a reduction in expenditures.
4. The City Manager shall provide a report to the City Council regarding the real estate surcharge within the Town Center Special Service District (SSD), providing options on amending the existing tax rate within the district to ensure residential and commercial properties are equitably charged for the level of enhanced services they receive through the SSD.

It is further recommended by this body that the Operating Budget be adopted on May 9, 2023, with the following additional adjustments. These adjustments provide needed support to our community partners and enhance the quality of life within the City.

5. Increase Non-Departmental Regional Grants by \$20,000 to provide a one-time contribution to Men of Faith's 1Died4All basketball camp. This event will be held at the Virginia Beach Sports Center and children who attend this camp will be provided with a basketball camp experience that includes technical skill improvement as well as mentorship.
6. Increase General Fund Non-Departmental contributions by \$50,000 to provide a one-time contribution to support the SonRise Christian Music Festival to be held in Virginia Beach in September 2023 at the 24th Street Stage at the Oceanfront.
7. Increase Non-Departmental Regional Grants by \$75,000 to provide a one-time contribution to the Center for Global Diplomacy for workforce development training, exercise and wellness coaching, senior citizen workshops, and food packaging and distribution.
8. Increase Non-Departmental Regional Grants by \$25,000 to provide a one-time contribution to the Great Neck Athletic Association's youth tackle football program.
9. Increase Non-Departmental Regional Grants by \$75,000 to provide a one-time contribution to the Philippine Cultural Center of Virginia to provide funding for audio-visual and HVAC upgrades to their facility.
10. Increase Non-Departmental Regional Grants by \$75,000 to provide a one-time contribution to support Kempsville PONY Baseball, a historic youth baseball organization.

11. Increase Non-Departmental Regional Grants by \$25,000 to provide a one-time contribution to support the Kings Grant Lynnhaven Recreation Association.
12. Increase Non-Departmental Regional Grants by \$150,000 to provide a one-time contribution to the Parks and Recreation Foundation for fundraising efforts related to park and playground enhancements within the Bay Colony and Seatack communities.
13. Increase Non-Departmental Regional Grants by \$25,000 to provide a one-time contribution to Families of Autistic Children in Tidewater (FACT) to assist in their capital campaign to build an Autism Resource Center, a state-of-the-art facility to provide social and recreational programs to benefits autistic individuals and their families in Hampton Roads.
14. Increase Non-Departmental Regional Grants by \$50,000 to provide a one-time contribution to the LAMBS foundation. This one-time contribution is to support their coordination of the Juneteenth festival to be held in June of 2024.
15. Increase Non-Departmental Regional Grants by \$10,000 to provide a one-time contribution to the Hospice House of Hampton Roads, the first freestanding inpatient hospice facility in Hampton Roads. This house is located in the Red Mill area of the city and will include 12-bedroom suites.
16. Increase Non-Departmental Regional Grants by \$30,000 to provide one-time additional funding to the Virginia African American Cultural Center. This one-time increase will bring the City's total contribution to the organization to \$80,000 in FY 2023-24.
17. Increase Non-Departmental Regional Grants by \$10,000 to provide a one-time contribution to the UP Center's Cohen Military Family Clinic. The Clinic serves the region's post 9/11 veterans, active-duty service members, and military families with accessible, culturally competent mental health care. The Cohen Military Family Clinic also offers referrals for other challenges such as unemployment, financial counseling, housing, and legal issues.
18. Increase Non-Departmental Regional Grants by \$10,000 to provide a one-time contribution to New Oak Grove Baptist Church for the organization's Summer Reading Academy, a free, three-week proactive reading program for students in grades K-5 provided in partnership with Virginia Beach City Public Schools.
19. All funding provided to outside entities through Non-Departmental Regional Grants, including those not listed above, will be required to report to City Council on the use of funds from the City, including reviewed financials and the impact of the programs supported by City funding by the end of FY 2023-24. This request will be included within award letters sent to the organizations, and acknowledgement of such terms will be required prior to payment of the grant award. Reporting requirements will be modeled after

the requirements set in place by the Community Organization Grant Committee and are attached to this letter. In addition, any special events/festivals to be held utilizing City funds must follow City's established procedures and processes for special event permitting.

20. Increase Non-Departmental FY 2023-24 Operating Budget by \$152,960 for a one-time increased contribution to Community Organization Grant (COG) program. Between this increase and the amount provided in the Proposed Budget, the total COG funding will be \$707,960. This increased funding will allow the City Council appointed committee to have two application periods within the fiscal year to provide additional opportunities for local nonprofit organizations.
21. Increase the Municipal Council's Operating Budget by \$3,000 for a one-time increased allocation to the Ignite Series. This will bring the total allocation for this purpose to \$6,000 in FY 2023-24.
22. Increase the Department of Emergency Medical Services Operating Budget by \$75,000 to increase the one-time grant award to the Volunteer Rescue Squads to a total of \$775,000. This grant is intended to provide support to the various volunteer rescue squads for recruitment and retention activities as well as operational costs.
23. Increase the Department of Cultural Affairs' Operating Budget by \$70,000 in one-time funding to provide additional contributions to the Arts and Humanities Commission. The total amount provided for these grant opportunities will be \$765,000 in FY 2023-24.
24. Increase the Department of Parks and Recreation Operating Budget by \$5,000 for a one-time expense for the purpose of offsetting lost revenue for waived space rental fees of Mt. Trashmore Park for the annual Fil-Fest USA event that celebrates Filipino spirit and culture within the community.
25. Increase the Department of Public Works Operating Budget by \$20,000 for establishment of a pilot program to install and maintain two portable bathrooms (one of which is to be ADA compliant) in the parking lot at Fentress Avenue and Oceanfront Avenue. This location is in a heavily visited area and is the only beach parking lot along the western portion of the Bayfront. Due to a lack of public restrooms, nearby businesses and homeowners are experiencing a high volume of beachgoers who want access to their restroom facilities.
26. Establish a dedicated reserve within the General Fund in the amount of \$150,000. This funding is expected to be split between Economic Development and Public Works for the design, creation, and installation of placemaking signage within historic African American neighborhoods throughout the City.

27. Increase the Resort Management Division of the Convention and Visitor's Bureau by \$100,000 to provide an additional contribution to the Virginia Beach Neptune Festival to support the Boardwalk Weekend during the last weekend of September. This investment will bring the City's annual contribution to the event to a total of \$375,000. This level of funding is the same as approved by City Council through a mid-year adjustment in FY 2022-23.
28. The City Manager is hereby authorized to amend the flexible holiday value to 24 hours for the Fire Department as presented to the City Council in March 2023 as Option 1a. This will reduce the amount of annual leave needed to have an entire shift off of work when utilizing flexible holiday leave. In addition, the amount of sick leave earned monthly by sworn members of the Fire Department shall be modified from 11.2 hours to 12.0. This will provide additional monthly accrual of leave and ease administrative management of sick leave accrual and usage of leave throughout the course of the year. This change will result in a higher number of days eligible for sick leave payout upon retirement.
29. The Department of Parks and Recreation shall develop and present a plan for City Council's consideration to mitigate and address invasive species vegetation such as bamboo. Bamboo is on the Commonwealth of Virginia's invasive plants list because the plant, and its complex horizontal root system, aggressively spreads and can be destructive to the natural environment and suppress native plant species.

Following the City Manager's Proposed Budget, several other items are recommended to be amended during Reconciliation to better align resources with the community need and to amend departmental revenue estimates based on additional information provided by the state and federal governments. These changes are within Human Services, the Department of Housing and Neighborhood Preservation, and Virginia Beach City Public Schools.

30. In order to improve efficiencies and ensure critical services are being provided by the Department of Human Services' Developmental Services Division, it is recommended that ten part-time positions be converted to five full-time. This change will have no impact on the operating budget but will improve service delivery within the department. Many of the services provided are either mandated or provide services to vulnerable populations that are essential for the health and safety of those served. The recently reported vacancy rate is approximately 26%, which significantly impacts workloads, quality, and the overall ability to provide necessary services.
31. The Department of Housing and Neighborhood Preservation has been notified of their award from the federal Department of Housing. This amount is \$434,843 greater than the amount estimated within the City Manager's Proposed Budget and will be used for increased contracted manpower and overall programmatic support.

32. At their March 7, 2023, meeting, the School Board approved an additional \$4,017,393 in estimated state revenue to the School Operating Budget. Due to the timing of this addition, it was not incorporated within the City Manager's Proposed Operating Budget. Though the Commonwealth has not yet adopted a budget for the upcoming fiscal year, this amount is closely in line with the budget as proposed by the House of Delegates. This estimate shall be approved by the City Council, and once the Commonwealth adopts a budget, additional changes to state revenue may be necessary.

It is further recommended that the FY 2023-24 through FY 2028-29 Capital Improvement Program be adopted as presented by the City Manager with the following modifications.

33. At the March 21, 2023, City Council meeting, the initial phase-in of Sheriff's Office Body Worn Cameras was authorized. In order to provide cameras to an additional 280 Sheriff's Deputies, \$1,172,606 is recommended to be included within Project 100656 "Sheriff's Office Body Worn Cameras" in year-one of the CIP. The funding source for this increase is fund balance of the General Fund. This will allow for increased safety, accountability, and transparency within the Virginia Beach Sheriff's Office.
34. Provide an additional \$380,000 of General Fund pay-as-you-go funding to Project 100632 "Parks Infrastructure & Underdeveloped Parks" in year-one for enhancements at Oak Springs Park and Pine Meadows Park, and well as for pickleball courts located within Birchwood Malibu Park.
35. Establish Capital Improvement Project 100665 "Employee Engagement Tool" within the Information Technology section of the CIP and increase year-one funding by \$75,000, supported by pay-as-you-go funding from the General Fund. This project will improve employee communications and enhance employee engagement within the organization.
36. The City Manager is hereby directed to conduct an updated Shore Drive Corridor Plan. This plan has not been updated since 2000 and will provide community input on the future redevelopment of the corridor. Funding for this initiative will be through existing appropriations within Project 100399 "Strategic Development Projects."
37. In order to progress the Atlantic Park Development project, a total of \$14,078,900 in funding is being redirected within the Economic and Tourism Development section of the CIP and authorized for use in Phase I of the Project. Authorized for use and transfer in Phase I is \$1,500,000 from Project 100148 "Atlantic Park Streetscape" to Project 100606 "Atlantic Park Offsite Infrastructure" with the remaining \$12,578,900 being redirected in year 1 of the CIP from Project 100629 "Sports Tourism Facilities & Infrastructure" (a) to Project 100146 "Atlantic Parks Entertainment Venue" in the amount of \$6,360,614, and (b) to Project 100606 "Atlantic Park Offsite Infrastructure" in the amount of \$6,218,286.

A portion of the funding redirected to Project 100606 "Atlantic Park Offsite Infrastructure" is in an effort to avoid unnecessary re-design of certain Project components related to utilities; however, should redesign become necessary and this portion of the transfer not be needed the City Manager is authorized to transfer an amount not to exceed \$3,900,000 from Project 100606 "Atlantic Park Offsite Infrastructure" to Project 100147 "Atlantic Park Parking" or utilize existing funds available within Project 100147 "Atlantic Park Parking" to address additional parking deck construction needs. Within 30 days after any such transfer or use of funds, the City Manager will provide a report expressing the intent, reasoning, and amount to be transferred.

38. Increase funding for 100629 "Sports Tourism Facilities and Infrastructure" by \$12,578,900 in year two of the six-year CIP with Public Facility Revenue Bonds increased accordingly. Sliding funding previously programmed for this project into year two of the CIP will allow for additional planning, evaluation, and public input on project plans. With the restoration of these funds in year-two, the project remains fully funded at \$19,500,000.
39. In order to reflect actual amounts to be reimbursed by the Commonwealth and federal government, \$2,100,000 in total funding (\$420,000 from the Commonwealth and \$1,680,000 from the federal government) shall be reduced from Project 100057 "Centerville Turnpike Phase II." This project remains fully funded at \$77.4 million, despite this adjustment, as the total project cost was previously overstated.
40. At the recommendation of the City Attorney's Office, ten Capital Improvement Project detail sheet project scopes are recommended to be amended within FY 2023-24 CIP. These edits clarify the public nature of certain improvements contemplated within the projects. This recited public purpose is useful in the event that site acquisition is needed for the projects. Attached are the detail sheets for each of these projects, along with the amended verbiage highlighted.

Additional details about the funding sources and appropriation adjustments outlined in this letter are identified on the attachments.

We want to thank the members of the community who participated in public hearings or weighed in on social media or other platforms to offer their comments on the FY 2023-24 Operating Budget and CIP as well as the staff members who made every effort to respond to our requests for information. If you have any questions or concerns, please contact us directly.

Sincerely,



Robert "Bobby" M. Dyer, Mayor



Rosemary Wilson, Vice Mayor

FY 2023-24 Operating Budget Reconciliation

Operating Budget Changes					
Item #	Description	Fund	Revenue	Appropriations	FTE
1	Tax Rate for Surviving Spouses of Military Service Members Killed in the Line of Duty	General Fund	(89,040)	-	-
2	Reduce Sandbridge Real Estate Tax Rate	Sandbridge SSD	(172,973)	(172,973)	-
5	Men of Faith	General Fund	-	20,000	-
6	SonRise Music Festival	General Fund	-	50,000	-
7	Center for Global Diplomacy	General Fund	-	75,000	-
8	Great Neck Athletic Association	General Fund	-	25,000	-
9	Philippine Cultural Center of Virginia	General Fund	-	75,000	-
10	Kempsville PONY Baseball	General Fund	-	75,000	-
11	Kings Grant Recreation Association	General Fund	-	25,000	-
12	Parks and Recreation Foundation (Seatack and Bay Colony)	General Fund	-	150,000	-
13	Families of Autistic Children of Tidewater	General Fund	-	25,000	-
14	The L A M B S Foundation (Juneteenth)	General Fund	-	50,000	-
15	Hospice House	General Fund	-	10,000	-
16	African American Cultural Center	General Fund	-	30,000	-
17	UP Center's Cohen Military Family Clinic	General Fund	-	10,000	-
18	New Oak Grove Baptist Church- Summer Reading Academy	General Fund	-	10,000	-
20	Increase Community Organization Grants (COG)	General Fund	-	152,960	-
21	Increase Municipal Council-Ignite Series	General Fund	-	3,000	-
22	Increase EMS- Virginia Beach Volunteer Rescue Squads	General Fund	-	75,000	-
23	Increase Cultural Affairs- Arts & Humanities	General Fund	-	70,000	-
24	Increase Parks and Recreation - Fil Fest	General Fund	-	5,000	-
25	Increase Public Works - Chic's Beach Restrooms	General Fund	-	20,000	-
26	Establish Dedicated Reserve- Placemaking Signage for Historic African American Neighborhoods	General Fund	-	150,000	-
27	Resort Management-Virginia Beach Neptune Festival	Tourism Investment Program	-	100,000	-
31	Housing Federal Grants- Community Development Grant	Community Development	46,274	46,274	-
31	Housing Federal Grants- Federal Housing Assistance	Federal Housing	10,883	10,883	-
31	Housing Federal Grants- Consolidated Grants/ HOPWA/ESG	Consolidated Grants	377,686	377,686	-
32	School State Revenue Adjustments	School Operating Fund	4,017,393	4,017,393	-
1,5-26,34-35	Additional Interest Income	General Fund	1,650,000	-	-
27	Fund Balance of the Tourism Investment Program	Tourism Investment Program	100,000	-	-
34	Increase Pay-As-You-Go Funding to Parks and Recreation CIP	General Fund	-	380,000	-
35	Increase Pay-As-You-Go Funding to Information Technology CIP	General Fund	-	75,000	-
Total Operating Budget Changes All Funds			5,940,223	5,940,223	-

FY 2023-24 Operating Budget Reconciliation

Capital Project Changes					
Item #	Description	Appropriations to Date	FY 24	FY 25	FY 26-FY 29
33	100656 Sheriffs Office Body Worn Cameras	-	1,172,606	-	-
34	100632 Parks Infrastructure -Oak Springs Park Enhancements	-	150,000	-	-
34	100632 Parks Infrastructure- Pickleball Birchwood Malibu Park	-	100,000	-	-
34	100632 Parks Infrastructure- Pine Meadows Park Enhancements	-	130,000	-	-
35	100665 Employee Engagement Tool	-	75,000	-	-
37-38	100629 Sports Tourism Infrastructure	-	(12,578,900)	12,578,900	-
37	100146 Atlantic Park Entertainment Venue	-	6,360,614	-	-
37	100606 Atlantic Park Offsite Infrastructure	1,500,000	6,218,286	-	-
37	100148 Atlantic Park Streetscape	(1,500,000)	-	-	-
39	100057 Centerville Turnpike Phase II	-	(2,100,000)	-	-
Total CIP Appropriation Changes		-	(472,394)	12,578,900	-
Item #	Description		FY 24	FY 25	FY 26-FY 29
33	Fund Balance of the General Fund	-	1,172,606	-	-
34	Increased Pay-As-You-Go Funding to Parks and Recreation	-	380,000	-	-
35	Increased Pay-As-You-Go Funding to Information Technology CIP	-	75,000	-	-
38	Increased Public Facility Revenue Bonds	-	-	12,578,900	-
39	Reduce State Revenue Estimate	-	(420,000)	-	-
39	Reduced Federal Revenue Estimate	-	(1,680,000)	-	-
Total CIP Revenue Changes		-	(472,394)	12,578,900	-



Award Instructions and Forms:

Community Organization Grants

Regional Grants

FY 2023-24



Information for Recipients:
Community Organization Grants
Regional Grants

FY 2023-24

Table of Contents

Overview	1
Instructions for Completing Forms	
Instructions for Form A	2
Form A – Conditions of Grant Award	3
Instructions for Form B	4
Form B – Capital Equipment Purchases	5
Instructions for Form C	6
Form C – Request for Payment	7
Instructions for Form D	8
Form D – Summary of Services	10
Instructions for Form E	12
Form E – Financial Report	13

Overview

Congratulations on your Grant Award! The City of Virginia Beach is pleased to support your non-profit organization's efforts to improving the quality of life in our community. The Department of Budget and Management Services (BMS) administers the Community Organization Grant and Regional Grant programs based on the City's fiscal year beginning July 1 and ending June 30. The forms included in this instructions package are:

Form A - Conditions of Grant Award	Form D - Summary of Services
Form B - Capital Equipment Purchases	Form E - Financial Report
Form C - Request for Payment	

Disbursement of Community Organization Grants:

- Grants up to \$25,000: Grants for Programs or Capital Equipment up to \$25,000 can be requested in one payment as early as July 1. The submission must include forms A and C. Forms D and E are due to BMS by May 1. If the grant is for capital equipment, form B must also be submitted, accompanied with three bids or quotes. A copy of the invoice for the equipment must also be provided to BMS by May 31.
- Grants over \$25,000: The City will disburse these over two equal payments (50%). The first payment may be requested as early as July 1, and should include forms A and C. The second payment may be requested as early as January 1. Forms D and E are due to BMS by May 1.
- Capital Equipment Grants over \$25,000: Grants for capital equipment will also be disbursed over two payments, the first at 90%, and the second at 10%. The first payment may be requested as early as July 1 and should include forms A, B, and C. In addition, the first request for payment must be accompanied by a vendor's price quotation to show what the actual price of the item(s) is expected to be. The second payment may be requested as early as January 1, and should include form C as well as a copy of the actual invoice. Forms D and E are due to BMS by May 1.

Disbursement of Regional Grants:

- Payments of Regional Grants can be requested in one payment as early as July 1. The submission must include forms A and C. Forms D and E are due to BMS by May 1.

Final Deadline:

- ***Please be sure that BMS receives your final payment request by May 31.***
- ***A copy of your most recent Audit Report prepared by a Certified Public Accountant or reviewed financial statement should also be sent to BMS by May 1.***

Where to Send: Please send your payment requests to Michael Evans at mtevens@vbqgov.com.

More detailed instructions for completing the various forms are included in the following pages. For further information, please call the Department of Budget and Management Services at 385-8234.

Forms Instructions
Form A – Conditions of Grant Award
Community Organization Grants
Regional Grants

Form A is to be completed, signed, and returned by all grant recipients.

- a. Review the Conditions of Grant Award which specifies the requirements and conditions of the grant. If you have questions please call the Department of Budget and Management Services at 385-8234
- b. To accept the award, send one copy, signed by the agency director or designee, to BMS along with the first payment request.

FORM A
CITY OF VIRGINIA BEACH
CONDITIONS OF GRANT AWARD
COMMUNITY ORGANIZATION GRANTS
REGIONAL GRANTS
FY 2023-24

With the acceptance of this grant, the grantee agrees to the following conditions:

1. The City shall have the right to audit all books and records relating or pertaining to this Agreement, kept by or under the control of Contractor, including, but not limited to those kept by Contractor, its employees, agents, assigns, successors and subcontractors. Contractor shall maintain such books and records, together with such supporting or underlying documents and materials, for the duration of this Agreement and for at least three years following the completion of this Agreement, including any and all renewals thereof. The books and records, together with the supporting or underlying documents and materials shall be made available, upon prior written request, to the City, through its employees, agents, representatives, contractors or other designees, during normal business hours at Contractor's office or place of business in Virginia Beach, Virginia. In the event that no such location is available, then the books and records, together with the supporting or underlying documents and records, shall be made available for audit at a time and location in Virginia Beach, Virginia, which is convenient for the City.
2. Grantee will inform the City of any changes to its tax-exempt status, Board of Directors, mission statement or by-laws during the period of this award.
3. Grantee will provide the City with an annual report as specified in Summary of Services and Financial Report forms provided to the agency by the City of Virginia Beach.
4. If funding is awarded specifically for capital equipment, the grantee will provide the City with a receipt for equipment purchased with grant funds.
5. Funds are awarded for specific programs and/or equipment. If any portion of the funds awarded for the specified programs or equipment will remain unexpended during the fiscal year, the recipient agency agrees to report the unexpended amount by contacting the Department of Budget and Management Services at 385-8234.
6. Grantee agrees to maintain accounting procedures in accordance with generally accepted accounting standards and agrees to the review and audit of those records by the City's designee, if requested.
7. Grantee agrees to the on-site inspection of its facilities and/or programs, by the City's designee, if requested.
8. Improper use of funds awarded in the grant will result in the termination of the grant, forfeiture of any outstanding grant award, and reimbursement of payments processed.
9. Grantee must have fulfilled all reporting, auditing, and payment obligations for any previous loans or grants from the City prior to the disbursement of the first payment.
10. A Report on Audit by an independent Certified Public Accountant for the agency's most recently ended fiscal year must be received by the Department of Budget and Management Services by May 1st.

- a. If there will be a delay in the completion of the audit, or you do not have a professional audit, please contact the BMS at 385-8234.

11. Conditions of this grant award may be changed or adjusted on an individual basis by the City Manager and/or his representative.
12. Programs, activities, employment opportunities, etc. funded totally or partially by the City of Virginia Beach must be made available to all people regardless of race, color, religion, sex, age, national origin, handicap, or political affiliation.

The undersigned, having received the notice of the grant award, and the Conditions of Grant Award, does hereby accept this grant and agree to the conditions pertaining thereto, this

_____ day of _____, 20_____.

Signature: _____

Title: _____

Organization:: _____

Forms Instructions

Form B - Capital Equipment Purchases

Community Organization Grants

Regional Grants

FY 2023-24

Form B is to be completed **only** by organizations receiving support for Capital Equipment purchases. Organizations receiving program funding are not required to submit this form.

Please note: The City of Virginia Beach requires three bids to be acquired for any capital equipment purchases. No payment will be made until three bids are received, along with a brief statement explaining the reasons why a vendor has been selected.

- a. **Item:** please provide a description of the item(s) to be purchased with grant funds.
- b. **Unit Cost:** if more than one of each type of equipment is to be purchased, list the cost for each.
- c. **# of Units:** specify the total number of units to be purchased with grant funds.
- d. **Total Cost:** Multiply the unit cost by the # of units.
- e. **Equipment Life Span:** Provide a reasonable estimate of the useful life of the equipment to be purchased with COG funds.
- f. **Annual Support Costs:** Estimate annual operating costs, including (but not limited to) licensing, technical support, user fees, fuel, staffing, etc.
- g. **Purpose or Use of Equipment:** How will the equipment be used? How will it improve the quality of the programs and services you offer to residents of the City of Virginia Beach? If necessary, attach a continuation sheet.

This form must be submitted, along with three bids or price quotes and a brief explanation of the reasons for selecting the vendor, to the Department of Budget and Management Services. Send one copy, signed by the agency director or designee, to BMS along with the payment request.

Upon receipt of the Capital Equipment Form and supporting documentation, a request for payment of 90% of the total grant amount will be submitted for processing. Final payment of 10% will be processed after DMS has received all final reports and all receipts. Please allow a minimum of 6 weeks to process payment requests.

Note: *Capital equipment grants up to \$25,000 may be requested in their entirety as early as July 1. The request must be accompanied with the required documents.*

FORM B
CITY OF VIRGINIA BEACH
CAPITAL EQUIPMENT PURCHASES
COMMUNITY ORGANIZATION GRANTS
REGIONAL GRANTS
FY 2023-24

Agency: _____ Address: _____
 Program Title: _____
 Prepared by: _____ Telephone: _____

CAPITAL EQUIPMENT GRANTS						
If funding was granted specifically for capital or equipment purchases, please complete the following information:						
Item	Unit Cost	# of Units	Total Cost	Equipment Life Span	Annual Support Cost	Purpose or Use of Equipment

I certify that this report represents the proposed use of funding in accordance with approved grant application. Bids or quotes and receipts of purchase will be provided to the City upon obtaining the above-mentioned capital equipment. If an item is purchased at a lesser price than estimated, excess funds will be returned to the City.

 Name and Title of Official Signature of Authorized Official Date Signed

Forms Instructions
Form C - Request for Payment
Community Organization Grants
Regional Grants
FY 2023-24

Form C is to be completed and submitted with each payment request. You may want to copy the unsigned form so that it can be used for each payment request.

1. Enter the organization's name, address, and phone number.
2. Enter the organizations fiscal year covered under the grant.
3. Enter the organization's contact person, title, phone number, and e-mail address.
- 4a. Enter the total grant award.
- 4b. Enter the amount of the grant previously received.
- 4c. Enter the amount of the current grant request.
- 4d. Enter the remaining balance of the grant after the current request.

Note: Grants of up to \$25,000 may be requested in their entirety as early as July 1. Please include the required documentations.

FORM C
CITY OF VIRGINIA BEACH
REQUEST FOR PAYMENT
COMMUNITY ORGANIZATION GRANTS
REGIONAL GRANTS
FY 2023-24

1. Organization's Name, Address, Phone:	
2. Organization's Fiscal Year:	
Beginning Date:	Ending Date:
3. Contact Person's Name, Title, Phone, and E-mail:	
4a. Total Amount of Grant	\$
4b. Less: Amount Received to Date	-
4c. Less: Amount of This Request:	-
4d. Balance After this Request	\$

Typed Name of Authorized Official

Signature of Authorized Official

Date Signed

Please note:

- 1. First payments may be requested as early as July 1, and second payments as early as January 1.*
- 2. Grants of \$25,000 or less may be requested in their entirety as early as July 1.*
- 3. Initial payment requests for capital equipment grants must be accompanied by a vendor's price quotation.*
- 4. Final payment requests are due to the Department of Budget and Management Services one month prior to the end of the City's fiscal year (i.e., not later than May 31).*

Forms Instructions

Form D - Summary of Services

Community Organization Grants

Regional Grants

FY 2023-24

Form D requests both quantitative and qualitative information about the program for which your organization will receive funding.

Organizations are required to submit a brief narrative description of the progress that is being made toward achieving the goals outlined in the grant application. These brief narrative reports, ordinarily no longer than a page in length, are to be submitted with the interim and final Summary of Services reports on Part 2 of Form D.

- a. Fill out name of your organization, the title of program for which you have received funding, and the name, title, phone number, and e-mail address of the individual providing the information.
- b. **Part 1** includes the number of people to be served and the services and outcomes related to the grant. This section compares the amounts at the time of the grant submission with the actual or revised amounts based on the grant award.
 - The first line indicated the number of unduplicated individuals to be served by the program. Unduplicated means one individual can only be counted one time for each program he participates in, even if he received benefits from that same program several times. If that same individual participates in another program, then he may be counted again for that different program. You may modify this line as needed. For example, a program that deals with homeless youth may change this line to say, "Number of residential shelters for youth ages 9 to 18."

After entering the population to be served, enter the specific service or outcome.

- In column 1 list the proposed Services/Outcomes (e.g., pounds of emergency food distributed).
- In column 2 enter the amount for the total program requested (e.g., \$11,667,000).
- In column 3 enter the amount for Virginia Beach residents only for the program requested (e.g., 2,077,000).
- The amounts in columns 2 and 3 should generally match those in your original grant submission. The amounts in columns 4 and 5 are based on actual and projected date through June 30.
- In column 4 enter the amount for the total program based on the grant award.
- In column 5 enter the amount for Virginia Beach residents only based on the grant award.
- If there are large differences between the projected and revised amounts, please explain in Part 2. For example, there may be a difference if only a portion of the grant requested was awarded. If you have questions about the kind of information that is being requested, please call the Department of Budget and Management Services at 385-8234.

- c. **Part 2:** Please describe your organization's success and/or challenges encountered in implementing the program for which funding has been provided. Also describe any unanticipated outcomes or particular successes that you would like to highlight. If there have been delays in implementing the program, please explain possible causes for the delay and describe plans for achieving success between now and the end of the grant period. When submitting the Final Report, please indicate any additional services that will be delivered under this grant through the end of June.

Please be succinct. In most cases, the area provided on the reporting form will be sufficient to provide the required information. Additional pages may be attached, as necessary.

- d. Submit a final report to BMS by **May 1** (Final Report).

FORM D
CITY OF VIRGINIA BEACH
SUMMARY OF SERVICES
COMMUNITY ORGANIZATION GRANTS
REGIONAL GRANTS
FY 2023-24

Organization:
Program Title:
Prepared By: (Name, Title, Phone, E-mail)

Instructions: Part I requests data to compare data at the time of the grant submission with the actual/revised amounts, based on the actual grant award. First, enter the number of unduplicated people to be served. Then enter the services/outcomes related to the program. The "Total Program" columns should include the total number of people served, and the "Virginia Beach" columns should include only the number of Virginia Beach residents served. If there is a significant difference between the projected and revised amounts, please explain in Part 2 on the following page.

Part 1	Projected Amounts for July-June (Projected amounts at the time of grant submission)		Revised Amounts for July-June (Based on actual data projected to June 30)	
Services/Outcomes (1)	Total Program (2)	Virginia Beach (3)	Total Program (4)	Virginia Beach (5)
Unduplicated number of individuals to be served:				

Form D – Part 2
Summary of Services
FY 2023-24

Please provide a brief narrative description of your program to date. Include information such as: whether you are on track to meet the goals described in your application. If so, please describe successes and/or any unanticipated results. If not, please explain possible causes for the delay and describe the plans for achieving success between now and the end of the grant period. You may attach additional pages, as necessary.

Part 3 – Certification: I certify that this report represents the total service delivered by this agency in meeting its stated objectives in accordance with the approved application of the above-mentioned grant.

Name and Title of Authorized Official

Signature of Authorized Official

Date Signed

Forms Instructions

Form E - Financial Report

Community Organization Grants

Regional Grants

Form E is to be used to summarize the funding and costs of the organization's grant program.

Please note: This form shown on the following page is in Word format. It is also available as an Excel worksheet, which calculates the totals automatically. To obtain an Excel copy of this form, please call Michael Evans with the Department of Budget and Management Services at 385-8389, or via e-mail at: mtevens@vbgov.com.

Enter the name of the organization and the program title for which you have received funding.

Program Revenues

Part I involves program revenues. Please identify the type of revenue and enter in column 2 the funding generated within the City of Virginia Beach, including the grant received from the City on line I E. Enter in column 3 the program funding provided from other sources. Column 4 is the sum of the previous two columns.

Program Expenses

Part II involves program expenses, consisting of Compensation and Other Expenses. Column 2 represents program expenses on behalf of Virginia Beach residents. Column 3 represents program expenses for non-Virginia Beach residents. Column 4 represents the sum of the previous two columns. Capital Outlay for construction, furniture, vehicles, and equipment are to be entered on this form also.

An interim report may be requested by Budget and Management Services during the year. A final report is to be submitted to Management Services by **May 1**.

FORM E
CITY OF VIRGINIA BEACH
FINANCIAL REPORT
COMMUNITY ORGANIZATION GRANTS
REGIONAL GRANTS
FY 2023-24

Organization and Program:

REVENUE AND EXPENSE ACCOUNTS (1)	Virginia Beach (2)	Other (3)	Program Total (4)
I. PROGRAM REVENUES			
A. Contributions/Donations	\$	\$	\$
B. Special Events			
C. Charges for Services/Fees			
D. Foundations/United Way/Non-Profits			
E. Federal Government			
F. State Government City (including City Grant funds)			
G. From Other Local Cities (excluding Va. Beach)			
H. Virginia Beach COG			
I. Investment Income			
J. Fund Balance/Reserves			
K. All Other Revenue			
Total Program Revenues	\$	\$	\$
II. PROGRAM EXPENSES			
A. Personnel (Salaries & Fringe Benefits)	\$	\$	\$
B. Building Space (Rent/Mortgage)			
C. Utilities			
D. Supplies			
E. Conferences and Meetings			
F. Organizational Dues and Memberships			
G. Furniture, Computers, Equipment			
H. All Other Operating Expenses			
Total Other Expenses	\$	\$	\$
TOTAL PROGRAM EXPENSES	\$	\$	\$
III. REVENUES LESS EXPENSES	\$	\$	\$

Name and Title of Authorized Official

Signature

Date

Fiscal Years FY24 through FY29 Capital Improvement Program

Project: PG100656

Title: Sheriff's Office Body Worn Cameras

Status: Approved

Category: Information Technology

Department: Information Technology

Project Type

Project Location

Project Type: Technology

District: Citywide

Programmed Funding

Programmed Funding	Appropriated To Date	Budgeted FY24	Non-Appropriated Programmed CIP Funding					Funding Future
			FY25	FY26	FY27	FY28	FY29	
1,812,729	640,123	1,172,606	-	-	-	-	-	

Description and Scope

Video technology is becoming a mainstay of modern-day life with advancing surveillance and security requirements expected by the community at large. With this effort, the Virginia Beach Sheriff's Office (VBSO) wants to improve and heighten safety and security for the Virginia Beach Correctional Center (VBCC), the Courts, and Civil Processing, while additionally being a force multiplier to the Virginia Beach Police Department (VBPD). VBSO would like to issue body worn cameras (BWC) to all sworn staff members which include the Correctional Center, the Court buildings, and the Civil Process Division.

Purpose and Need

To improve and heighten safety and security, the VBSO needs a way to capture and store video of activities that occur in VBCC, courts, civil processing, and while being a force multiplier to the VBPD. This initiative would also allow VBSO to improve upon their situational awareness, help confirm and guide response recommendations for incidents, and provide opportunity for tactical decision making. It would also integrate with the VBSO video wall, as well as the City's Emergency Operations Center when needed.

History and Current Status

This project first appeared in the FY 2023-24 CIP document and was approved by City Council on March 21, 2023.

Operating Budget Impact Comments

Annual expenses beginning in year 2 are \$500,000 for on-going vendor maintenance and support.

	FY24	FY25	FY26	FY27	FY28	FY29
Total Operating Budget Impacts	-	500,000	500,000	500,000	500,000	500,000
Total FTE	-	-	-	-	-	-

Project Map

Schedule of Activities

NO MAP REQUIRED

Project Activities	From - To	Amount
Implementation	07/23 - 06/29	1,812,729
Total Budgetary Cost Estimate:		1,812,729

Means of Financing

Funding Subclass	Amount
Local Funding	1,812,729
Total Funding:	1,812,729

Fiscal Years FY24 through FY29 Capital Improvement Program

Project: PG100632 **Title:** Park Infrastructure Replacement & Underdeveloped Park Improvements **Status:** Proposed

Category: Parks and Recreation **Department:** Parks and Recreation

Project Type

Project Location

Project Type: Rehabilitation/Replacement

District: Citywide

Programmed Funding

Programmed Funding	Appropriated To Date	Budgeted FY24	Non-Appropriated Programmed CIP Funding					Funding Future
			FY25	FY26	FY27	FY28	FY29	
25,380,000	1,000,000	4,380,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	

Description and Scope

This project funds the design, construction and replacement of existing parks and recreation capital replacement backlog as well as implementing improvements and additions to underdeveloped park sites per the Parks Needs Assessment & Development Strategy which will be completed in March 2023. In FY24, projects include increased costs for Pungo Ferry Landing and PAAC Sports Managements Office, replacement of restroom building at Lynnhaven and Red Wing Parks, boardwalk railing replacement at Beach Garden Park, parking lot repairs at Great Neck Park, and replacement of public restroom sinks at PAAC.

Purpose and Need

The current funding mechanisms in place to address the parks and recreation capital replacement is insufficient. To make significant gains in addressing this backlog, additional funds are needed. In addition, underdeveloped park sites do not offer recreational opportunities for all ages and abilities. In many instances, a neighborhood park site will only consist of a small shelter and playground for children with nothing to offer teens, adults, or seniors. To enhance health and wellness opportunities throughout the parks system, funds to increase the availability of a variety of park amenities is needed.

History and Current Status

This project first appeared in the FY 2022-23 CIP as a new program and is based on the Parks Needs Assessment & Development Strategy, which was completed in February 2022.

Operating Budget Impact Comments

	FY24	FY25	FY26	FY27	FY28	FY29
Total Operating Budget Impacts	-	-	-	-	-	-
Total FTE	-	-	-	-	-	-

Project Map

Schedule of Activities

NO MAP REQUIRED

Project Activities	From - To	Amount
Design	07/27 - 06/29	5,500,000
Construction	07/27 - 06/29	19,880,000
Total Budgetary Cost Estimate:		25,380,000

Means of Financing

Funding Subclass	Amount
Local Funding	25,380,000
Total Funding:	25,380,000

Fiscal Years FY24 through FY29 Capital Improvement Program

Project: 100665

Title: Employee Engagement Tool

Status: Proposed

Category: Information Technology

Department: Information Technology

Project Type

Project Location

Project Type: Technology

District: Citywide

Programmed Funding

Programmed Funding	Appropriated To Date	Budgeted FY24	Non-Appropriated Programmed CIP Funding					Funding Future
			FY25	FY26	FY27	FY28	FY29	
75,000	-	75,000	-	-	-	-	-	-

Description and Scope

The City of Virginia Beach does not use any type of two-way employee engagement tool to entice or manage staff interaction, promote employee surveys or polls, or to allow employees to subscribe to information by interest. Beachnet, SharePoint, Outlook, and Microsoft Teams are the most widely used solutions the City has for employees to view content, become informed, and interact with each other. Unfortunately, these tools are not currently linked to monitor, measure and discover employee sentiment via a single platform, thus creating data gaps to drive informed decisions. To improve employee Communications, ensure information is reaching the workforce, and to increase overall employee engagement with the organization, Communications had recommended the selection and procurement of an employee engagement platform. This need has been identified in 4 main areas: Recovery Stat, Strategic Plan, Process Improvement Steering Committee (PISC), and by way of an Employee Poll. The recommendation is for the City to move forward with Sociabble as their Employee Engagement Tool. Sociabble is a mobile-friendly, enterprise employee engagement solution for internal communications and employee advocacy.

Purpose and Need

Implementing an employee engagement platform, would allow employees to be collaborative, engage the business by providing likes, comments, sharing of content, and participation in surveys and polls. An Employee Engagement Tool would also provide employees with a one-stop platform where access to knowledge bases can be provided to non-user generated or user-generated content, and information regarding City news and events. The tool also can be used for "Social Selling" recruitment efforts to save the City in advertising spend by utilizing employees to create and share recruitment content.

History and Current Status

This project first appeared in the FY 2023-24 CIP.

Operating Budget Impact Comments

	FY24	FY25	FY26	FY27	FY28	FY29
Total Operating Budget Impacts	-	-	-	-	-	-
Total FTE	-	-	-	-	-	-

Project Map

Schedule of Activities

NO MAP REQUIRED

Project Activities	From - To	Amount
Implementation	07/23 - 06/35	75,000
Total Budgetary Cost Estimate:		75,000

Means of Financing

Funding Subclass	Amount
Local Funding	75,000
Total Funding:	75,000

Fiscal Years FY24 through FY29 Capital Improvement Program

Project: PG100148	Title: Atlantic Park Streetscapes	Status: Proposed
Category: Economic & Tourism Development		Department: Economic Development
Project Type		Project Location
Project Type: Rehabilitation/Replacement		District: 6

Programmed Funding

Programmed Funding	Appropriated To Date	Budgeted FY24	Non-Appropriated Programmed CIP Funding					Funding Future
			FY25	FY26	FY27	FY28	FY29	
6,000,000	6,000,000	-	-	-	-	-	-	-

Description and Scope

This project will fund the streetscape and other public pedestrian area improvements to support the redevelopment of the former Dome site into a mixed-use, high density development including space for residences, offices, retail, restaurants, a surf park, an entertainment venue, and parking. The site will be constructed on approximately 10.35 acres of City-owned property in the Central Beach Entertainment District.

Purpose and Need

This project will help develop the Resort's Central Beach Entertainment District, a key implementation strategy of the Resort Area Strategic Action Plan 2030, helping to create a year-round, first class, urban resort destination. This project is essential to ensure the successful construction of the Atlantic Park project.

History and Current Status

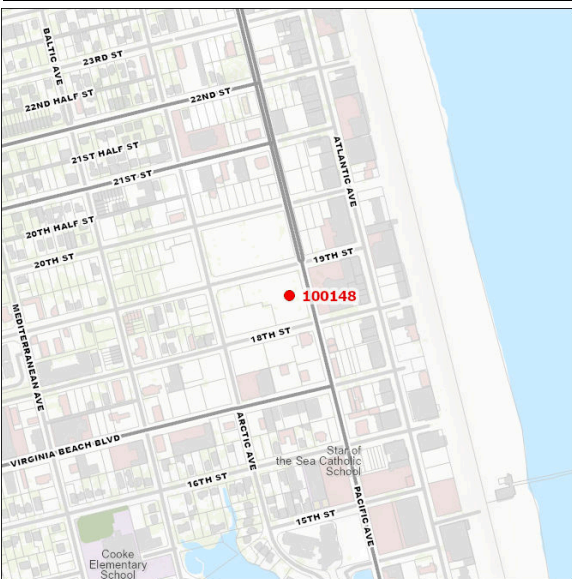
This project first appeared in the FY 2018-19 CIP. This project is funded using Public Facility Bonds and the associated debt service will be paid out of the Tourism Investment Program Fund. The Dome Site development agreement was approved on November 19, 2019. This project is currently in design in accordance with the development agreement. Project funding was added for FY 2022-23 in accordance with a Development Agreement amendment approved by City Council. Prior to FY 2022-23 this project was titled "Dome Site Streetscapes."

Operating Budget Impact Comments

Operating budget impacts to be determined.

	FY24	FY25	FY26	FY27	FY28	FY29
Total Operating Budget Impacts	-	-	-	-	-	-
Total FTE	-	-	-	-	-	-

Project Map



Schedule of Activities

Project Activities	From - To	Amount
Design	07/18 - 01/23	750,000
Construction	01/23 - 06/25	4,125,000
Contingencies	07/18 - 06/25	1,125,000
Total Budgetary Cost Estimate:		6,000,000

Means of Financing

Funding Subclass	Amount
Local Funding	6,000,000
Total Funding:	6,000,000

Fiscal Years FY24 through FY29 Capital Improvement Program

Project: PG100606	Title: Atlantic Park Offsite Infrastructure	Status: Proposed
Category: Economic & Tourism Development	Department: Economic Development	
Project Type	Project Location	
Project Type: Rehabilitation/Replacement	District: 6	

Programmed Funding

Programmed Funding	Appropriated To Date	Budgeted FY24	Non-Appropriated Programmed CIP Funding					Funding Future
			FY25	FY26	FY27	FY28	FY29	
3 , 53,251	, 34,965	6,218,286	-	-	-	-	-	-

Description and Scope

This project will allow the timely design and construction of certain offsite infrastructure connected to the Atlantic Park Project. These improvements include Pacific Avenue and 19th Street traffic signal and pedestrian crossing, Pacific Avenue and 20th Street traffic signal, 18th Street Streetscape improvements from Artic to Pacific, 18th Street Undergrounding Duct Bank, Arctic Avenue Streetscape improvements, Arctic Avenue Undergrounding Duct Bank, 19th Street and Baltic Avenue traffic signal relocation, 20th Street Streetscape improvements and related stormwater, 20th Street Undergrounding Duct Bank, and stormwater improvements abutting the Project. It is anticipated this work will require coordination with the contractor undertaking the Atlantic Park Development, and to avoid construction conflicts and consistent with any required procurement approvals the work is intended to be completed by cost participation agreement with the Developer of the Atlantic Park Project.

Purpose and Need

The work is consistent with the undergrounding of utilities and streetscape improvements undertaken in adjacent areas of the Resort. Moreover, the decision to do this work now will avoid undertaking the work at a future date, which could duplicate costs. The current plan to provide these improvements would be for the City Council to authorize appropriation of funds to the Atlantic Park Community Development Authority ("CDA"), and the CDA would commit to repayment to the City from revenues that exceed debt service for such times as the CDA has bonds outstanding and thereafter from the revenues of the CDA prior to retirement of the CDA.

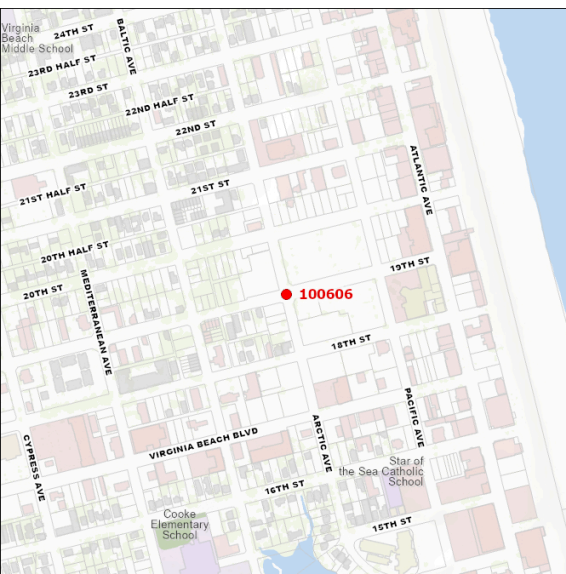
History and Current Status

The project was established at the November 16, 2021 City Council meeting. The initial funding for this project was General Fund Fund Balance in the amount of \$17,729,147. Future repayments for these funds should be made to the General Fund. In FY 2022-23, \$4 million of PFRBs were programmed for this project, with the associated debt service to be repaid by the Tourism Investment Program Fund. In FY 2022-23, \$3,705,818 was transferred to this project from 100145 "Atlantic Park Development Acquisition."

Operating Budget Impact Comments

	FY24	FY25	FY26	FY27	FY28	FY29
Total Operating Budget Impacts	-	-	-	-	-	-
Total FTE	-	-	-	-	-	-

Project Map



Schedule of Activities

Project Activities	From - To	Amount
Design	11/21 - 06/23	2,127,498
Construction	01/23 - 06/25	2 , 82,259
Contingencies	11/21 - 06/25	2,143,494
Total Budgetary Cost Estimate:		3 , 53,251

Means of Financing

Funding Subclass	Amount
Local Funding	3 , 53,251
Total Funding:	3 , 53,251

Fiscal Years FY24 through FY29 Capital Improvement Program

Project: PG100146	Title: Atlantic Park Entertainment Venue	Status: Proposed
Category: Economic & Tourism Development	Department: Economic Development	
Project Type		Project Location
Project Type: New Facility Construction/Expansion		District: 6

Programmed Funding

Programmed Funding	Appropriated To Date	Budgeted FY24	Non-Appropriated Programmed CIP Funding					Funding Future
			FY25	FY26	FY27	FY28	FY29	
59,797,614	48,437,000	6,360,614	-	-	-	-	-	-

Description and Scope

This project will fund the construction of an entertainment venue as part of the redevelopment of the former Dome site. The venue will have an estimated capacity of 3500 people for events including: live musical performances, comedic acts, sporting events, spoken word events, and speaking engagements. The entertainment venue will be among a mixed-use, high density development including space for residences, offices, retail, restaurants, a surf park, and parking. The venue will be constructed on approximately 10.35 acres of City-owned property in the Central Beach Entertainment District.

Purpose and Need

This project will help develop the Resort's Central Beach Entertainment District, a key implementation strategy of the Resort Area Strategic Action Plan 2030, helping to create a year-round, first class, urban resort destination. This project is essential to ensure the successful construction of the Atlantic Park project. The entertainment venue was conceptualized as an important piece of the former Pavilion that was not rebuilt in the Resort Area when the Sandler Center for the Performing Arts was developed in Town Center.

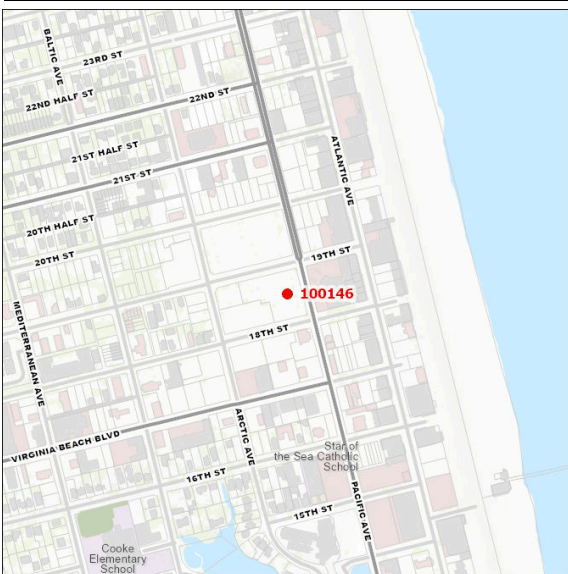
History and Current Status

This project first appeared in the FY 2018-19 CIP. In FY 2018-19, City Council approved a transfer of \$3,500,000 in appropriations to date from this project to CIP 100147 Dome Site Parking. This project is funded using Public Facility Bonds and the associated debt service is anticipated to be paid out of the Tourism Investment Program Fund. The Dome Site development agreement was approved on November 19, 2019. The entertainment venue is currently in design in accordance with the development agreement. A non-programmed, operator contribution of \$5,000,000 is anticipated with this project at the end of construction. Prior to FY 2022-23 this project was titled "Dome Site Entertainment Venue." In FY 2022-23, this project was transferred \$1,212,000 from the fund balance of the TIP Fund for additional construction costs.

Operating Budget Impact Comments

	FY24	FY25	FY26	FY27	FY28	FY29
Total Operating Budget Impacts	-	-	-	-	-	-
Total FTE	-	-	-	-	-	-

Project Map



Schedule of Activities

Project Activities	From - To	Amount
Design	07/18 - 01/23	3,500,000
Construction	01/23 - 06/25	51,297,614
Contingencies	07/18 - 06/25	5,000,000
Total Budgetary Cost Estimate:		59,797,614

Means of Financing

Funding Subclass	Amount
Local Funding	54,797,614
Total Programmed Financing:	54,797,614
Total Non-Programmed Financing:	5,000,000
Total Funding:	59,797,614

Fiscal Years FY24 through FY29 Capital Improvement Program								
Project: PG100629			Title: Sports Tourism Infrastructure					Status: Proposed
Category: Economic & Tourism Development				Department: Economic Development				
Project Type				Project Location				
Project Type: Rehabilitation/Replacement				District: Citywide				
Programmed Funding								
Programmed Funding	Appropriated To Date	Budgeted FY24	Non-Appropriated Programmed CIP Funding					Funding Future
			FY25	FY26	FY27	FY28	FY29	
19,500,000	1,950,000	4,971,100	12,578,900	-	-	-	-	
Description and Scope								

A Sports Tourism Infrastructure and Development program allows the City of Virginian Beach to reinvest, remain relevant and grow market share in a proven/lucrative market. Program funds will: renovate, maintain existing facilities/venues, explore and facilitate new development opportunities, reinvest in current facilities/venues.

Purpose and Need	
Renovating and maintaining existing facilities/venues – Examples may include but are not limited to: Renovations and upgrades to Virginia Beach SportsPlex, Princess Anne Athletic Complex and Hampton Roads Soccer Complex; Exploring and facilitating new development opportunities - Examples may include but are not limited to: Market research and analysis, design and implementation of new venues; Identification, onboarding and delivering new sports tourism venue opportunities (action sports, cross country, or other appropriate investments); Reinvesting in current sports tourism program infrastructure – Examples may include but are not limited to: Upgrades to parking, wayfinding signage, and future program and event development.	
History and Current Status	
This project first appeared in the FY2022-23 CIP and is funded by the Tourism Investment Program. A Sports Tourism Inventory Market Assessment began in 2022 and will be complete by Spring 2023.	

Operating Budget Impact Comments	
-	

	FY24	FY25	FY26	FY27	FY28	FY29
Total Operating Budget Impacts	-	-	-	-	-	-
Total FTE	-	-	-	-	-	-

Project Map	Schedule of Activities		
NO MAP REQUIRED	Project Activities	From - To	Amount
	Design	07/22 - 06/28	1,950,000
	Construction	01/24 - 06/28	17,550,000
	Total Budgetary Cost Estimate:		19,500,000
	Means of Financing		
	Funding Subclass	Amount	
	Local Funding	19,500,000	
	Total Funding:		19,500,000

Fiscal Years FY24 through FY29 Capital Improvement Program

Project: PG100057		Title: Centerville Turnpike Phase II					Status: Proposed	
Category: Roadways				Department: Public Works				
Project Type				Project Location				
Project Type: New Facility Construction/Expansion				District: 7				
Programmed Funding								
Programmed Funding	Appropriated To Date	Budgeted FY24	Non-Appropriated Programmed CIP Funding					Funding Future
			FY25	FY26	FY27	FY28	FY29	
77,384,612	47,077,711	19,320,596	10,171,884	-	814,421	-	-	
Description and Scope								

VDOT UPC #103005. City Council identified this project as an Initiative under the Goal Improve the Transportation System in the 2018 Annual Report to City Council. This project is for the construction of a four-lane divided highway within a 130 foot right-of-way from Indian River Road to Kempsville Road, a distance of 1.85 miles. This project will provide improvements at the Kempsville Road and Indian River Road intersections, including triple left turn lanes onto Indian River Road from Centerville Turnpike. This project will also include sidewalk, dedicated on-road bike lanes, landscaping, and relocation of existing aerial utilities to a new overhead location.

Purpose and Need

This project will address congestion in the Centerville area. The existing two-lane roadway carries 20,000 vehicles per day (2017) with a capacity of 13,200 vehicles. It has a projected volume of 36,000 vehicles by the year 2040. This corridor is ranked #1 of 311 in the 2017 Technical Ranking of Congested Roadway Segments list.

History and Current Status

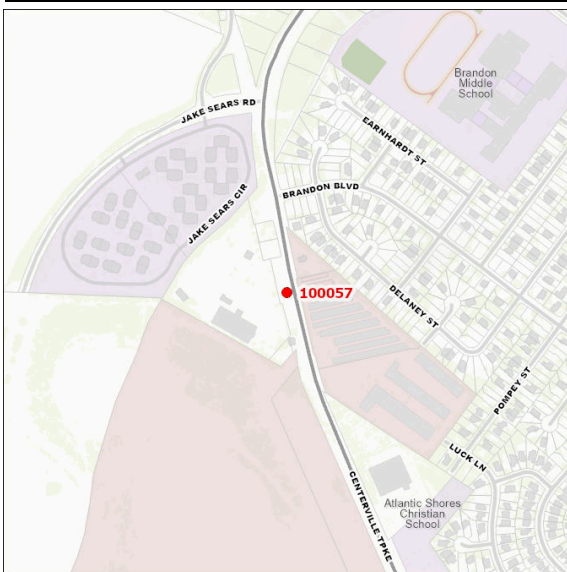
This project first appeared in the FY 2011-12 CIP as Centerville Turnpike Interim Improvements. In FY 2012-13, a separate project, Centerville Turnpike-Phase II appeared along with the interim project. Additional funding enabled the merger of Phase II initiatives into the funded interim project; therefore, this project was re-titled and now incorporates all Centerville Phase II activities. At the request of VDOT, the City Council adopted an ordinance on February 25, 2013 that transferred \$10,326,327 in aid from the Commonwealth (\$5 million) and local Revenue Sharing funding from this project to Lesner Bridge Replacement due to Lesner's higher construction bids. The City was able to replace the local funding through appropriations-to-date transfers and new Revenue Sharing funding. In 2019, Centerville Phase II received \$1,380,901 from VDOT through the Highway Infrastructure Program.

Operating Budget Impact Comments

Based on FY23 VDOT maintenance rates per lane mile of roadway.

	FY24	FY25	FY26	FY27	FY28	FY29
Total Operating Budget Impacts	-	-	-	-	88,844	90,621
Total FTE	-	-	-	-	-	-

Project Map



Schedule of Activities

Project Activities	From - To	Amount
Design	09/13 - 06/24	3,100,963
Site Acquisition	05/22 - 05/23	16,012,689
Private Utility Adjustments	05/23 - 10/24	2,055,948
Construction	01/25 - 03/28	49,461,953
Contingencies	09/13 - 03/28	6,753,059
Total Budgetary Cost Estimate:		77,384,612

Means of Financing

Funding Subclass	Amount
Local Funding	30,931,637
Federal Contribution	29,195,033
State Contribution	17,257,942
Total Funding:	77,384,612

Fiscal Years FY24 through FY29 Capital Improvement Program

Project: PG100002			Title: 17th Street Improvements - Phase II Cypress to Birdneck					Status: Proposed	
Category: Economic & Tourism Development				Department: Economic Development					
Project Type				Project Location					
Project Type: Rehabilitation/Replacement				District: 6					
Programmed Funding									
Programmed Funding	Appropriated To Date	Budgeted FY24	Non-Appropriated Programmed CIP Funding					Funding Future	
			FY25	FY26	FY27	FY28	FY29		
48,881,000	442,640	-	-	-	-	-	-	48,438,360	

Description and Scope

This project provides funding to improve 17th Street from Cypress Avenue to Birdneck Road to design a safer, rehabilitated streetscape through the undergrounding of overhead utilities, traffic safety improvements, better bicycle and pedestrian accommodations, utility and stormwater upgrades, and aesthetic improvements such as street trees and pedestrian lights. This project will build upon existing streetscape rehabilitations such as Laskin Gateway, 19th Street, and Pacific Avenue.

Purpose and Need

Rehabilitation of the 17th Street Corridor is a critical component in the success of the Central Beach Entertainment District development and has been identified as a need in the Resort Area Strategic Action Plan. 17th Street serves as one of several vehicular priority streets providing a direct connection and gateway to the oceanfront from all points west. This project will increase safety, **mitigate flooding**, facilitate the redevelopment of local businesses and make the area more accessible and attractive for future redevelopment.

History and Current Status

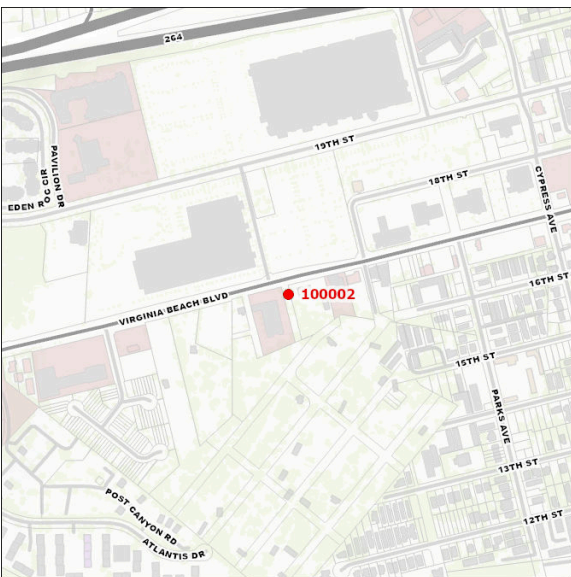
This project first appeared in the FY 2019-20 CIP. A Preliminary Engineering Report (PER) and public outreach was completed in 2020 to determine the full scope and cost of the project. A supplement to the PER was completed in fall 2021 to study the cost and economic impacts of building a regional stormwater management facility along the corridor (see CIP# 100630). In FY 2022-23 \$807,360 was transferred to the ViBe Streetscape infrastructure project (CIP# 100459) to advance 18th Street to construction when bids came in over the funding available.

Operating Budget Impact Comments

-

	FY24	FY25	FY26	FY27	FY28	FY29
Total Operating Budget Impacts	-	-	-	-	-	-
Total FTE	-	-	-	-	-	-

Project Map



Schedule of Activities

Project Activities	From - To	Amount
Design	10/19 - 06/28	4,417,000
Site Acquisition	07/25 - 06/28	3,500,000
Private Utility Adjustments	10/26 - 05/28	5,970,000
Construction	10/26 - 05/29	28,201,000
Street Lights	10/27 - 05/29	700,000
Landscaping	10/27 - 05/29	750,000
Contingencies	10/19 - 06/29	5,343,000
Total Budgetary Cost Estimate:		48,881,000

Means of Financing

Funding Subclass	Amount
Local Funding	442,640
Total Funding:	442,640

Fiscal Years FY24 through FY29 Capital Improvement Program

Project: PG100630			Title: 17th Street Regional Stormwater Management Facility					Status: Proposed	
Category: Economic & Tourism Development				Department: Public Works					
Project Type				Project Location					
Project Type: New Facility Construction/Expansion				District: 6					
Programmed Funding									
Programmed Funding	Appropriated To Date	Budgeted FY24	Non-Appropriated Programmed CIP Funding					Funding Future	
			FY25	FY26	FY27	FY28	FY29		
18,700,000	-	2,770,000	15,930,000	-	-	-	-		
Description and Scope									

This project includes the design and construction of a regional stormwater management facility. The Regional Stormwater Management Facility has potential to provide stormwater management, both water quality treatment and quantity management, to address flooding of streets, for the future redevelopment of private properties that front the south side of 17th Street between North Birdneck Road and Cypress Avenue within the service area of the facility. The project includes improvements to the stormwater system along 17th Street east to Washington Avenue and additional improvements to the east and west of the new facility to redirect stormwater to the proposed stormwater pond. The project includes improvements to the downstream stormwater system to discharge the stormwater from this new pond. Improvements to the downstream stormwater system will require acquisition of permanent drainage easements. Some of the stormwater that is redirected will result in discharging stormwater from land that previously discharged to the Lynnhaven River watershed and redirecting it to the Rudee Inlet watershed. The project includes new stormwater management facilities on the north side of 17th Street to offset water quality reduction impacts to existing stormwater management facilities. This wet pond, a VA Best Management Practice Clearinghouse Level 2, will remove nutrients, sediment, and bacteria from stormwater prior to being discharged to Rudee Inlet.

Purpose and Need

The City's Stormwater Management Ordinance requires redevelopment projects increasing impervious cover to offset the resulting increased runoff during and following heavy rainfall events with stormwater quantity and quality solutions. Future re-development within the drainage area would require stormwater management solutions and could potentially take advantage of the flood storage and stormwater quality benefits provided by this proposed regional stormwater management facility to improve public safety and promote economic development in the area. This project would incentivize development along 17th Street by reducing or eliminating the amount of stormwater management facilities developers would be required to construct, operate, and maintain on their own property. In turn, the resources that would have been channeled into stormwater management can be used in ways that would improve public safety and generate more economic benefits for the property owner and the City of Virginia Beach. The project would also meet all or a part of the stormwater management requirements for public projects in the area.

History and Current Status

This project first appeared in the FY2022-2023 CIP. A Technical Memorandum to analyze this project's potential benefits and feasibility was developed in December 2021 as part of a supplement to the 17th Street Phase II (CIP 100002) Preliminary Engineering Report. This project is funded by the Tourism Investment Program Fund.

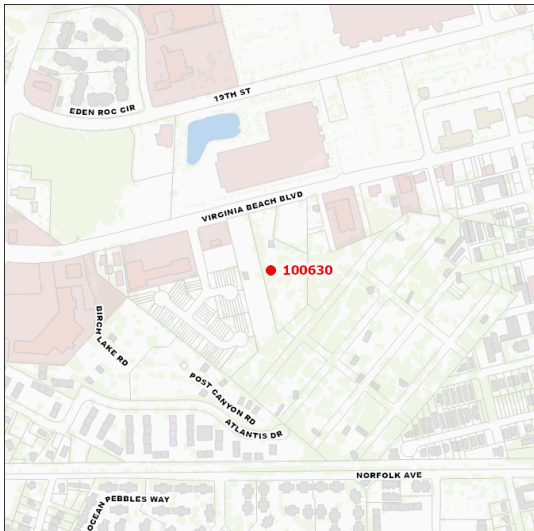
Operating Budget Impact Comments

-

	FY24	FY25	FY26	FY27	FY28	FY29
Total Operating Budget Impacts	-	-	-	-	-	-
Total FTE	-	-	-	-	-	-

Project Map

Schedule of Activities



Project Activities	From - To	Amount
Design	01/23 - 01/25	2,100,000
Site Acquisition	07/24 - 06/25	1,400,000
Private Utility Adjustments	07/25 - 03/26	250,000
Construction	11/26 - 12/27	12,300,000
Contingencies	07/22 - 12/27	2,650,000
Total Budgetary Cost Estimate:		18,700,000

Means of Financing

Funding Subclass	Amount
Local Funding	18,700,000
Total Funding:	18,700,000

Fiscal Years FY24 through FY29 Capital Improvement Program

Project: PG100001		Title: 17th Street Improvements - Phase I Pacific to Cypress					Status: Proposed	
Category: Economic & Tourism Development				Department: Planning				
Project Type				Project Location				
Project Type: Rehabilitation/Replacement				District: 5,6				
Programmed Funding								
Programmed Funding	Appropriated To Date	Budgeted FY24	Non-Appropriated Programmed CIP Funding					Funding Future
			FY25	FY26	FY27	FY28	FY29	
36,600,000	25,416,516	-	-	-	-	-	-	11,183,484
Description and Scope								

This project provides funding to improve 17th Street from Cypress Avenue to Pacific Avenue and provides increased safety, essential connectivity and improved aesthetics for the 17th Street Corridor through the implementation of an 80 foot typical section consisting of wide sidewalks, street trees, bicycle lanes, traffic signals, curb and gutter, and four lanes of traffic. Associated utility and accessibility upgrades including undergrounding of overhead utilities, new storm, sewer, and water infrastructure, improved crosswalks, and curb ramps will be implemented. This project will build upon existing streetscapes including Laskin Gateway, 29th Street, 19th Street, 18th Street, and Pacific Avenue.

Purpose and Need

Rehabilitation of the 17th Street Corridor is a critical component in the success of the Central Beach Entertainment District development and has been identified as a need in the 2020 Resort Area Strategic Action Plan. 17th Street serves as one of several vehicular priority streets providing a direct connection and gateway to the oceanfront from all points west. This project will increase safety, **mitigate flooding**, facilitate the redevelopment of local businesses and make the area more accessible and attractive for future redevelopment.

History and Current Status

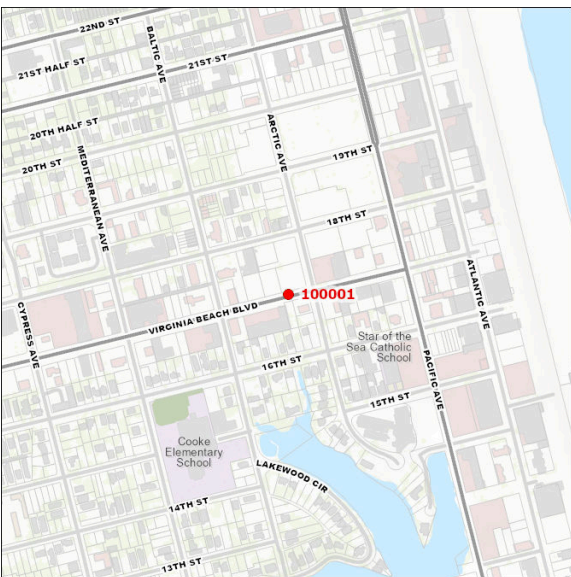
This project first appeared in the FY 2019-20 CIP. A portion of the design for this project (30%) is funded by CIP 100459 ViBe District Street Infrastructure Improvements. Full design will be completed in 2022 with construction beginning as early as December 2023. Two and half years of year-round construction is anticipated. This project is funded using Public Facility Bonds and the associated debt service is anticipated to be paid out of the Tourism Investment Program Fund. In FY 2022-23 \$583,484 was transferred to the Oceanfront Restroom project (CIP# 100286) to cover a bid for the 30th Street restroom replacement that came in over the funding available. 90% construction designs for 17th Street Phase I were complete in the fall of 2022.

Operating Budget Impact Comments

-

	FY24	FY25	FY26	FY27	FY28	FY29
Total Operating Budget Impacts	-	-	-	-	-	-
Total FTE	-	-	-	-	-	-

Project Map



Schedule of Activities

Project Activities	From - To	Amount
Design	07/19 - 12/23	2,300,000
Site Acquisition	10/23 - 12/24	1,766,000
Private Utility Adjustments	01/25 - 05/27	3,000,000
Construction	01/25 - 05/27	25,124,000
Street Lights	01/26 - 05/27	410,000
Landscaping	01/26 - 05/27	400,000
Contingencies	03/20 - 06/27	3,600,000
Total Budgetary Cost Estimate:		36,600,000

Means of Financing

Funding Subclass	Amount
Local Funding	25,416,516
Total Funding:	25,416,516

Fiscal Years FY24 through FY29 Capital Improvement Program

Project: PG100048	Title: Burton Station Road Improvements III	Status: Proposed
Category: Economic & Tourism Development	Department: Economic Development	
Project Type	Project Location	
Project Type: New Facility Construction/Expansion	District: 4	

Programmed Funding

Programmed Funding	Appropriated To Date	Budgeted FY24	Non-Appropriated Programmed CIP Funding					Funding Future
			FY25	FY26	FY27	FY28	FY29	
17,611,465	5,491,465	9,000,000	3,120,000	-	-	-	-	

Description and Scope

This project will provide **public infrastructure to connect** an area for commercial and residential development. Phase III-B includes: approximately 1,300 linear feet of new roadway for Tolliver Road, starting from the end of Burton Station Phase III-A; approximately 1,450 linear feet of Air Rail Avenue reconstruction with new water and sanitary sewer service; a preliminary design study for a potential Tolliver Road extension south to Northampton Boulevard; and relocation **and upgrading** of an existing pump station **to improve service** and support area development. The existing sanitary sewage pump station on Air Rail Avenue requires replacement due to its age and lacks capacity for the projected sewage flows from the expanded service area. This project funds design and construction of water main, gravity sewer, and force sewer main, but only pump station design. Public Utilities CIP will fund pump station construction separately. An at-grade railroad crossing on Tolliver Road will be added in addition to modifications at several other crossings within the area.

Purpose and Need

The purpose of this project is to provide a **roadway** connection between Burton Station Road and Air Rail Avenue via an extension of Tolliver Road (formerly Golf Course Road). **This project is consistent** with the phasing and implementation goals recommended in the adopted Burton Station/Northampton Boulevard Corridor Strategic Growth Area Implementation Plan.

History and Current Status

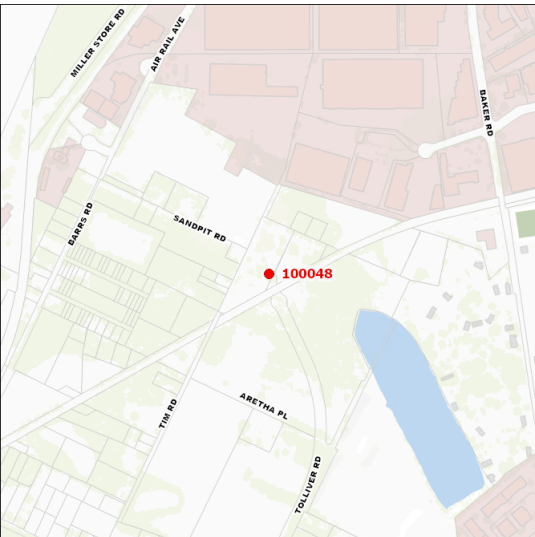
This project first appeared in the FY 2011-12 CIP. The project was put on hold in April 2014 when the design was at 60%. The project was restarted in August 2015 and a new alignment for Tolliver Road was selected. In the FY 2016-17 CIP, additional funding of \$2,420,595 was provided, and \$3,114,905 of previous years' appropriations were transferred from project 9-085 SGA-Burton Station Road Improvements Phase II to this project to cover the increased project costs totaling \$5,535,500 due to shifts in the realignment of the roadways to be designed and built in response to requests from multiple property owners including the Norfolk Airport Authority. In 2016 Phase III was broken in to two phases, Phase III-A and III-B. In FY 2017-18, \$3,895,035 was transferred from 9-091 Phase III-A to project 9-022 Burton Station Roadway Improvements I, combining the scopes of both projects and allowing the projects to be bid and constructed at the same time. Phase III-A construction completed in 2019. In FY 2020-21, \$4,500,000 in appropriations to date were transferred to help finance the renovations of municipal center buildings 1, 2, and 11. 100% designs are anticipated in 2023 with construction beginning as early as the fall of 2024. In FY 2023-24, \$1,950,000 in appropriations to date were transferred to this project from 100049 Burton Station Roadway Improvements.

Operating Budget Impact Comments

-

	FY24	FY25	FY26	FY27	FY28	FY29
Total Operating Budget Impacts	-	-	-	-	-	-
Total FTE	-	-	-	-	-	-

Project Map



Schedule of Activities

Project Activities	From - To	Amount
Design	06/12 - 07/23	1,500,000
Site Acquisition	03/23 - 03/24	2,400,000
Construction	10/24 - 06/26	11,950,318
Contingencies	06/12 - 06/26	1,761,147
Total Budgetary Cost Estimate:		17,611,465

Means of Financing

Funding Subclass	Amount
Local Funding	17,611,465
Total Funding:	17,611,465

Fiscal Years FY24 through FY29 Capital Improvement Program

Project: PG100190		Title: FoxFire Trail Pedestrian Bridge					Status: Proposed	
Category: Parks and Recreation				Department: Parks and Recreation				
Project Type				Project Location				
Project Type: New Facility Construction/Expansion				District: 2				
Programmed Funding								
Programmed Funding	Appropriated To Date	Budgeted FY24	Non-Appropriated Programmed CIP Funding					Funding Future
			FY25	FY26	FY27	FY28	FY29	
2,165,397	2,615,397	-	-	-	-	-	-	
Description and Scope								

This project will fund the design and construction of the Foxfire Trail pedestrian bridge on the former railroad line between the Municipal Center and the Foxfire neighborhood.

Purpose and Need

This project is included in the 2011 Bikeways and Trails Plan and the 2021 Active Transportation Plan as a High Priority project. It will provide a safe active transportation connection (pedestrian roadway) between the Foxfire neighborhood and the Municipal Center. Reaching the Municipal Center will also allow pedestrians and cyclists to make a connection to paths along Princess Anne Road and Nimmo Parkway and the rest of the bikeways and trails system. The Foxfire neighborhood does not have adequate connections for pedestrians and cyclists who are uncomfortable traveling along narrow roads without sidewalks.

History and Current Status

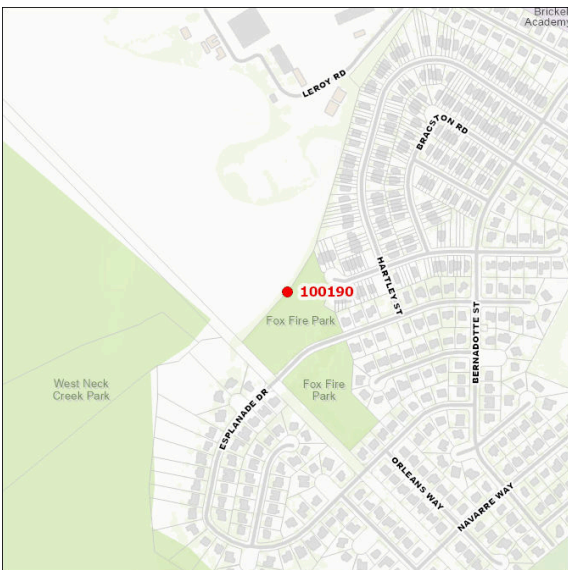
This project first appeared in the FY 2018-19 CIP. The Bikeways and Trails Advisory Committee included this project as a High Priority in the 2011 Bikeways and Trails Plan because of the isolation of the Foxfire neighborhood for active transportation. VDOT awarded \$775,235 in grant funding through the Transportation Alternatives Program in early 2017. On September 5, 2017, City Council appropriated the grant funding and transferred \$348,295 from CIP 100040, "Bikeways and Trails Plan Implementation" as the local match. In FY 2022-23, \$300,000 in appropriations to date were transferred to this project from CIP 100249 Little Island Park Parking Lot Improvements. In FY 2023-24, \$191,867 in appropriations to date was transferred to this project from CIP 100249 Little Island Park Parking Lot Improvements.

Operating Budget Impact Comments

There are no operating budget impacts anticipated at this time.

	FY24	FY25	FY26	FY27	FY28	FY29
Total Operating Budget Impacts	-	-	-	-	-	-
Total FTE	-	-	-	-	-	-

Project Map



Schedule of Activities

Project Activities	From - To	Amount
Design	01/20 - 08/22	230,000
Site Acquisition	08/21 - 07/22	50,000
Construction	01/23 - 01/24	2,335,397
Total Budgetary Cost Estimate:		2,615,397

Means of Financing

Funding Subclass	Amount
Local Funding	1,840,162
Federal Contribution	775,235
Total Funding:	2,615,397

Fiscal Years FY24 through FY29 Capital Improvement Program

Project: PG100282	Title: Oceana & ITA Conformity & Acquisition II	Status: Proposed
Category: Economic & Tourism Development	Department: Economic Development	
Project Type	Project Location	
Project Type: Site Acquisition	District: 2,3,5,6	

Programmed Funding

Programmed Funding	Appropriated To Date	Budgeted FY24	Non-Appropriated Programmed CIP Funding					Funding Future
			FY25	FY26	FY27	FY28	FY29	
13,067,649	8,067,649	-	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	

Description and Scope

This project continues the multi-faceted program designed to retain Naval Air Station Oceana as the East Coast Master Jet Base in Virginia Beach. The annual program costs include acquisition of property and easements to complete program goals and costs associated with the zoning measures that continue to stop and roll back incompatible development around the base and **maintenance of acquired properties**. Project funding will be provided on an annual basis using proceeds generated by the sale or lease of City property in APZ-1 and the Interfacility Traffic Area (ITA) and the sale to the U.S. Navy of restrictive easements over City land in the ITA, which properties were acquired by the City through this project and the previous project 9-060 Oceana & Interfacility Traffic Area Conformity & Acquisition.

Purpose and Need

This project provides support for the Federal Defense Base Realignment and Closure Commission (BRAC) directives, which were issued on August 24, 2005, and became law in November 2005. This project supports Council's priorities related to economic development and land use conformity with the U.S. Navy.

History and Current Status

This project first appeared in the FY 2015-16 CIP. It provides follow-up and closure to the initial state-supported project 100282 Oceana & ITA Conformity, which was shown as completed in the FY 2015-16 CIP. In the FY 2016-17 CIP, \$1,000,000 in City funding from appropriations to date were transferred from this project to project 9-037 APZ-1 Economic Incentives. Also in the FY 2016-17 CIP, the remaining balance and associated revenues from the previous project, 9-060, were transferred to this project to consolidate funding. In the FY 2019-20 CIP, \$4,958 in BRAC sale of property revenue was reduced from the project.

Operating Budget Impact Comments

Costs related to demolition or maintenance of parcels (e.g. landscape maintenance, signage, etc.) acquired via this project or project 9-060 prior to the resale of the property are charged to this project.

	FY24	FY25	FY26	FY27	FY28	FY29
Total Operating Budget Impacts	-	-	-	-	-	-
Total FTE	-	-	-	-	-	-

Project Map

Schedule of Activities

Project Activities	From - To	Amount
Site Acquisition	07/19 - 06/29	13,067,649
Total Budgetary Cost Estimate:		13,067,649

Means of Financing

Funding Subclass	Amount
Lease of Properties (BRAC)	3,108,156
Fed Cont - Fed Encroachment Partnership Fds	298,244
Sale of Property (BRAC)	9,661,249
Total Funding:	13,067,649

NO MAP REQUIRED

Fiscal Years FY24 through FY29 Capital Improvement Program

Project: PG100511 Title: Southern Rivers Watershed Site Acquisition Program Status: Proposed

Category: Parks and Recreation Department: Parks and Recreation

Project Type

Project Location

Project Type: Site Acquisition

District: 2

Programmed Funding

Programmed Funding	Appropriated To Date	Budgeted FY24	Non-Appropriated Programmed CIP Funding					Funding Future
			FY25	FY26	FY27	FY28	FY29	
2,000,000	2,000,000	-	-	-	-	-	-	-

Description and Scope

This project funds the acquisition and associated due diligence costs for real estate planned for preservation or future public purposes including stormwater handling, watershed protection, and recreation. Acquired sites may remain natural areas or preserve flood plains, act as stormwater management facilities, be conserved/preserved for tree canopy and protection of natural resources, or be improved and used as passive recreation facilities (trails, public waterway access sites, or other outdoor passive recreational purposes).

Purpose and Need

The need for open space acquisition and conservation in the Southern Rivers Watershed has been identified as a worthwhile nature-based solution within the Sea Level Wise Adaptation Strategy. The study cites an opportunity for landowners and residents of properties that border Back Bay, North Landing River, and others in the Southern Rivers Watershed to conserve the natural assets of the waterway through a conservation easement or by voluntarily selling their property to the City. Benefits of this acquisition program are tax benefits for the landowner conserving the land, conservation of habitat and watersheds and providing a water sink during flood and storm events to improve stormwater management.

History and Current Status

This project first appeared in the FY 2020-21 CIP.

Operating Budget Impact Comments

Operating budget impacts as a result of this program will vary depending on the size and composition of the property acquired and any ongoing maintenance requirements (if applicable).

	FY24	FY25	FY26	FY27	FY28	FY29
Total Operating Budget Impacts	-	-	-	-	-	-
Total FTE	-	-	-	-	-	-

Project Map

Schedule of Activities

NO MAP REQUIRED

Project Activities	From - To	Amount
Site Acquisition	07/20 - 06/29	2,000,000
Total Budgetary Cost Estimate:		2,000,000

Means of Financing

Funding Subclass	Amount
Local Funding	2,000,000
Total Funding:	2,000,000

Fiscal Years FY24 through FY29 Capital Improvement Program

Project: PG100399			Title: Strategic Development Projects					Status: Proposed	
Category: Economic & Tourism Development				Department: Economic Development					
Project Type				Project Location					
Project Type: New Facility Construction/Expansion				District: Citywide					
Programmed Funding									
Programmed Funding	Appropriated To Date	Budgeted FY24	Non-Appropriated Programmed CIP Funding					Funding Future	
			FY25	FY26	FY27	FY28	FY29		
12,879,687	11,379,687	250,000	250,000	250,000	250,000	250,000	250,000		
Description and Scope									

Description and Scope

This project will provide planning and design services, environmental studies, build or replace public infrastructure improvements, such as pedestrian roadways, utilities, and stormwater facilities, and acquire property as needed to support implementation of the eight Strategic Growth Areas (SGA) and the Comprehensive Plan. In addition, the project will provide for consulting, staffing, and other contractual services to support Strategic Development initiatives. Priorities for the SGA implementation efforts include development of Zoning Overlay Districts, implementation of Resort Area Mobility Plan initiatives (RAMP) and Resort Area Strategic Action Plan (RASAP) 2030 priorities, and a small area plan for the Central Village District in the Pembroke SGA and Central Beach Entertainment District in the Resort SGA. This scope also includes development of detailed specific area development plans and preliminary design and cost estimating for future Strategic Development CIP projects.

Purpose and Need

The purpose of this project is to develop and implement clear objectives based upon the goals and vision set forth in the Comprehensive Plan and City Council's Vision for the Strategic Growth Areas. This will involve partnering with civic groups, residents, businesses, and property owners to develop projects with clear objectives, which draw a link between past accomplishments, present conditions and future goals. Planning and design services will be used to prepare, facilitate, and align plans with the community to accelerate development, increase economic opportunity, and expand the tax base.

History and Current Status

This project first appeared in the FY 2008-09 CIP as the Strategic Growth Area Projects. On October 23, 2012, City Council added \$2,500,000 to this project for the additional cost of property acquisition and drainage improvements associated with Burton Station Village Phase I from completed projects (\$1,133,372), new revenue (\$366,628) and reallocation of funding totaling \$1,000,000 from various projects. In the FY 2016-17 CIP, \$8,054,399 was transferred from this project to 100376 Burton Station Roadway Improvements I. In FY 2021-22, the project advanced initiatives established in the 2030 Resort Area Strategic Action Plan (RASAP) including sense of arrival/gateway improvements, streetscape improvements throughout the resort; and planning support for the Comprehensive Plan update and the Resort Area Mobility Plan initiatives (RAMP). FY 2022-23 this project advanced RAMP initiatives such as the Microtransit Pilot Program providing point-to-point and fixed route transportation opportunities in the Resort. In FY 2023-24 this project is expected to support public engagement efforts for the future of Rudee Loop, the sense of arrival initiative and Central Beach Entertainment District Small Area Plan.

Operating Budget Impact Comments

To be determined.

	FY24	FY25	FY26	FY27	FY28	FY29
Total Operating Budget Impacts	-	-	-	-	-	-
Total FTE	-	-	-	-	-	-

Project Map

Schedule of Activities

NO MAP REQUIRED

Project Activities	From - To	Amount
Design	07/08 - 06/29	7,867,494
Site Acquisition	07/08 - 06/29	3,343,133
Construction	10/10 - 06/29	1,000,000
Contingencies	07/08 - 06/29	669,060
Total Budgetary Cost Estimate:		12,879,687

Means of Financing

Funding Subclass	Amount
Local Funding	12,879,687
Total Funding:	12,879,687

Fiscal Years FY24 through FY29 Capital Improvement Program								
Project: PG100415		Title: Thalia Creek Greenway I					Status: Proposed	
Category: Parks and Recreation				Department: Parks and Recreation				
Project Type				Project Location				
Project Type: New Facility Construction/Expansion				District: 4				
Programmed Funding								
Programmed Funding	Appropriated To Date	Budgeted FY24	Non-Appropriated Programmed CIP Funding					Funding
			FY25	FY26	FY27	FY28	FY29	Future
3,400,157	3,400,157	-	-	-	-	-	-	
Description and Scope								

Description and Scope

This project will fund the design and construction of the boardwalk and trail facilities outlined in the greenway corridor of the Thalia Creek Greenway Master Plan. This project is a unique initiative to develop a **pedestrian roadway in the form** of an urban greenway that will provide a **safe alternative route while also providing access** to natural open space and active mobility in the Town Center area. In addition to city funding, **VDOT Transportation** grants have been received for the Thalia Creek Greenway project. The scope of this project covers all work to design and construct the greenway, excluding those portions funded by the federal grant.

Purpose and Need

The project will provide a **safe alternative transportation route to reduce pedestrian/vehicle conflicts around Town Center**. The 2008 Virginia Beach Outdoors Plan and the 2016 Update include the Thalia Creek Greenway project as a priority to address the need for additional open space in the Little Neck planning area. The Thalia Creek Greenway project is also included as part of the proposed bikeway network in the Pembroke Strategic Growth Area Implementation Plan and is ranked by the Bikeways and Trails Advisory Committee as a Top Priority in the 2011 Virginia Beach Bikeways and Trails Plan. This project is also linked to the 2014 Central Business Core Design Guidelines Sustainability 6.10 Open Space Preservation by providing valuable outdoor amenity space for walking, hiking, and biking, protecting waterways from erosion and runoff, and increased urban tree canopy.

History and Current Status

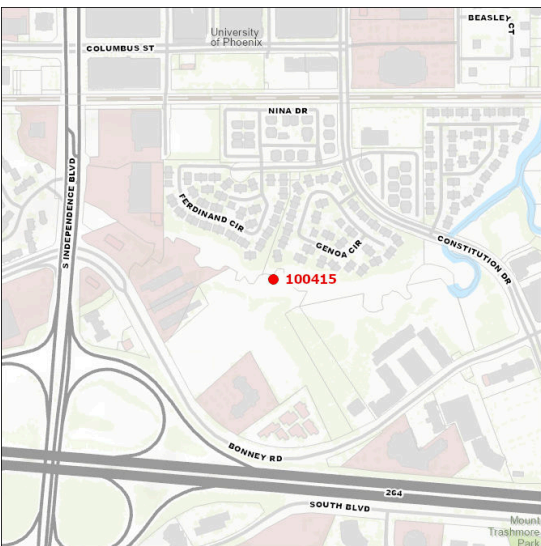
This project first appeared in the FY 2012-13 CIP. The Thalia Creek Greenway builds on the natural area and greenway concept introduced in the 1991 Central Business District Master Plan. The Thalia Creek Greenway Master Plan was completed in 2007 and most of the property along the creek is privately owned. The city will need to acquire property easements or purchase property to construct some portions of the greenway. Since the 2007 Thalia Creek Master Plan, phasing of the project has changed. Phase I was privately developed but added to Phase II via a public access easement. Phase II (CIP 4-522) was also constructed for a completed network from Constitution Drive to Bonney Road. This current CIP funds the trail facilities for Phase III of the greenway, which will continue the trail to Independence Boulevard. Future phases will be developed as additional funding opportunities arise. On February 16, 2016, City Council accepted and appropriated \$1M of federal funding from the Virginia Department of Transportation's (VDOT's) Transportation Alternatives Program (TAP). In FY 2020-21, this project received \$350,157 in appropriations to date from CIP 4-503, Parks and Recreation Administration Office Relocation (\$86,524) and 4-509, Replacement of Kempsville Recreation Center (\$263,633).

Operating Budget Impact Comments

-

	FY24	FY25	FY26	FY27	FY28	FY29
Total Operating Budget Impacts	-	-	-	-	-	-
Total FTE	-	-	-	-	-	-

Project Map



Schedule of Activities

Project Activities	From - To	Amount
Design	07/14 - 09/20	140,000
Site Acquisition	12/20 - 06/23	134,000
Construction	09/20 - 06/24	3,126,157
Total Budgetary Cost Estimate:		3,400,157

Means of Financing

Funding Subclass	Amount
Local Funding	2,400,157
Federal Contribution	1,000,000
Total Funding:	3,400,157

Fiscal Years FY24 through FY29 Capital Improvement Program

Project: PG100459			Title: ViBe District Street Infrastructure Improvements					Status: Proposed	
Category: Economic & Tourism Development				Department: Economic Development					
Project Type				Project Location					
Project Type: Rehabilitation/Replacement				District: 6					
Programmed Funding									
Programmed Funding	Appropriated To Date	Budgeted FY24	Non-Appropriated Programmed CIP Funding					Funding Future	
			FY25	FY26	FY27	FY28	FY29		
10,875,750	10,875,750	-	-	-	-	-	-		
Description and Scope									

This project provides essential connectivity, increased safety and improved aesthetics for the ViBe District through phased street infrastructure improvements ranging from wide sidewalks, bicycle facilities, pedestrian lights, street trees, on-street parking, crosswalks, accessibility upgrades and associated storm water, utility, and traffic improvements. This project supports design and improvements on 18th Street from Cypress to Arctic Avenues and Cypress Avenue from Virginia Beach Blvd/17th Street to 19th Street. These improvements support the development of the ViBe Creative District by increasing walkability, public safety, and aesthetics and support the Resort Area Strategic Action Plan, by implementing portions of the 17th Street and 19th Street Corridors and Central Beach Transportation Network.

Purpose and Need

The purpose of this project is to provide improved pedestrian, bicycle, and traffic connections between ViBe business and community destinations such as the Convention Center, Dome Redevelopment Area, and Oceanfront Library, and enhance the growing ViBe Creative District. These street infrastructure improvements are needed to achieve the goals of the ViBe District by helping to enhance public safety, reduce vehicular conflicts, mitigate flooding, and attract and foster creative business, grow real estate values, stimulate commerce, and enhance the quality of life for citizens and visitors.

History and Current Status

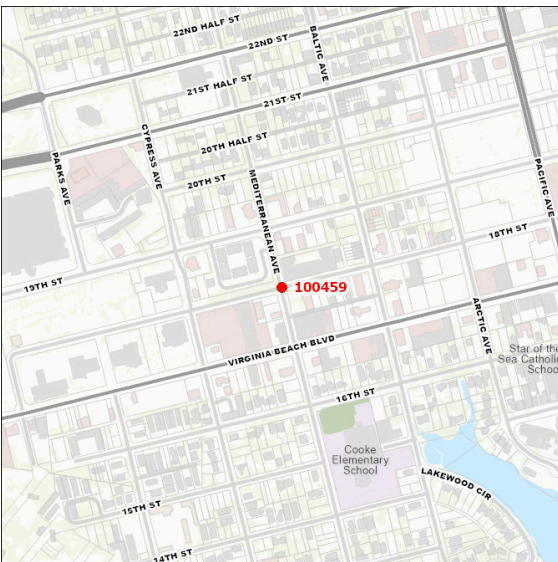
This project first appeared in the FY 2016-17 CIP. Following the establishment of the ViBe Creative District in 2015, a community driven Connectivity Vision Plan was completed which determined conceptual streetscape improvements for the entire District. In FY 2017-18, \$1,301,607 was transferred from 100283 Oceanfront Capital Projects Reinvestment to consolidate streetscape infrastructure projects in the ViBe Creative District and programmed funding was increased by an additional \$3,499,450 to move forward with construction on 18th Street from Cypress to Arctic Avenues and Cypress Avenue from 17th to 19th Streets. 19th St construction was completed in October 2020. 30% Designs for 17th Street Phase I were completed in March 2020. In the summer of 2022 three bids were received for the 18th Street section above the funding available and \$2,074,692 was transferred to advance the project. The 18th St section is anticipated to begin construction in late 2022 and be completed by May of 2024.

Operating Budget Impact Comments

To be determined.

	FY24	FY25	FY26	FY27	FY28	FY29
Total Operating Budget Impacts	-	-	-	-	-	-
Total FTE	-	-	-	-	-	-

Project Map



Schedule of Activities

Project Activities	From - To	Amount
Design	07/16 - 01/21	700,000
Site Acquisition	05/19 - 02/21	401,000
Private Utility Adjustments	12/21 - 12/22	401,000
Construction	12/22 - 06/24	7,228,289
Street Lights	05/22 - 06/24	493,000
Landscaping	05/22 - 06/24	916,000
Contingencies	07/16 - 06/24	736,461
Total Budgetary Cost Estimate:		10,875,750

Means of Financing

Funding Subclass	Amount
Local Funding	10,875,750
Total Funding:	10,875,750



City of Virginia Beach

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March 21, 2023

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

Subject: FY 2023-24 Proposed Resource Management Plan

Dear Mayor and Council Members:

The City of Virginia Beach has endured a great deal over the last four years, and I dare say that very few localities within the entire country have endured as much, and I suspect even fewer could have emerged as well as the City of Virginia Beach.

The City of Virginia Beach’s recovery and resiliency is largely attributable to a thriving local economy, a dedicated workforce, and sound financial management practices and policies established by City Council. For these reasons, it is my pleasure to present to the collective body my Proposed FY 2023-24 Operating Budget and Capital Improvement Program.

Balancing a budget is always challenging. One might think that the balancing of a budget is simple dollars and cents; however, those who have been in the arena know there are many more balancing acts that occur. There is a need to balance and right-size service delivery with the needs of the community; balance the needs of now with the needs of future gaps in service; balance the capital investments to maintain public infrastructure with the needs to invest in infrastructure for expansion or future development; balance the need for investments to attract and retain a quality workforce expected to deliver these services; and balance the expectations of the public with their ability to pay and the affordability of government services.

Fortunately, between the guidance provided by City Council during the Winter retreat and utilizing the results of the 2022 Resident Satisfaction Survey, I was able to develop a budget that attempts to balance all of those various factors and challenges.

When City staff began the budget development process last Fall, we quickly realized that this budget cycle was not going to look like the previous three budget processes that occurred during

the pandemic. Over the last three fiscal years, City Council was able to provide a significant amount of tax and fiscal relief to residents and businesses of Virginia Beach while maintaining a high level of service delivery. The primary reasoning for this was due to federal stimulus funding and the local economy rebounding faster than expected. Since March 2020, City Council has:

- Implemented Meals Tax Holiday- \$12 million
- Suspended ABC license tax- \$325,000
- Deferred Penalties and Interest for periods of time
- Allocated \$43.5 million in local fiscal relief initiatives
- Allocated \$34.3 million in federal fiscal relief initiatives
- Reduced Real Estate Tax Rate by 2.75¢- equal to \$20.3 million (FY 24)
- Reduced Personal Property Rate for EMS Volunteers- \$70,000
- Reduced Personal Property Rate for new business (2 yrs.) and Individuals over 65 or found to be disabled \$336,000 (est.)
- FY 2022-23 Personal Property Fair Market Value adjustment- \$38 million
- Reduced BPOL Taxes- \$1,060,000 (est.)
- Absorbed \$567 million bond referendum without raising real estate tax rate- equal \$31.7 million per year
- Deferred Waste Management Fee Increase
- Deferred Water and Sewer Fee Increases
- Froze Stormwater ERU Rate from previously planned increases until 2028

In FY 2023-24, there is no more federal stimulus funding anticipated, nor is revenue growth anticipated to outpace the City's baseline operational needs. The Proposed FY 2023-24 Operating Budget is projected to grow by 3.39% when compared to the FY 2022-23 Amended Budget. This number seems low and is the result of the Virginia Beach City Public School's Operating Budget no longer showing a large stimulus grant as a part of their operating budget. When controlling for that reduction, true budget growth is 4.8%. This amount exceeds the long term average growth of the City Budget; however, it is less than inflation, which according to the Bureau of Labor Statistics is 6.4% as of January 2023. As with any budget, the base budget is determined by revenue and it is from this 4.8% overall growth in revenues, that the Proposed FY 2023-24 Budget was developed.

Maintaining Services:

I am pleased to inform you that my Proposed FY 2023-24 Operating Budget maintains all baseline operating services and does so **without any adjustments in major tax sources such as Real Estate or Personal Property taxes**. To maintain those services, there was a need to allocate additional funding across various department operating budgets. Many of these needs are associated with the annualized cost of software and cost increases for programs such as the body worn camera

program, police e-ticketing, Human Services- Adult Protection Services Hotline licenses, security cameras, GIS software programs, and for increases associated with other citywide computer subscriptions.

Other adjustments were necessary to maintain current Hampton Roads Transit services, provide sufficient funds for fuel and energy utility cost increases, and postage; however, there are several noteworthy areas in which additional resources are needed to simply maintain services. These are in the areas of public safety, enterprise fund operations, Public Works operations, and to address housing and homelessness.

Public Safety

Between the cost associated with annualizing the compensation increase and payscale adjustments approved by City Council in FY 2022-23, as well as the reduction of state reimbursement revenue, the General Fund transfer supporting the Sheriff's Office increased by nearly \$6 million in FY 2023-24 when compared to the current year's budget. Without this increased support, the alternative would have been the elimination of 22 FTEs and Centralized Booking services provided by the Sheriff's Office.

Sometimes maintaining services does not only require the restoration and maintenance of the status quo, but instead requires an additional investment of resources and FTEs. This is certainly the case for Emergency Medical Services (EMS) in which the staffing of ambulances by the volunteer rescue squads has been negatively impacted by the effects of the pandemic. Volunteerism is down all over the country, as it is here in Virginia Beach; however, the rescue squad volunteers continue to work overtime, often with no breaks on their shifts, to provide quality emergency response services to City of Virginia Beach residents. It is paramount that we take steps to support development and training of the volunteer pipeline while we work towards preventing burnout of the career staff and volunteers that respond to increasing calls for emergency medical services.

The Proposed FY 2023-24 Operating Budget includes additional investments in EMS to maintain these services. The Proposed Budget includes an additional 38 FTEs within the Department of EMS to specifically mitigate a degradation in service. More specifically, these FTEs include a combination of Captains, Paramedics, and Advanced Emergency Medical Technicians (A-EMT) and are an expansion of the 20 Paramedics added in FY 2022-23. In addition to these FTEs, the Proposed Budget also includes a \$700,000 grant to be provided to the Virginia Beach Rescue Council to allocate resources to support each of the volunteer rescue squads. Not only is volunteerism down, but donations to rescue squads are not able to keep pace with the cost growth of needed resources. This grant investment to rescue squads will assist them with acquiring needed resources and allow them to enhance their recruiting and retention efforts.

The Police Department is making significant progress in filling vacancies. Efforts by City Council with respect to pay structure adjustments are clearly proving to be fruitful, but credit must also be given to the Departments of Police, Human Resources, and Communications for their internal recruitment and retention policy adjustments which have contributed to this success. All efforts to date have reduced the number of vacancies, necessitating the need to authorize additional sworn FTEs within the Police Department to place future graduating recruits. The Proposed Budget adds 11 sworn Police Officer positions, restoring most of the 17 Police Officer positions previously reclassified to other non-sworn positions in the current fiscal year. With the addition of these 11 FTEs, the Police Department is still retaining those non-sworn FTEs for operation of existing initiatives such as the Real Time Crime Center within the new Police Headquarters.

The Fire Department does not face the staffing issues many of the other public safety departments have; however, Fire Battalion Chiefs are currently operating multiple devices while driving vehicles to the scene of a response. The Fire Department augmented this work in prior years with staff who are temporarily out of commission due to injuries prior to receiving three FTEs in the current budget. The Proposed FY 2023-24 Budget includes an additional three FTEs to serve this role and provide additional support when responding to incidents.

With the expansion of the Body Worn Camera program to every Police Officer, the amount of video footage being captured and retained more than doubled original estimates. The Commonwealth Attorney's Office is responsible for the review of that footage and has experienced a significant workload increase over the last year. The Proposed FY 2023-24 Operating Budget includes an additional 12 FTEs for the Commonwealth Attorney's Office which puts the City in line with the state code requirement that each locality provide Commonwealth Attorney's with one FTE for every 75 cameras.

Overall, the Proposed FY 2023-24 Operating Budget includes an additional 76.23 FTEs for the purpose of maintaining public safety services within the City of Virginia Beach.

Due to the continued support and investment in Public Safety, I am proud to highlight the fact that Virginia Beach residents scored public safety higher than National Average and Atlantic Region Averages in several areas.

Enterprise Operations

As previously highlighted, over the last several years, the City has held the line and not increased enterprise fund rates. Instead of placing the additional burden on residents in a time of economic uncertainty, the decision was made to rely heavily on the use of fund balance, and in the instance of Waste Management, support from the General Fund for the purpose of capital replacement needs. Questions about the long-term sustainability of the enterprise funds were raised as a part of the City's Five Year Forecast last Fall. Based on modeling, through their existing rate structure, both the Waste Management Fund and Water and Sewer Fund were projected to run significant

deficits. This prompted the need for a rate study to be conducted by professional organizations to ensure the sustainability of these funds, and in the case of Water and Sewer, to ensure that they remain in compliance with their bond covenants in order to maintain their triple A bond rating.

In light of inflationary pressures, the need to fund mandated services, annualized and compensation needs, consultants' recommended rate adjustments for both Waste Management and Water and Sewer. The Proposed FY 2023-24 Operating Budget includes rate adjustments for both of these funds to maintain services. For Waste Management, the consultant proposed a \$3.00 monthly collection fee increase with subsequent increases in future years; however, the Proposed Budget is putting forward a recommended increase of \$2.50 per month. The reason for the reduced rate recommendation is due to some future unknowns in Waste Management, such as potential recycling service cost increases and Southeastern Public Service Authority (SPSA) disposal fee increases. I do not feel it is prudent to raise taxes and fees on residents now for future policy decisions that have yet to be made.

For Water and Sewer, the consultant recommends a series of incremental increases in various rates over the next five years. Some of which in FY 2023-24 include water rate increase of 30¢ per 1,000 gallons and sewer rate increase of 77¢ per month. Unlike Waste Collection, the forward projection for the Water and Sewer Fund is pretty clear. Increased requirements and cost for mandated services will require more resources. Compounding that fact is the fact that water consumption is declining over time, resulting in a decline of the primary revenue source for the enterprise fund. For these reasons, the Proposed Budget has put forth the recommendations made by the consultant in their entirety.

For context, it has been several years since Water and Sewer rates have been adjusted, and should the water rate of \$5.20 per 1,000 gallons be approved, Virginia Beach would be the third lowest rate in the region. If the Waste Management Fee is approved at \$27.50, Virginia Beach will have the third lowest waste collection rate amongst localities in the region with waste collection fees. Please keep in mind that this comparison is based on current year rates as other localities fee proposals for FY 2023-24 have yet to be announced. In addition, Virginia Beach provides services that far exceed our neighbors, such as the operation of a full-service landfill, household hazardous waste disposal, unlimited curbside bulk item and yard debris pick up at no additional charge.

Maintaining Services in other areas

Other notable areas in which additional resources were necessary to support existing services include the areas of Public Works and Housing and Neighborhood Preservation.

Public Works is one of the largest departments within the City, with arguably the broadest scope of services provided by any one department. Several of these initiatives include adding a total of 12 FTEs to Public Works for a multitude of purposes. The responsibilities of these positions will

range from maintaining and replacing LED streetlights, which was rated low by residents and in need of improvement, to construction inspectors who are imperative to ensuring bond referendum projects are permitted and delivered on time. One of the most important facts to highlight about these additional Public Work adds is that the revenues used to support these positions is from estimated revenue from the Commonwealth and an increase in real estate revenue. The real estate increase is attributable to assessment growth, as a portion of Public Works is supported by a 2.5¢ real estate tax dedication for stormwater. Using these revenues to support these positions means that these new positions did not place any additional burden on the General Fund in FY 2023-24.

City Council has communicated on several occasions that there is a need to do more for the homeless population that currently exists, as well as provide additional assistance to those with housing needs. The Proposed FY 2023-24 Operating Budget includes five additional Housing Specialist FTEs and an additional \$100,000 for a homeless prevention and diversion program, which will provide short term rental assistance to those experiencing homelessness. Two of the FTEs will work within Homeless Services, and the remaining three FTEs will work in Rental Housing Support. Similar to Public Works, Housing and Neighborhood Preservation is leveraging State and Federal funding to primarily fund these positions, minimizing the financial burden on the General Fund.

Workforce and Recruitment:

In recent years, the labor market has become incredibly competitive. In April 2020, labor force participation was 60.1%, which was a rate not seen since February 1973. The Bureau of Labor Statistics reported that in December 2022, two job openings were available for every unemployed individual. These factors have created an environment where employers must compete for labor. The City of Virginia Beach as an employer is not immune and has struggled in recent years to attract and retain talent.

A year ago, the City of Virginia Beach had close to a thousand citywide vacancies. Today, I am happy to report that the City has fewer vacancies and is much more in line with the historical average prior to the pandemic. What has changed? Simply put, City Council rose to the occasion and implemented a sizeable compensation package that implemented portions of a market salary survey and placed nearly 80% of the workforce on a step plan. In addition to this, City Council in the FY 2022-23 budget mandated that no City employee today earns less than \$15 per hour as a minimum wage. City Council also implemented other initiatives, such as hiring bonuses for hard to fill positions as well as retention bonuses for certain positions.

Compensation

The reduction in vacancies certainly indicates that the City is moving in the right direction, but undoubtedly, there is more work to be done to remain competitive. For this reason, I have included in the Proposed FY 2023-24 Operating Budget a 5% compensation increase for the full-

time and part-time workforce. For step plan employees, this will be provided in the form of a step increase, equal to 3%, and a 2% general increase. For other full-time employees on the administrative plan, the increase will come in the form of a 3% merit and a 2% general increase. The budget also recommends holding employee health insurance premiums flat, with no planned increase despite the continued rise in healthcare cost.

Addressing Attrition

The City did not obtain close to a thousand vacancies overnight, and it is not realistic to assume that the City will be able to fill them all overnight either. The departments that report to the City Manager have closed that gap by nearly 200 over the last year. The Proposed Budget includes additional resources and initiatives to help close the gap even more. These include an additional FTE in Human Resources dedicated to a centralized recruitment and retention efforts. Between this additional position and the two FTEs allocated to Human Resources in FY 2022-23, Human Resources will have a team of three FTEs dedicated to ensuring that Virginia Beach job postings are found through all job seeking channels. This team will also be responsible for continuing to spearhead a citywide internship program initiative which is attempting to create an employment pipeline with post-secondary institutions.

The Proposed Budget also includes recommended changes that would provide additional administrative flexibility regarding pay and personnel changes. These include the ability to provide shift differential pay for certain positions, ability to hire above the minimum pay, and promotional adjustments. Today, all of these human resource policies are set by code, creating barriers when trying to attract and retain talent within the current competitive job market. The Proposed Budget includes the request to remove these items from City Code and replace them with administrative policies which are amendable by the City Manager.

By implementing the 5% compensation increase, holding health insurance premiums flat, and providing this administrative flexibility, I believe we will continue making strides in attracting and retaining top talent. Although, the dedicated men and women certainly deserve more to alleviate the fiscal constraints resulting from inflation, annualized cost of other initiatives such as body worn cameras, maintaining core services, and investment in other City Council priorities does not allow for an increase above 5%, which is roughly in line with inflation.

As previously acknowledged, vacancies will exist, as will vacancy attrition savings. Used as a means of financing in year one of FY 2023-24, is \$39 million in fund balance from the General Fund which is mostly attributable to projected vacancy savings from the current fiscal year. The vacancy savings projected at the conclusion of next year is \$35 million. Of this amount, \$10 million is used to balance the operating budget and the remaining \$25 million is used to support year two of the CIP.

Expanded Services and Creating Capacity for Future Council Policy:

Although majority of the Proposed FY 2023-24 Operating Budget focuses on preserving and maintaining current services, additional resources were allocated to enhanced priority areas of need. At the City Council's winter retreat and through various discussions prior to and since, City Council has articulated the need for enhanced communication efforts, enhance non-profit grant opportunities, and establish a path for the replacement of existing recreation centers.

Communication Enhancements

To enhance communication and response efforts, the Proposed Budget includes additional administrative staff and professional staff for the Office of Communications. Additional resources are also being provided to support the continued use of software tools and implement new tools enhancing their ability to communicate with and respond to the public's needs. Also enhancing communication and response efforts will be two new positions added to the City Manager's Office. These positions will enhance the City Manager's Community Affairs division, better serving City Council and the public with a direct point of contact to work through various needs and inquiries. Not only has the need for this initiative been communicated by City Council, but this is an area of the resident satisfaction survey where the community clearly expressed a desired increase in the level of services being provided.

Grant Opportunities

In addition to the \$700,000 grant for the Volunteer Rescue Council, the proposed budget looks to enhance opportunities for non-profits through an increased budgeted amount of \$49,000 for the Community Organizational Grant program. This contribution increase in line with prevailing inflation and is equal to roughly \$1.20 per capita. This increased contribution occurred through the redirection of funding previously allocated for the Micro-Grant program, as well as an increase from other local revenue sources. Redirection of these funds does not prohibit City Council from making like choices in the future.

Parks and Recreation

As previously noted, the current year's operating budget increased the minimum wage of all positions to \$15 per hour and implemented a significant compensation increase through a step plan. The Parks and Recreation Special Revenue fund has the largest number of part-time and hourly FTEs. As such, implementation of the compensation plan put a strain on the resources in the Special Revenue Fund. Without additional General Fund support, the Parks and Recreation Special Revenue Fund would have needed to rely on over \$3 million of fund balance in FY 2023-24 to simply maintain operations. The sustainability of the Parks and Recreation Special Revenue Fund, which was created to primarily support recreation centers has been in question for some time now. In fact, when the residents were asked to identify areas that should receive the "Most Emphasis from City Leaders of the next two years" in the Parks, Recreation, Library and Human

Services portion of the survey, they ranked “Overall quality of parks and recreations programs and facilities” as the second highest priority. This is an obvious high priority for both City Council and residents, the Proposed Budget redirects funding obligations from the Special Revenue Fund to the General Fund, ultimately reducing the burden on the Special Revenue Fund. The programs moved include park maintenance, parks operations, and Out-of-School Time. These programs have historically been considered General Fund obligations but were handled via a transfer to the Special Revenue Fund.

Through the action of moving \$3.8 million from the special revenue fund to the General Fund, it puts the Special Revenue Fund in a position of using no fund balance to support their operations as proposed and simplifies the future conversations around recreation center modernization and replacement.

Capital Improvement Program (CIP):

Although the Operating Budget maintains all existing services, there were some tough choices that had to be made within the CIP. Inflation on all goods and services has increased 6.4% as of January; however, inflation specific to construction has increased by double digits, causing project bids to exceed budget by as much as 48% in some instances. This level of inflationary pressure, coupled with the maintenance needs that have arisen over the last year, exceeded our ability to fund all of the existing projects that were previously in the approved CIP.

At the City Council retreat, the guidance from City Council was very clear with the priority of CIP projects being:

- 1) Maintenance of existing infrastructure and assets
- 2) Modernization of existing facilities and infrastructure
- 3) Expansion of existing infrastructure to meet community needs
- 4) New facilities and infrastructure

The big picture of the proposed FY 2023-24 CIP is this, a total increase of \$20.8 million is programmed over the six-year CIP period for increased maintenance needs of existing infrastructure. This amount not only addresses inflation increases associated with construction costs, but also addresses additional maintenance needs identified as a high priority to public safety. For example, emergency maintenance needs of the Little Island Fishing Pier, Police Department Mounted Patrol Facility, Correction Center Facility, and the Study of Indian River Road Bridge, which has the lowest condition rating of all bridges in the City’s inventory.

There are also some “must dos” that required additional resources within the Roadways section related to VDOT local match requirements. These totaled \$33.4 million and are necessary to leverage an additional \$53 million in state and federal revenue for much needed projects.

The Proposed FY 2023-24 CIP also allocates some resources to City Council priority areas that received a significant amount of conversation at the retreat. The CIP includes some additional funding to conduct an updated study related to the needs and location of the Law Enforcement Training Academy, \$10 million in year six for “Recreation Center Modernization,” and \$3.7 million in year six for “Oceanfront Aquarium Parking Phase I.” There is still a significant amount of conversation and policy decisions to be made regarding these infrastructure needs. Capacity in year six of the CIP is available in the aforementioned amounts to reserve as place holders and for future planning purposes. It is important to note that future direction and approval of these projects will require a significant amount of local investment.

Additional information regarding the CIP is within the Executive Summary. As previously noted, there were several tough decisions that had to be made, and a total of nine projects that were previously funded within the programmed CIP were unfunded within the Proposed FY 2023-24 CIP. Unfortunately, there is just not sufficient funding to cover the \$140+ million in total need for these nine projects or the \$155 million in additional requested but not funded CIP projects.

Taxes and Revenue:

So how are all of these initiatives and needs being funded in FY 2023-24? Year-over-year growth in revenues are estimated to be 5%. Excluding the growth attributable to the rate increases recommended for the enterprise funds, true organic growth in revenues is closer to 3%. The biggest driver of this growth in revenues is real estate, as assessments are expected to increase by an average of 9.3% citywide. Real estate represents more than 50% of the City’s total General Fund revenue. Although assessments are growing 9.3%, budgeted Real Estate revenue is only growing by 7% due to an anticipated 23% growth in the mandated Veteran Tax Exemption Program. The total estimated exemption for this program in FY 2023-24 is \$21.7 million, which is revenue that cannot be billed or collected. Year-over-year growth in other major local revenue sources, such as Personal Property, BPOL, General Sales, Hotel, Meals, etc. are growing by only 3% when comparing current year estimates with FY 2023-24 estimates. Budget estimates have finally caught up with economic reality and growth in these revenues have returned to their normal growth rate trends.

With the exception of Enterprise Fund fee adjustments, as well as few proposed fee increases within the department of Parks and Recreation, the Proposed FY 2022-23 Budget and CIP are supported through natural growth in citywide revenues.

Tax Relief Opportunities

Aside from any tax relief discussions or decisions that City Council may have or make, the Proposed FY 2023-24 Operating Budget is positioned to allow City Council to make two policy decisions that will aide some segments of our population.

- **Tax Relief for Elderly and Disabled-** Recommended language is in the budget ordinance to modify the program which currently excludes people from the program in which the property is jointly owned by people not all of whom are at least 65 or disabled. Total combined income requirements will still be applied to determine eligibility, and for that reason, this modification is not anticipated to have much of a negative impact on the operating budget.
- **Surviving Spouse of Veterans-** A new section of the real estate ordinance is carved out to allow for City Council to make a policy decision. The Virginia General Assembly passed legislation last year requiring localities to establish Real Estate tax rate greater than 1¢ for certain surviving spouses of veterans killed in the line of duty. The Proposed Budget includes a real estate tax rate of 99¢, which is the base tax rate, and is positioned to allow that policy decision to take place amongst City Council for an ultimate decision to include as a part of the Adopted FY 2023-24 Operating Budget.

Schools:

On March 7, 2023, the Virginia Beach City Public Schools (VBCPS) approved their Proposed FY 2023-24 Operating Budget and CIP. VBCPS' Proposed Budget – the basis of which is predicated on the Superintendent's Estimate of Needs (SEON) – has been included in my Proposed Budget for your consideration.

In FY 2023-24, the primary operating fund for VBCPS is balanced estimating growth from both revenue from the Commonwealth in an amount of \$27 million as well as growth from the City via the revenue sharing formula of \$28.5 million. Through the use of these combined resources totaling \$55.6 million, VBCPS has proposed an operating budget with a robust emphasis on staffing and compensation needs. Like the City, VBCPS is facing staffing shortages, and the School Board has made addressing this issue a top priority. The VBCPS Proposed Budget includes over \$44 million across all their funds in compensation-related increases. These efforts include a variety of complex adjustments to paygrades and step adjustments. Depending on the compensation option ultimately approved, it is estimated that these adjustments will translate to compensation adjustments ranging between 8-15% for school staff.

Conclusion:

Similar to previous years, this budget process is going to include the traditional budget briefings, as time will best allow, by every department and CIP section manager. This will not only afford the public an opportunity to gain a better understanding about the complexities and scope of the Operating Budget but will also provide all members of City Council with an opportunity to learn and ask questions about City operations. I feel as though the Proposed FY 2023-24 Operating Budget and CIP address several of the priority areas and concerns communicated from the City

Mayor and Council Members

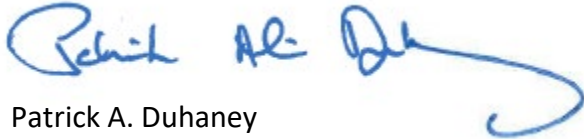
FY 2023-24 Proposed Resource Management Plan

March 21, 2023

Page 12

Council and will require every dollar of estimated revenues to maintain the current level of services expected by Virginia Beach residents. As is the case every year, demand for services and articulated needs far exceed revenue projections. I look forward to our ongoing discussions regarding the FY 2023-24 Resource Management Plan.

Sincerely,

A handwritten signature in blue ink, appearing to read "Patrick A. Duhaney", with a long, sweeping flourish extending to the right.

Patrick A. Duhaney
City Manager

HIGHLIGHTS OF THE ADOPTED RESOURCE MANAGEMENT PLAN

Budget Overview

Unlike the two fiscal years immediately following the onset of the pandemic which each had between seven and ten percent revenue growth, the Adopted FY 2023-24 Operating Budget is only growing 3.64% when compared to the previous fiscal year. This growth is much more in line with historical year-over-year budget growth and is attributable to lowered estimated revenue from the federal government, primarily for Virginia Beach City Public Schools as well as slowed growth in consumer-driven revenues, such as restaurant meals and hotel tax revenue. In the two prior fiscal years, these sources experienced double digit year-over-year growth. Real estate taxes remain the largest single source of revenue for the City, and assessments are projected to increase by 9.47%. Despite this growth, overall revenue from real estate taxes is only estimated to increase by 7.88% due to increased participation in various tax relief programs offered by the City.

As in prior years, the FY 2023-24 Adopted Resource Management Plan continues to address many of City Council's priorities identified during the City Council retreat in early 2023, as well as a recently completed Resident Satisfaction Survey. At their annual retreat, City Council stressed their desire to place an emphasis on maintaining current assets and infrastructure, to invest in employees, to grow the local economy, and provide the best services possible to the residents and visitors of this City. The Resident Survey articulated the community's priorities including public safety, parks and recreation services, and community engagement.

In total, the City is adding a net of 110.6 positions. These positions are necessary to continue current services offered along with a few to enhance priority services and needs as communicated by City Council. A large portion of the positions added— 40.57 FTEs— are for Emergency Medical Services to maintain existing coverage as a result of the pandemic associated decline of volunteerism in the City's volunteer rescue squads. Other positions will target Council priorities to address homelessness, mental health services, public safety, and community engagement. The budget also provides funding to prepare for fuel and energy increases, addresses inflationary pressures on major construction projects, and above all else seeks to maintain services needed and expected by the community.

Of the over \$2.5 billion Adopted Operating Budget, the Virginia Beach City Public Schools (VBCPS) makes up 46.1% of the total amount. In their Adopted Budget, the school division is proposing a net increase of 19.8 positions, most of which are slated to continue the phase in of security personnel at each of the City's 55 elementary schools. VBCPS has also added 15 positions for English as a Second Language (ESL) teachers. Enrollment within the ESL program has grown by over 75% in the last decade. Additionally, VBCPS continues to place a strong emphasis on employee recruitment and retention by implementing their own market salary survey. Funding of over \$50 million has been allocated to compensation adjustments for staff on both the unified and instructional pay scales. The Adopted FY 2023-24 Budget includes the third year of phased in allowances for staff with advanced degrees.

The Adopted Budget seeks to implement City Council priorities while also remaining flexible and conservative as we continue to navigate the residual impacts of the pandemic, global supply chain issues, and global unrest. The following sections provide more of a detailed overview of the major priorities included within the Adopted FY 2023-24 Resource Management Plan. Additional information about most of these items can be found within the Operating Budget document or within the Capital Improvement Program (CIP) document.

Resident Survey

Since 2007, the City has contracted with third party vendors to conduct biennial Resident Surveys. ETC Institute, one of the nation's leading firms in the field of local government research, was contracted to administer the City's 2022 Resident Survey. A random sample of Virginia Beach residents were invited to participate in the survey to ensure that the survey data would be statistically viable and that input from a diverse range of residents that reflect the demographic composition of the City with regard to age, geographic dispersion, gender, race, and other factors was received.

The survey included standardized questions used in communities across the country to benchmark the City against average ratings in other communities, and it also included questions developed specifically for Virginia Beach to gain insights into issues that impact the City.

Some of the major findings from the survey showed that:

- 91.4% of residents rate the quality of life in Virginia Beach as either excellent or good.
- 81% of residents rate Virginia Beach as an either excellent or good place to raise children.
- 92.5% of residents rate the overall quality of fire services as either excellent or good.
- 79.5% of residents rate the overall quality of police services provided as either excellent or good, 24.9% above the National Average.
- 80.1% of residents feel safe in the City, which is 12.1% above the National Average.

This document, as well as the Operating Budget document, will align the survey results with budgetary decisions where applicable. The complete survey results can be found at www.VBgov.com/ResidentSurvey.

Taxes and Fees Highlights

Real Estate Tax

The Adopted Budget does not make any modifications to the base real estate tax rate, with an adopted rate of \$0.99 per \$100 of assessed value. The \$0.99 rate was first set in FY 2021-22, after City Council elected to reduce it by 2.75¢ to provide nearly \$18 million in tax relief to citizen amidst the pandemic. City Council further elected to provide real estate tax relief in FY 2022-23 by not increasing the rate by 4.3¢ as originally anticipated following the successful Flood Protection Bond Referendum in November 2021. This Referendum provides \$567.5 million in general obligation bonds to address emergent and recurring neighborhood flooding across the City. To repay the debt associated, it was originally assumed there would be a real estate tax increase. In light of the pandemic's effects on the economy, and the significant real estate assessment increases between 2022 and 2023, City Council elected to absorb the entirety of the Referendum within existing tax rates, defraying another \$27 million in tax revenues.

According to the City Real Estate Assessor, overall assessments are projected to increase 9.47% in the new fiscal year. Though assessments are growing close to 10%, overall revenue from real estate is only projected to increase by 7.88% as a result of increased participation in various tax relief programs offered by the City. In FY 2023-24, total relief is anticipated to exceed \$21 million. In recent years, this program has grown on average by 24% per year. Should this program continue to grow at a steady pace, it will continue to offset a portion of the revenue growth due to increased assessments, as it is projected to do in FY 2023-24. Real estate remains the single largest revenue source for the City, and sustained growth in this source is critical to service delivery.

During the Budget Reconciliation process, City Council elected to reduce the real estate rate for surviving spouses of military service members who died in the line of duty. The rate set for these individuals is \$0.000001 (one millionth of one cent) per \$100 of assessed value. It is estimated this rate reduction will reduce real estate revenue by \$89,040. This program will be similarly administered as other real estate tax relief programs, and additional information, including application for the program can be found on the Commissioner of the Revenue's website, <https://cor.virginiabeach.gov>.

In addition, the Sandbridge Real Estate tax surcharge was reduced by 1¢. Due to the healthy performance of lodging tax revenues dedicated to the fund, as well as anticipated federal cost sharing in the amount of \$22.2 million for the next phase of sand replenishment, this reduction in real estate tax revenue is not anticipated to negatively impact the sand replenishment cycle or prevent the current practice of having two replenishments fully funded. In FY 2023-24 the total Sandbridge SSD real estate tax rate will be \$1.00 per \$100 of assessed value, which comprises the 99¢ citywide base tax rate and the 1¢ Special Service District tax rate.

In the 2022 Resident Survey, nearly 53% of individuals indicated that the value they receive for their tax dollar is excellent or good, 19% greater than the regional average. Of those surveyed, 52% indicate overall affordability is a top priority for them, and the City Council's decisions on tax rates over the past several fiscal years has proven the City's dedication to being responsive to the needs of the community.

Personal Property Tax

Personal Property taxes are assessed each year by the Commissioner of the Revenue's Office for all personal property garaged within the City of Virginia Beach. The Office assesses all vehicles, including cars, trucks, trailers, motorcycles, motor homes, aircraft, and watercraft. Mobile homes on temporary foundations are also assessed as personal property. Over 80% Personal Property taxes are not due until June, near the end of the fiscal year. The timing of the due date for this tax creates some uncertainty and makes this revenue difficult to project; therefore, the City takes a conservative approach when budgeting Personal Property tax revenues.

For calendar year 2023, City Council reduced Personal Property tax rates to one millionth of one cent (\$0.000001) on each one hundred dollars of assessed valuation on vehicles belonging to individuals at least 65 years of age or who are permanently and totally disabled, and for new businesses that qualify for the Business License Incentive Program. Coupled with the "Fair Market Value" approach to assessments, the City's FY 2022-23 personal property revenue collection estimates were lowered by \$42.9 million. As the car market returns to normal, personal property assessments are also beginning to decrease. The City will continue to conservatively budget this volatile revenue source and does not assume the need for "Fair Market Value" adjustments in 2024. As of February 2023, the Bureau of Labor Statistics reports vehicle prices have fallen 13.6% year-over-year. In total, Personal Property is anticipated to increase by 8.1% in the coming fiscal year.

Water and Sewer Fees

Public Utilities is primarily supported by a schedule of fees for water and sewer system connections and monthly charges for both water and sanitary sewer services. These charges are necessary to fund water and sanitary sewer operations and the capital improvement program – in turn, these investments provide for safe and reliable services in full compliance with state and federal laws and regulations. A cost-of-service study was conducted in FY 2022-23 with the results recommending adjustments in several water and sewer fees and rates to sustainably support services, meet mandate requirements, remain compliant with bond covenants, and deliver services at the level expected from Virginia Beach residents. As a result of the study, several water and sewer fees were recommended for an increase and are included in the Adopted FY 2023-24 Budget.

- The water commodity rate is a usage rate based on water consumption. Currently, the rate is \$4.90 per 1,000 gallons and was last increased in FY 2019-20 to accommodate an increase in the cost of the contract the City has with the City of Norfolk. The FY 2023-24 budget includes an increase to the water rate by \$0.30 and is the first of a five-year programmed rate increase.
- The sanitary sewer charge is a fixed monthly charge based on property type. Currently, the rate is \$30.81 for a single-family residence and was last increased in FY 2014-15. The Adopted FY 2023-24 Budget includes an increase to the sewer charge by \$0.77 and is the first of a three-year programmed rate increase.

- The water service availability charge is a fixed monthly charge based on the water meter size. Currently, the rate is \$4.41 for a standard 5/8-inch residential water meter and was last increased in FY 2009-10. The FY 2023-24 budget includes an increase to the water service availability charge by \$0.59 and is the first of a five-year programmed rate increase.

In addition, several one-time fees associated with installation and connectivity have also been recommended for increases. A full schedule of water and sewer fee changes can be found in the “Summary of Tax and Fee Adjustments” section of this document and within the ordinance section of the Operating Budget document. As with the other fee adjustments, the decision to propose increases was not taken lightly; however, the continuation of excellent Public Utility services, especially as an aging city, are contingent upon sustainable revenue sources. Between energy efficient appliances, limited population growth, and consumer awareness of water consumption, this revenue source has been declining over time. Virginia Beach residents rate the quality of tap water and sanitary sewer services well above the regional and national averages, and it is critical to both the department and City leadership to maintain this high level of customer and resident satisfaction.

Waste Management Fees

The Waste Collection Fee is a monthly fee collected from residents who receive curbside services and supports weekly curbside collection of residential garbage and yard debris; every other week curbside collection of recyclables; unlimited on-call collection of bulky items; rental of yard debris containers; administration of the household hazardous waste (HHW) collection program; Landfill and Resource Recovery Center operations; and two recycling drop-off centers. The City’s waste disposal and recycling drop-off centers are among the top ten services provided by the City and outrank the Atlantic Region per the Resident survey. Of those surveyed, 66.5% indicated that the service is either “excellent” or “good.” In addition, 76.2% of those surveyed indicated that residential trash collection within the City is “excellent” or “good,” well above the national average of 68.6%. The Waste Management Fund has been in need of a rate increase for several years; however, the decision to delay the increase was made due to the pandemic and the extra burden placed on families. The fee was last increased in FY 2019-20. Since that time, the fund has relied on fund balance and support from the General Fund to operate.

The Public Works FY 2023-24 Adopted Budget includes an increase to the waste collection fee of \$2.50, from \$25.00 per month to \$27.50 per month per residence. This increase will support the daily operations of the Waste Management Division and will cover the increased costs for staffing, fuel, and vehicle replacements. In future budgets, the rate will need to be reassessed to ensure the fee collected adequately supports all operations of the enterprise fund. In 2024, the City’s recycling contract will need to be renegotiated, and it is possible that the fee will require additional modifications to sustainably support the expectations of the fund. A consultant recommended a higher fee; however, additional decisions need to be made, making it unfair to burden residents with additional fees at this time. This fee increase will provide the resources necessary to maintain the high level of citizen satisfaction with these programs through FY 2023-24.

Parks and Recreation Fees

Parks and Recreation’s FY 2023-24 budget includes fee increases to several of the department’s programs and services, including a \$2 increase to the resident membership fee for recreation centers, bringing the total fee to \$112 annually. According to the department, the City’s recreation centers provide citizens an alternative that is “more affordable than the area private fitness and recreation facilities.” This is a fair comparison given the amenities offered by the City’s recreation centers. In addition to the membership fee, the City’s recreation centers are also supported by a 3.467¢ deduction of the real estate tax, which in FY 2023-24 is equal to \$23.7 million. Through the Resident Survey, the public’s opinion on the City’s recreation offerings was overwhelmingly positive, with 88.6% of respondents indicating that the quality of services was excellent or good—38.6% greater than the regional average— and 85.5% indicating that the

overall condition of the facilities was excellent or good. Continued investment in the recreation centers will remain important over the course of the next several years, with many of the recreation centers nearing 35 years old and with nearly 38% of residents indicating that City leaders should place emphasis on parks and recreation programs and facilities within the next few years.

Parks and Recreation and Budget and Management Services will work to review the department's fees during the next fiscal year to ensure that the Special Revenue Fund is well-positioned to take on potential additional debt associated with the maintenance and modernization of the City's recreation centers.

Library Fee Elimination

Within the FY 2023-24 Operating Budget, Virginia Beach Public Libraries (VBPL) will begin to waive late fees and end any future collection of overdue fines and fees. This addresses an equity problem that has been noted in libraries across the United States. It has been indicated that overdue fines have a disproportionate impact on lower income communities, and the elimination of fines creates a more sustainable citizen engagement model. VBPL first looked into this change in FY 2021-22 when it eliminated fines for all youth accounts as a pilot program. Since those fines were removed, VBPL saw a 97% increase in circulation by youth accounts and no youth patrons went inactive over the past 15 months. Increases to activity were most pronounced among the service areas with the highest poverty rates. These results line up with the successes reported by other public libraries throughout Virginia and the country. This action will reduce department specific revenue collection by an estimated \$108,000 annually. Much like the City's Parks and Recreation offerings, Virginia Beach Public Libraries are highly rated among the community, with 89.1% of residents indicating that the quality of library services is excellent or good. This minimal change in revenue will also expand the library's service offerings to a greater segment of the population, without impacting service delivery as a result of revenue loss.

Infrastructure Maintenance & Rehabilitation

Flood Protection Program

Since Hurricane Matthew in 2016, flood protection and stormwater management have been at the top of City Council's priorities in terms of the annual Operating Budget and Capital Improvement Program. Stormwater management and flood control are two of the areas with the lowest scores on the resident survey, with only 47.3% of the population indicating they are satisfied with the City's services, nearly 18% below the regional average. However, the City Council has invested significant funding to address this critical need within the community. In the November 2021 election, the Flood Protection Bond Referendum passed, allowing the City of Virginia Beach to use up to \$567.5 million in General Obligation Bonds to design and construct flood mitigation measures for phase-one projects under the Flood Protection Program. Previously, Flood Protection projects were supported by the Stormwater Utility Fee, and completion of these priority projects would have taken nearly 40 years with the previous level of funding. As a result of the Referendum, the \$567.5 million bond authority will need to be spent within 10 years. Major projects included in the Referendum will begin over the course of the next fiscal year, and it is anticipated that the results of these investments will soon be realized.

Because of the Referendum, minimal additional funding is provided to the Flood Protection section in the FY 2023-24 CIP. The only projects receiving continuous funding are the "Stormwater Project Administration" project to assist with the implementation of the overall program and the "Stormwater Cost Participation" project to provide a cost-sharing opportunity with the development community to offset the cost of local stormwater requirements.

Flood Protection projects are not immune to inflationary pressures; however, no additional funds have been programmed at this time for these projects. The City will continue to work with consultants to keep projects on schedule

and within the authorized referendum allocation to the greatest extent possible. In addition, Public Works Engineering Support continues to seek state and federal grant opportunities to alleviate the financial burden of these projects on the local taxpayers. These grants will be important to the overall success of the program and will be leveraged as much as possible.

Stormwater

With the establishment of a stand-alone Flood Protection CIP section, the Stormwater Utility Fund and the Stormwater CIP will focus on water quality projects, as well as maintenance of current infrastructure. The Stormwater Utility Fund is also still responsible for the repayment of bonds authorized and issued to support Flood Protection projects prior to the Referendum. Following the Flood Protection Referendum, City Council adopted an ordinance to freeze the Stormwater Equivalent Residential Unit (ERU) fee at the current rate of 49.3¢ daily until FY 2028-29. As a result, funding for the CIP will remain relatively steady over the next several years, as there is little annual growth in the ERU revenue stream and because few maintenance and water quality projects are bondable. This means the CIP will have to rely primarily on cash funding and enhanced efforts resulting from the infusion of one-time federal and state dollars. With the ERU rate frozen until FY 2028-29, the Public Works Department will continuously seek grant funds to augment local funding and enhance the Stormwater Program. The FY 2023-24 CIP appropriates nearly \$10 million in grant funding for water quality projects, allowing for increased maintenance work within the City's canals, roadside ditches, and on the cave-in repair program.

The FY 2023-24 Operating Budget includes several new positions to assist with the overarching Flood Protection and Stormwater programs. An additional Engineering Technician for the Stormwater Operations Engineering and Construction Bureau has been included to assist with the increased number of projects associated with the Federal dredging and rehabilitation work under the American Rescue Plan Act (ARPA). This position will also assist with capital projects in the southern part of the City. The addition of one Engineer IV and one Construction Inspector I position will also support the Stormwater Maintenance CIP Program. Finally, the Public Works FY 2023-24 budget includes the addition of one Engineer III position to serve as a Flood Protection Extension Agent in the Stormwater Engineering Center (SWEC). SWEC primarily focuses on managing the Flood Protection Capital Improvement Program (CIP) projects, updating the Citywide Stormwater Master Model, and managing the City's Comprehensive Response Plan to Sea Level Rise and Recurrent Flooding (Sea Level Wise). This role will provide leadership, mentoring, applied research, teaching, and training to residents and business owners to mitigate flooding on personal property and facilitate an overall resilient response to recurrent flooding in Virginia Beach.

Roadway Projects

Seven new roadways projects are included within the FY 2023-24 through FY 2028-29 Capital Improvement Plan (CIP). Five of these projects received federal Smart Scale funding with a total local match requirement of \$10 million. The remaining two projects, "Indian River Road Safety Improvements" received \$500,000 in FY 2023-24 and "Indian River Road Bridge (Fentress)" received \$1 million for initial design work. Addressing the Indian River Road Bridge is a priority for the City as it is the lowest rated bridge in the City that is not currently undergoing repairs or replacement with a rating of poor/fair condition. Inflation has been a persistent issue for roadway projects, with significant cost increases across the board. As such, some roadways projects have had their local funding re-programmed to help cover cost increases in higher priority projects and to fund projects with state and federal funds that are required to be fully funded. Projects that are defunded in the FY 2024-29 CIP include: Ferrell Parkway, Landstown Phase I, Pleasure House Road Phase I & II, and Shipps Corner Road Projects. Emphasis within the Roadways CIP is on the maintenance and rehabilitation of the existing roadway network. By leveraging grant funding, Public Works ensures that priority projects are able to be completed, as City resources are inadequate for the backlog of needs within the roadways infrastructure. The total requested but not funded need for Roadways is over \$166 million. It will be very difficult for the City to finance these projects without support from the state and federal governments.

Economic and Tourism Opportunities

Resort Entertainment and Investment

Operational investments in the Resort Area have been focused on building out the successful pilot of the Beach Ambassador program. This program focuses on the overall experience for both residents and visitors, with efforts dedicated to enhancing cleanliness, safety, and hospitality within the Resort Area. The new long-term agreement will now extend these services between Atlantic Avenue and the Boardwalk, Pacific Avenue, and Resort Area Parks.

There are a variety of capital projects progressing within the Resort Area. The “17th Street Regional Stormwater Management Facility” project (100630), which will allow for water quality and quantity management for future development of private properties, is entering the design phase. While funding was appropriated in the FY 2022-23 Capital Improvement Project for “31st Street Stage Canopy” (100575), supply chain delays have caused the construction to be delayed until the fall of 2023. The “Atlantic Avenue Street Improvements” project (100300) design has taken place and will implement the design improvements as identified by the Resort Area Mobility Plan (RAMP). The concept of this project was demonstrated between 17th and 20th Street. The “Winston Salem Avenue Improvements” project (100489) has received an increased amount of \$5 million— for a total project cost of \$13.9 million— to offset the cost of inflation as determined during the bid process in June of 2022.

Another project receiving additional annual funding for maintenance is project 100138 “Convention Center Capital Maintenance.” The additional funding provided by the Tourism Investment Program Fund will address insufficient appropriations to maintain the infrastructure of the 20-year-old facility.

The Adopted CIP included a redirection of \$14 million within this section to progress phase I of the Atlantic Park Development Project. Authorized for use and transfer in Phase I is \$1,500,000 from Project 100148 “Atlantic Park Streetscape” to Project 100606 “Atlantic Park Offsite Infrastructure” with the remaining \$12,578,900 million being redirected in year 1 of the CIP from Project 100629 “Sports Tourism Facilities & Infrastructure” (a) to Project 100146 “Atlantic Parks Entertainment Venue” in the amount of \$6,360,614, and (b) to Project 100606 “Atlantic Park Offsite Infrastructure” in the amount of \$6,218,286. In order to keep “Sports Tourism Facilities and Infrastructure” fully funded, \$12,578,900 was added in year two of the six-year CIP with Public Facility Revenue Bonds, with programmed bonds to be supported by the TIP Fund. Sliding funding previously programmed for this project into year two of the CIP will allow for additional planning, evaluation, and public input on project plans. With the restoration of these funds in year-two, the project remains fully funded at \$19,500,000.

Overall, the Resident Survey indicated that 56% of residents were satisfied with the City’s efforts to attract tourism. Investment within the Resort Area is vital to these efforts and successful projects will continue to draw tourist from across the nation.

Corporate Landing, Burton Station, and Virginia Beach Innovation Park

The overall quality of new development in Virginia Beach was rated as a very high priority in the Resident Survey, with 41.4% of respondents ranking this as one of their top four priorities for the City to emphasize. The Economic and Tourism Development Capital Improvement Program has three major projects focusing on the quality of new development within the City to ensure development is being done in a sustainable manner. “Burton Station Road Improvements III” (100048) is a project designed to provide the necessary infrastructure for future phasing and implementation of development as adopted in the Burton Station/Northampton Boulevard Corridor Strategic Growth Area Implementation Plan. This project will fund construction of a water main, gravity sewer, and a force sewer main, as well as pump station designs. “Corporate Landing Business Park Infrastructure” (100635) is a project designed to create nine new parcels by constructing the necessary infrastructure including stormwater management facilities, a new access road from the General Booth Boulevard and Las Cruces Drive, and water and sewer extensions.

“Virginia Beach Innovation Park Infrastructure II” (100576) is a project to add 70 acres of new development, including an extension of Hudome Way, utility extension for water and gravity sewer, a new pump station, and three new or expanded stormwater management facilities. This project has been included in the CIP since FY 2021-22; however, an additional \$12.7 million was added in year one of the CIP. Project cost increases are the result of additional stormwater requirements, pump station replacement, inflation, as well as expansion beyond the original plans. The expansion identified will avoid the removal of wooded area, preserving some tree canopy within the area.

Combined, these three projects ensure the City is continuing to attract new businesses and grow the local economy.

Aquarium Infrastructure & Advertising

In the Adopted Budget, the Virginia Aquarium is receiving funds for several infrastructure repairs, replacements, and upgrades to the main facility, as well as professional development opportunities and new uniforms for volunteers and staff members. An increase in funds allows for needed refurbishment and repairs to the facility, ensuring a better experience for Aquarium animals, visitors, and staff. Upgrades and repairs will take place on pump and filtration systems, audiovisual systems, and the lobby area of the main building. Since the pandemic, pre-purchase of tickets has been the practice for entrance to the Aquarium and will remain the practice going forward. This eliminates the need for the number of ticket booths currently occupying a footprint within the facility. The upgrades to the lobby will enhance the visitor experience.

The Aquarium will also be receiving \$163,000 to enhance their digital advertisements in the Washington, DC and Richmond, VA metropolitan areas. As the City experiences peak tourism activities during the summer months, these expanded marketing efforts would be targeted to generate interest and attendance in September through May.

The “Oceanfront Aquarium Parking, Phase I” (100654) project was established with funding set to begin in FY 2028-29 for the design of a new parking garage for the Aquarium and build a pedestrian bridge to cross General Booth Blvd. This project could allow for potential future Aquarium expansion as part of the comprehensive facility master plan.

As mentioned above, the Resident Survey indicated that 56% of residents were satisfied with the City’s efforts to attract tourism. Continued investment in the Aquarium and other marketing efforts will continue to support this perception.

Public Safety

Virginia Beach Police Department Staffing & Technology Enhancements

Within the Adopted FY 2023-24 Budget, the Police Department received a total 17.25 new positions. Of these positions, 11 are sworn FTEs to bring the Police department sworn compliment up 801 sworn staff members. The Police department has been experiencing recent recruitment and retention success due to a variety of factors, including adjusting the training academy schedules, and recruitment of talent from other localities.

While sworn staff historically assisted civilian staff with some clerical and technical work, the internal restructure of the Police Department has put a focus on consistency in processes that consolidate various jobs to primarily civilian staff. Freedom of Information Act (FOIA) requests for the Police Department have rapidly increased due to fluctuation in state laws. The Police Department received two FTEs to allow the department to handle this increased demand. Mobile device examination has also become a significantly more difficult process due to the constant technical advancement and the increased number of devices requiring forensic examination. The Police Department has also received two FTEs to assist with mobile device examination for the Detectives Bureau and Special Investigations Unit. The addition of these non-sworn FTEs will be utilized by the Police Department to keep up with increased demands for services while keeping sworn personnel in the field.

The Police Department has many technology initiatives that act as both force multipliers and enhancement to services provided. The Axon body-worn camera program has been phasing in since FY 2017-18. The final phase has now been added to the Police Department's Adopted Operating Budget and includes the in-car cameras to the program. Additional systems and software in use and coming online include e-ticketing and gunshot detection systems. Originally purchased through the CIP, the annual subscription costs will now be reflected in the Police Department's Operating Budget.

Nearly 80% of all respondents for the Resident Survey have indicated that the quality of the Police Department is excellent or good. In addition, over 80% of residents feel safe within the City, well above the regional and national averages. This overwhelming positive outlook on the Police Department is a testament to the continued investment into the department by the City Council.

Department of Emergency Management - Security Division

As recommended by the Hillard Heintze investigation report, the City developed a centralized Security Division within the Department of Emergency Management. In FY 2023-24, the Department's Security Division will partner with VBPD to establish a professional operational model, which includes scope of authority and the uniform appearance of six armed personnel at City Hall to better protect the workforce and citizens. The Department received 2.00 additional FTEs during the FY 2022-23 budget process to support the Security Division. After careful review and assessment of the City's security presence at the Municipal Center Complex, the Adopted Budget is recommending the hiring of an additional six part-time positions (equal to 3.0 FTEs) to provide Municipal Center security.

Fire Department - Battalion Accountability and Safety Technicians

The Fire Department is receiving three new firefighter positions to allow three Master Firefighters to move to Battalion Accountability and Safety Technician roles in FY 2023-24. The Battalion Accountability and Safety Technicians (BASTs) will operate in a multi-functional capacity within the Fire Department. They will be supporting the Battalion Chief with day-to-day management functions and complement the Incident Commander when responding to emergency situations. BASTs will also navigate the vehicle while the Battalion Chief performs other mission-critical tasks during travel to a distress call. Historically, these positions and support was provided by firefighters on light duty assignment.

These new BAST positions will support the Incident Commander once on scene by assessing who is on the fireground, what companies are present, what function each person is serving, and which firefighters, if any, are in distress. When not responding to emergency calls, a BAST will assist with administrative duties such as apparatus and station assignments and will also serve as the point of contact when the Battalion Chief is not available. The new firefighter hires will be assigned to Battalion 3 upon completion of training. Much like the Police Department, the Virginia Beach Fire Department had overwhelmingly high resident satisfaction, with 92.5% of residents indicating fire services were excellent or good.

Emergency Medical Services

One of the most significant investments within the FY 2023-24 Adopted Budget is within the Department of Emergency Medical Services (EMS). EMS will receive over 40 new positions in FY 2023-24, over one-third of the total new positions being added to the City workforce. The department will hire 38 FTEs to enhance staffing levels and service delivery, including 8 captains, 10 paramedics, and 20 advanced EMTs (A-EMTs). EMS will be able to hire, train, and deploy the Paramedics and A-EMT patient care providers in department operations and calls for service. It is anticipated that these FTEs will backfill some of the recently departed volunteers as well as relieve the heavy workload on the incumbent workforce, increasing staffing by at least two ambulances and one zone car daily. The increased number of ambulances should help improve response times and ease excessive unit utilization levels. It will also reduce dependence on the

Fire Department, increasing their availability to respond to fire calls. This will not only improve customer service, but it will also have a positive impact on member morale and function.

In addition to the sworn staff, in FY 2023-24, EMS will be authorized to hire a Recruitment and Retention Officer as well as a Payroll and Leave (PAL) Specialist. A dedicated full-time recruiter will be able to conduct community outreach to market strong volunteer and career opportunities to individuals. The PAL Specialist will provide technical oversight regarding Gap-Pay legislative requirements and for working within the limitations of the payroll processing technology to pay personnel properly and account for leave. A final increase to the EMS budget extends lifeguard coverage on Sandbridge Beach through the shoulder season after Labor Day and adds additional lifeguard response teams in the area.

Much like the other public safety departments, EMS receives extremely high satisfaction ratings, with 86% of residents indicating overall quality and responses times from the department are excellent or good. Because Virginia Beach heavily relies on volunteer rescue squads, as volunteerism is dwindling, it is important to hire and train career paramedics and A-EMTs to ensure the service continues to be delivered at exemplary levels. In addition to these 40.56 FTEs, the Adopted Budget also includes a \$775,000 grant to be provided to the Virginia Beach Rescue Council to allocate resources to each of the rescue squads. Not only is volunteerism down but donations to rescue squads are down as well. This grant investment to rescue squads will assist them with needed resources until donations return to pre-pandemic levels and allow them to enhance their recruiting and retention efforts, which in turn provide a benefit to the City.

Citizen Review Panel

In 2020, the General Assembly authorized municipalities to create law enforcement oversight bodies with certain duties as authorized by the governing body of the municipality. In November 2021, the City Council voted to establish a Citizen Review Board to replace the Independent Review Panel. In the FY 2022-23 Proposed Budget, funding was included for a Citizen Review Board Administrator. Due to uncertainty regarding the organizational structure of the panel, the FTE was converted to contractual services during reconciliation. The Adopted FY 2023-24 Budget realigns that funding to establish 1.0 FTE as it has been determined that a full-time position is the best fit for this need. The board will investigate complaints against law enforcement officers and make recommendations about policies and procedures to the City. This board will ensure the relationship between the Police and the community remains positive.

Commonwealth Attorney Staffing

The Office of the Commonwealth's Attorney is receiving 12 new positions to assist with the increased administrative burden of prosecuting cases arising from a more thorough adoption of body-worn cameras by law enforcement officials and new discovery rules in Virginia. The amount of work for paralegals has significantly increased overall with discovery, court filings, initial case preparation, and updating daily dockets, among their other daily tasks. Paralegals are preparing for more jury trials than in previous years. Additionally, new discovery rules went into effect July 1, 2020. The changes in discovery rules include new redaction rules, restricted dissemination material, expert testimony summaries, and overall, more case material that defense counsels are entitled to receive.

Discovery, along with all its elements, must be provided 21 days before trial. As of February 2021, all four phases of Body Worn Camera officer implementation were completed by the Virginia Beach Police Department. This was a total of 822 Body Worn Cameras. The number of hours of Body Worn Camera footage has steadily increased. In the last six months, the average amount of Body Worn Camera footage received was 2,826 hours per month. This, when coupled with the discovery rules, has necessitated the need for increased staff as included in the Adopted Budget.

Community Support

The HIVE

The HIVE, located in Virginia Beach's Town Center, was established in 2021 to provide a space for an entrepreneurial ecosystem for SWaM (Small, Woman-owned, and Minority-owned) businesses. The expansion of services offered in the FY 2023-24 Adopted Budget will include adding a consistent presence within the HIVE space in Town Center to manage the conference facilities and administrative tasks associated with the HIVE and funding for increased workforce development opportunities.

Funds for the Homeless Prevention and Diversion Programs

Funds for the Homeless Prevention and Diversion Program in the amount of \$100,000 will be increased in FY 2023-24. Due to the economic downturn of the pandemic, the Housing Department is experiencing a 30% increase in demand for prevention services. These funds are used to prevent households from experiencing homelessness by providing short to medium term rental assistance, housing location services, and case management. Since 2017, the Housing Department has been the largest provider of homeless prevention services in the City, serving over 400 households each year.

The Buildings and Assets CIP section also includes \$3.3 million in year one to establish CIP 100653, "Housing Resource Center Renovations." These funds will be used for expansion of the Housing Resource Center to add approximately 30 shelter beds and relocate staff workstations to the third floor of the building to improve the City's response to homelessness.

Nearly one-third of residents that responded to the Resident Survey agree that one of the biggest issues that City must tackle over the next two years is homelessness. In addition, at their winter retreat, City Council indicated the importance of mitigating homelessness. Primarily through the use of federal funds, the Department of Housing and Neighborhood Preservation is attempting to keep unsheltered numbers across the City as low as possible and provide support to those in need. To aid in their effort, the FY 2023-24 Adopted Operating Budget adds a total of six new positions in various roles in the Rental Housing and Homeless Services divisions. These positions will assist with intake process, triage assessments, fraud investigations, as well as managing federal funding increase to provide additional vouchers in the HOME Programs.

Human Services Staffing

The Department of Human Services is experiencing significant staffing shortages that have impacted its ability to administer some of its programs in the City. In FY 2022-23, Human Services had a loss of ten positions due to requests from City administration to transfer some of their long-term vacancies to other City departments to meet other mission-critical needs. Five of the positions transferred to other departments were from the department's Pathways Center. The Pathways Center program is an important program for Human Services as it is only one of two residential crisis stabilization units in the region that was required to close in November 2021 due to staffing shortages. To facilitate the reopening of the center, as mental health has been cited as a top concern for City Council, the five Pathways Center nursing positions were restored within the Adopted FY 2023-24 Operating Budget; however, due to the difficulties the department is experiencing in recruiting registered nursing staff for its residential programs, Human Services could pivot away from residential programs such as the Pathways Center, to an "Intensive Outpatient Program" model, should vacancy issues persist. The Intensive Outpatient Program model relies more on licensed clinical staff which are easier to resource than registered nurses who usually opt for the higher pay offered by hospitals. Therefore, Human Services may redirect the five positions restored to the Pathway Center program to the new Intensive Outpatient Program. To aid in the attraction and retention of staff, the Adopted Budget expands shift differential to positions such as these that are critical and hard to fill.

Public Health Staffing

As part of its agreement with the Virginia Department of Health, the City funds multiple services that are not mandated by the Commonwealth, including a full-service laboratory. Demand for laboratory services sharply increased over the course of 2022 due to ongoing demand for COVID-19 testing in underserved communities, the Public Health Department's response to communicable disease in congregate settings, and new and re-emerging diseases such as Mpox. To meet current and anticipated demand, the Public Health Department is converting its two part-time Laboratory Technician positions into two full-time Medical Assistants and converting its Laboratory Supervisor position from part-time to full-time. In the FY 2023-24 Budget, the City will fund the two Medical Assistants and the State will fund the Laboratory Supervisor via grant funds from the Center for Disease Control.

In addition to changes in laboratory staffing, the department will also convert two part-time positions to one full time Family Services specialist within the Healthy Families Program. Healthy Families encompasses a continuum of services from prenatal to five years of age. The program offers outreach, screening, assessment and home visitation, education, support, and referrals to other providers for new parents that have multiple challenges and few coping mechanisms. These position conversions will ensure seamless laboratory services continue to be offered to residents of the City.

Expanded Library Hours

Prior to the pandemic, the Meyera E. Oberndorf Central Library offered Sunday hours from 1 p.m. to 5 p.m. In 2020, a combination of pandemic-related hiring shortages and restrictions on public gatherings resulted in the Library deciding to reduce these hours. Later, as part of the FY 2021-22 budget process, 8.0 FTEs were eliminated from the Library, so the department opted to cut the four positions that would have maintained Sunday hours. Sunday hours and four of the associated positions have been restored as part of the FY 2023-24 Adopted Budget. Nearly 90% of residents agree that the City's libraries are excellent, 18% over the regional average. The restoration of Sunday hours, coupled with the elimination of fines and fees will only bolster community perception of the City's library facilities.

Parks after Dark

In February of 2023, City Council adopted an ordinance establishing the Parks After Dark pilot program. This program is to be modeled after the City of Los Angeles' Summer Night Lights program with the aim of reducing youth violence and crime in Virginia Beach. This program will begin in the summer of 2023 at Williams Farm Park in the Western Bayside area of the City. Parks and Recreation will run this program three nights per week, on Thursday, Friday, and Saturday nights, from 7 p.m. to 11 p.m., beginning June 8, 2023, and concluding on August 26, 2023. During this time, family-friendly activities and food will be provided to individuals in attendance. In order to implement this program, City Council authorized 5.93 FTEs, as well as funding for operating expenses. The FY 2023-24 Adopted Budget includes the annualization of the costs associated with this program. Parks and Recreation plans to work with the Police Department and Virginia Beach City Public Schools to measure the success of Parks After Dark, and success will be measured by the number of participants, as well as violent incidents by type within the geographic area of the program.

Community Engagement Staffing

In FY 2023-24, it is anticipated that requests for community engagement will continue to increase under new Council leadership and ward/district engagement opportunities. In preparation, the FY 2023-24 Adopted Budget encompasses a Media and Communications Coordinator position within the Communications Department that focuses on activities supporting the strategic goals of City Council by working with community, business, and civic organizations to build positive relationships and partnerships. The position will represent the City at civic and community meetings, assist in identifying and reaching out to underrepresented populations in the community, manage public meetings, manage public engagement, facilitate meetings, and coordinate the use of publicinput.com. The City received the lowest excellent and good ratings, combined, in the effectiveness of communication with the public (49.9%), the available

options for communicating with and getting information from the City (47.7%), residents' knowledge on how to engage and provide input to elected officials (39.1%), and opportunities for resident participation in City policy and decision making. This position should support the City in increasing these scores in future resident surveys and in overall perception.

Also enhancing communication and response efforts, will be the two new positions added to the City Manager's Office. These positions will enhance the City Manager's Community Affairs Division to better serve City Council and the public with a direct point of contact to work through various needs and inquiries. Not only has the need for this initiative been communicated by City Council but this is also an area of the Resident Satisfaction Survey where the community clearly expressed a desired increase in the level of services being provided.

Regional Organization Support

In FY 2023-24, all organizations receiving regional grants from the City will be required to report out to City Council by the end of fiscal year. The Regional Organization Grant program provides an opportunity for qualified non-profit regional organizations to receive funding from the City. The specific grant allocations are based on the availability of funds as determined through the annual operating budget process. A full listing of the grants provided in the annual Operating Budget can be found in the Non-Departmental section of the Operating Budget document. Regional Organization Grants provide funds to non-profit organizations, regional colleges, and governmental agencies, such as the Hampton Planning District Commission that support City Council goals and complement City services.

The Community Organization Grant (COG) program provides an opportunity for qualified non-profit organizations that deliver services to Virginia Beach citizens to receive funding from the City. The City Council-appointed COG Review and Allocation Committee evaluates applications and determines how best to allocate funds among the organizations. Financial and service delivery reports are submitted by recipient organizations as a condition of grant awards. Within the Adopted Budget, the allocation for COG has increased by \$152,960 to \$707,960. This increased funding will allow the City Council appointed committee to have two application periods within the fiscal year to provide additional opportunities for local nonprofit organizations.

The application process for COG will also move to an online portal, using the City's Customer Relationship Management tool to make it easier for applicants to submit their application packets and for committee members to review submitted documents. The COG process will now begin in late summer instead of February of each year.

Voter Registrar Staffing

In FY 2023-24, Voter Registration and Elections will receive 1.00 additional FTE to support the Office's general operations, mainly associated with voting and voter registration. In recent years, the overall workload of the Office has increased, mainly due to recent changes in voting laws adopted by the General Assembly and Virginia Department of Elections. Specifically, additional requirements per transaction and the coordination of mail-in and in-person absentee votes have increased the Office's workload. The position increase will alleviate stress on current staff, ensure compliance with recent law changes, and ensure that the City provides the best customer service possible to the residents of Virginia Beach. Additionally, this position increase aligns Virginia Beach's ratio of voters to registrars with other large localities in the Commonwealth.

Employee Recruitment and Retention

In April 2020, labor force participation was 60.1%, a rate not seen since February 1973. The Bureau of Labor Statistics reported that, in December 2022, two job openings were available for every unemployed individual. These factors have created an environment where employers have to compete for labor. The City of Virginia Beach as an employer is not immune and has struggled in recent years to attract and retain talent. To improve recruitment and retention, City Council approved a robust compensation increase as a part of the FY 2022-23 Operating Budget that placed 80% of the workforce on a step plan.

Compensation and Benefits

City Council has sought to ensure the City's workforce consists of the best and brightest. To do this, City Council has also acknowledged the need to compensate staff as necessary to attract and retain qualified individuals. Within the FY 2022-23 Adopted Budget, City Council directed City staff to implement a hybrid pay plan system and a citywide minimum wage of \$15 per hour. The hybrid step includes a step pay plan for public safety and a portion of the general workforce. The step plan is based on years of service, with a goal of 16 steps and 3% separation between each step. Implementation of the step plan covered 80% of the City's workforce and is the largest change to the overall pay structure within the last 20 years. City Council also provided a minimum 5% compensation increase for all full-time and part-time employees.

The Adopted FY 2023-24 Operating Budget provides for a 5% compensation increase for all full and part-time employees. Non-sworn employees will receive the 5% through an adjustment to their pay-plan classification of one pay range. Sworn employees will receive a 2% general, and a 3% step increase. Based on changes in the job market and based on feedback from the workforce, a subsequent ordinance was approved by City Council on June 6, 2023 altering the compensation plan. For the fifth consecutive year, the Budget does not include any employee increases to health insurance premiums; however, a 3% increase to the employer contribution is budgeted.

Recruitment and Retention

In addition to new hiring bonus programs and retention bonuses, the Adopted Budget also includes several recruitment initiatives that take proactive approaches to recruiting quality employees. In addition to these initiatives, the Human Resources Department received two positions in FY 2022-23 to provide talent acquisition support and actively source qualified candidates for City jobs. In FY 2023-24, the Human Resources Department will continue these efforts by attending additional career fairs and centralizing advertising efforts online for all vacancies. Additionally, several process changes have been implemented with the goal of reducing the timeframe from application to hire. Changes include changing the start date of new hires from the start of the pay period (every two weeks) to weekly onboarding and providing departments with immediate access to all position applications so that they can begin to review applications as soon as they are submitted, rather than waiting until a position advertisement closes. The City will also continue its formalized internship program, which was established in FY 2022-23 to grow relationships with students and academic institutions.

Compensation for Commonwealth of Virginia Employees

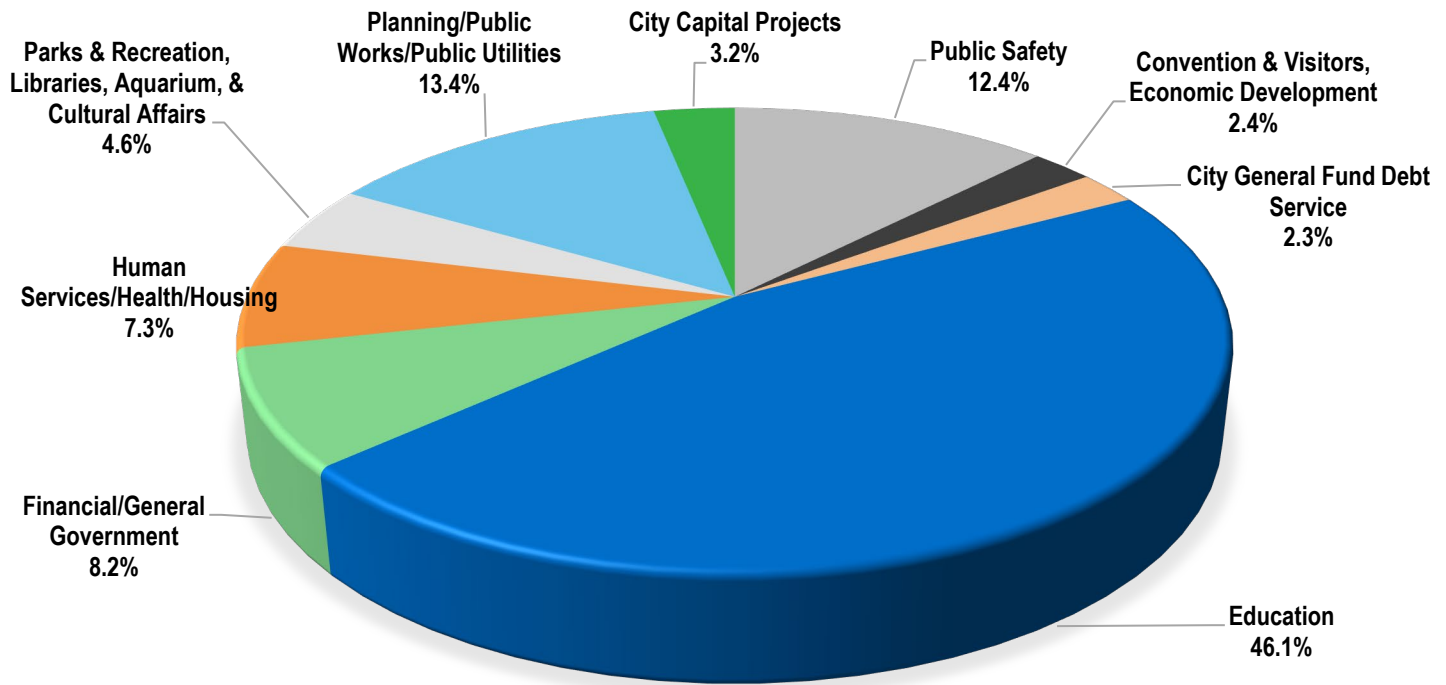
The FY 2022-23 Adopted Budget included funding in an amount up to \$500,000 for pay supplements to State attorneys in the Virginia Beach Office of the Public Defender. The FY 2023-24 Adopted Budget continues this practice. The City also provides \$114,000 in salary supplements for State employees of the Juvenile and Domestic Relations Court and the General District Court to address the high turnover rate by providing a retention incentive for court clerks. At the time of this document, the General Assembly has not yet reached an agreement on the FY 2023-24 Commonwealth of Virginia Budget; however, both the Senate and House of Delegates have included a 7% compensation increase within their versions of the upcoming budget. As of June 2023, the General Assembly has not yet adopted these increases or

the remaining changes to the FY 2022-23/ FY 2023-24 biennial budget. As these positions are not City employees, a memorandum of understanding exists between these offices and the City.

Virginia Beach City Public Schools (VBCPS)

VBCPS' budget continues to increase while student enrollment declines. VBCPS has proposed an operating budget with a robust emphasis on staffing and compensation needs. Like the City, VBCPS is facing staffing shortages, and the School Board has made addressing this issue a top priority. In December 2022, the School Board was presented a variety of options for implementing a market salary survey. The Adopted Budget includes \$44 to \$56 million, across all their funds, in compensation-related increases. The Superintendent's Estimate of Needs (SEON) fully funded the compensation study recommendations for the unified scale at just over \$15 million, as well as step plan adjustments between 1.25% and 1.5%, and the allocation of additional funds to the instructional scale. However, the School Board's Adopted Budget altered the SEON's recommendations to fully fund option one of the recommendations, providing 1.5% adjustments between all steps on the instructional scale.

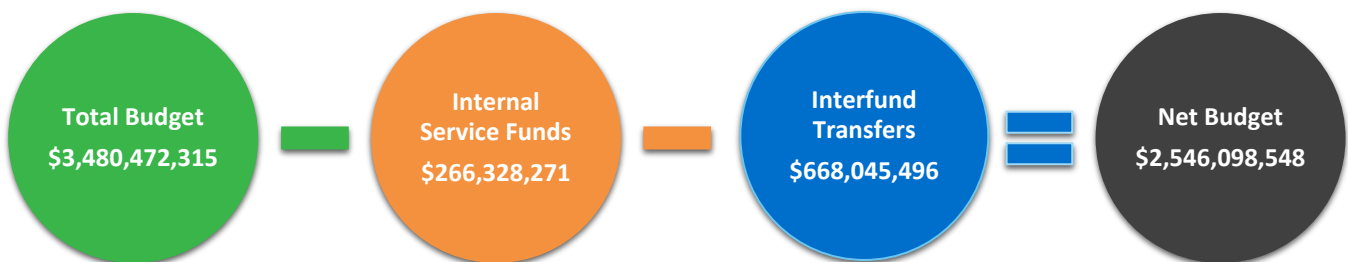
APPROPRIATIONS



FY 2023-24 Operating Budget Total Estimated Appropriations

The Adopted FY 2023-24 Net Operating Budget totals \$2,546,098,548, which is an increase of 3.64% from the FY 2022-23 Amended Budget. As the pie chart above illustrates, the largest portion of resources is dedicated to the City Council priorities of education (46.1%), infrastructure-related departments (13.4%), and public safety (12.4%).

The City's Adopted Operating Budget of \$2.5 billion is expressed in terms of the "net budget." The calculation of the net budget involves eliminating the duplication of funding between interfund transfers and the City's internal service funds. Transfer of revenues, such as those from the City's Operating Budget to the School's Operating Budget, and internal service fund charges, such as City Garage charges, would be duplicated if not deducted. This is reflected in the following calculation.



Operating Budget by Appropriation Category

	FY 2022-23 Total City & Schools Amended Budget	FY 2023-24 City Budget	FY 2023-24 Schools Budget	FY 2023-24 Total City & Schools Budget	% Change	\$ Change
<i>Personnel</i>	1,105,925,557	492,921,633	668,984,369	1,161,906,002	5.06%	55,980,445
<i>Fringe Benefits</i>	411,841,850	179,400,340	240,760,930	420,161,270	2.02%	8,319,420
<i>Operating Expenses</i>	561,339,000	380,330,019	185,302,169	565,632,188	0.76%	4,293,188
<i>Capital & Leases</i>	40,590,790	28,208,607	27,628,135	55,836,742	37.56%	15,245,952
<i>Debt Service</i>	191,425,980	143,213,864	50,071,611	193,285,475	0.97%	1,859,495
<i>Pay-As-You-Go</i>	93,226,306	81,481,961	2,000,000	83,481,961	-10.45%	-9,744,345
<i>Reserves</i>	52,423,680	65,794,910	-	65,794,910	25.51%	13,371,230
<i>Total</i>	\$2,456,773,163	\$1,371,351,334	\$1,174,747,214	\$2,546,098,548	3.64%	\$89,325,385

The table above provides a high-level overview of each major appropriation category for both the City and the Schools. It is important to note, that within the “Personnel” and “Fringe Benefits” categories, Virginia Beach City Public Schools includes their compensation increases, while the City of Virginia Beach includes these amounts in the “Reserve” category to be allocated among departments after the beginning of the fiscal year.

The main growth category in the FY 2023-24 Adopted Budget is the capital and leases which is primarily being driven by the Schools’ \$18.5 million in grants associated with capital items.

Of the total City reserve of \$65.7 million, \$27.6 million is set aside for compensation increases across all funds. In the General Fund, there is a negative payroll reserve totaling \$10 million for attrition. Approximately 81% of the remaining reserve amount is for future debt service for the Flood Protection Bond Referendum (\$30.7 million). The General Fund also contains a \$1.4 million reserve for fuel and energy increases, should initial budgeted estimates be insufficient given current inflationary uncertainty. A full list of reserves and their intended purposes can be found in the “Non-Departmental” section of the Operating Budget document.

Budgeting for Attrition

The Adopted Budget uses the practice of budgeting for attrition for the sixth consecutive year. There is a negative reserve totaling \$10 million within the City’s General Fund to account for assumed vacancies during the fiscal year. Budgeting for attrition allows for resources to be put towards other priorities without requiring additional revenue. In addition to the more traditional mechanism of budgeting for attrition, the City also budgets for attrition by using vacancy savings to fund additional overtime and contracted manpower costs needed to backfill workload due to position vacancies and unforeseen departmental emergencies. Annual vacancy savings within the General Fund has been approximately \$36 million on average for the last three years. The FY 2023-24 Adopted Operating Budget uses \$10 million to balance the budget, with another \$25 million to support year two of the Capital Improvement Program means of financing. The City has long practiced the use of annual vacancy savings as a source of cash funding in the following year’s CIP. It reduces the City’s need to borrow while maintaining a healthy cash balance in the CIP.

REVENUE

Total net revenue for the Adopted FY 2023-24 Budget is \$2,546,098,548 a 3.64% increase over the Amended FY 2022-23 Budget. The table below reflects all major revenue streams included in the Adopted FY 2023-24 Operating Budget. A more in-depth discussion of several of the revenues shown in this table is included later in this section.

Though the table lists various taxes as revenue for Virginia Beach City Public Schools, the Schools do not collect tax revenue. These sources are levied and collected by the City of Virginia Beach and remitted via the City and Schools Adopted Revenue Sharing Formula. The full formula calculation can be found in the Appendix of the Operating Budget Document.

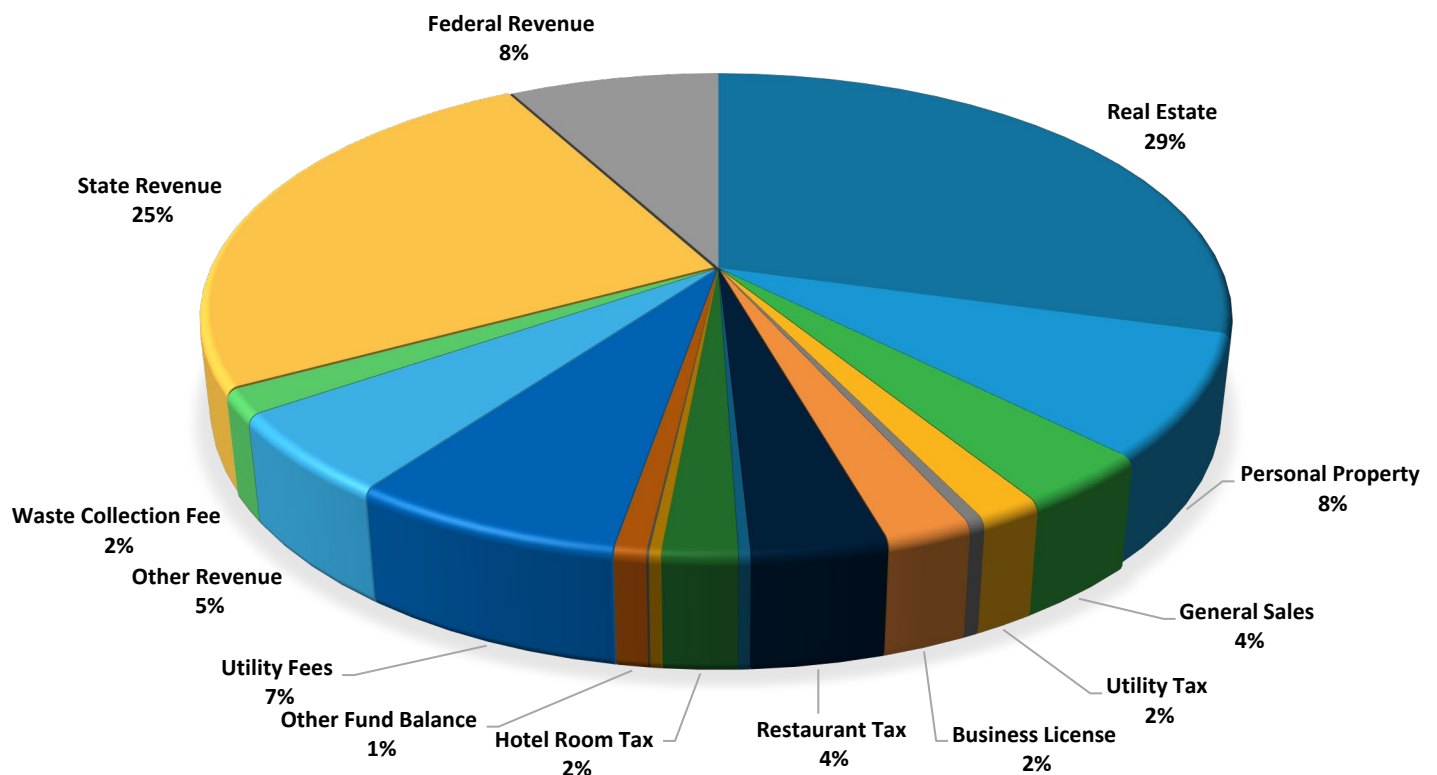
FY 2023-24 Operating Budget Total Estimated Revenue

	FY 2022-23 Amended Budget	FY 2023-24 City Budget	FY 2023-24 School Budget	FY 2023-24 Total City & Schools Budget	% Change
<i>Real Estate</i>	692,406,144	469,781,682	277,205,728	746,987,410	7.88%
<i>Personal Property</i>	192,619,234	110,878,374	97,343,925	208,222,299	8.10%
<i>General Sales</i>	93,871,862	48,945,435	42,970,875	91,916,310	-2.08%
<i>Utility Tax</i>	43,125,249	22,964,195	20,161,054	43,125,249	0.00%
<i>Automobile License</i>	11,278,097	5,735,002	5,034,954	10,769,956	-4.51%
<i>Business License</i>	54,833,748	31,280,410	27,462,144	58,742,554	7.13%
<i>Restaurant Tax</i>	89,471,605	64,746,934	27,455,819	92,202,753	3.05%
<i>Amusement Tax</i>	7,254,292	7,780,275		7,780,275	7.25%
<i>Hotel Room Tax</i>	50,121,106	45,715,967	5,257,218	50,973,185	1.70%
<i>Cigarette Tax</i>	9,217,731	5,160,780	2,618,508	7,779,288	-15.61%
<i>General Fund Balance</i>	1,231,953	1,734,776		1,734,776	40.82%
<i>Other Fund Balance</i>	23,705,194	12,047,426	9,652,481	21,699,907	-8.46%
<i>Utility Fees</i>	181,100,762	186,460,986		186,460,986	2.96%
<i>Other Revenue</i>	140,773,565	110,183,900	27,590,824	137,774,724	-2.13%
<i>Waste Collection Fee</i>	37,908,047	41,631,227		41,631,227	9.82%
<i>State Revenue</i>	590,936,786	149,133,387	487,266,687	636,400,074	7.69%
<i>Federal Revenue</i>	236,917,788	57,170,578	144,726,997	201,897,575	-14.78%
Total Operating Budget	\$2,456,773,163	\$1,371,351,334	\$1,174,747,214	\$2,546,098,548	3.64%

While actual collections of consumer-driven revenue exceeded expectations in FY 2021-22, there are signs that this growth is beginning to wane in FY 2022-23. Inflationary pressures and overall economic uncertainty are leading to a slight decline in some of these revenue streams. One indication of this is the fact that the Consumer Confidence Index has fallen below 100, indicating that consumers are becoming more wary of their economic situation and are less likely to spend money. More information can be found on this topic, as well as other economic indicators, in the Economic Overview section of the Adopted Operating Budget document. While it is anticipated that there will be overall revenue growth in FY 2023-24 because of the current strength of the national economy, continued interest rate hikes and inflation could weaken the growth in some areas.

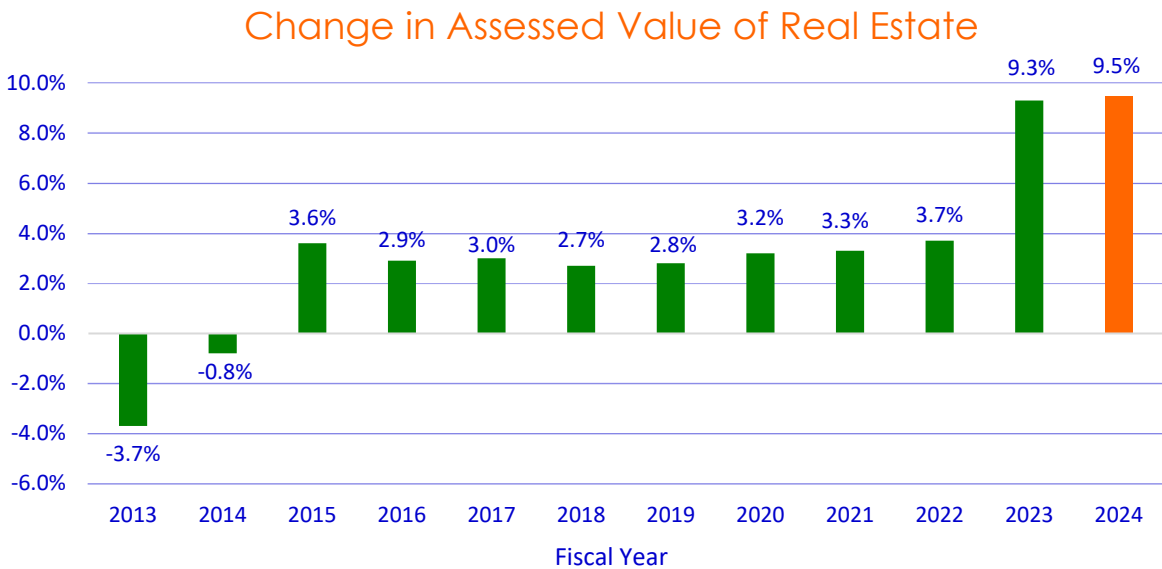
Real Estate and Personal Property tax revenues are expected to drive the majority of the revenue growth in FY 2023-24, while consumer-driven revenue is expected to see only a modest increase. The largest revenue increase is expected to be in Personal Property tax revenue at 8.10% growth, as car values remain elevated at this time. It is important to note, however, that car values have begun to decrease significantly in recent months as interest rates rise, supply chain issues are restored, and inventory of new cars has normalized. Real Estate tax revenue is expected to see the second highest increase at 7.88% due to increasing home values. As with Personal Property, it is possible that continued increases in interest rates may impact this revenue stream past FY 2023-24.

Proportion of Revenue by Type



Real Estate

Revenue from real estate taxes remains the City’s single largest source of revenue, making up approximately 29% of all revenue collections, and 53% of General Fund revenue collections. In addition, FY 2023-24 marks the tenth consecutive year of real estate assessment growth. Average citywide assessment growth for taxable properties is anticipated by the Real Estate Assessor to be 9.47%, with residential property assessments increasing by a median average of 9.2% and commercial properties increasing by 3.1% on average. The assessment growth in commercial properties is significant as there has been a lag in commercial assessment growth as a result of the COVID-19 pandemic. Many commercial properties are subject to income-based assessments which was suppressed during the pandemic. As the economy rebounds, so does business income, resulting in increased property assessments.



In FY 2023-24, the City anticipates generating approximately \$747 million in Real Estate tax revenue. Of this amount, \$277.2 million is dedicated to Virginia Beach City Public Schools (VBCPS), and an additional \$132.8 million is dedicated to various other priorities. Among these dedications is a \$31.8 million dedication to flood protection, \$25.7 million to the City’s recreation centers, and \$7.4 million to public safety, among others. A full breakdown of the City’s Real Estate tax dedications can be found in the Dedication of Local Taxes section of this document.

In addition to these various dedications of the Real Estate tax, the City has several Special Service Districts (SSD) with real estate tax rate surcharges that support enhanced services within specific geographical boundaries. These SSDs are primarily for financing neighborhood dredging projects and sand replenishment of Sandbridge Beach. Occasionally, rate adjustments are necessary in these SSDs to ensure that revenues sufficiently cover the cost of enhanced services being provided. The FY 2023-24 Operating Budget amended the tax rate within the Sandbridge SSD from 2¢ to 1¢ per \$100 of assessed value. A full listing of these SSDs, as well as their rates, can also be found in the Dedication of Local Taxes section of this document.

An SSD also exists within Town Center for the purpose of enhanced maintenance and cleaning of public infrastructure, landscaping, and security. In addition to the SSD, Town Center also has a Tax Increment Financing (TIF) District for debt service of the parking infrastructure located within Town Center. The financing of a TIF district works as follows: for the geographical area covered by the TIF, current real estate assessments are frozen and, any subsequent increases in Real Estate taxes derived from increases in assessments are earmarked to a fund used to support public improvements in

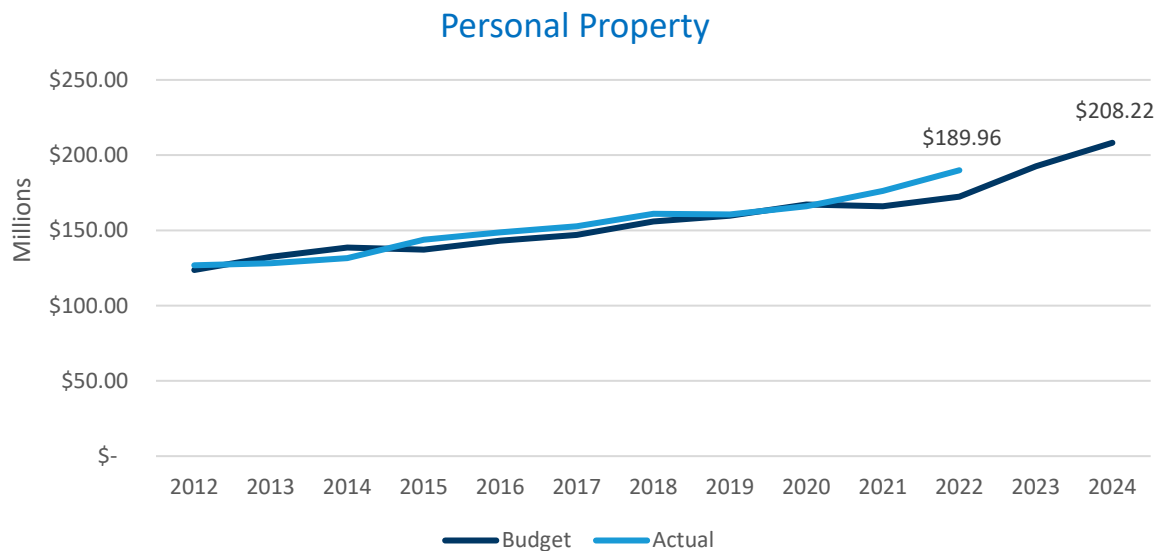
that area. All TIF-related revenues are excluded from the City/School Revenue Sharing Formula. The following table reflects the growth in Real Estate tax revenue compared to FY 2022-23 and illustrates where that funding is appropriated within the FY 2023-24 Budget.

Changes in Real Estate Revenue FY 2022-23 to FY 2023-24

	FY 2022-23	FY 2023-24	Difference
<i>City Operations and CIP</i>	310,053,768	333,640,520	23,586,752
<i>General Stormwater Operations</i>	17,071,101	18,459,882	1,388,781
<i>Flood Protection Referendum</i>	27,996,608	31,750,997	3,754,389
<i>City Council Priorities</i>	12,632,614	13,660,313	1,027,699
<i>Hold Harmless Dedication</i>	14,597,409	15,786,891	1,189,482
<i>Schools Operations</i>	257,314,316	277,205,728	19,891,412
<i>Parks and Recreation</i>	26,945,027	29,137,078	2,192,051
<i>Public Safety</i>	6,828,440	7,383,953	555,513
<i>Sandbridge Special Service District</i>	297,642	172,772	-124,870
<i>Agriculture Reserve Program</i>	6,145,597	6,645,558	499,961
<i>Central Business District TIF District</i>	9,460,247	10,004,335	544,088
<i>Town Center Special Service District</i>	2,313,491	2,370,626	57,135
<i>Dredging Special Service Districts</i>	749,884	768,757	18,873
<i>Total</i>	\$692,406,144	\$746,987,410	\$54,581,266

Personal Property Revenue

Personal Property tax revenue is comprised of taxes assessed on all vehicles including cars, trucks, trailers, motorcycles, motor homes, aircraft, boats, and mobile homes on temporary foundations. Personal Property taxes are assessed each year by the Commissioner of Revenue's (COR) Office for all personal property garaged within the City of Virginia Beach. Automobiles and business personal property are the largest sources of Personal Property tax revenue and are taxed at a rate of \$4.00 per \$100 of assessed value. To determine the assessed value of a vehicle, the COR uses the loan value from J.D. Power, which is provided to the office in January.



Personal Property tax revenue is expected to increase 8.1% in FY 2023-24, from approximately \$192.6 million to \$208.2 million. Personal Property tax revenue associated with vehicles comes from two sources, a fixed amount of \$53.4 million from the Commonwealth for implementation of the Personal Property Tax Relief Act (PPTRA) and from the citizens of the City through payment of their personal property taxes.

The increase in this revenue is due to the elevated values of new cars, with the fourth quarter of 2022 seeing record high new car prices. On average, the cost of a new vehicle is now \$49,507, a 7.6% increase from 2021 average price. The used car market, however, has experienced a year-over-year decline, with the average price of a used car falling from \$31,095 in the first quarter of 2022, to \$29,533 in the fourth quarter. This is the first decline in the used vehicle market in recent years and reflects the impact that heightened interest rates are beginning to make in the automotive market. This trend is expected to continue in FY 2023-24, as inventory levels normalize and as interest rates continue to rise. During the pandemic and due to chip shortages, new car production was down. As new cars hit the market, consumers will replace their used vehicles. This churn will affect the wave of depreciating values in used cars and is not projected to result in a year-over-year reduction in revenue.

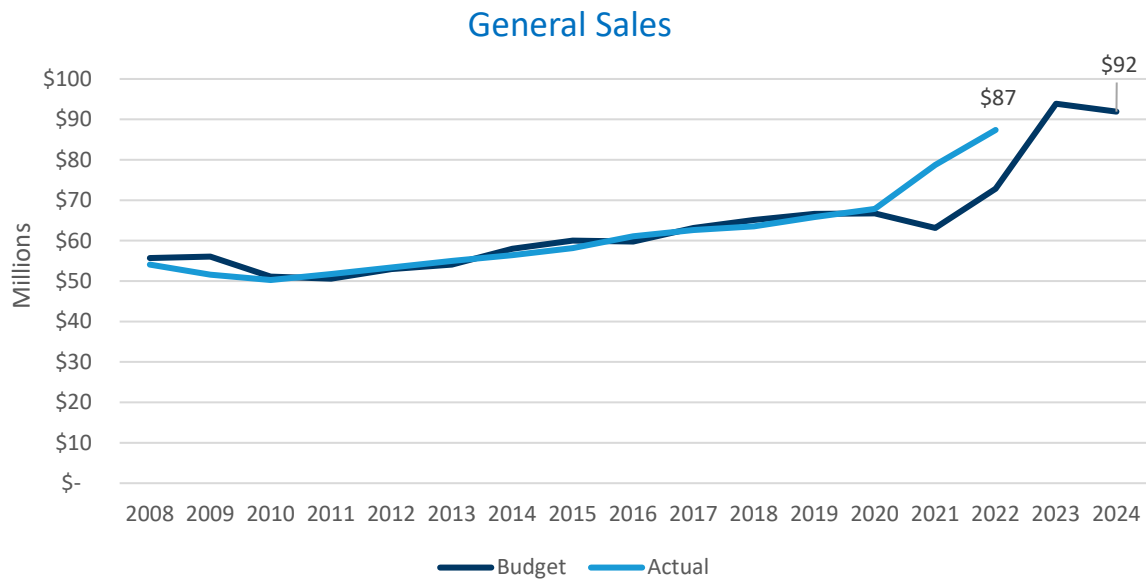
Consumer Driven Revenue

Consumer-driven revenues are comprised of sales, hotel, restaurant, and amusement taxes. These revenue streams are heavily influenced by the economic climate. During the past two years, these revenues were expected to decline due to the impacts of the COVID-19 pandemic. While they have continued to outperform expectations during the economic recovery, there are signs that the growth in these revenues is beginning to slow.

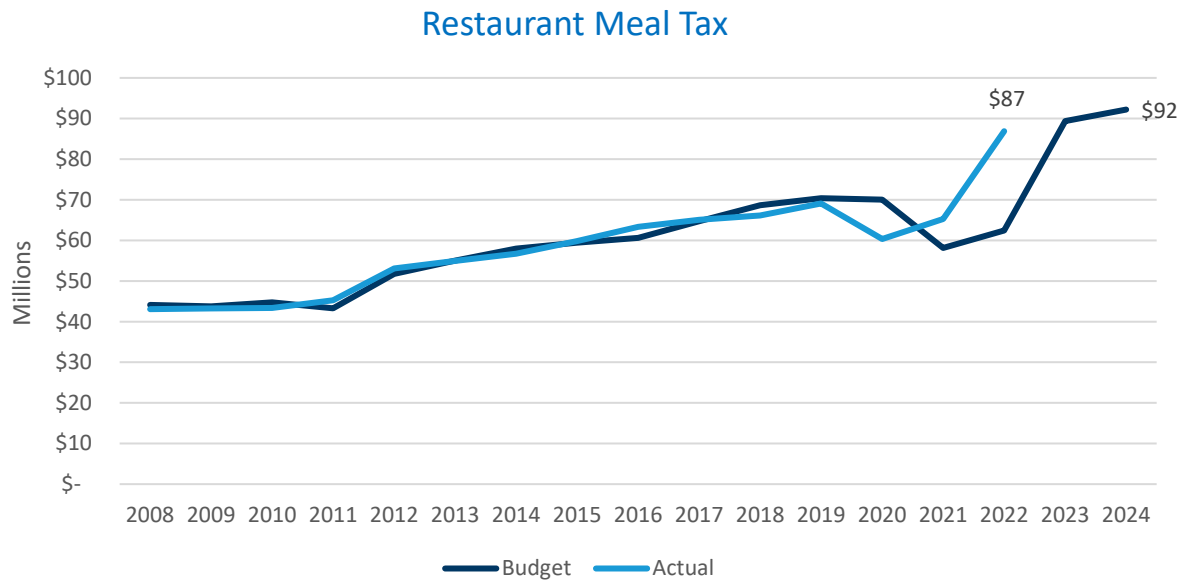
General Sales tax is the largest consumer-driven revenue source and is driven primarily by consumer spending habits. When consumer spending and consumer confidence rises, this revenue rises; however, the economic climate in recent months has complicated this. While consumer spending has continued to rise in real terms, consumer confidence has begun to fall. Individuals have continued their elevated spending habits developed during the pandemic but rising economic uncertainty has caused the Consumer Confidence Index to fall below 100, an indication that, in normal times, would mean that spending is falling and savings is increasing. This mixed messaging causes some uncertainty as the City heads into FY 2023-24, with year-to-date revenue tracking slightly behind budget. This is the reason for an estimated decline in the coming fiscal year.

One factor that has helped aid in this revenue’s growth prior to FY 2023-24 is legislation that has allowed the City to collect more revenue from General Sales taxes than in the past. In 2018, the Supreme Court decided the *South Dakota v. Wayfair* case, which overturned longstanding precedent established by *Quill Corp. v. North Dakota* that prohibited any state from requiring retailers without a physical presence in the state to collect and remit sales tax for goods sold within the state. The Court decided that a physical presence is no longer a sufficient standard for a “substantive nexus” and established what is now known as an economic nexus. In the Commonwealth of Virginia, this economic nexus standard is \$100,000 in annual gross sales or 200 transactions in a calendar year.

In FY 2023-24, the City anticipates receiving \$91,916,310 from General Sales tax, a 2.08% decline from the FY 2022-23 Adopted Budget.

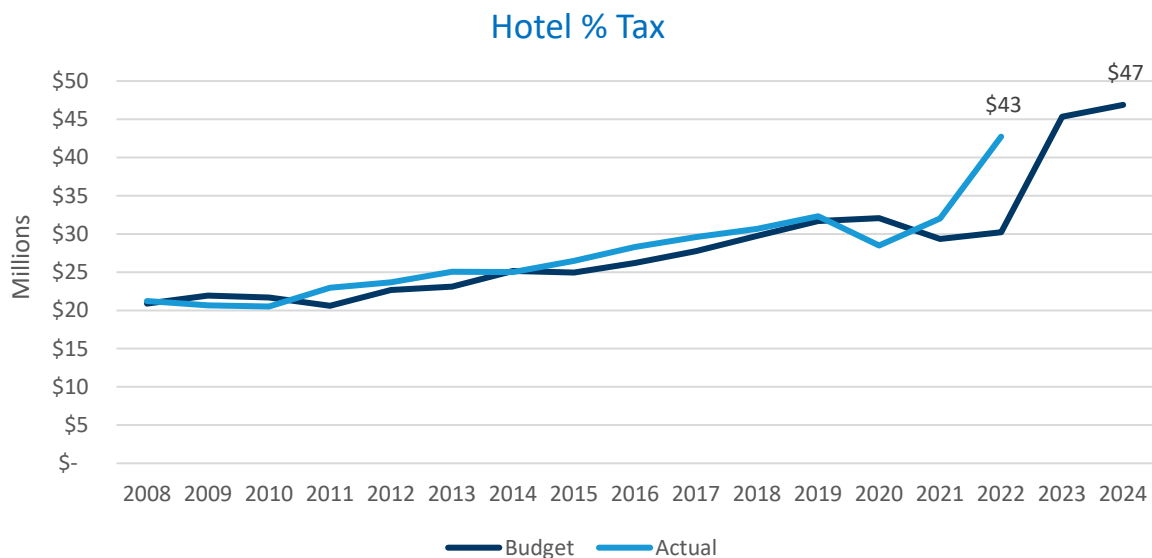


The second largest consumer-driven revenue source is the Restaurant Meal tax. This is a 5.5% tax on all prepared meals and drinks sold ready for consumption either on or off the seller's premises. This revenue source has been a reliable source of revenue growth, even during the COVID-19 pandemic. In the past two fiscal years, this revenue outperformed expectations, with actual revenue collections exceeding budget by the end of the fiscal year. As with other consumer-driven revenue sources, there are signs that growth is slowing slightly; however, total growth in FY 2023-24 is expected to be 3%, and it is expected to generate approximately \$92.2 million.

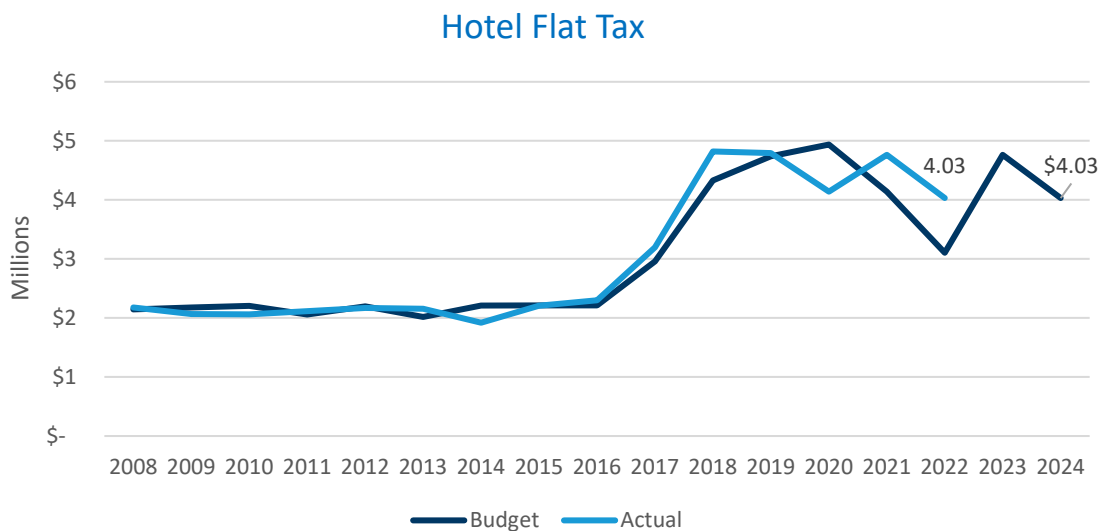


One consumer-driven revenue that was significantly impacted initially by the COVID-19 pandemic was Hotel taxes. Travel restrictions and social distancing measures led to a significant decline in FY 2019-20; in fact, hotel tax revenue in FY 2019-20 underperformed by approximately \$9.7 million. In FY 2020-21 and FY 2021-22, however, this revenue rebounded and outperformed revenue estimates in both years. While the initial surge in demand for travel has slowed in the current fiscal year, occupancy rates and the average daily room rates at the City’s hotels have remained strong.

According to STR, an organization that provides data analytics for the hotel industry, occupancy rates in January 2023 were up 9%, while occupancy in 2022 was down slightly, with a year-over-year decrease of 1.8%. Given these trends, the City anticipates slower but continued growth in this revenue for FY 2023-24, with \$46,884,048 in expected revenue from the hotel percentage tax – that is, the 8% tax imposed on the total cost of a hotel stay. This growth is driven primarily by the increases in the average daily room rate, which was 6.9% higher on average throughout 2022.



In addition to this tax, the City also imposes a \$2 flat tax per room night, \$1 of which is dedicated to the Tourism Investment Program (TIP) Fund. These revenue streams are used to finance projects in the Resort Area. In FY 2023-24, this tax is expected to generate \$4,030,021 in revenue, including \$2,015,011 for the TIP Fund. This represents a \$733,706 decrease from the Adopted FY 2022-23 Budget.



Business Professional and Occupational License (BPOL) Tax

Business Professional and Occupational License (BPOL) taxes are determined using a business’ gross receipts between January 1st and December 31st of a given year. In December 2022, City Council approved an ordinance to modify business license fees in order to provide tax relief to City businesses. As of January 1, 2023, the thresholds have been adjusted as follows:

Gross Receipts	Old Rate	New Rate
\$0 - \$25,000	\$40	\$25
\$25,001 - \$100,000	\$50	\$40
\$100,001 - \$200,000	Varied based on business type	\$50

For all businesses with gross receipts exceeding \$200,000, the tax rate varies based on the type of business. Applicable tax rates for each business type are shown in the table below.

Business Type	Tax Rate
Contracting	.0016 x gross receipts
Professional	.0058 x gross receipts
Retail	.0020 x gross receipts
Service	.0036 x gross receipts
Wholesale	.0012 x gross receipts

In total, this tax relief effort is estimated to impact 23,156 businesses – 75.2% of the registered businesses in the City of Virginia Beach – and provides \$1,059,792 in total tax relief. The City anticipates receiving \$58,742,554 in revenue from BPOL taxes in FY 2023-24. This represents a 7.13% increase from the FY 2022-23 Amended Budget.

Charges for Service

Charges for service are primarily comprised of enterprise fund fee collections, which offset the cost of delivering services and programs. In FY 2023-24, there are no recommended increases to the stormwater charges; however, there are increases to the solid waste fee, water service charges, sewer service charges, and various fees charged by the department of Parks and Recreation.

Stormwater ERU Fee – The FY 2019-20 Operating Budget authorized a 3.5¢ increase in the daily Stormwater ERU rate annually through FY 2024-25; however, after the passage of the Flood Protection Bond Referendum in November 2021, City Council adopted an ordinance eliminating the previously approved rate increases. The current ERU rate of 49.3¢ daily will remain in effect until FY 2028-29. The revenue collected from this fee is dedicated to debt service, stormwater operations, maintenance, and water quality. The ERU rate will sustain operations; however, due to rising inflation, it may not cover as much maintenance as originally planned.

Waste Management Fee – The monthly fee collected from residents who receive curbside services supports weekly curbside collection of residential garbage and yard debris, every other week curbside collection of recyclables, on-call collection of bulky items, rental of yard debris containers, and administration of the household hazardous waste collection program, as well as Landfill and Resource Recovery Center operations, and two recycling drop-off centers. Disposal of curbside residential garbage at the Southeastern Public Service Authority (SPSA) requires payment of a tipping fee which has increased and will likely continue increase over the next several years as SPSA makes safety improvements and plans for a proposed regional landfill expansion. The Waste Management Enterprise Fund has been able to absorb tipping fee increases in previous years; however, the department needs to identify a sustainable method for continued funding, either by increasing the fee or reducing services. As part of this plan, the Adopted Budget includes a \$2.50 monthly fee increase, from \$25.00 per month to \$27.50 per month. This is the first increase since FY 2019-20 and is critical to maintain current levels of service. A consultant recommended a \$3.00 increase; however, additional decisions need to be made, making it unfair to burden residents with additional fees at this time. In future budgets, the rate will need to be reassessed to ensure the fee collected adequately supports all operations of the enterprise fund.

Public Utility Fees – Public Utilities is primarily supported by a schedule of fees for water and sewer system connections and monthly charges for both water and sanitary sewer services. These charges are necessary to fund water and sanitary sewer operations and the capital improvement program – in turn, these investments provide for safe and reliable services in full compliance with state and federal laws and regulations. A cost of services study was conducted in FY 2022-23 with the results recommending adjustments in several water and sewer fees and rates to sustainably support services, meet mandate requirements, and deliver services at the level expected from Virginia Beach residents. As a result of the study, several water and sewer fees were recommended for an increase and are included in the FY 2023-24 budget.

- The water commodity rate is a usage rate based on water consumption. Currently, the rate is \$4.90 per one thousand gallons and was last increased in FY 2019-20 to accommodate an increase in the cost of the contract the City has with the City of Norfolk. The FY 2023-24 budget includes an increase to the water rate by \$0.30 and is the first of a five-year programmed rate increase.

- The sanitary sewer charge is a fixed monthly charge based on property type. Currently, the rate is \$30.81 for a single-family residence and was last increased in FY 2015. The FY 2023-24 budget includes an increase to the sewer charge by \$0.77 and is the first of a three-year programmed rate increase.
- The water service availability charge is a fixed monthly charge based on the water meter size. Currently, the rate is \$4.41 for a standard 5/8-inch residential water meter and was last increased in FY 2009-10. The FY 2023-24 budget includes an increase to the water service availability charge by \$0.59 and is the first of a five-year programmed rate increase.

In addition, several one-time fees associated with installation and connectivity have also been increased. A full schedule of water and sewer fee changes can be found in the fee changes section of this document and within the ordinance section of the operating budget document.

Parks and Recreation Fees – In addition to the aforementioned enterprise fund adjustments, Parks and Recreation is proposing an increase to various fees associated with the City’s recreation centers, including an increase to the resident membership fee. The annual membership fee will increase from \$110 annually to \$112 annually. This translates to \$9.33 per month, which is just \$0.16 per month more than the previous rate. In addition to this increase, the department is also proposing increases to various other fees, including the gymnasium rental fee, room rental fee, birthday party fee, and youth sports participation fee, among others. A full listing of these adjustments can be found in the Summary of Fee and Tax Adjustments section of this document.

Emergency Response Fee— The Adopted Budget also modifies the emergency response fee from \$250 to \$350. The Code of Virginia states that localities may bill a flat fee of \$350 or a minute-by-minute accounting of the actual costs incurred when responding to DUIs and related incidents.

State and Federal Revenue

In FY 2023-24, revenues from the Commonwealth are projected to be \$636.4 million, a 7.69% increase from the Amended FY 2022-23 Budget. City departments with notable revenue from the Commonwealth include Human Services, Housing and Neighborhood Preservation, the Virginia Beach Sheriff’s Office, and Public Works, which receives financial assistance for road maintenance. Although revenue from the Commonwealth is increasing overall, one specific area in which it is decreasing is inmate per diem reimbursements. The reason for this decline is a backlog of court cases stemming from the pandemic. This resulted in the need for an increased transfer from the General Fund for this purpose of approximately \$1 million to the Sheriff’s Office to maintain operations.

Revenues from the federal government are projected to be \$201.9 million in FY 2023-24. This represents a 14.78% decrease from FY 2022-23. The decline in these revenues is attributable to reduced funding from pandemic-related government programs, such as *the Coronavirus Aid, Relief, and Economic Security (CARES) and American Rescue Plan Act (ARPA)*. As with revenues from the Commonwealth, the majority of the revenue goes to Virginia Beach City Public Schools, with federal revenue for Schools estimated to be \$140.9 million. The departments of Human Services and Housing and Neighborhood Preservation also receive significant federal funding for various programs.

Annual Tax and Fee Impact

The following tables illustrates a comparison between the estimated impact of the Adopted FY 2023-24 Budget on a household in Virginia Beach, as compared to the Adopted FY 2022-23 Budget. Values and totals in orange reflect changes in tax rates or adjustments in values in this Budget. The bottom-line impact for taxpaying households will vary for each individual taxpayer depending on variables such as home value, vehicle value, the number of cars owned, and consumption choices.

2023

<i>Tax or Fee</i>	<i>Value</i>	<i>Annual</i>
<i>Real Estate Tax</i>	\$297,900 (City Median of All Residences) X \$0.99 per \$100 of value	\$2,949
<i>Personal Property Tax</i>	\$9,549 (City Car Average) /100 X \$4 X 51.8% Citizen Share X 2	\$396
<i>Electricity Utility Tax</i>	\$3 per month	\$36
<i>Gas Utility Tax</i>	\$3 per month	\$36
<i>Water Utility Tax</i>	\$3 per month	\$36
<i>Telecomm Tax</i>	5% on \$90/mo. "bundle" + cable ROW fee (\$1.60/mo.) + E-911 tax (94¢/mo.)	\$84
<i>Restaurant Tax</i>	Food Away from Home (\$7,745 X 5.5%)	\$426
<i>Admissions Tax</i>	Entertainment Fees and Admissions (\$787 x 10%)	\$79
<i>Vehicle License Registration</i>	\$30 per car X 2 Cars	\$60
<i>Stormwater Utility Fee</i>	49.3 ¢ per day X 365 Days	\$180
<i>Waste Management Fee</i>	\$25 per month	\$300
<i>Water & Sewer Fee</i>	Average cost of a 5,000 Gallon household	\$664
	Water: \$24.50 per month; Sewer \$30.81 per month	
	Total	\$5,246

2024

<i>Tax or Fee</i>	<i>Value</i>	<i>Annual</i>
<i>Real Estate Tax</i>	\$326,800 (City Median of All Residences) X \$0.99 per \$100 of value	\$3,235
<i>Personal Property Tax</i>	\$9,549 (City Car Average)/100 X \$4 X 52.7% Citizen Share X 2	\$403
<i>Electricity Utility Tax</i>	\$3 per month	\$36
<i>Gas Utility Tax</i>	\$3 per month	\$36
<i>Water Utility Tax</i>	\$3 per month	\$36
<i>Telecomm Tax</i>	5% on \$90/mo. "bundle" + cable ROW fee (\$1.60/mo.) + E-911 tax (94¢/mo.)	\$84
<i>Restaurant Tax</i>	Meals at Restaurants, Carryouts, and Other (\$7,745 X 5.5%)	\$426
<i>Admissions Tax</i>	Entertainment Fees and Admissions (\$787 x 10%)	\$79
<i>Vehicle License Registration</i>	\$30 per car X 2 Cars	\$60
<i>Stormwater Utility Fee</i>	49.3 ¢ per day X 365 Days	\$180
<i>Waste Management Fee</i>	\$27.50 per month	\$330
<i>Water & Sewer Fee</i>	Average cost of a 5,000 Gallon household	\$691
	Water: \$26.00 per month; Sewer \$31.58 per month	
	Total	\$5,596

Rate Comparisons

Virginia Beach's taxes and fees compare very favorably with other Hampton Roads localities. The following table includes major tax rates and fees that are imposed on residents and visitors and demonstrates that Virginia Beach has among the lowest tax rates in Hampton Roads while also offering many additional services and programs not provided by surrounding localities.

Selected Tax Rates: Virginia Beach Adopted FY 2023-24 and Other Cities Adopted FY 2023-24							
	Virginia Beach	Chesapeake	Norfolk	Portsmouth	Suffolk	Hampton	Newport News
Real Estate (per \$100 /A.V.)	\$0.99	\$1.01	\$1.25	\$1.25	\$1.09	\$1.16	\$1.18
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	\$0.95	\$0.75	\$0.85	\$0.85
Solid Waste Fee (per month) ***	\$27.50	-	\$28.51	\$29.16	\$25.25	\$31.42	\$31.63
Meals	5.5%	6%	6.5%	7.5%	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%
Hotel Flat Tax	\$2.00	\$1.00	\$3.00	\$3.00	\$1.00	\$2.00	\$1.00

*In 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 ¢ (\$3.20 X 20%).

** Effective July 1, 2021, local government cigarette tax authority in the Commonwealth of Virginia will be capped at the rate set by the local government as of January 1, 2020

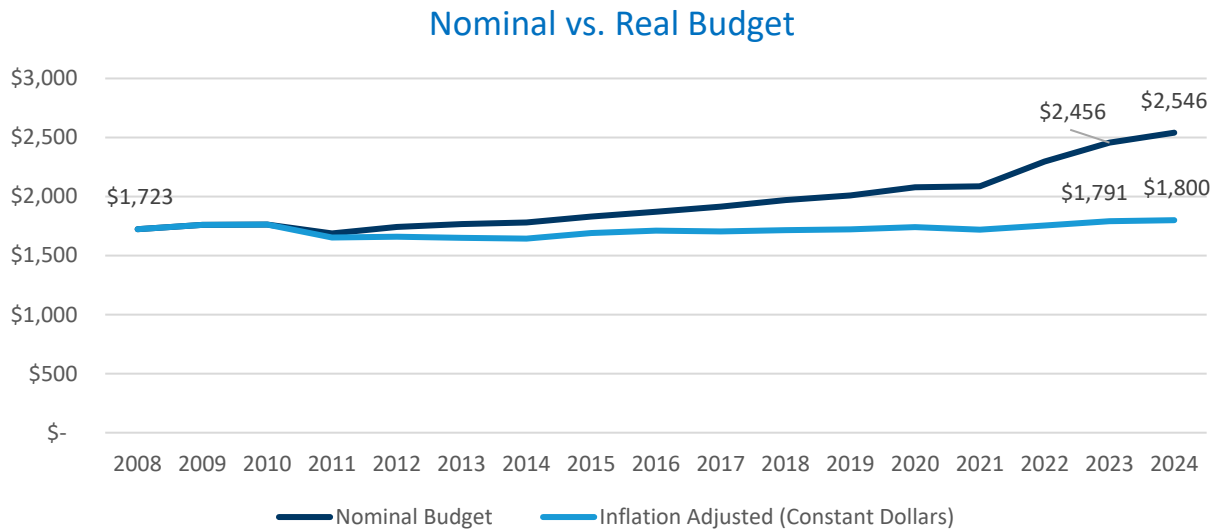
*** Virginia Beach offers enhanced services when compared to other cities including: a landfill, bulk pick up, etc.

^ These represent local rates. Additionally, for all cities but Suffolk, there is now a 1% additional regional transient occupancy tax to support mass transit in Hampton Roads.

Inflation and City Resources

While it has been noted that the FY 2023-24 budget is growing 3.64% year-over-year, it is important to note that the City is not immune to the same inflationary concerns as citizens. Since 2010, the City’s Operating Budget has grown from \$1.76 billion, to \$2.54 billion. In nominal terms, that represents a growth rate of approximately 44% or 3.4% annually; however, when controlled for inflation the budget has only grown marginally during the last 16 years. Since the Great Recession, in real terms, the City’s budget has grown just 3.9% or 0.3% annually. As adopted, the FY 2023-24 Budget will grow by 3.64% in nominal terms; however, when controlled for inflation, the real operating budget is growing by just 0.5% from FY 2022-23.

The graph below illustrates the City’s nominal operating budget as compared to its inflation-controlled operating budget. The inflationary figure used for 2024 is based on the Federal Reserve Bank of Philadelphia’s average quarterly inflation forecast for FY 2023-24 of 2.93%.

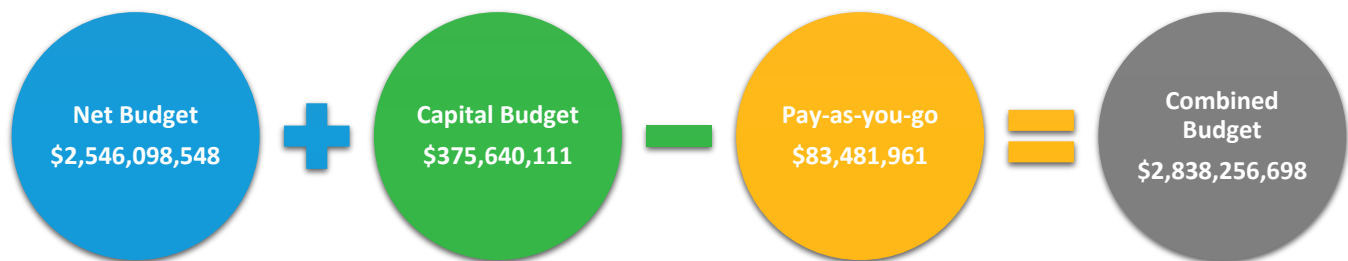


As reflected in the graph, during the last 15 years, the City’s budget has not grown year over year in real terms; in fact, since 2010, the average real growth in the operating budget has been negative 0.1%. The highest growth in real terms was in 2015, which experienced real growth of 2.8%. The City makes every attempt to position the budget conservatively and with attention to the impact on the City’s taxpayers. As illustrated above, the FY 2023-24 continues past practices of expanding services with limited additional resources.

CAPITAL IMPROVEMENT PROGRAM SUMMARY

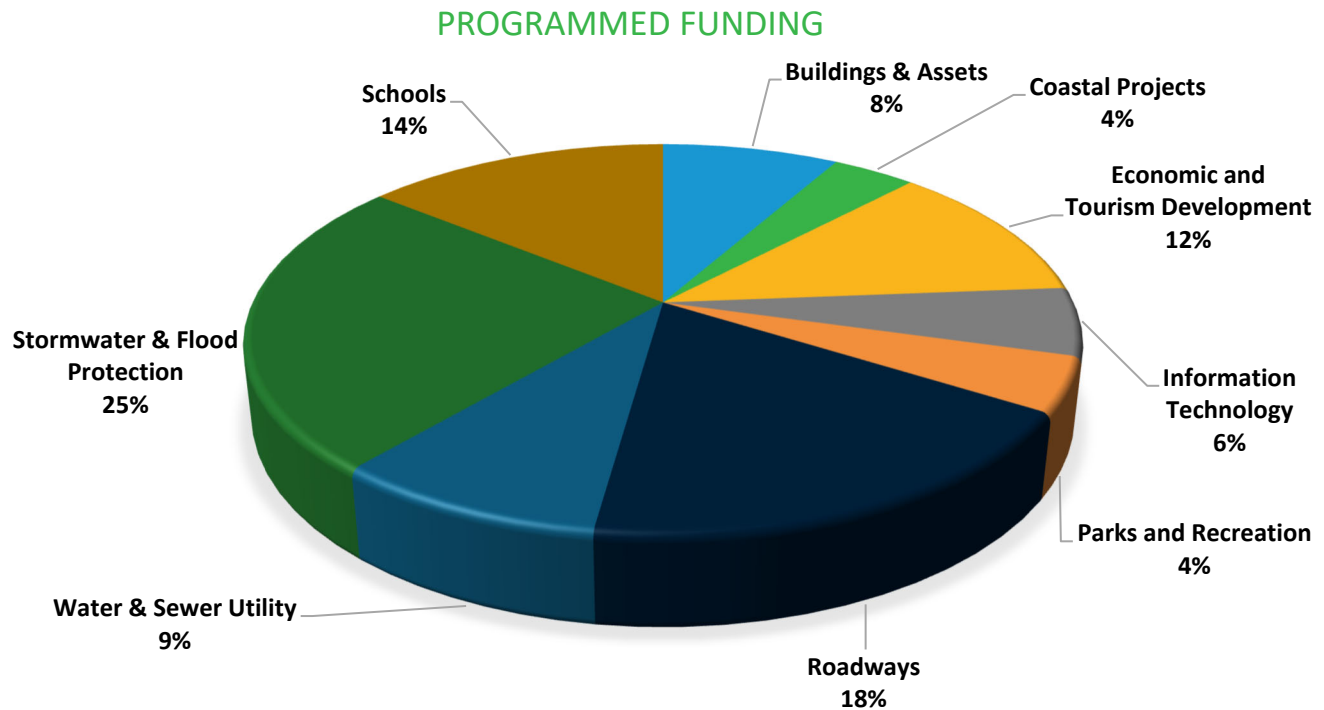
The Capital Improvement Program (CIP) is the City's six-year plan for the acquisition, construction, maintenance, and improvement of facilities and infrastructure. Continued investment in existing assets, as well as the strategic planning of new and replacement assets, is key to the success of the City.

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 capital improvement 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 2023-24 through FY 2028-29 CIP (including appropriations to date) totals over \$5.10 billion. The combined total appropriations for the FY 2023-24 Operating Budget and Capital Budget are shown below.



The combined budget included in the Resource Management Plan for FY 2023-24 is \$2,838,256,698. Just as internal service funds and interfund transfers must be subtracted from the Operating Budget to calculate the Net Budget, pay-as-you-go funding must be reduced from the Capital Budget or the funding would be duplicated. Pay-as-you-go is current revenue allocated to fund capital projects. The following table displays the total programmed funding for each section of the CIP, including appropriations to date.

CIP Sections	Appropriated to Date	FY 2023-24 Capital Program Budget Year 1	Remaining Years of Capital Program Budget Years 2-6	Programmed Funding
Buildings & Assets	252,143,954	25,294,504	140,305,112	417,743,570
Coastal Projects	121,271,884	16,810,362	59,396,024	197,478,270
Economic & Tourism Development	394,720,944	69,341,308	144,088,799	608,151,051
Information Technology	180,775,374	29,281,381	80,066,117	290,122,872
Parks & Recreation	131,933,932	16,503,593	83,245,692	231,683,217
Roadways	576,639,202	77,761,303	282,207,014	936,607,519
Sewer Utility	135,779,624	23,485,000	134,928,000	294,192,624
Stormwater	315,287,717	35,102,660	143,379,964	493,770,341
Water Utility	90,808,419	16,260,000	59,127,000	166,195,419
Schools	347,146,838	62,800,000	310,500,000	720,446,838
Flood Protection	743,804,539	3,000,000	15,000,000	761,804,539
Total Capital Projects	\$3,290,312,427	\$375,640,111	\$1,452,243,722	\$5,118,196,260



Projects Delayed or Deferred within the CIP

As mentioned earlier in this document, inflation on all goods and services has increased 6.4% as of January; however, inflation specific to construction has increased by double digits causing project bids to exceed budget by as much as 48%. This level of inflationary pressure coupled with the maintenance needs that have arisen over the last year have exceeded the Adopted Budget's ability to fund all the existing projects that were previously in the approved CIP.

At the City Council retreat, the guidance from City Council regarding funding importance within the CIP was as follows:

- 1) Maintenance of existing infrastructure and assets
- 2) Modernization of existing facilities and infrastructure
- 3) Expansion of existing infrastructure to meet community needs
- 4) New Facilities and Infrastructure

Overall, the FY 2023-24 CIP is increasing \$20.8 million over the six-year period for increased maintenance needs of existing infrastructure. This amount not only addresses inflation increases associated with construction cost, but also addresses additional maintenance needs identified as a high priority to public safety. The following sections highlight the projects added or deferred in greater detail, but in summary the delayed projects include:

- 100383 – “Shore Drive Corridor Improvements Phase IV”
- 100235 – “Landstown Road Improvements Phase I”
- 100123 – “Cleveland Street Improvements IV”
- 100160 – “Elbow Road Extended Phase II-D”
- 100171 – “Ferrell Parkway”
- 100524 – “Pleasure House Road Street Improvements Phase I”
- 100306 – “Pleasure House Road Street Improvements Phase II”
- 100379 – “Shipps Corner Road Improvements”
- 100056 – “Centerville Recreation Center”

BUILDINGS AND ASSETS

Overall, the Buildings and Assets section of the CIP totals \$25.3 million in FY 2023-24 and \$165.6 million over the six-year program, excluding appropriations to date. The Buildings and Assets section addresses City Council’s priorities of public safety and building maintenance through a variety of projects. In the FY 2023-24 CIP, several new projects were established to expand existing facilities and continue maintenance and repair of current buildings.

The CIP includes \$3.7 million to establish CIP 100654, “Oceanfront Aquarium Parking, Phase I” in year six. This project will fund the design of a new parking garage for the Aquarium and build a pedestrian bridge to cross General Booth Blvd. This project could allow for potential future Aquarium expansion as part of the comprehensive facility master plan. This section also includes \$3.3 million in year one to establish CIP 100653, “Housing Resource Center Renovations.” These funds will be used for expansion of the Housing Resource Center to add approximately 30 shelter beds and relocate staff workstations to the third floor of the building. This project has been identified as a critical need by the Department of Housing and Neighborhood Preservation.

Also included in this section is programmed funding in the amount of \$2.2 million for CIP project 100652, “Mounted Police Maintenance and Repair.” This facility has been utilized by the Police for over 30 years and it is a vital aspect of the department’s operations. Funding will be used for major systems repairs, roof replacement, electrical and HVAC systems. Another new project established under this section is CIP 100655 “Law Enforcement Training Academy Replacement.” This project includes \$350,000 in year one to conduct a study to replace the existing training facility. The future new facility will be designed specifically to meet the training requirements of the Police Department and the Sheriff’s Office. The Buildings and Assets section also establishes CIP 100651 “Court Modernization Study” to set a phased approach for intermediate and long-range modernization and recapitalization for one of the most heavily used buildings in the City.

In the FY 2023-24 CIP budget, the Buildings and Assets section identified several projects receiving additional funding mainly due to current inflation. CIP project 100175 “Fire Apparatus IV” has programmed funding of \$2.3 million annually to replace apparatus that has exceeded or is approaching its useful life. Due to the increased cost to purchase fire trucks, this project will receive an additional \$805,000 annually. The “Fire Facility Rehabilitation and Renewal III” project – 100176 is also programmed to receive additional \$500,000 annually. This project is for the repair and renewal of all existing City owned fire facilities and include replacement of roofs, replacement of equipment, water and sewer systems, plumbing, etc.

Another project receiving additional annual funding for maintenance is project 100138 “Convention Center Capital Maintenance.” The additional funding provided by the Tourism Investment Program Fund will address insufficient appropriations to maintain the infrastructure of the 20-year-old facility. This section also adds \$13.1 million in year six for project 100535 “Correction Center Renewal and Replacement” for rehabilitation of the visitation area, replacement of laundry equipment, and various other improvements throughout the Correction Center.

In addition to these projects, the Buildings and Asset section has a number of projects within the programmed CIP that will continue into construction during the six-year program. Major projects include “Operations Facilities Renovations” (100291), replacement of the “Beach Maintenance Facility” (100260), and “Judicial Center Escalator Replacement” (100503). This section places heavy emphasis on the repair and rehabilitation of existing facilities that are critical to City operations.

ROADWAYS

The Roadways section of the CIP totals \$77.8 million in FY 2023-24 and \$360 million over the six-year Capital Improvement Program, excluding appropriations to date. On average, 60% of Roadways appropriations are funded by local sources, while 40% come from the federal government or from the Commonwealth. The transportation network is important to both City Council and the community. In the resident survey, 60.1% of the community is satisfied with the condition of major City streets, and 51.4% with City sidewalks. Continued investment in this CIP section is vital to both maintaining and improving overall perception, especially as the City infrastructure ages.

In this CIP, Roadways added several new projects. Two new projects were established for improvements along Indian River Road - CIP 100659 “Indian River Road Bridge” and CIP 100660 “Indian River Road Safety Improvements.” Both projects add funding in year one for studies to be conducted and to potentially leverage federal funding for design and construction. Indian River Road Bridge is the bridge with the lowest safety score in the City and its replacement may be necessary in the near future.

Four new projects have been established based on the City’s and Virginia Department of Transportation (VDOT) priorities and will be funded by both agencies as part of the SMART SCALE program. All four projects, CIP 100650 “Clearfield Avenue”, CIP 100648 “General Booth/Dam Neck Intersection”, CIP 100647 “Independence Blvd/Pleasure House Rd Intersection”, and CIP 100649 “Providence Road” will focus on improving traffic flow and providing safety improvements within the project’s areas. The projects total \$39.4 and the City match was a combined \$10.0 million. Without funding from outside sources would currently remain unfunded.

In addition to the new projects added within the FY 2023-24 CIP, the Roadways section also redirected funds from existing projects to cover for increased cost and in order to complete other roadways projects on schedule. Additional information about this project is included an earlier section of this document.

As a result of the redirecting of funds, several existing projects received additional funds to satisfy a local match requirement. Project 100340 “Rosemont Road Phase V” will receive a total of \$13.3 million in years three and four and project 100058 “Centerville Turnpike Phase III” will receive a total of \$7.2 million in years four and five of the CIP. Although removal of funding from the above projects is not ideal, without the redirection of funds, ten other projects would have also been stalled due to lack of funding. Inflationary pressures increased project costs by over \$250.0 million for all Roadways projects. A portion of this funding gap was offset by the redirection of funds within the Roadways CIP, and in some cases from other CIP sections.

In order to reflect actual amounts to be reimbursed by the Commonwealth and the Federal Government, project 100057 “Centerville Turnpike Phase II” was reduced by \$2,100,000 in total funding during the final budget Reconciliation process. This project remains fully funded at \$77.4 million despite the adjustment as previous cost estimates were overstated.

SCHOOLS

In FY 2023-24, the Virginia Beach City Public School (VBCPS) section of the Capital Improvement Program totals \$62.8 million in year one and \$373.3 million over the six-year CIP, excluding appropriations to date. In FY 2023-24, VBCPS does not add any new CIP projects and overall maintains the current programmed funding.

Over the past ten years VBCPS has modernized and/or replaced twelve school facilities through a capital investment of approximately \$457 million. Most recently, the \$28 million modernization of John B. Dey Elementary School (CIP 601005) and the \$32 million replacement of Thoroughgood Elementary School (CIP 601006), which was completed in the summer of 2020. The replacement of Princess Anne Middle School (CIP 601007), a \$77.2 million project, was completed in 2021. In the past two decades, 34 of VBCPS' oldest facilities have been modernized or replaced including these three schools.

The Virginia Beach Public Schools received an unsolicited proposal for the design and construction of three previously approved CIP projects – “Princess Anne High School Replacement”, “B.F. Williams/Bayside 6th Replacement”, and “Bayside High School Replacement.” The Virginia Beach School Board negotiated an Interim Agreement with the preferred proposer, S.B. Ballard Construction Company, which will provide a twelve-month performance period to develop 30% design documents for the projects. The \$15.4 million needed for this process has already been appropriated within the three projects. On its March 7, 2023, meeting, the City Council provided their approval to allow the School Board to enter into the Interim Agreement as required by the Public-Private Education Facilities and Infrastructure Act (PPEA) of Virginia. After one year, VBCPS should have an understanding of the total cost needed for these schools and may request increased or accelerated funds to enter into a Comprehensive Agreement to construct the facilities. Total estimated cost for the three schools is currently over \$700 million; however, VBCPS believes efficiency savings will occur through the PPEA to lower overall costs.

The Adopted CIP continues the use of Public Facility Revenue bonds in Year Six of the program. This use of debt financing will impact the City's overall debt metrics; however, the resulting debt service payments will be the responsibility of Virginia Beach City Public Schools per the City/School Revenue Sharing Policy.

Despite these investments, there remains a large number of unfunded school replacement projects. As with many City-owned buildings, the replacement backlog of schools is growing, and the average school will be over 100 years old at the time it is replaced. Nevertheless, the overall quality of City schools is considered to be excellent or good by 71% of residents, exceeding the regional and national averages by over 23%.

STORMWATER

In FY 2023-24, the Stormwater section of the Capital Improvement Program totals \$35.1 million in year one and \$178.5 million over the six-year CIP, excluding appropriations to date. Overall, this section maintains the previous level of funding provided for maintenance and water quality, except the establishing of CIP 100662 “Lakeview Drive Channel Improvements” and the additional funding for three existing projects.

The “Lakeview Drive Channel Improvements” project will involve bank stabilization and extension of existing culvert to improve the channel located between Lakeview Drive and Five Forks Road. The \$2.0 million funding for this project is programmed by redirecting appropriations to date from several existing projects.

The existing project 100053 “Canal Management” will receive an additional \$1.0 million in transferred appropriations to date to assist with and improve drainage and flood control. Another existing project receiving additional appropriations to date from various existing Stormwater projects is the “Roadside Ditch Program” CIP 100549. This project will receive additional \$3.8 million to reduce the current backlog of maintenance

As mentioned in the revenue section of this document, the FY 2019-20 Operating Budget authorized a 3.5¢ increase in the daily Stormwater ERU rate annually through FY 2024-25; however, after the passage of the Stormwater Bond Referendum in November 2021, City Council adopted an ordinance eliminating the previously approved rate increase. The current ERU rate of 49.3¢ daily will remain in effect until FY 2028-29. The revenue collected from this fee will be

dedicated to stormwater operations, maintenance, and water quality. Public Works also continues to seek grant funds to augment local funding to enhance the Stormwater Program.

A stormwater project included within the Economic and Tourism Development CIP section is the “17th Street Stormwater Facility” (CIP 100630). This project includes the design and construction of a regional stormwater management facility. The Regional Stormwater Management Facility has potential to provide stormwater management—both water quality treatment and quantity management—for the future redevelopment of private properties that front the south side of 17th Street between North Birdneck Road and Cypress Avenue. Funding for this project is programmed at \$18.7 million and is being supported through the TIP Fund.

The most important utility service to residents is the overall management of public stormwater runoff/drainage/flood control. Combined with Flood Protection, stormwater is the single largest CIP section.

FLOOD PROTECTION

The FY 2023-24 CIP is the second year to include the Flood Protection section as a standalone section from the rest of Stormwater. This section is separated by master projects – seven umbrella projects –that group the numerous subprojects in each watershed. These master projects allow the flexibility to transfer between projects within the same grouping to ensure efficient execution of the overall program.

During the November 2021 election, voters overwhelmingly approved the Flood Protection Bond Referendum which created the legal capacity to authorize \$567.5 million in charter bonds to finance Flood Protection projects. To finance the referendum, a tax dedication equivalent to 4.1¢ in the real estate rate was necessary to support the debt service associated with those bonds.

Some notable projects in the Flood Protection Section are:

- “West Neck Creek Bridge” CIP 100602 - \$69 million
- “Central Resort District 21st and Baltic Drainage” CIP 100275 - \$15 million
- “Lake Bradford/Lake Chubb” CIP 100229 - \$7 million
- “Windsor Woods Drainage” CIP 100486 - \$25.6 million

Because of the referendum, minimal additional funding is provided to the section in FY 2023-24’s CIP. The only projects receiving continuous funding are the “Stormwater Project Administration” to assist with the implementation of the overall program and the “Stormwater Cost Participation” to provide a cost sharing opportunity with the development community to offset the cost of local stormwater requirements.

Flood protection projects are not immune to inflationary pressures. However, no additional funds have been programmed at this time for these projects. The City will continue to work with consultants to keep projects on schedule and within the authorized referendum allocation to the greatest extent possible. Over the next year, contracts will be issued, and bonds will be sold. Retirement of that debt will result in additional bonding capacity to mitigate portions of inflationary increases.

COASTAL

In total, the Coastal section will be appropriated \$16.8 million in FY 2023-24 and \$76.2 million throughout the six-year program, excluding appropriations to date. In FY 2023-24, the Coastal section does not add any new CIP projects and overall maintains the current programmed funding, except two project receiving accelerated funding.

The “Beach Replenishment II” project CIP 100038 adds additional funding of \$2.5 million in FY 2023-24 to provide Federal matching funds for an anticipated project in early FY 2023-24. This funding was previously deferred until FY

2025-26; however, award for this project is expected in the Fall 2023 and the City's cost share is estimated at \$5.0 million. This project is necessary to ensure adequate sand levels on the Resort Beach.

Another project being accelerated in FY 2023-24 is "Western Branch Lynnhaven River Dredging II" CIP 100552. This project was originally programmed in FY 2024-25 and FY 2025-26; however, due to advancing of another Coastal project "Old Donation Creek Area Dredging II" CIP 100534 and shoaling conditions in the Western Branch Lynnhaven River, funding is being advanced to FY 2023-24.

The Coastal Section of the CIP also encompasses the CIP projects for each of the Neighborhood Dredging SSDs. These projects are funded through an additional real estate tax rate in neighborhoods that want the City to dredge channels beyond the City navigable waterway.

ECONOMIC AND TOURISM DEVELOPMENT

The Economic and Tourism Development CIP includes multiple projects that primarily support the Resort Area Strategic Action Plan (RASAP). In total, the Economic and Tourism Development section will be appropriated \$69.3 million in FY 2023-24 and \$213.4 million over the course of the six-year program, excluding appropriations to date. Although, this section did not add any new projects, several existing projects received additional funding in year one due to inflation cost increases.

The "Lynnhaven Parkway Corridor Improvements" project (CIP 100262) will receive an additional \$1.1 million in year one. This project provides funding for connectivity, safety, and aesthetic improvements along Lynnhaven Parkway from I-264 to Holland Road. The additional funding will accommodate escalating construction costs due to inflation and additional signal work needed after recent field investigations.

The FY 2023-24 CIP also includes an additional funding of \$12.6 million for the "VA Beach Innovation Park Infrastructure II" project (CIP 100576). This project represents the second phase of infrastructure planning, design, and construction to support 70 acres of new development and economic growth for the City of Virginia Beach and was previously programmed \$6.0 million funding. The additional funding in FY 2023-24 will cover rising construction costs and material inflation to complete the project. In addition, the scope of work has been extended due to poor soils found and stormwater requirements. The additional funding will also cover the extension of Hudome Way and utilities, addition of a traffic signal on Princess Anne Road, installation of a new pump station, and three stormwater management facilities.

Another project to receive additional funding in the amount of \$5.0 million in FY 2023-24 is the "Winston Salem Avenue Improvements" (CIP100489). The project corridor is Winston Salem Avenue from Mediterranean Avenue to Pacific Avenue and funding is for the design, property acquisition, and construction of a two-lane roadway with on-street parking along with walkaway and landscaping. Although this project was put on hold during the COVID-19 pandemic, design was completed in the Summer of 2022. However, due to material availability and overall inflationary cost increases, the additional funding is needed to begin construction.

To avoid future delays of the Burton Station Master Implementation, the "Burton Station Road Improvements III" project (CIP100048) will also receive additional funding. The purpose of this project is to provide a connection between Burton Station Road and Air Rail Avenue via an extension of Tolliver Road (formerly Golf Course Road) to provide infrastructure necessary to promote future development consistent with the phasing and implementation goals recommended in the adopted Burton Station/Northampton Boulevard Corridor Strategic Growth Area Implementation Plan. The additional funding in year two will cover the rising construction costs, material inflation, and scope of work changes related to stormwater requirements.

PARKS AND RECREATION

The COVID-19 pandemic severely impacted the Department of Parks and Recreation's programs and services, causing a reduction in department specific revenue. Typically, the Department transfers \$1 million of fund balance from the Parks and Recreation Special Revenue Fund and \$1 million as a pay-go funding from the Department's Special Revenue Fund to the Parks and Recreation CIP section each year. Due to the use of the fund balance to mitigate revenue loss, the Department only transferred \$1 million to the Parks and Recreation CIP for two consecutive years, in FY 2021-22 and FY 2022-23. This reduction in support to the Parks and Recreation CIP has impacted recreation center maintenance schedules and has postponed equipment replacement at City recreation centers. In FY 2023-24 CIP budget, the \$2 million annual funding for the "Community Recreation Centers Repairs and Renovations III" project has been restored to its pre-pandemic levels.

Two new projects have been established in the Parks and Recreation CIP section in FY 2023-24 CIP Budget.

- The "Recreation Center Modernization" project (CIP 100661) has been established for the design and construction to renovate and potentially expand the City's recreation centers. Improvements will include additional flexible program space, as well as expanding the existing aquatics area, rearranging existing interior spaces, and developing an indoor track with fitness/cardio space within an upper-level mezzanine space where applicable and determined feasible from the 2020 Recreation Centers Modernization Study. Funding of \$10.0 million has been programmed in year six of the CIP for this purpose.
- Another new project is the "Little Island Park Pier Repair" (CIP 100663). This project funds the capital repairs needed to extend the useful life of the Little Island Pier for another 15 years and to continue normal visitor capacities and load on the structure. Funding of \$1.2 million has been programmed in year one of the CIP.

In FY 2023-24 CIP Budget, previously programmed funds have been redirected from the "Centerville Community Recreation Center" project (CIP100056) toward other existing CIP projects as emphasis has been placed on maintaining existing assets in lieu of building new facilities. The "City Bikeways and Trails Plan Implementation II" project (CIP 100119) will increase by \$525,000 annually to cover increased cost of materials and additional stormwater requirements. The desire for new and/or improvement paths, trails, and bikeways was the highest ranked priority for the Parks and Recreation Department in the 2022 Resident Satisfaction Survey.

During the Budget Reconciliation process, an additional \$380,000 was added to project 100632 "Parks Infrastructure and Underdeveloped Parks" in year one in the form of General Fund pay-as-you-go funding for enhancements at Oak Springs Park and Pine Meadows Park, as well as for pickleball courts located within Birchwood Malibu Park.

The Parks and Recreation capital improvement section totals \$16.5 million in FY 2023-24 and \$99.7 million over the six-year Capital Improvement Program (CIP), excluding appropriations to date.

INFORMATION TECHNOLOGY

For FY 2023-24, the Information Technology section of the CIP totals \$28.2 million, while the total six-year program invests a total of \$109 million in information technology related projects, excluding appropriations to date. In the FY 2023-24 CIP, two new projects were established, and several projects received additional funding to continue upgrading outdated systems to manage the critical needs of the City.

The "Treasurer's E-Billing" project (CIP 100658) was established to allow citizens to receive electronic notices of pending bills and to make electronic payments for those bills. The existing Citizen Portal for Personal Property, Real Estate, and other miscellaneous bills where electronic payments are received does not currently have that functionality. The project will receive \$414,000 in year one of the FY 2023-24 CIP budget.

Another new project in the Information Technology section of the CIP is the “MyRevenue System Cloud Migration” - CIP100657. This project was created to migrate the current Revenue Business System from a client-based application requiring frequent software updates to a cloud-based system. This software is the primary tool used by the Commissioner of the Revenue and Treasurer to perform Tax Administration and Accounting including the assessment and collection of payments of various bill types in the City.

Several existing project will receive additional funding in the FY 2023-24 CIP Budget under the IT Section:

- The “Network Infrastructure Replacement III” project CIP 100107 includes additional \$1.1 million for the migration of the Aquarium’s SCADA system and the Marine Animal Care Center’s from the Foundation’s network to the City’s network. This will allow for the enforcement of security configuration and system patching.
- “City Software Upgrade/Replacement Plan” project CIP 100084 includes \$860,000 in additional funding to cover an unscheduled upgrade required for the Public Works Fleet Division’s Veeder Root Fuel System. The upgrade is needed to avoid a vendor surcharge to support the outdated hardware and software of the system.
- The “Courts Technology System Sustainment” project CIP 100574 adds additional annual funding of \$250,000 to address the deficiencies within the Courts technological infrastructure. This project is intended to be an ongoing annual CIP to avoid mid-year additional funding requests to address urgent needs. As a result, a Steering Committee has created a lifecycle management plan to ensure sustainability of the Courts technology systems.
- Project 100572 “HR/Finance Software Sustainment” is also programmed to receive additional funds to cover licensing costs for the VBTime and the TeleStaff software. Included in year one of this project is additional funding of \$1.8 million to ensure ongoing configuration changes required by federal mandates and operational processes are covered.

Two additional new projects were funded during the Budget Reconciliation process: 100665 “Employee Engagement Tool” and 100656 “Sheriff’s Office Body Worn Cameras.” The Employee Engagement Tool project was established to improve communications and enhance employee engagement within the organization. As a result, the Information Technology Section of the CIP increased in year-one by \$75,000 and will be supported by General Fund pay-as-you-go funding. The Sheriff’s Office Body Worn Camera project will provide cameras to additional 280 Sheriff’s Deputies to increase safety, accountability, and transparency within the Virginia Beach Sheriff’s Office. This project will be supported by General Fund fund balance in the amount of \$1.1 million.

WATER AND SEWER

The Water and Sewer sections of the FY 2023-24 to FY 2028-29 CIP total \$39.7 million in year one, while the six-year program totals \$233.8 million, excluding appropriations to date. The six-year CIP reflects the need for continued investment in rehabilitating, replacing, and renewing water and sanitary sewer infrastructure.

The Water Section CIP added one new project in the FY 2023-24 – “Stumpy Lake Dam Improvements”, CIP 100640. This project was established for the design and construction of the Stumpy Lake Dam structural improvements and upgrade of dam, spillway, and outfalls, as well as acquisition of necessary easements and right-of-way to meet regulatory requirements and support the function of the lake as a raw water source. The design is expected to begin in FY 2024-25 and construction to follow in FY 2026-27. A total of \$3.1 million has been programmed for this project.

Similar to other CIP sections, the Water and Sewer CIP redirects funding from existing projects to cover for increased costs due to inflation, supply chain shortages, and competing demands for contractors.

Both water and sanitary sewer programs in the FY 2023-24 to FY 2028-29 CIP reflect a multi-phased approach to rehabilitating, replacing, and renewing water and sanitary sewer infrastructure.

DEBT AND THE CIP

The City authorizes bonds to finance large-scale capital improvement projects. To guide the development of the Operating Budget and CIP, the City uses debt indicators to ensure long-term sustainability and overall best practice management of debt. The four major indicators are:

- Ratio of General Government Debt Service to General Government Expenditures
- Ratio of General Government Net Debt to Assessed Value of Real Property
- Fixed Costs to General Government Expenditures
- 10-Year Payout Ratio

The City monitors these metrics closely when making CIP means of financing decisions and because of implementation of conservative debt metrics such as these, the City of Virginia Beach is an AAA/Aaa bond rated locality.

In addition to the debt indicators, the City uses the following general guidelines for debt management.

- Bonds will be the last source of funding considered.
- The City will issue bonds for capital improvements with a cost in excess of \$250,000 or which cannot be financed from current revenues.
- 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.
- Where possible, the City will develop, authorize, and issue revenue, special fee, or other self-supporting instruments instead of general obligation bonds.
- The City will maintain good communications regarding its financial conditions. It will regularly evaluate its adherence to its debt policies. The City will promote effective communications with bond rating agencies and others in the marketplace based on full disclosure.

Means of Financing the CIP

As the following table illustrates, sources of bonds account for the majority (48.8%) of financing in the six-year capital improvement program. The two main types of bonds that are used in the general government CIP are Charter Bonds, which are general obligation bonds backed by the full faith and credit of the City, and Public Facility Revenue bonds, which are appropriations backed debt. The strategy of financing the CIP has been to use bonds as the final option once all other sources have been exhausted to minimize the impact of debt service costs. However, it is still necessary to use bonds to accomplish major projects, such as the construction of schools, major building projects, and roads. This CIP includes \$183.3 million of debt financing budgeted in FY 2023-24.

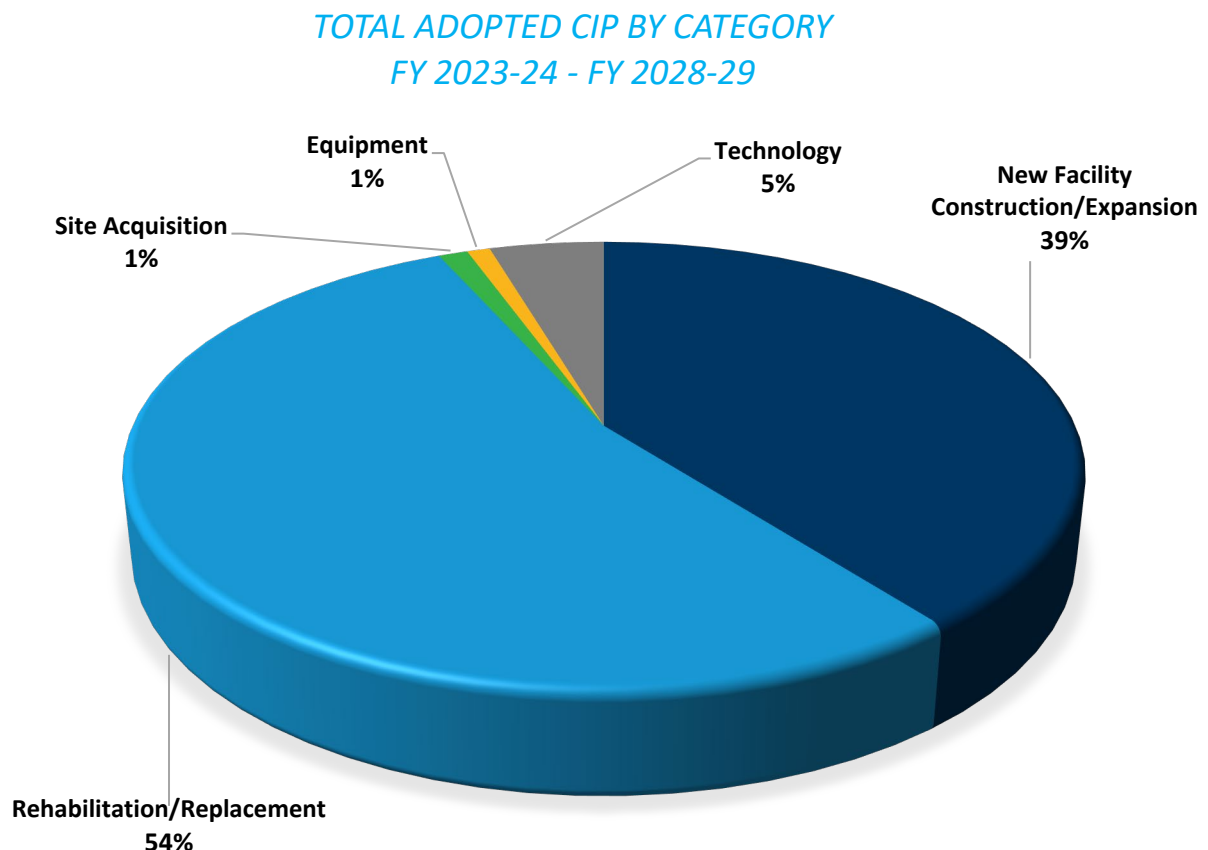
Pay-As-You-Go financing (pay-go), accounts for 22.2% of the financing for the six-year programmed Capital Budget. Pay-go is cash financing from various funds. Utilizing pay-go ensures the city avoids more costly debt financing. This CIP continues pay-go financing for Council approved real estate dedications for the Outdoor Initiative, Recreation Center maintenance, and Special Service Districts.

The FY 2023-24 CIP is 16.5% supported by fund balance, of which 66% is from the General Fund. This increased availability of fund balance is a direct result of better-than-expected revenue collection during the pandemic and available due to attrition savings. The City's fund balance policy is to maintain a fund balance in the General Fund between 8 and 12% of the following year's estimated revenues. The Adopted Budget estimates the fund balance at the end of FY 2022-23 will be 9.97%.

CIP Means of Financing	Year 1	Years 2 - 6	Total Programmed Funding
Pay-as-you-go	83,481,961	413,871,582	497,353,543
Bonds	183,293,587	702,942,080	886,235,667
Fund Balance	62,184,274	197,196,484	259,380,758
State Contribution	13,853,683	25,196,280	39,049,963
Federal Contribution	30,898,434	99,999,301	130,897,735
Other	1,928,172	13,037,995	14,966,167
Total	\$375,640,111	\$1,452,243,722	\$1,827,883,833

CIP Projects by Category

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 over 50% of the total \$5.1 billion CIP is dedicated to addressing maintenance, rehabilitation, and replacement of aging infrastructure, as illustrated in the following graphic.



PERFORMANCE METRICS

The Adopted Budget for FY 2023-24 includes funding that targets major City Council and community priorities. In an effort to demonstrate the alignment of resources allocated in the budget and CIP to these strategies, the following section includes performance measures that directly address five of these focus areas.

21st Century Infrastructure

Protecting, maintaining, and modernizing the City's 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, stormwater systems, buildings, and technology. This includes building a flooding and sea level rise resilient community; building a safe, reliable, and accessible multimodal transportation network; and implementing technology upgrades for the City and its citizens.

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Resident Satisfaction with the Flow of Traffic	51.6%	N/A	50.4%	N/A	40.3%	N/A	41.0%	N/A	N/A	64.4%
Bikeability Score	N/A	46	N/A	46	N/A	41	44	44	42	42
Percent of Residents Who Commute Using Alternative Forms of Transportation	18.7%	17.1%	16.3%	19.5%	17.4%	17.8%	17.8%	N/A	N/A	17.9%
Walkability Score	N/A	31	N/A	33	N/A	33	33	32	33	33
Commute Time (in Minutes)	23.6	23.8	24.1	23.4	23.3	23.7	28.7	N/A*	23.3	23.7
Residents Satisfied with the Condition of the Streets in their Neighborhood	81%	N/A	81%	N/A	76%	N/A	78%	N/A	N/A	64.9%
Percent of Households with a Broadband Internet Connection	84.2%	83.7%	84.8%	89.6%	90.9%	87.8%	83.9%	N/A*	92.8%	92.9%

Please note with the table above and those on subsequent pages, data is provided when available. The years noted in these tables are calendar years, unless specified otherwise. *No data for the COVID-19 year.

As previously mentioned, the City recently underwent a resident satisfaction survey. The below table, and the ones in subsequent sections, display how the City fared in comparison to the regional and national averages for various metrics related to City priorities.

Resident Satisfaction Results	Virginia Beach	Atlantic Region	National Average
City waste disposal and recycling centers	66.5%	42.9%	46.2%
Overall quality of services provided by the City	75.3%	53.6%	50.5%
Overall quality of sanitary sewer services	77.1%	57.8%	54.8%
Overall conditions of major City streets	60.1%	60.5%	50.9%
Overall conditions of City sidewalks	51.4%	55.2%	48.0%
Adequacy of transit services offered	35.9%	44.7%	37.8%
Adequacy of lighting on City streets	51.4%	63.8%	59.5%
Accessibility of streets, sidewalks, and buildings for people with disabilities	44.4%	57.5%	52.5%
Stormwater management and flood control on major City streets	47.3%	64.8%	51.0%

Safe and Healthy Community

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 maintaining this distinction. In addition, City Council is striving to ensure the health of the City and its residents by implementing a COVID-19 vaccination and recovery plan, being prepared for all-hazards, reducing homelessness, and ensuring equitable access to quality social services.

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Residents Reporting That Their Neighborhood is a Safe Place to Live	90.7%	N/A	90.2%	N/A	86.4%	N/A	96.0%	N/A	N/A	91%
Property Crime Rate	25.3	21.9	22.3	22	19.5	17.6	17.7	17.6	16.6	17.0
Violent Crime Rate	1.5	1.4	1.3	1.4	1.4	1.4	1.4	1.3	1.3	1.0
Number of health services provided to elderly citizens	2,209	3,776	2,857	2,094	1,495	1,881	1,920	5,390	4,146	N/A
Total number of immunization visits	4,319	3,214	3,242	2,602	2,615	2,347	2,151	1,323	144,853	18,174
Number of children's dental visits	1,203	886	1,037	1,037	696	797	1,205	851	826	800
Cardiac Arrest Survival Rate	33.0%	41.0%	41.0%	38.0%	37.0%	36.0%	51.0%	27.0%	25.0%	36.9%
Fire Deaths Per 100,000	1.1	1.3	0.9	0.9	0.9	0.6	1.1	0.6	1.3	1.3
Residents Reporting That Virginia Beach is a Safe Place to Live	94.8%	N/A	94.0%	N/A	88.0%	N/A	96.0%	N/A	N/A	80.1%
Estimated Homeless Population	456	440	419	389	349	243	260	N/A	N/A	352

Resident Satisfaction Results	Virginia Beach	Atlantic Region	National Average
Efforts to ensure the community is prepared for emergencies/disasters	70.1%	42.9%	43.4%
Overall quality of police services	79.5%	62.5%	54.6%
Fire inspections and permitting services	68.1%	52.8%	48.5%
Feeling of safety in City parks	71.5%	60.6%	56%
Response times for fire services	89.7%	79.2%	73.1%
Feeling of safety in your neighborhood during the day	91%	81.6%	82.8%
Feeling of safety in the City overall	80.1%	71.1%	68%
Response times for ambulance services/emergency medical services	86.6%	78.4%	70.3%
The City's overall effort to prevent crime	65.9%	57.8%	50.4%
Overall quality of ambulance services/emergency medical services	87%	79.8%	72.4%
Animal control services	68.3%	61.3%	50.4%
Overall quality of fire services	92.5%	87%	77.8%
Feeling of safety in your neighborhood at night	71.2%	70.1%	82.8%
Response time for police services	70.7%	70.2	57.6%
Enforcement of local traffic laws	56.5%	61%	50.6%
Feeling of safety in retail areas	62.9%	68.1%	65.5%

Growing Economic Opportunities

A growing economy provides citizens with higher paying 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 City desires to continually increase the quantity and quality of economic opportunities for residents by competing regionally, nationally, and globally for higher paying jobs, building opportunities for Small, Women, and Minority (SWAM) owned businesses, and creating incubators to encourage start-up businesses.

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Average Monthly Employment	218,890	221,324	219,985	220,574	224,576	226,811	229,159	215,991	215,245	215,489
Average Monthly Unemployment Rate	5.3%	4.8%	4.2%	3.9%	3.5%	2.8%	2.6%	6.2%	3.8%	2.7%
Average Weekly Wage	\$749	\$765	\$783	\$789	\$805	\$823	\$854	\$931	\$939	\$1,028
Median Household Income	\$62,855	\$68,816	\$67,281	\$71,117	\$72,586	\$77,059	\$74,222	\$78,136	\$81,810	N/A
Residents Satisfied with the Job Opportunities in Virginia Beach	78.30%	N/A	76.90%	N/A	73.40%	N/A	81.00%	N/A	N/A	62.8%
Number of Startups per 100,000 Residents	104	106	135	117	101	89	107	87	133	119
Average Monthly Jobs	169,419	171,026	173,655	176,470	178,341	178,196	179,379	167,802	170,498	174,257
Median Single-Family Home Value	\$242,700	\$239,400	\$247,200	\$252,300	\$260,100	\$281,500	\$286,500	\$302,300	\$334,801	\$365,800
Individuals in Poverty	8.8%	8.2%	7.9%	7.9%	8.0%	6.9%	10.6%	7.2%	9.6%	N/A
Poverty Rate - Children	13.0%	11.5%	11.9%	10.8%	10.6%	9.2%	13.9%	9.8%	10.5%	N/A
Poverty Rate - Elderly	7.2%	6.6%	3.5%	5.1%	5.6%	4.2%	7.5%	4.3%	4.8%	N/A

Resident Satisfaction Results	Virginia Beach	Atlantic Region	National Average
As a place you would recommend family and friends visit	81.2%	62.3%	58%
Overall image of the City	80.2%	67.3%	55%
Enforcement of exterior maintenance of commercial/business property	50.6%	52.6%	48%
How well the City is managing growth	31.6%	34.6%	39.7%

Thriving Neighborhoods

Neighborhoods are where we live, work, and play. They need to be safe with proper neighborhood amenities. To this end, the City Strives to build a community made of distinct and diverse neighborhoods with more affordable housing, equitable access to parks and other recreational opportunities, and world-class schools.

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Renters Paying in Excess of 30% of Median Household Income for Housing Expenses	53.1%	52.5%	54.5%	49.7%	51.5%	49.3%	43.1%	N/A	54.9%	N/A
Homeowners Paying in Excess of 30% of Median Household Income for Housing	31.4%	28.9%	29.3%	33.2%	34.1%	29.4%	29.9%	N/A	28.7%	N/A
High School Dropout Rate	4.7%	4.8%	5.3%	4.7%	4.5%	3.8%	3.0%	2.9%	2.7%	2.9%
On-time High School Graduation Rate	88.0%	88.5%	89.8%	91.3%	91.9%	93.4%	93.9%	94.2%	94.8%	94.9%
Percent of Children Reading at Grade Level by 3 rd Grade	74.0%	73.0%	75.0%	76.8%	76.2%	75.8%	79.3%	N/A	71.2%	75.9
Percent of Children Whose PALS-K Scores Meet or Exceed Kindergarten Readiness Levels	90.7%	90.9%	90.3%	88.7%	89.0%	88.0%	88.0%	93%	N/A	N/A
Resident Satisfaction with the City's Public School System	88%	N/A	86%	N/A	84%	N/A	82%	N/A	N/A	71.1%
Percent of High School Graduates with an Advanced Diploma	57.0%	56.0%	58.0%	57.3%	56.6%	56.7%	55.9%	51.5%	55.3%	55.3%
Percent of Virginia Beach preschool centers receiving early literacy story times and deposit collections through outreach library service	N/A	25.0%	36.0%	38.0%	57.0%	57%	61.3%	45%	53%	53%
Percent of youth with library cards	N/A	N/A	N/A	N/A	36.0%	37.7%	24.1%	38.4%	35.4%	35.4%
Number of VA Quality Rated preschool centers	N/A	N/A	N/A	N/A	30	39	34	34	34	34
Resident Satisfaction with the Appearance of Their Neighborhood	91.3%	N/A	90.4%	N/A	89.9%	N/A	90.0%	N/A	N/A	81.2%
Resident Satisfaction with the Overall City Appearance	92.3%	N/A	91.7%	N/A	96.3%	N/A	92.0%	N/A	N/A	81.7%
Resident Satisfaction with City Efforts to Protect Natural Resources, the Environment, and Open Space	81.3%	N/A	79.1%	N/A	69.9%	N/A	74.0%	N/A	N/A	84.0%
Percent of City Population with Walkable Park Access	63.0%	62.6%	56.9%	58.0%	58.0%	60.6%	64.0%	64.5%	63.0%	63.0%
Acres of Parkland per 1,000 Residents	N/A	55.7	55.6	54.9	54.9	54	54	61.8	56.7	56.7
Overall Real Estate Assessment Average Change	5.29%	2.22%	1.93%	1.94%	2.79%	2.21%	3.10%	3.60%	4.83%	10.90%
Public Open Space per 1,000 Residents	16.5	16.5	16.4	15.6	15.6	15.6	15.6	11	11	11

Resident Satisfaction Results	Virginia Beach	Atlantic Region	National Average
Overall quality of parks and recreation programs and facilities	88.6%	50%	50.6%
As a place to live	89.7%	60%	49.7%
Overall quality of public schools	71.1%	47.6%	47.4%
Physical condition of City parks, trails, or other outdoor facilities	88.4%	68.6%	67.3%
Overall quality of City Library services	89.1%	71.9%	65.6%
Overall appearance of the City	81.7%	66%	56.2%
As a place to raise children	84.1%	69.1%	62.4%
Mowing and tree trimming along City streets and other public areas	75.5%	65.1%	56.5%
As a place to retire	65.5%	56.1%	51.7%

Conditions of streets in your neighborhood	64.9%	55.6%	50.6%
Residential yard waste/leaf//brush collection services	65.8%	59.7%	54.6%
Enforcement of mowing and cutting of weeds on private property	51.4%	47.2%	47%
Enforcement of junk and debris cleanup on private property	42.3%	55.3%	46%

Innovative and Sustainable Government

The City of Virginia Beach provides excellent and varied services to our citizens as evidenced by the consistently high citizen satisfaction metrics. To continue providing excellent services and to ensure that City operations are sustainable, The City continues to focus on recruiting and retaining a high-quality workforce, upgrading and repurposing aging City buildings and assets, and creating a City government that works effectively and collaboratively for all.

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Pounds of Solid Waste Produced per Capita per Day - FY	1.64	1.59	1.61	1.65	1.69	1.6	2.12	2.21	2.02	1.8
Recycling Rate	39.9%	37.4%	31.7%	34.7%	34.0%	28.5%	18.9%	35.9%	12.9%	12.8%
Water Consumption per Capita (Gallons per Day) - FY	71.7	70.5	68.0	67.7	68.9	67.9	66.3	66.8	68.8	70.9
Residents Who "Overall" Are Satisfied with City Services	93.8%	N/A	94.0%	N/A	90.7%	N/A	90.0%	N/A	N/A	75.3%
Resident Satisfaction with the Courtesy of City Employees	92.1%	N/A	91.0%	N/A	85.8%	N/A	89.0%	N/A	N/A	73.0%
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	\$3,944	\$3,947	\$4,037	\$4,105	\$4,186	\$4,300	\$4,382	\$4,550	\$4,540	\$5,015
Number of Volunteer Hours (In Millions)	N/A	1.4	1.3	1.2	1.2	1.1	1.1	1.0	0.78	0.79
Percent of Drinking Water Tests Meeting or Exceeding Federal Standards	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Resident Satisfaction with the Opportunity to Share Ideas or Opinions Before the City Makes Important Decisions	70.0%	N/A	68.0%	N/A	63.0%	N/A	70.0%	N/A	N/A	32.9%
Residents voting in Elections for Local Office	37.0%	30.9%	23.0%	66.0%	43.0%	56.0%	39.0%	70.0%	45.0%	49.0%
Resident Satisfaction with the Level of Communication the City has with them	75%	N/A	75%	N/A	70%	N/A	76%	N/A	N/A	49.9%

Resident Satisfaction Results	Virginia Beach	Atlantic Region	National Average
Overall quality of customer service you receive from City employees	73%	38%	40.6%
Overall value that you receive for your City tax dollars and fees	52.8%	33.8%	33.8%
Usefulness of the City's website	59%	45.5%	43.4%
Residential curbside recycling services	70.7%	65.3%	56.6%
Effectiveness of City communication with the public	49.9%	48.3%	38.2%
Opportunities for resident participation in City policy development and decision making	32.9%	38.2%	34.2%

TRANSPARENCY INITIATIVES CONTINUE

Connecting citizens to resources that link the Resource Management Plan to City Council goals is critical to citizen engagement in funding decisions. Transparency allows citizens to have open dialogue with their elected officials at levels unprecedented in previous years. Below are initiatives that Virginia Beach operates in order to promote transparency and civic engagement.

Balancing Act and Taxpayer Receipt

In an effort to increase transparency and more effectively communicate the City's budgetary decisions to citizens, the City's Budget and Management Services Department 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 factors that impact funding decisions of a major City.

Balancing Act allows anyone to create their own budget by allocating funds to 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 can 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 GIS

In conjunction with the City's Open Data portal, Virginia Beach has an online Open GIS portal that serves as an informative dashboard and a mapping and spatial analysis tool. With the Open GIS portal, citizens are able to map information related to administrative boundaries, demographics, City parks and recreational resources, residential and commercial properties, public safety, planning and community development, transportation, public utilities, and elevation. The purpose of this resource is to provide information on City resources available to citizens and give geographic context to the impact of capital projects, particularly those related to transportation and flood mitigation.

FINANCIAL STRATEGY

Confirmed by rating agencies, 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 regardless of the economic climate. They are forward looking with the intent to sustain the community and the organization into the future. The FY 2023-24 Resource Management Plan complies with all relevant financial policies.

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.virginiabeach.gov.
- Purchases and contracts will continue to be made on a competitive basis to ensure best pricing 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.
- Fund capital projects using a pay-as-you-go strategy first (current funding strategy is state or federal revenues first, followed by local revenues, and finally available City fund balance) and only then look to debt financing strategies. Debt is only applied to projects with an acceptable life that is equal to or exceeds the bond term.

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.
- To ensure the City maintains adequate funding to address emergency needs; assure the City's bondholders that funding is available to make bond payments; and to address unforeseen needs to accomplish this, the City maintains:
 - A General Fund fund balance between 8-12% of the following year's revenues.
 - An annual regular 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.
- 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 in a given year.

- Transfers or increases of appropriations over \$250,000 require City Council authorization.
- Employees of the City and Schools 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. Eligible 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 provide funding according to state law. All full-time employees are required to contribute 5% of their annual salary toward their retirement account; in accordance with VRS retirement provisions. This is handled through a pre-tax payroll deduction.
- 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 fund 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

Projection of General Fund Balance

At June 30, 2023

Beginning Fund Balance at July 1, 2022		\$180,331,456
Add:	FY 2022-23 General Fund Revenues	
	Budgeted Revenues	\$1,331,018,573
		<u>1,331,018,573</u>
Total Fund Balance and Revenues		\$1,511,350,029
Less:		
	Operating Expenditures	\$733,249,965
	School Operations	484,060,829
	Other Transfers	<u>85,627,001</u>
		<u>1,302,937,795</u>
Total Projected Fund Balance at June 30, 2023		\$208,412,234
Less:	Anticipated Uses of Fund Balance:	
	Loans & Inventory	\$11,639,405
	Encumbrances and Carryforwards	\$10,000,000
	General Fund Use for CSB	\$2,901,470
	Volunteer Rescue Squad Grant	\$700,000
	Aquarium Renovations & Advertising	\$310,776
	Law Library Contribution	\$100,000
	EMS Equipment	\$374,000
	Human Services	\$250,000
	FY 2023-24 Capital Budget (General Fund)	\$41,054,274
		<u>67,329,925</u>
Total Estimated Unassigned Fund Balance at June 30, 2023		\$141,082,309
Calculation of Unassigned General Fund Balance		
Projected FY 2023-24 General Fund Revenues		\$1,414,589,208
Unassigned Fund Balance as a percentage of FY 2023-24 Revenues		9.97%

CHANGES IN FUND BALANCE

	General	Capital Projects	Special Revenues	Schools	Enterprise and Utilities	Internal Services
Total Estimated Fund Balances at June 30, 2023	350,813,960	393,630,526	133,836,422	111,093,234	1,178,105,726	112,646,274
Add: Estimated FY 2023-24 Revenues	1,414,589,208	57,743,741	273,982,105	1,181,760,245	236,628,842	238,067,714
Less: Estimated FY 2023-24 Expenditures	1,359,671,009	57,743,741	273,581,410	1,144,076,464	227,805,544	255,675,139
Less: Use of fund balance	42,789,050	-	11,998,525	9,986,072	8,668,600	30,390,557
Total: Fund Balance	362,943,108	393,630,526	122,238,593	138,790,942	1,178,260,423	64,648,292
Estimated Unassigned Fund balance at June 30, 2024	211,527,919	-	(35,335,759)	69,490,653	310,501,754	37,194,025
Change in total fund balance	12,129,149	-	(11,597,830)	27,697,709	154,698	(47,997,982)

Notes:

- (1) General Fund Restricted Fund Balances include Nonspendable fund balance (inventory, prepaid items, long term portion of loan receivable/advances) and resources subject to externally enforceable legal restrictions (such as grantors, bondholders)
- (2) Enterprise Funds Restricted Net Position is associated with debt service payments
- (3) Assigned/Committed fund balances that are intended for a specific purpose through Council ordinance or City Manager planned use
- (4) The Net Position for Enterprise funds are exclusive of Net Investment in Capital Assets
- (5) Capital Projects funding does not lapse with the end of fiscal years. Fund Balance does not have the appropriated for spending in the next fiscal year.

REVENUE SUMMARY

	FY 2022 Actual	FY 2023 Amended	FY 2024 Adopted	Change
Revenue from Local Sources:				
General Property Taxes:				
Real Estate	633,156,840	692,406,144	746,987,410	7.88%
Personal Property	<u>189,957,779</u>	<u>192,619,234</u>	<u>208,222,299</u>	<u>8.10%</u>
Total General Property Taxes	823,114,619	885,025,378	955,209,709	7.93%
Other Local Taxes:				
General Sales Tax	87,383,198	93,871,862	91,916,310	-2.08%
Utility Tax	45,707,677	43,125,249	43,125,249	0.00%
Business License	55,489,629	54,833,748	58,742,554	7.13%
Automobile License	10,474,573	11,278,097	10,769,956	-4.51%
Cigarette Tax	8,847,760	9,217,731	7,779,288	-15.61%
Amusement Tax	8,021,358	7,254,292	7,780,275	7.25%
Hotel Room Tax	49,105,680	50,121,106	50,973,185	1.70%
Restaurant Meal Tax	86,874,590	89,471,605	92,202,753	3.05%
Other Taxes	<u>17,529,115</u>	<u>14,608,818</u>	<u>15,914,203</u>	<u>8.94%</u>
Total Other Local Taxes	369,433,580	373,782,508	379,203,773	1.45%
Other Local Revenue:				
Permits, Privilege Fees, and Regulatory Licenses	8,824,071	9,862,835	9,690,202	-1.75%
From the Use of Money and Property	12,136,851	13,892,425	12,342,044	-11.16%
Charges for Services	289,148,904	298,879,366	308,512,703	3.22%
Miscellaneous Revenue	16,074,451	20,507,194	17,369,244	-15.30%
Fines and Forfeitures	<u>555,125</u>	<u>2,031,736</u>	<u>2,038,541</u>	<u>0.33%</u>
Total Other Local Revenue	326,739,402	345,173,556	349,952,734	1.38%
Revenue from the Commonwealth:				
State Shared Sales Tax	98,227,243	91,899,883	95,578,220	4.00%
Other Sources from the Commonwealth	<u>441,345,132</u>	<u>499,036,903</u>	<u>540,821,854</u>	<u>8.37%</u>
Total Revenue from the Commonwealth	539,572,375	590,936,786	636,400,074	7.69%
Revenue from the Federal Government:				
Federal Sources	245,614,420	236,917,788	201,897,575	-14.78%
Total Revenues	<u>2,304,474,397</u>	<u>2,431,836,016</u>	<u>2,522,663,865</u>	<u>3.73%</u>
Fund Reserves Summary:				
Specific Fund Reserves	<u>-</u>	<u>24,937,147</u>	<u>23,434,683</u>	<u>-6.03%</u>
Total Financing	<u>2,304,474,397</u>	<u>2,456,773,163</u>	<u>2,546,098,548</u>	<u>3.64%</u>

DEDICATION OF LOCAL REVENUES

Real Estate *			
\$734,232,105 (Rate = \$0.99 per \$100 of assessed value)			
Recreation Centers \$25,666,620 (3.476¢)		Agricultural Reserve Program \$6,645,558 (0.90¢)	
Outdoor Initiative CIP \$3,470,458 (0.47¢)		General Fund Stormwater Operations \$18,459,882 (2.5¢)	
City Council Priorities \$13,660,313 (1.85¢)		Flood Protection \$31,750,997 (4.1¢)	
Public Safety \$7,383,953 (1¢)		Town Center TIF \$10,004,335	
Hold Harmless \$15,786,891 (2.138¢)			
Special Service Districts			
Sandbridge SSD \$172,772 (additional rate of 1¢)		Town Center SSD \$2,370,626 (additional rate of 45¢)	
Bayville Creek SSD \$79,000 (additional rate of 47.2¢)		Harbour Point SSD \$31,424 (additional rate of 12.0¢)	
Chesapeake Colony SSD \$231,025 (additional rate of 29.13¢)		Old Donation Creek SSD \$83,449 (additional rate of 18.4¢)	
Shadowlawn Area SSD \$37,119 (additional rate of 15.94¢)		Hurds Cove SSD \$246,905 (additional rate of 43.8¢)	
Gills Cove SSD \$15,919 (additional rate of 6.3¢)		Schilling Point \$43,916 (additional rate 40.4¢)	
Restaurant Meals *			
\$92,052,753 (local rate = 5.5%)			
Tourism Investment Program \$17,741,076 (1.06%)	Open Space \$7,364,220 (0.44%)		Tourism Advertising Program \$8,368,432 (0.50%)
Hotels *			
\$50,973,185 (local rate = 8% plus \$2 per room night)			
Tourism Advertising Program (TAP) \$7,629,721 (1% plus \$1 per room night)	Tourism Investment Program (TIP) \$26,091,535 (5% plus \$1 per room night)	Central Business District TIF \$500,000	Sandbridge SSD \$5,506,543 (\$1 per room night plus 6.5% of the tax generated in the Sandbridge SSD)
Other Revenue Dedications			
Amusement \$7,780,275 (local rate = 5% & 10%)		Cigarette * \$7,779,288 (local rate = 75¢ per pack)	
Tourism Investment Program \$7,780,275 (100%)		Economic Development Investment Program \$1,659,582 (16¢)	Tourism Investment Program \$518,619 (5¢)
Other Non-Dedicated Local Revenues			
City Tax on Deeds * \$11,129,106	Bank Net Capital * \$4,673,001	City Tax on Wills * \$112,096	Automobile * \$10,769,956 (\$30 vehicles under 4,000 pounds)
Business License * \$58,742,554	General Sales * \$91,916,310	Utility Taxes * \$43,125,249	Personal Property * \$208,222,299 (Rate = \$4.00 per \$100 of value)

SUMMARY OF FEES AND TAX ADJUSTMENTS

<i>Department</i>	<i>Title</i>	<i>Current Fee</i>	<i>Adopted Fee</i>
<i>General Government</i>	Sandbridge SSD - Real Estate Tax Rate	\$0.02	\$0.01
<i>General Government</i>	Emergency Response to DUIs	\$250	\$350
<i>Public Library</i>	Late fee – for adult accounts only	\$0.25 per day	\$ 0.00
<i>Public Works</i>	Waste Management Collection Fee	\$ 25.00	\$ 27.50
<i>Parks and Recreation</i>	Annual Resident Membership Fee Increase	\$110	\$112.00
<i>Parks and Recreation</i>	Room Rental Pool Usage Add-On Option	n/a	\$125 – \$175
<i>Parks and Recreation</i>	Room and Gymnasium Rental Fee Increase	Room: \$10 – \$108 Gym: \$45 – \$121	Room: \$15 – \$120 Gym: \$55 – \$145
<i>Parks and Recreation</i>	Indoor Events Venue/Pavilion at Great Neck	n/a	\$100 – \$1,400
<i>Parks and Recreation</i>	Fee Increases for Lynnhaven Boat Ramp and Beach Facility	Fishing: \$125 Commercial: \$250	Fishing: \$150 Commercial: \$300
<i>Parks and Recreation</i>	Birthday Party Fee Increase 10%	\$215 – \$375	\$235 – \$400
<i>Parks and Recreation</i>	Youth Sports Participation Fees Increase	Leagues: \$150 – \$325 Tennis Court: \$9/hour	Leagues: \$175 – \$350 Tennis Court: \$11/hour
<i>Parks and Recreation</i>	Event Permitting Fee Increase	\$100	\$125
<i>Public Utilities - Water and Sewer</i>	Mandatory Connections	\$450	\$760
<i>Public Utilities - Water and Sewer</i>	Sewer capital recovery fees	\$1,545 – \$177,717 dependent on meter size	\$2,521 – \$289,872 dependent on meter size
<i>Public Utilities - Water and Sewer</i>	Sanitary Sewer Charges	\$30.81 – single family; Structures with two or more family residential units with one connection to the public sewer system; hotels and motels first room provided; campgrounds first space	\$31.58 effective July 1, 2023; and \$32.37 effective July 1, 2024; and \$33.18 effective July 1, 2025.
<i>Public Utilities - Water and Sewer</i>	Sanitary Sewer Charges	\$12.38 – each additional hotel/motel/campground space	\$12.69 effective July 1, 2023; and \$13.01 effective July 1, 2024; and \$13.33 effective July 1, 2025.
<i>Public Utilities - Water and Sewer</i>	Sanitary Sewer Charges	\$23.12 Separately metered multi-unit structures served by a privately-owned, on-site sewer collection system with a single	\$23.70 effective July 1, 2023; and \$24.29 effective July 1, 2024; and \$24.90 effective July 1, 2025.

<i>Department</i>	<i>Title</i>	<i>Current Fee</i>	<i>Adopted Fee</i>
		connection point to the city's sewer system	
<i>Public Utilities - Water and Sewer</i>	Sanitary Sewer Charges	Nonresidential uses; \$31.15 – \$4,523 dependent on water tap size	\$31.93 – \$4,636.08 in FY 2023-24; \$32.73 – 4,751.98 in FY 2024-25; and \$33.55 – \$4,870.78 in FY 2025-26 dependent on water tap size
<i>Public Utilities - Water and Sewer</i>	Sanitary Sewer Charges	Nonresidential units without public water with 0-4 commodes – \$61.83	Nonresidential units without public water with 0-4 commodes – 63.38 effective July 1, 2023; and \$64.96 effective July 1, 2024; and \$66.58 effective July 1, 2025.
<i>Public Utilities - Water and Sewer</i>	Sanitary Sewer Charges	Nonresidential units without public water each commode over 4 – \$12.38 per	Nonresidential units without public water each commode over 4 \$12.69 effective July 1, 2023; and \$13.01 effective July 1, 2024; and \$13.33 effective July 1, 2025.
<i>Public Utilities - Water and Sewer</i>	Water tap and meter installation fees	½-inch and ¾-inch tap: \$493	\$1,014.00 effective July 1, 2023; and \$1,073.00 effective July 1, 2024; and \$1,138.00 effective July 1, 2025; and \$1,210.00 effective July 1, 2026; and \$1,289.00 effective July 1, 2027.
<i>Public Utilities - Water and Sewer</i>	Water tap and meter installation fees	½-inch and ¾-inch Meter Only \$363	\$592.00 effective July 1, 2023; and \$651.00 effective July 1, 2024; and \$716.00 effective July 1, 2025; and \$788.00 effective July 1, 2026; and \$867.00 effective July 1, 2027.
<i>Public Utilities - Water and Sewer</i>	Water tap and meter installation fees	One inch tap: \$579	\$1,094.00 effective July 1, 2023; and \$1,161.00 effective July 1, 2024; and \$1,235.00 effective July 1, 2025; and \$1,316.00 effective July 1, 2026; and \$1,406.00 effective July 1, 2027.
<i>Public Utilities - Water and Sewer</i>	Water tap and meter installation fees	One inch tap Meter Only: \$449	672.00 effective July 1, 2023; and \$739.00 effective July 1, 2024; and \$813.00 effective July 1, 2025; and \$894.00 effective July 1, 2026; and \$984.00 effective July 1, 2027.
<i>Public Utilities - Water and Sewer</i>	City Code §37- 47 Water usage rates prescribed	Per one thousand (1,000) gallons	\$5.20 effective July 1, 2023; and \$5.74 effective July 1, 2024; and \$6.23 effective July 1, 2025; and \$6.54 effective July 1, 2026; and \$6.87 effective July 1, 2027.

EXPENDITURE SUMMARY

Department Name	FY 2022 Actual	FY 2023 Amended	FY 2024 Adopted	% Change
Agriculture	3,536,288	13,203,710	8,193,468	-37.9%
Board of Equalization	1,440	2,774	2,774	0.0%
Budget and Management Services	1,149,057	1,482,008	1,440,815	-2.8%
City Attorney	4,989,556	5,562,499	5,580,657	0.3%
City Auditor	825,786	1,036,508	1,044,762	0.8%
City Clerk	557,811	655,196	665,964	1.6%
City Manager's Office	2,843,578	3,201,328	3,439,541	7.4%
City Real Estate Assessor	3,154,197	3,462,940	3,479,593	0.5%
City Treasurer	6,481,806	7,528,031	7,938,987	5.5%
Commissioner of the Revenue	5,403,353	6,168,075	6,265,317	1.6%
Commonwealth's Attorney	10,795,335	11,711,646	13,016,523	11.1%
Communications Office	2,219,897	2,444,567	2,844,730	16.4%
Convention and Visitors Bureau	21,095,777	38,886,502	38,970,653	0.2%
Courts and Courts' Support	6,835,237	7,947,539	8,771,662	10.4%
Cultural Affairs	3,489,878	4,571,949	3,949,748	-13.6%
General Fund Debt Service	57,930,491	59,311,299	59,311,299	0.0%
Economic Development	12,451,224	11,978,200	14,385,618	20.1%
Emergency Communications and Citizen Services	9,609,930	11,717,592	12,045,822	2.8%
Emergency Management	1,372,699	1,105,966	1,673,251	51.3%
Emergency Medical Services	14,712,943	18,904,585	22,400,307	18.5%
Finance	6,621,617	7,949,027	6,360,146	-20.0%
Fire	67,885,043	72,473,819	72,777,888	0.4%
Health	4,102,388	3,805,548	3,913,005	2.8%
Housing and Neighborhood Preservation	39,205,504	40,399,759	43,083,532	6.6%
Human Resources	5,339,971	7,129,408	7,699,936	8.0%
Human Services	116,787,712	135,777,261	139,809,246	3.0%
Information Technology	25,817,728	24,872,841	25,321,717	1.8%
Library	17,946,290	20,273,126	20,600,090	1.6%
Municipal Council	579,085	682,952	687,189	0.6%
Non-Departmental	37,777,856	52,381,082	60,241,333	15.0%
Office of Performance and Accountability	751,306	965,770	875,119	-9.4%
Parks and Recreation	45,562,142	62,800,603	70,134,260	11.7%
Pay-As-You-Go Capital Projects	66,523,391	93,721,306	83,481,961	-10.9%
Planning and Community Development	20,233,489	13,931,386	14,055,052	0.9%
Police	109,936,069	117,801,770	122,563,672	4.0%
Public Education	938,303,338	1,144,262,144	1,174,747,214	2.7%
Public Utilities	92,862,567	119,546,797	122,636,173	2.6%
Public Works	143,135,373	168,406,146	180,402,296	7.1%
General Fund Reserve for Contingencies	-	9,714,217	19,620,554	102.0%
Flood Protection Reserve for Future Use	-	27,501,608	30,750,997	11.8%
Resort Management Office	7,060,290	-	-	0.0%
Sheriff's Office	56,070,376	57,697,644	62,973,654	9.1%
Special Finance Department	28,413,782	46,237,738	49,205,963	6.4%
Virginia Aquarium	11,732,956	15,037,900	16,021,491	6.5%
Voter Registration & Elections	2,460,308	2,520,397	2,714,569	7.7%
TOTAL EXPENDITURES	2,014,564,864	2,456,773,163	2,546,098,548	3.64%

CITY PERSONNEL SUMMARY

Department	FY 2021-22 Final Actuals	FY 2022-23 Amended	FY 2023-24 Adopted	Change
Agriculture	9.00	9.00	9.00	-
Virginia Aquarium	127.00	128.85	125.60	(3.25)
City Auditor	8.00	8.00	8.00	-
Budget and Management Services	13.00	13.00	13.00	-
City Attorney	43.00	39.60	39.60	-
Clerk of the Circuit Court	57.00	57.00	57.00	-
Circuit Court	12.50	13.50	13.50	-
City Clerk	6.00	6.00	6.00	-
City Manager	21.00	21.00	23.00	2.00
City Real Estate Assessor	35.00	35.00	35.00	-
City Treasurer	76.60	76.60	76.60	-
Communications Office	22.00	25.00	27.00	2.00
Commissioner of the Revenue	63.93	64.93	64.93	-
Cultural Affairs and Historic Houses	12.00	12.00	12.00	-
Convention and Visitor's Bureau	109.28	119.28	119.28	-
Commonwealth's Attorney	102.83	108.83	120.83	12.00
Emergency Communications and Citizen Services	133.75	132.75	132.75	-
Economic Development	32.00	33.00	34.00	1.00
Emergency Management	8.00	10.00	13.00	3.00
Emergency Medical Services	101.55	124.55	165.12	40.57
Finance	62.00	65.00	65.00	-
Fire	555.23	558.23	561.23	3.00
Health Department	11.38	11.38	8.00	(3.38)
Housing and Neighborhood Preservation	87.00	88.00	94.00	6.00
Human Resources	63.00	66.00	70.00	4.00
Human Services	1,193.20	1,182.57	1,187.57	5.00
Information Technology	189.00	198.00	199.00	1.00
Juvenile Probation	4.00	4.00	4.00	-
Libraries	241.50	241.50	245.50	4.00
Municipal Council	11.00	11.00	12.00	1.00
Office of Performance and Accountability	8.00	8.00	8.00	-
Parks and Recreation	869.11	875.04	875.04	-
Planning	133.00	142.00	143.00	1.00
Police	1,048.80	1,050.90	1,068.15	17.25
Public Utilities	415.00	415.00	416.00	1.00
Public Works	975.88	976.88	988.88	12.00
Resort Management Office	10.00	-	-	-
Sheriff	535.99	535.99	536.40	0.41
Voter Registration and Elections	13.00	13.00	14.00	1.00
Total City Positions	7,419.53	7,480.38	7,590.98	110.60
Total School Positions	10,580.87	10,658.35	10,678.15	19.80
Total Positions	18,000.40	18,138.73	18,269.13	130.40
Totals				
Total City Full Time Positions		6,883.00	6,985.00	102.00
Total City Part Time Positions		586.38	594.98	8.60
Total City Council Members		11.00	11.00	-
Total School Positions		10,658.35	10,678.15	19.80
Total Positions		18,138.73	18,269.13	130.40

CITY FTE ADDITIONS & REDUCTIONS

Department	FTE changes between Adopted FY 2022-23 & Adjusted FY 2022-23	# FTEs	FTE changes between Adjusted FY 2022-23 & Adopted FY 2023-24	# FTEs	Total Dept. FTE Variance
<i>Virginia Aquarium</i>			Storekeeper III	1.00	
			Crew Leader	(2.00)	
			Operations Assistant I/II/III	(2.25)	
					(3.25)
<i>City Manager</i>	Special Projects Coordinator	1.00	Administrative Assistant I	1.00	
	Assistant to the City Manager/ Community Affairs	(1.00)	Assistant to the City Manager - Special Projects	1.00	
					2.00
<i>Communications Office</i>	Assistant to the City Manager/ Community Affairs	1.00	Executive Assistant II	1.00	
			Media and Communications Coordinator III	1.00	
					3.00
<i>Commonwealth's Attorney</i>	Legal Assistant	1.00	Assistant Commonwealth Attorney	4.00	
	Legal Assistant	1.00	Business Application Specialist II	1.00	
	Paralegal	1.00	Clerk	1.00	
	Paralegal	1.00	Legal Assistant	2.00	
			Legal Information Clerk	2.00	
			Paralegal	2.00	
					16.00
<i>Convention and Visitor's Bureau</i>	Administrative Specialist I	1.00			
	Grounds Crew Leader	(1.00)			
					-

Department	FTE changes between Adopted FY 2022-23 & Adjusted FY 2022-23	# FTEs	FTE changes between Adjusted FY 2022-23 & Adopted FY 2023-24	# FTEs	Total Dept. FTE Variance
<i>Economic Development</i>	Administrative Specialist I	(1.00)	Office Assistant I	1.00	
	Grounds Crew Leader	1.00			
					1.00
<i>Emergency Communications</i>	Systems Analyst III	(1.00)			
					(1.00)
<i>Emergency Management</i>			Public Safety Investigator (PT)	3.00	
					3.00
<i>Emergency Medical Services</i>			Administrative Specialist I	1.00	
			Advanced Emergency Medical Technician	20.00	
			Beach Lifeguard	0.25	
			Beach Lifeguard Supervisor	0.24	
			Beach Lifeguard Operations Supervisor	0.08	
			EMS Captain	8.00	
			Paramedic	10.00	
			Public Safety Training Specialist	1.00	
					40.57
<i>Finance</i>	Procurement Specialist II	1.00			
	Procurement Specialist III	1.00			
	Procurement Specialist III	1.00			
					3.00
<i>Fire</i>			Firefighter Recruit	3.00	
					3.00
<i>Health Department</i>			Grant Positions	(5.00)	

Department	FTE changes between Adopted FY 2022-23 & Adjusted FY 2022-23	# FTEs	FTE changes between Adjusted FY 2022-23 & Adopted FY 2023-24	# FTEs	Total Dept. FTE Variance
			Laboratory Technician	2.00	
			Family Services Specialist I	1.00	
			Family Services Specialist I (PT)	(1.38)	
					(3.38)
<i>Housing</i>			Executive Assistant II	1.00	
			Housing Specialist I	1.00	
			Housing Specialist II	2.00	
			Housing Specialist Assistant	2.00	
					6.00
<i>Human Resources</i>	HR Business Partner II	1.00	Account Clerk III	1.00	
	HR Business Partner II	1.00	HR Business Partner II	3.00	
					6.00
<i>Human Services</i>	BH/DS Clinician III	1.00	BH/DS Clinician I	3.00	
	Special Projects Coordinator	(1.00)	Registered Nurse	2.00	
	BH/DS Clinician II	2.00			
	Systems Analyst II	(1.00)			
	Business Application Specialist I	(1.00)			
	Clerk Typist	(1.00)			
	Account Clerk II	(1.00)			
	Juvenile Detention Counselor	(1.00)			
	Office Assistant	(1.00)			
	Clinician II	(3.00)			
	Clerk III	(1.00)			

Department	FTE changes between Adopted FY 2022-23 & Adjusted FY 2022-23	# FTEs	FTE changes between Adjusted FY 2022-23 & Adopted FY 2023-24	# FTEs	Total Dept. FTE Variance
	Registered Nurse	(2.00)			
	Systems Analyst II	1.00			
					(4.00)
<i>Information Technology</i>	Systems Analyst III	1.00	Systems Analyst I	1.00	
	Systems Analyst II	1.00			
	Business Application Specialist I	1.00			
					4.00
<i>Library</i>			Library Services Specialist	4.00	
					4.00
<i>Municipal Council</i>			Citizen Review Board Administrator	1.00	
					1.00
<i>Parks and Recreation</i>	Administrative Assistant	1.00			
	Recreation Specialist I	1.00			
	Recreation Specialist II	1.00			
	Parks and Recreation Supervisor	1.00			
	Youth Worker I (PT)	1.73			
	Youth Coach (PT)	0.20			
					5.93
<i>Planning</i>			Right-of-Way Coordinator	1.00	
					1.00
<i>Police</i>			Administrative Technician	2.00	
			Forensic Specialist I	2.00	
			Police Officer I	11.00	
			Public Safety Investigator (PT)	1.50	
			Storekeeper III (PT)	0.75	

Department	FTE changes between Adopted FY 2022-23 & Adjusted FY 2022-23	# FTEs	FTE changes between Adjusted FY 2022-23 & Adopted FY 2023-24	# FTEs	Total Dept. FTE Variance
					17.25
<i>Public Utilities</i>			Utility Accounts Representative I	1.00	1.00
<i>Public Works</i>	Contract Specialist	1.00	Engineering Technician I	2.00	
			Mechanic II	3.00	
			Construction Inspector II	1.00	
			Engineer III	1.00	
			Electrician II	2.00	
			Engineer IV	1.00	
			Construction Inspector I	1.00	
			Planner/Estimator II	1.00	
					13.00
<i>Sheriff</i>			Public Safety Investigator (PT)	0.41	0.41
<i>Voter Registration and Elections</i>			Senior Registrar	1.00	1.00
Total Net New		9.93		110.60	120.53

SCHOOL PERSONNEL SUMMARY

Budgeted Positions for All School Board Funds

	FY 2019-20 Budget	FY 2020-21 Budget	FY 2021-22 Budget	FY 2022-23 Budget	FY 2023-24 Adopted Budget	Variance
General Fund						
Fund 115 - School Operating						
Instruction	7,118.65	7,073.85	7,076.25	7,097.35	7,064.55	(32.80)
Administration, Attendance, and Health	284.30	386.30	398.90	404.90	410.10	5.20
Pupil Transportation	693.88	690.88	690.88	694.88	694.88	-
Operations and Maintenance	1,123.50	1,119.50	1,121.50	1,136.10	1,151.10	15.00
Technology	185.00	186.00	186.00	188.00	188.00	-
School Operating Fund Total	9,405.33	9,456.53	9,473.53	9,521.23	9,549.53	(12.60)
Fund 201 - Green Run Collegiate						
	38.80	39.20	39.20	40.50	40.90	0.40
General Fund Total	9,444.13	9,495.73	9,512.73	9,561.73	9,549.53	(12.20)
Categorical Grants and Other Funds						
Fund 213 - Cafeterias	527.39	536.64	536.64	529.62	564.62	35.00
Fund 214 - Categorical Grants	504.60	508.50	516.50	552.00	549.00	(3.00)
Fund 215 - Textbooks	1.50	1.50	1.50	1.50	1.50	-
Fund 650 - Risk Management	4.00	5.00	5.00	5.00	5.00	-
Funds 652/653 - Health Insurance	6.50	7.50	8.50	8.50	8.50	-
Other Funds Total	1,043.99	1,059.14	1,068.14	1,096.62	1,128.62	32.00
TOTAL BUDGET	10,488.12	10,554.87	10,580.87	10,658.35	10,678.15	19.80

Categorical Grants and Other Funds Budgeted Positions

	FY 2019-20 Budget	FY 2020-21 Budget	FY 2021-22 Budget	FY 2022-23 Budget	FY 2023-24 Adopted Budget	Variance
<i>Adult Basic Education Funds</i>	5.00	5.00	5.00	5.00	5.00	-
<i>ARP Homeless II</i>	-	-	-	1.00	1.00	-
<i>American Rescue Plan ESSER III</i>	-	-	-	29.00	26.00	(3.00)
<i>CARES Act ESSER</i>	-	-	7.00	-	-	-
<i>Carl Perkins</i>	-	-	-	1.00	1.00	-
<i>DoDEA MCASP Operation GRIT</i>	1.00	1.00	-	-	-	-
<i>DoDEA Spanish Immersion</i>	-	-	-	1.00	1.00	-
<i>DoDEA Special Education</i>	-	-	-	-	-	-
<i>Preschool Incentive</i>	4.00	4.00	4.00	4.00	4.00	-
<i>Title I, Part A</i>	111.00	101.90	101.90	106.40	106.40	-
<i>Title I, Part D - Subpart 1</i>	0.50	-	-	-	-	-
<i>Title I, Part D - Subpart 2</i>	0.50	-	-	-	-	-
<i>Title II, Part A</i>	17.00	17.00	18.00	98.00	19.00	-
<i>Title III, Part A - Language Acquisition</i>	1.00	1.00	1.00	1.00	1.00	-
<i>Title IV, Part A</i>	4.00	4.00	5.00	4.50	4.50	-
<i>Title VI, Part B (IDEA)</i>	248.80	262.80	262.80	262.80	262.80	-
<i>Virginia Preschool Incentive Plus (VPI+)</i>	-	-	-	-	-	-
Federal Grants Total	392.80	396.70	404.70	435.20	432.20	(3.00)
<i>Early Intervention Reading Initiative (PALS)</i>	1.00	1.00	1.00	1.00	1.00	-
<i>Jail Education Program</i>	1.00	1.00	1.00	1.00	1.00	-
<i>Juvenile Detention Home</i>	11.00	12.00	12.00	11.00	11.00	-
<i>Virginia Preschool Initiative</i>	86.00	86.00	96.00	102.00	102.00	-
<i>Virginia Preschool Initiative Plus (VPI+)</i>	10.00	10.00	-	-	-	-
State Grants Total	109.00	110.00	110.00	115.00	115.00	-
<i>Hampton Roads Workforce Council – ALC</i>	0.80	0.80	0.80	0.80	0.80	-
<i>Hampton Roads Workforce Council – STEM (OSY)</i>	2.00	1.00	0.75	0.75	0.75	-
<i>Hampton Roads Workforce Council – STEM (ISY)</i>	-	-	0.25	-	-	-
Local Grants Total	2.80	1.80	1.80	1.80	1.80	-
Categorical Grants Total	504.60	508.50	516.50	552.00	549.00	(3.00)
<i>Cafeterias</i>	527.39	536.64	536.64	529.62	564.62	35.00
<i>Health Insurance</i>	6.50	7.50	8.50	8.50	8.50	-
<i>Risk Management</i>	4.00	5.00	5.00	5.00	5.00	-
<i>Textbooks</i>	1.50	1.50	1.50	1.50	1.50	-
Other Funds Total	539.39	550.64	551.64	544.62	579.62	35.00
Categorical Grants and Other Funds Total	1,043.99	1,059.14	1,068.14	1,091.12	1,128.62	32.00

DEMOGRAPHICS

		1990	2000	2010	2020	2021
<u>Gender:</u>						
	Male	50.8%	49.5%	48.9%	49.1%	49.3%
	Female	49.2%	50.5%	51.1%	50.9%	50.7%
<u>Age:</u>						
	Under 18	28.0%	27.5%	24.0%	22.2%	22.4%
	65 and Over	5.9%	8.4%	10.7%	14.2%	14.3%
	Peak Earning Years (age 35 – 54)	24.9%	30.5%	28.3%	25.5%	25.7%
	Median Age	28.9	32.7	34.9	36.4	37.1
	Dependency Population (<18 & > 65)	33.9%	35.9%	34.7%	35.9%	43%
<u>Race:</u> *						
	White	80.5%	71.4%	67.7%	58.6%	60.5%
	Black/African American	13.9%	19.0%	19.6%	18.0%	18.3%
	American Indian/Alaskan Native	0.4%	0.4%	0.4%	0.3%	0.2%
	Asian/Hawaiian/Pacific Islander	4.3%	5.0%	6.3%	7.5%	7.1%
	Other Race	0.9%	1.5%	2.0%	0.6%	2.2%
	Two or More Races	NA	2.7%	4.0%	6.2%	7.5%
	Hispanic	3.1%	4.2%	6.6%	8.8%	8.6%
<u>Households:</u>						
	Family Household	75.4%	71.8%	68.6%	63.7%	66.4%
	Married Couple Family	62.9%	55.7%	52.9%	51.1%	48.2%
	Female Head of Household	9.5%	12.4%	12.3%	27.7%	28.6%
	Households with Children under 18	44.8%	42.1%	35.4%	32.1%	27.9%
	Housing Occupancy: Owner	62.5%	65.6%	65.7%	62.3%	65.2%
	Housing Occupancy: Renter	37.5%	34.4%	34.3%	37.7%	34.8%
	Average Household Size	2.82	2.70	2.65	2.52	2.45
	Average Family Size	3.21	3.21	3.16	3.05	2.97
<u>Health Insurance</u>	% with Health Insurance Coverage	NA	NA	88.9%	92.6%	94.0%
<u>Marital Status:</u>						
	Single, Never Married	24.7%	25.5%	28.3%	30.5%	31.1%
	Married	58.4%	57.1%	53.5%	51.7%	50.7%
	Separated	5.4%	3.2%	2.9%	2.2%	1.9%
	Widowed	4.0%	4.7%	4.7%	5.0%	5.1%
	Divorced	7.6%	9.5%	10.5%	10.7%	11.5%
<u>Median Household Income</u>		\$36,271	\$48,705	\$64,212	\$78,136	\$81,634
<u>Median Family Income</u>		\$39,122	\$53,242	\$75,757	\$91,553	\$96,946
<u>Per Capita Income</u>		\$21,744	\$32,350	\$44,673	\$57,513	\$42,498

	1990	2000	2010	2020	2021
<u>Poverty:</u>					
Persons	5.9%	6.5%	7.5%	7.2%	9.6%
Families	4.3%	5.1%	5.5%	5.3%	7.5%
Children under 18	7.6%	8.6%	10.5%	9.8%	13.1%
65 and Over	8.0%	4.7%	5.0%	4.6%	6.3%
Female Head of Household	20.2%	18.9%	18.9%	16.8%	23.8%
Female Householder with Children	26.5%	23.1%	24.2%	23.2%	31.9%
<u>Housing Expenses:</u> *					
Owner Expenses Exceeding 30% of Income	30.7%	27.4%	42.7%	25.5%	28.8%
Renter Expenses Exceeding 30% of Income	39.0%	37.9%	53.5%	43.1%	39.9%
Percent of Homeowners Mortgage Free	11.4%	13.9%	19.7%	25.6%	25.5%
<u>Educational Attainment:</u>					
High School Graduate	88.0%	90.4%	93.1%	94.0%	96.0%
College Graduate	25.5%	28.1%	31.6%	37.3%	56.4%
<u>Labor Force:</u>					
Civilian Labor Force Participation Rate	62.5%	63.2%	71.0%	71.9%	62.9%
Civilian Female Labor Force Participation	63.5%	62.9%	63.7%	64.8%	60.1%
Percent of Labor Force in Armed Forces	18.6%	13.3%	10.2%	6.9%	6.5%
Percent Unemployed	4.7%	4.1%	6.5%	4.1%	3.75%
<u>Transportation-Related:</u>					
Percent Who Drive Alone	78.4%	82.0%	82.5%	80.3%	71.5%
Percent Who Carpool	12.0%	10.8%	9.4%	8.3%	7.6%
Percent Who Use Public Transportation	0.8%	0.7%	0.8%	0.8%	0.6%
Percent Who Work at Home	3.3%	2.8%	4.3%	6.1%	16.0%
Mean Travel Time (minutes)	22.7	23.9	23.4	28.6	22.7

*Totals may not equal 100% due to rounding.

Sources: Decennial Census for 1990, 2000, American Community Survey 1 Year Estimates for 2010, 2020 and 2021, Bureau of Economic Analysis for Per Capita Income

DEPARTMENTS / FUND MATRIX

City Departments	Major Funds			Non-Major Funds			
	General Fund	Water & Sewer Fund	Storm Water Fund	Special Revenue Funds	Enterprise Funds	Internal Service Funds	Misc. Fund
Agriculture	✓			✓			
Budget & Management Services	✓						
City Attorney	✓						
City Auditor	✓						
City Clerk	✓						
City Council	✓						
City Manager	✓						
City Real Estate Assessor	✓						
City Treasurer	✓						
Clerk of the Circuit Court	✓						
Commissioner of the Revenue	✓						
Commonwealth's Attorney	✓			✓			
Communications Office	✓						
Convention and Visitor's Bureau	✓			✓			
Courts and Court Support	✓						
Cultural Affairs & Historic Houses	✓			✓			
Economic Development	✓			✓	✓		
Emergency Communications & Citizen Services	✓			✓			
Finance	✓					✓	
Emergency Management	✓			✓			
Fire	✓			✓			
Health Department	✓						
Housing & Neighborhood Preservation	✓			✓			✓
Human Resources	✓						
Human Services	✓			✓			✓
Information Technology	✓					✓	
Library	✓			✓			✓
Office of Performance & Accountability	✓						
Parks & Recreation	✓			✓		✓	✓
Planning & Community Development	✓						
Police	✓			✓			
Public Utilities		✓			✓		
Public Works	✓		✓	✓	✓	✓	
Sheriff & Corrections				✓			
Virginia Aquarium	✓						
Voter Registration & Elections	✓						

PERFORMANCE MEASURE DATA SOURCES

Measure	Source
21st Century Infrastructure	
Citizen Satisfaction with the Flow of Traffic	2022 Virginia Beach Resident Survey
Bikeability Score	https://anytimeestimate.com/research/most-bike-friendly-cities-us-2022/
Percent of Residents Who Commute Using Alternative Forms of Transportation	https://www.bestplaces.net/transportation/city/virginia/virginia_beach
Walkability Score	https://www.walkscore.com/VA/ https://www.bestplaces.net/transportation/city/virginia/virginia_beach
Commute Time (in Minutes)	American Community Survey Virginia Beach Economic Data Profile
Residents Satisfied with the Condition of the Streets in their Neighborhood	2022 Virginia Beach Resident Survey
Percent of Households with a Broadband Internet Connection	U.S. Census Bureau QuickFacts: Virginia Beach City (County), Virginia; Virginia Beach City, Virginia American Community Survey Virginia Beach Social Data Profile
Safe and Healthy Communities	
Residents Reporting That Their Neighborhood is a Safe Place to Live	Citizen Satisfaction Survey
Property Crime Rate	Virginia Beach Police Department
Violent Crime Rate	Virginia Beach Police Department
Number of health services provided to elderly citizens	Virginia Beach Health Department
Total number of immunization visits	Virginia Beach Health Department
Number of children's dental visits	Virginia Beach Health Department
Cardiac Arrest Survival Rate	Virginia Beach Emergency Medical Services
Fire Deaths Per 100,000	Virginia Beach Fire Department
Residents Reporting That Virginia Beach is a Safe Place to Live	Citizen Satisfaction Survey
Homeless Population	U.S. Department of Housing and Urban Development
Residents who are Satisfied with City Services for Needy or Homeless Families	Citizen Satisfaction Survey
Residents Who are Satisfied with City mental health and intellectual disability Services	Citizen Satisfaction Survey
Growing Economic Opportunities	
Average Monthly Employment	US Bureau of Labor Statistics
Average Monthly Unemployment Rate	US Bureau of Labor Statistics
Average Weekly Wage	Virginia Employment Commission Community Profile American Community Survey Virginia Beach Economic Data Profile
Median Household Income	American Community Survey Virginia Beach Economic Data Profile
Residents Satisfied with the Job Opportunities in Virginia Beach	Citizen Satisfaction Survey
Number of Startups per 100,000 Residents	Virginia Employment Commission Community Profile
Average Monthly Jobs	Virginia Employment Commission Community Profile
Median Single Family Home Value	Real Estate Assessor's FY 2022 Annual Report
Individuals in Poverty	American Community Survey Virginia Beach Economic Data Profile
Poverty Rate - Children	American Community Survey Virginia Beach Economic Data Profile

Measure	Source
Growing Economic Opportunities <i>(continued)</i>	
Poverty Rate - Elderly	American Community Survey Virginia Beach Economic Data Profile
Measure	Source
Thriving Neighborhoods	
Renters Paying in Excess of 30% of Median Household Income for Housing Expenses	American Community Survey Virginia Beach Economic Data Profile
Homeowners Paying in Excess of 30% of Median Household Income for Housing	American Community Survey Virginia Beach Economic Data Profile
High School Dropout Rate	Virginia Department of Education
On-time High School Graduation Rate	Virginia Department of Education
Percent of Children Reading at Grade Level by 3rd Grade	Virginia Beach Public Schools
Percent of Children Whose PALS-K Scores Meet or Exceed Kindergarten Readiness Levels	The Annie E. Casey Foundation Kids Count Data Center
Resident Satisfaction with the City's Public School System	Citizen Satisfaction Survey
Percent of High Schools that are Blue Star Certified	Working in Support of Education (W!se)
Percent of High School Graduates with an Advanced Diploma	Virginia Beach City Public Schools
Percent of Virginia Beach preschool centers receiving early literacy story times and deposit collections through outreach library service	Virginia Beach Public Library
Percent of youth with library cards	Virginia Beach Public Library
Number of VA Quality Rated preschool centers	Virginia Quality
Resident Satisfaction with the Appearance of Their Neighborhood	Citizen Satisfaction Survey
Resident Satisfaction with the Overall City Appearance	Citizen Satisfaction Survey telephone so you just went with people right just now but I think with the whole shift with everything else we might have messed with telecom that is right that is the right number and then last word
Resident Satisfaction with City Efforts to Protect Natural Resources, the Environment, and Open Space	Citizen Satisfaction Survey
Resident Satisfaction with the City's Planning for Residential Development	Citizen Satisfaction Survey
Percent of City Population with Walkable Park Access	The Trust for Public Land 2020 ParkScore Index
Acres of Parkland per 1,000 Residents	The Trust for Public Land 2020 ParkScore Index
Overall Real Estate Assessment Average Change	Real Estate Assessor's Annual Report
Public Open Space per 1,000 Residents	Open Space/Parkland Statistical Analysis
Innovative and Sustainable Government	
Pounds of Solid Waste Produced per Capita per Day - FY	Virginia Beach Public Works
Recycling Rate	Virginia Beach Public Works
Water Consumption per Capita (Gallons per Day) - FY	Virginia Beach Public Utilities
Residents Who "Overall" Are Satisfied with City Services	2022 Virginia Beach Resident Survey
Resident Satisfaction with the Courtesy of City Employees	2022 Virginia Beach Resident Survey
City of Virginia Beach Bond Rating (Moody's, Standard & Poor's, Fitch)	Virginia Beach Department of Budget and Management Services

Measure	Source
Innovative and Sustainable Government <i>(continued)</i>	
Operating Expenditures Per Capita	Virginia Beach Department of Budget and Management Services
Number of Volunteer Hours (In Millions)	Office of Volunteer Resources
Percent of Drinking Water Tests Meeting or Exceeding Federal Standards	Virginia Beach Public Utilities
Resident Satisfaction with the Opportunity to Share Ideas or Opinions Before the City Makes Important Decisions	2022 Virginia Beach Resident Survey
Residents voting in Elections for Local Office	Virginia Beach Department of Voter Registration and Elections
Resident Satisfaction with the Level of Communication the City has with them	2022 Virginia Beach Resident Survey