



CITY OF VIRGINIA BEACH

Operating Budget

ADOPTED FY 2023-24



CITY OF
**VIRGINIA
BEACH**

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Purpose and Document Changes

The operating budget outlines the expenditures, personnel resources, and revenues needed to finance the operations of the government, and the policies and priorities on which allocation decisions are based. This document provides the citizens and governing body with insight to the past, present, and future services and programs of the city as well as anticipated program outcomes.

The planning process starts as the City Council assesses the current conditions of the city and articulates their priorities to city staff. City staff devises a strategy document as the official plan to implement the goals of the City Council. This plan focuses the collective efforts of city staff on City Council's priorities and those strategic issues that will help close the gap between where the city is today and the community that it strives to become. In concert with the ongoing delivery of programs and services, this plan provides a strategic focus for the next year.

Format of the Budget

To assist in understanding the contents of this document, the following is a brief description of the main sections.

- **Introduction** – This section contains information relating to How to Read the Document with example pages provided.
- **Summaries** – Overview of the city's financial structure, expenditures and revenues, interfund transfers, and the relationship of the operating budget to the Capital Improvement Program.
- **Revenues** – A comprehensive review of city revenues as it relates to national, state, and local funding sources.
- **Requested But Not Funded** – A listing of items requested but not funded in the current budget.
- **Departments** – This section includes all departments that operate within the city, listed in alphabetical order. Each department section provides an introduction to the department as well as key information on how each department works to support the goals set by City Council.
- **Debt Service** – Description, analysis, and summaries of the debt service program are included in this section.
- **Ordinances** – This section contains ordinances that adopt the annual operating budget, set rates for the property taxes, as well as amendments to the City Code.
- **Appendix** – This section contains an overview of the Resource Management Process Overview, Accounting and Budgeting Basis, Summary of City Positions by Department, various policies and administrative directives, a glossary, a description of major city funds, and a list of commonly used acronyms.

The following pages provide examples of how to read and understand information contained in the departmental sections of this document.

AGRICULTURE



The mission of the Agriculture Department is to provide leadership, coordination, and education to enhance the economic vitality of the city's agricultural industry and the preservation and enhancement of its quality physical environment, to assist citizens in strengthening their families, and to provide citizens and visitors with cultural and recreational opportunities by preserving our agricultural and rural heritage.

Department Overview

Director's Office

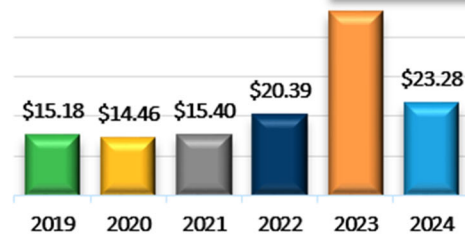
Provides overall direction, coordination, and support to the department, as well as technical assistance to the community to ensure that agriculture is a viable part of the City's economy.

Identifies basic programs of the department and the Per Capita Expenditures over the last five years

Virginia Beach Agricultural Reserve Program (ARP)

Established by City Council in May 1995, the goal of the ARP is to preserve and protect farm and forested lands in the Southern part of the City. The ARP provides for the continued growth and sustainability of agriculture, the third largest industry in Virginia Beach; protects agricultural lands from increased residential, commercial, and industrial development through the purchase of development rights in the form of perpetual preservation easements; and reduces the need to extend City services. In the fall of 2020, the City Council amended the ARP ordinance to enable the ARP to acquire agricultural zoned land that was previously ineligible for participation in the ARP due to the property's road frontage's location in a floodplain, provided that the rest of the property sits outside the floodplain and is developable. This action will increase the land available in the City that may ultimately be included in the ARP.

Budget Per Capita



Identifies the key mission statement of the department

The increase in FY 2021-22 and FY 2022-23 and decrease in FY 2023-24 are related to the pass-through payment of principal to landowners from the original ARP acquisitions, this amount will fluctuate annually.

Key Performance Measures

The table below illustrates how the Department has been performing against its key performance metrics:

Departmental Performance Metrics			Performance Metrics		
				FY 2023 EST	FY 2024 PROJ
Total market space leased at Farmers Market	87.5%	100%	100%	100%	100%
Total acres in the Agricultural Reserve Program	9,987	10,366	10,416	10,716	11,106
Total annual visitors to the Agriculture Educational Heritage Center	1,444	0	500	1,500	3,000

Provides details on department's performance metrics over time

In 2022, the City contracted with ETC Institute to undergo a Resident Satisfaction Survey. The survey included standardized questions used in communities across the country, to allow Virginia Beach to benchmark the city against average ratings in other communities, and it also included questions developed specifically for Virginia Beach to gain insights on issues that impact the city. The following table provides how Virginia Beach compares to the Atlantic Region and the National average for a few of the survey findings.

Resident Satisfaction Results	Virginia Beach	Atlantic Region	National Average
Overall quality of customer service you received from city employees	73%	38%	40.6%
Overall quality of services provided by city employees	75.3%	53.6%	50.5%
How well the City is managing growth	31.6%	34.6%	39.7%

Provides details on department's performance metrics over time

Trends and Issues

→ Agriculture Reserve Program (ARP)

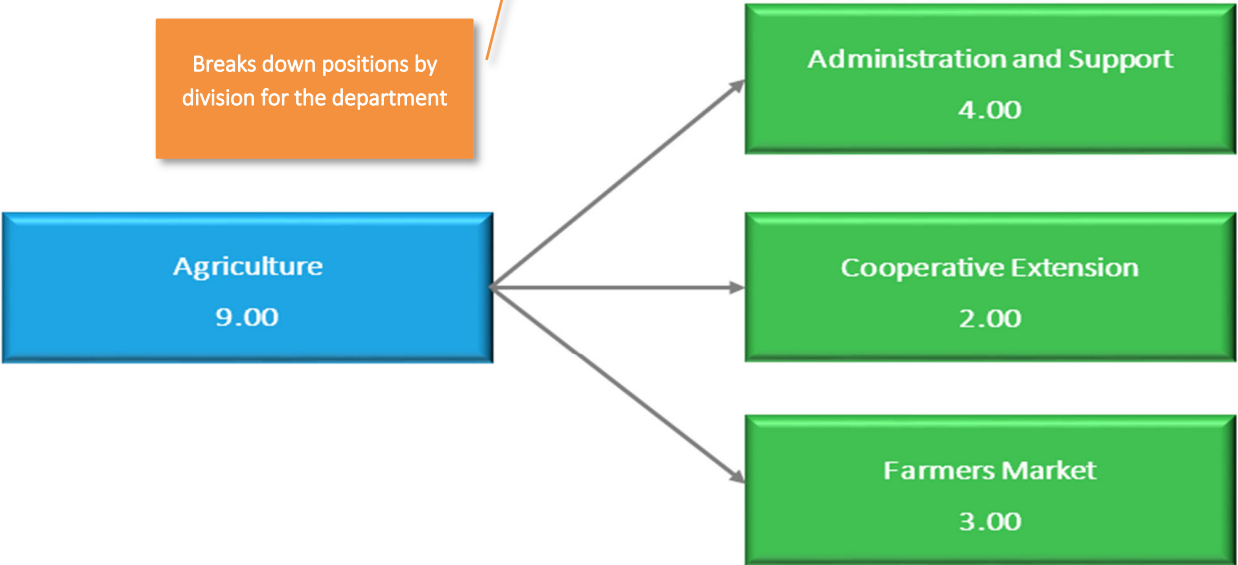
The Agriculture Reserve Program is designed to preserve the resource base for farming. Agriculture is a variable industry in Virginia Beach by preserving the resource base for farming. Agriculture is a variable industry in Virginia Beach by costs through the purchase of United States Securities Interest and Principal of Securities (STRIPS). The U.S. Treasury STRIPS purchases a front costs of developmental rights acquisitions and helps the City leverage its funding over time. The interest that accrues on the initial STRIPS purchase will equal the principal payment that will be needed to compensate the landowner at the end of the 25-year payment plan. In exchange for the landowner waiting for their principal payment, the City pays the interest payments on the easement value as an operational expense during the payment plan. Over time, the interest rate and STRIPS values have fluctuated based on the market. Higher interest rates equate to lower buy-in rate to fund the 25-year STRIPS that is purchased to fund the easement value. In comparison, a lower interest rate equates to a higher buy-in amount to mature for the easement value. In mid-January, the interest rate was approximately 3.82% with a buy-in rate of 38.738 cents on the dollar.

Provides detailed information about recent trends impacting the department's operations

Major Budget Changes

	Change	Impact	
↑	Farmer's Market Position Consolidation \$15,923	The Farmer's Market operation is maintained by two full-time staff and two part-time staff. The department has experienced consistent difficulty in keeping both part-time positions filled creating gaps in service continuity for the Farmer's Market. The two part-time positions are merged to make one full time position that will allow longer periods of employment retention of this position resulting in a more consistent level of expected service delivery being achieved for the Farmer's Market. Continuity of this service ranked fairly high in importance per the 2022 City of Virginia Beach Resident Satisfaction Survey.	Provides information about significant changes in the department's budget from the prior year.

Department Organization Chart



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Financial Structure

The City of Virginia Beach's budgetary policies conform to generally accepted accounting principles as applicable to governmental accounting. A summary of the City's financial structure follows.

The financial system used by the city is organized and operated on a fund basis. A fund is defined as a separate, self-balancing set of accounts which is segregated for the purpose of carrying on specific activities or attaining certain objectives. Each fund is comprised of assets, liabilities, fund balance/net position, revenues, and expenditures or expenses, as appropriate. The city's resources are accounted for in individual funds based upon the purposes for which they are to be spent and controlled.

There are basically three fund categories used by the city: Governmental, Proprietary, and Fiduciary Funds.

Governmental Funds

Most of the governmental functions of the city are financed in governmental funds. These funds focus on the sources and uses of the city's current expendable financial resources for the purpose of determining financial position. The following are the city's governmental fund types:

- General Fund – This is the chief operating fund of the city. General Fund revenues are derived from property and other local taxes, permits, privilege fees, regulatory licenses, fines and forfeitures, use of property fees, charges for services, state and federal government aids, and transfers from other funds.
- Special Revenue Funds – These funds are used to account for proceeds of specific revenue sources that are committed or restricted to expenditures for specific purposes. Beginning July 1, 2010, this requirement from the Governmental Accounting Standards Board (GASB) completely changed the reporting requirements for Special Revenue Funds (Examples: Agriculture Reserve Program, Parks and Recreation Special Revenue fund, etc.) making revenues the determining factor in the budgeting of these funds. Under GASB 54, Special Revenue Funds are required to have their own unique source of revenue; transfers can no longer serve as the primary source of revenues and the actual source of the revenue must be shown.
- Capital Projects Funds – These funds are used to account for financial resources that are restricted, committed or assigned to expenditures for acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds) are accounted for in these funds. Examples: School General Revenue Capital Projects Fund, General Government Capital Projects Fund, Water and Sewer Capital Projects Fund, and Storm Water Capital Projects Fund.

Proprietary Funds

City activities that function primarily as investor-owned business enterprises are generally set up as proprietary funds. The measurement focus of these funds is to determine their net income, financial position, and changes in financial position. There are two types of proprietary funds used:

- Enterprise Funds – These funds are used to account for the operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or (b) where periodic determination of revenues earned, expenses incurred, and/or net income is deemed appropriated for capital maintenance, public policy, management control, accountability, or other purposes. Examples: Parking Enterprise Fund and Storm Water Utility Enterprise Fund.

- Internal Service Funds – These funds are used to account for any activity that provides goods or services to other funds, departments, or agencies, or to other governments on a cost-reimbursement basis. Examples: City Garage and Risk Management Internal Service Funds.

Fiduciary Funds

Fiduciary Funds – These funds are used to account for assets held by the city in a trustee capacity or as an agent for individuals, private organizations, other government units. The City's Fiduciary funds are divided into two separate fund types: the Other Postemployment Benefits Trust Fund and Custodial Funds. Example: Health Insurance Trust Fund.

Financial Management

The following policies have been employed by the government to be used as the basis for guiding short and long-term budget and Capital Improvement Program (CIP) planning:

Resource Direction and Guidance

The city's current fiscal condition is excellent. City Council continues to improve that condition, allowing the community to look toward strategic goals from a position of strength. Indicators of our excellent fiscal condition include: a healthy fund balance, a Triple-A bond rating, and relatively low per capita spending. The Resource Management Plan will continue City Council's basic fiscal policies:

- Maintain to the extent possible existing services, levels of service, and infrastructure.
- Position the city to withstand local and regional economic disruptions.
- Meet the demands of natural growth, decline, and change.
- Help maintain the city's ability to shape its fiscal and community future.
- Ensure that the citizens understand and support the need for fiscal sustainability and the policies through which it is achieved.
- Maintain a diverse tax structure that provides for quality basic services and minimizes the need for future real estate tax rate increases.
- Maintain and monitor the debt policies established by City Council making recommended changes as circumstances demand.
- Provide for special services and projects through special dedicated revenue generation (i.e., Tourism Investment Program Fund and Tourism Advertising Program Special Revenue Fund).

Resource Process

The city uses a modified, zero-based budget approach centered on programs with supporting performance measures. Additional details about the processes used to develop the city's operating budget and CIP are shown in more detail in the Resource Management Process Overview in the Appendix section of this document. During the budget process, departments are provided with an annual funding target based on revenues that are forecasted to be available, given a manual and guidelines, and provided training for budget and CIP development. Departments submit their budget requests that meet the funding targets provided and also relay the need for additional resources to support increasing demand for current services and/or new and/or expanded programs.

Once budget requests are submitted to the department of Budget and Management Services, analysts audit the budget proposal for mathematical accuracy and consistency with established budgeting guidelines for certain types of costs such as internal service fund charges. Analysts make any needed adjustments to expenditures or revenues to bring the request in line with funding targets. They review budget requests to determine if the amount of funding requested is appropriate based on the following criteria: Is the request supported by the change in performance measures? Does it further a City

Council goal? Does it further the city's strategic plan? Is it a state or federal mandate? Is it supported by other revenue sources? Is it a public safety or health issue? Will it provide savings in the future?

After budget requests have been thoroughly reviewed, a recommendation is forwarded to the Management Leadership Team (MLT) consisting of the City Manager and Deputy City Managers and the respective department director. Thereafter, budget hearings are held to facilitate discussion among the requesting department, Budget and Management Services, and the MLT for review of the department's budget request and any unfunded issues requiring further consideration. After all of the budget hearings are completed, the MLT will meet with the leadership of Budget and Management Services to work through the issues and develop a funding strategy. The MLT makes a final decision on what items are included in the proposed budget that is presented to City Council.

The Capital Improvement Program follows a similar process. In place of departmental level budget hearings, the departments that administer the CIP present their requests to a CIP caucus comprised of the MLT, as well as directors of the CIP's managing departments. Requests for additional funding for existing projects or new projects are prioritized by the CIP caucus and used by the MLT in making the final decision as to what to include in the proposed CIP that is presented to City Council.

Operating Budget Policies

- The budget will be balanced on a current revenue to expenditure basis.
- Attrition will be used to cover limited overtime and contracted manpower expenses, unplanned holidays, retirement payouts, and if required due to economic conditions, to provide funding for the following years operating budget through the use of fund balance.
- Unencumbered budget appropriations, except for those for capital projects and grants, will lapse at the close of the fiscal year.
- The appropriation ordinance establishes the legal level of budgetary control. Other levels of budgetary control may be set by the City Manager (see the Ordinance section of the Operating Budget for a current copy).
- The city will seek to provide for adequate maintenance and replacement of capital equipment and facilities over time (see the Appendix section of the Operating Budget for a current copy of this policy).
- The city will seek to maintain a diversified and stable revenue system so that it can mitigate short-term fluctuations in one type or source of revenue and avoid over-dependency on any single source.
- The city will set fees and user charges for each self-supporting Enterprise Fund (i.e., Water, Sewer, Waste Management, and Stormwater) at a level that fully supports the costs of the fund to include operation, maintenance, capital replacement, indirect cost, depreciation, renewals, and debt service.
- The city will also regularly review all fees/charges, including those in the General Fund and will seek where appropriate to base fees/charges on costs and/or on the rates charged by the private sector.
- The city shall annually prepare a five-year forecast of revenues and expenditures and its implications for services and policies.
- The City Manager may include in the budget a General Fund Reserve for Contingencies of ½ or 1% of the General Fund budget.

Fund Balance Policies

- The budget will include an estimate of the unassigned fund balance.
- The unassigned fund balance or unrestricted net position of any fund shall not be used to finance continuing expenditures except in times of economic downturns.
- Following the Government Finance Officers Association recommendation that general purpose governments maintain unassigned fund balance in their general fund of no less than 5% to 15% of regular general fund operating revenues, the city shall maintain an unassigned fund balance of 8% to 12% of the following year's

projected revenues. This level equates to approximately one month of operating expenses. For additional details on fund balance policies, see Summary of Purpose and Fund Balance Policy for Funds in this document.

Capital Improvement Program Policies

- To qualify as a capital project a project must be a major expenditure for: design and/or construction of fixed works, structures, additions, replacements, major alterations, modernizations, renovations, or purchase of land and existing structures including rights-of-way, title searches, replacement, rehabilitation or expansion of communication and information technology infrastructure, acquisition of major pieces of equipment, and similar activities. Other specialized projects may also be considered for the CIP if it is ongoing in nature or requires multi-year funding. The project should have a cost over \$250,000 or be of such a significant nature as to prevent its funding through the operating budget.
- The city generally uses bond financing once all other available funding sources have been appropriated. Charter and Public Facility Bonds are allocated based on legal limits. A project is eligible for lease/purchase financing if it is considered an essential project or is a non-essential project not requiring referendum funding, and when the City Manager believes that costs are not prohibitive and that the interest of the government is served.
- The city will allocate at least 25% of the annual capital program for the water and sewer system from non-borrowed funds for the financing of capital improvements. The city will seek to increase those amounts where feasible.
- Any tax rate increases adopted in conjunction with voter-approved bond referendums or by dedicated City Council policy will be structured and used to support all costs associated with the projects including debt service and appropriate operating and maintenance costs.
- Project balances that have been closed out in the city's financial system that are supported by revenues will be reallocated as needed in the CIP.

Debt Management Policies

- The city issues 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 retire the debt within a period not to exceed the expected useful life of the projects. The city has not historically issued and does not anticipate issuing short-term debt in the form of tax or revenue anticipation notes. Instead, the city shall maintain sufficient cash balances. Such short-term debt may be issued where normal cash flow has been disrupted due to natural disaster or unexpected delays in the receipt of federal or state revenues.
- The threshold of debt service for general government supported debt as a percentage of general government expenditures will not exceed 10%.
- Total general obligation net debt will not exceed 3.0% of assessed value.
- Where possible, the city will develop, authorize, and issue revenue, special fees, or other self-supporting debt instruments instead of general obligation bonds.
- The debt structure of the government will be managed in a manner that results in minimal deviation from the indicators listed in this policy.
- The city 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 upon full disclosure.

**City of Virginia Beach, Virginia
Expenditure and Revenues**

	FY 2021-22	FY 2022-23	FY 2023-24
	Final Actuals	Amended	Adopted
<u>FD100 General Fund</u>			
Appropriation Units:			
Agriculture	847,799	1,071,339	1,028,782
Board of Equalization	1,440	2,774	2,774
Budget and Management Services	1,149,057	1,482,008	1,440,815
Circuit Court	1,216,469	1,396,533	1,527,838
City Attorney	4,989,556	5,562,499	5,580,657
City Auditor	825,786	1,036,508	1,044,762
City Clerk	557,811	655,196	665,964
City Manager	2,843,578	3,201,328	3,439,541
City Real Estate Assessor	3,154,197	3,462,940	3,479,593
City Treasurer	6,481,806	7,528,031	7,938,987
Clerk of the Circuit Court	3,978,371	4,330,725	4,969,858
Commissioner of the Revenue	5,403,353	6,168,075	6,265,317
Commonwealth's Attorney	9,641,729	10,845,749	12,278,995
Communications Office	2,219,897	2,444,567	2,844,730
Community Organization Grants	486,568	505,417	707,960
Computer Replacements	979,825	1,766,444	3,087,214
Convention And Visitors Bureau	8,391,123	10,843,947	11,094,014
Cultural Affairs and Historic Houses	2,801,545	3,301,449	3,429,248
Debt Service	49,733,231	59,311,299	59,311,299
Economic Development	9,481,454	6,808,346	6,129,469
Emergency Communications and Citizen Services	9,606,930	11,714,592	12,041,822
Emergency Management	812,392	1,105,966	1,673,251
Emergency Medical Services	14,371,506	18,529,585	22,025,307
Employee Services	8,546,460	9,185,056	8,877,040
Finance	6,621,617	7,949,027	6,360,146
Fire	64,770,024	70,508,890	70,568,170
General District Court	449,760	531,845	531,845
Health Department	3,716,105	3,805,548	3,913,005
Housing And Neighborhood Preservation	6,359,424	6,821,628	7,588,004
Human Resources	5,290,317	7,129,408	7,699,936
Human Services	114,215,708	132,760,409	136,714,578
Independent Financial Services	176,160	179,655	188,638
Information Technology	25,817,728	24,872,841	25,321,717
Juvenile and Domestic Relations District Court	173,401	217,841	217,841
Juvenile Probation	979,388	1,419,522	1,475,707
Leases	5,491,865	3,365,000	3,780,869
Library	17,658,825	19,937,411	20,252,492
Magistrates	37,848	51,073	48,573
Municipal Council	579,085	682,952	687,189
Office of Performance and Accountability	751,306	965,770	875,119
Parks And Recreation	14,407,733	16,685,795	37,227,758

**City of Virginia Beach, Virginia
Expenditure and Revenues**

	FY 2021-22	FY 2022-23	FY 2023-24
	Final Actuals	Amended	Adopted
Planning	18,115,112	13,931,386	14,055,052
Police	109,068,185	117,801,770	122,563,672
Public Works	81,337,629	97,356,186	104,423,611
Regional Participation	3,576,613	10,376,201	11,504,277
Reserve for Contingencies	495,382	9,714,217	19,620,554
Revenue Reimbursements	10,558,172	12,391,265	15,084,044
Subscriptions	5,260,071	7,288,156	9,805,644
Transfer to Other Funds	504,452,513	569,687,830	590,194,246
Vehicle Replacements	2,689,304	6,000,000	6,000,000
Virginia Aquarium	11,732,956	15,037,900	16,021,491
Voter Registration and Elections	2,460,308	2,520,397	2,714,569
General Fund Appropriation Totals	1,165,764,422	1,332,250,296	1,416,323,984

Revenue Sources:

Revenue From Local Sources			
Charges for Services	44,267,869	44,556,135	52,705,150
Utility Taxes	45,707,677	43,125,249	43,125,249
Permits, Fees, and Regulatory Licenses	8,413,926	9,549,292	9,453,844
Fines and Forfeitures	21,976	1,490,736	1,497,541
Miscellaneous Revenue	7,482,887	4,480,753	5,685,004
Personal Property	189,957,779	192,619,234	208,222,299
General Sales Tax	87,383,198	93,871,862	91,916,310
Hotel Room Tax	10,012,992	10,736,531	11,245,386
Business License	55,489,629	54,833,748	58,742,554
Real Estate	593,777,726	621,707,015	669,607,745
Cigarette Tax	8,217,145	8,603,216	7,260,669
Other Taxes	17,514,110	14,608,818	15,914,203
From the Use of Money and Property	6,283,907	6,917,724	8,529,849
Automobile License	10,474,573	11,278,097	10,769,956
Restaurant Meal Tax	54,807,014	56,972,840	58,729,025
Revenue from the Commonwealth	112,442,455	115,985,921	121,377,504
Revenue from the Federal Government	27,731,350	24,595,835	24,552,560
Specific Fund Reserves	-	1,231,953	1,734,776
Transfer In	14,738,287	15,085,337	15,254,360
General Fund Revenue Totals	1,294,724,500	1,332,250,296	1,416,323,984

FD115 School Operating Fund

Appropriation Units:

Debt Service	42,984,598	50,133,654	50,071,611
Public Education	820,812,592	856,691,347	916,009,516
Transfer to Other Funds	12,925,680	16,712,227	16,665,512
School Operating Fund Appropriation Totals	876,722,870	923,537,228	982,746,639

**City of Virginia Beach, Virginia
Expenditure and Revenues**

	FY 2021-22 Final Actuals	FY 2022-23 Amended	FY 2023-24 Adopted
Revenue Sources:			
Revenue From Local Sources			
Charges for Services	689,566	-	-
Miscellaneous Revenue	3,125,841	3,918,341	3,968,341
From the Use of Money and Property	241,643	-	-
Revenue from the Commonwealth	395,068,002	420,954,476	451,994,592
Revenue from the Federal Government	17,115,879	13,500,000	13,500,000
Transfer In	440,351,222	484,728,011	513,283,706
School Operating Fund Revenue Totals	856,592,153	923,100,828	982,746,639

FD150 Flood Protection Referendum Fund

Appropriation Units:

Reserve for Contingencies		27,501,608	30,750,997
Transfer to Other Funds	-	495,000	1,000,000
General Debt Fund Appropriation Totals	-	27,996,608	31,750,997

Revenue Sources:

Revenue From Local Sources			
Real Estate	-	27,996,608	31,750,997
General Debt Fund Revenue Totals	-	27,996,608	31,750,997

FD190 General Debt Fund

Appropriation Units:

Transfer to Other Funds	2,211,066	6,949,719	1,478,174
General Debt Fund Appropriation Totals	2,211,066	6,949,719	1,478,174

Revenue Sources:

Revenue From Local Sources			
Specific Fund Reserves	-	6,949,719	1,478,174
General Debt Fund Revenue Totals	-	6,949,719	1,478,174

FD201 Green Run Collegiate Charter School Operating Fund

Appropriation Units:

Public Education	3,793,248	4,363,929	4,363,929
Green Run Collegiate Charter School Operating Fund Appropriation Totals	3,793,248	4,363,929	4,363,929

Revenue Sources:

Transfer In	3,784,392	4,363,929	4,363,929
Green Run Collegiate Charter School Operating Fund Revenue Totals	3,784,392	4,363,929	4,363,929

**City of Virginia Beach, Virginia
Expenditure and Revenues**

	FY 2021-22 Final Actuals	FY 2022-23 Amended	FY 2023-24 Adopted
<u>FD203 School Instructional Technology Special Revenue Fund</u>			
Appropriation Units:			
Public Education	2,471	560,840	560,840
School Instructional Technology Special Revenue Fund Appropriation Totals	2,471	560,840	560,840
Revenue Sources:			
Revenue From Local Sources			
From the Use of Money and Property	76,009	-	-
Specific Fund Reserves	-	560,840	560,840
School Instructional Technology Special Revenue Fund Totals	76,009	560,840	560,840
<u>FD204 School Athletics Special Revenue Fund</u>			
Appropriation Units:			
Public Education	5,811,138	5,478,274	5,771,170
School Athletics Special Revenue Fund Appropriation Totals	5,811,138	5,478,274	5,771,170
Revenue Sources:			
Revenue From Local Sources			
Charges for Services	-	65,000	65,000
Miscellaneous Revenue	473,955	434,000	489,000
From the Use of Money and Property	15,426	5,000	5,000
Transfer In	4,677,878	4,974,274	5,212,170
School Athletics Special Revenue Fund Totals	5,167,259	5,478,274	5,771,170
<u>FD210 School Equipment Replacement Special Revenue Fund</u>			
Appropriation Units:			
Public Education	256,424	372,300	327,651
School Equipment Replacement Special Revenue Fund Appropriation Totals	256,424	372,300	327,651
Revenue Sources:			
Revenue From Local Sources			
From the Use of Money and Property	3,882	-	-
Specific Fund Reserves	-	372,300	327,651
School Equipment Replacement Special Revenue Fund Totals	3,882	372,300	327,651
<u>FD211 School Vending Operations Special Revenue Fund</u>			
Appropriation Units:			
Public Education	58,660	69,000	130,000
School Vending Operations Special Revenue Fund Appropriation Totals	58,660	69,000	130,000

**City of Virginia Beach, Virginia
Expenditure and Revenues**

	FY 2021-22 Final Actuals	FY 2022-23 Amended	FY 2023-24 Adopted
Revenue Sources:			
Revenue From Local Sources			
Charges for Services	122,436	63,000	124,000
From the Use of Money and Property	2,032	-	-
Specific Fund Reserves	-	6,000	6,000
School Vending Operations Special Revenue Fund Totals	124,468	69,000	130,000

FD212 School Communication Tower Technology Special Revenue Fund

Appropriation Units:			
Public Education	-	800,000	800,000
School Communication Tower Technology Special Revenue Fund Appropriation Totals	-	800,000	800,000

Revenue Sources:			
Revenue From Local Sources			
From the Use of Money and Property	673,323	516,000	516,000
Specific Fund Reserves	-	284,000	284,000
School Communication Tower Technology Special Revenue Fund Totals	673,323	800,000	800,000

FD213 School Cafeterias Special Revenue Fund

Appropriation Units:			
Public Education	34,391,811	38,759,655	47,700,219
School Cafeterias Special Revenue Fund Appropriation Totals	34,391,811	38,759,655	47,700,219

Revenue Sources:			
Revenue From Local Sources			
Charges for Services	678,179	12,464,445	13,050,890
Miscellaneous Revenue	884,412	-	650,000
From the Use of Money and Property	42,682	75,000	75,000
Revenue from the Commonwealth	636,965	550,000	605,000
Revenue from the Federal Government	42,436,113	23,923,701	26,417,376
Specific Fund Reserves	-	1,746,509	6,901,953
School Cafeterias Special Revenue Fund Totals	44,678,352	38,759,655	47,700,219

FD214 School Grants Special Revenue Fund

Appropriation Units:			
Public Education	101,679,871	180,570,313	142,411,540
School Grants Special Revenue Fund Appropriation Totals	101,679,871	180,570,313	142,411,540

**City of Virginia Beach, Virginia
Expenditure and Revenues**

	FY 2021-22 Final Actuals	FY 2022-23 Amended	FY 2023-24 Adopted
Revenue Sources:			
Revenue From Local Sources			
Miscellaneous Revenue	422,362	7,602,630	2,817,629
Revenue from the Commonwealth	11,908,631	21,664,476	29,694,877
Revenue from the Federal Government	85,424,665	144,929,183	104,809,621
Transfer In	4,463,410	6,374,024	5,089,413
School Grants Special Revenue Fund Totals	102,219,068	180,570,313	142,411,540
FD215 School Textbooks Special Revenue Fund			
Appropriation Units:			
Public Education	5,188,349	6,899,232	6,600,738
School Textbooks Special Revenue Fund Appropriation Totals	5,188,349	6,899,232	6,600,738
Revenue Sources:			
Revenue From Local Sources			
Miscellaneous Revenue	29,904	27,000	27,000
From the Use of Money and Property	23,898	29,483	29,483
Revenue from the Commonwealth	4,043,646	4,983,453	4,972,218
Specific Fund Reserves	-	1,859,296	1,572,037
School Textbooks Special Revenue Fund Totals	4,097,449	6,899,232	6,600,738
FD220 School Reserve Special Revenue Fund			
Appropriation Units:			
Transfer to Other Funds	1,334,364	667,182	333,591
School Reserve Special Revenue Fund Appropriation Totals	1,334,364	667,182	333,591
Revenue Sources:			
Specific Fund Reserves	-	667,182	333,591
School Reserve Special Revenue Fund Totals	-	667,182	333,591
FD221 Agriculture Reserve Program Special Revenue Fund			
Appropriation Units:			
Agriculture	183,027	237,678	678,791
Debt Service	2,503,782	11,456,521	6,469,524
Reserve for Contingencies	-	438,172	16,371
Transfer to Other Funds	991,680	990,000	990,000
Agriculture Reserve Program Special Revenue Fund Appropriation Totals	3,678,489	13,122,371	8,154,686

**City of Virginia Beach, Virginia
Expenditure and Revenues**

	FY 2021-22 Final Actuals	FY 2022-23 Amended	FY 2023-24 Adopted
Revenue Sources:			
Revenue From Local Sources			
Real Estate	5,558,004	6,145,597	6,645,558
From the Use of Money and Property	66,056	27,055	30,954
Transfer In	2,211,066	6,949,719	1,478,174
Agriculture Reserve Program Special Revenue Fund Totals	7,835,127	13,122,371	8,154,686

FD222 Law Library Special Revenue Fund

Appropriation Units:

Library	212,898	223,554	235,598
Reserve for Contingencies	-	161	-
Transfer to Other Funds	40,000	40,000	-
Law Library Special Revenue Fund Appropriation Totals	252,898	263,715	235,598

Revenue Sources:

Revenue From Local Sources			
Charges for Services	164,039	257,422	169,305
Permits, Fees, and Regulatory Licenses	1	-	-
From the Use of Money and Property	118	6,293	6,293
Transfer In	-	-	60,000
Law Library Special Revenue Fund Totals	164,157	263,715	235,598

FD223 Open Space and Parks Special Revenue Fund

Appropriation Units:

Debt Service	2,130,562	2,215,081	1,820,662
Parks And Recreation	326,123	431,023	518,337
Reserve for Contingencies	-	1,003,624	2,525,221
Transfer to Other Funds	2,000,000	3,500,000	2,500,000
Open Space and Parks Special Revenue Fund Appropriation Totals	4,456,685	7,149,728	7,364,220

Revenue Sources:

Revenue From Local Sources			
Restaurant Meal Tax	6,849,498	7,149,728	7,364,220
Open Space and Parks Special Revenue Fund Totals	6,849,498	7,149,728	7,364,220

**City of Virginia Beach, Virginia
Expenditure and Revenues**

	FY 2021-22 Final Actuals	FY 2022-23 Amended	FY 2023-24 Adopted
<u>FD224 Parks And Recreation Special Revenue Fund</u>			
Appropriation Units:			
Debt Service	2,978,614	3,844,489	3,716,702
Parks And Recreation	29,686,493	37,182,912	22,315,947
Public Works	3,123,627	3,396,634	4,074,518
Reserve for Contingencies	-	150,000	691,963
Transfer to Other Funds	1,536,218	1,561,500	1,574,550
Parks And Recreation Special Revenue Fund Appropriation Totals	37,324,953	46,135,535	32,373,680
Revenue Sources:			
Revenue From Local Sources			
Charges for Services	10,108,119	12,641,547	6,384,915
Permits, Fees, and Regulatory Licenses	59,961	39,500	375
Miscellaneous Revenue	2,925	-	-
Real Estate	21,466,248	23,735,660	25,666,620
From the Use of Money and Property	1,775,285	1,474,388	321,770
Revenue from the Commonwealth	14,564	11,000	-
Specific Fund Reserves	-	1,000,000	-
Transfer In	7,195,107	7,233,440	-
Parks And Recreation Special Revenue Fund Totals	40,622,208	46,135,535	32,373,680
<u>FD230 Commonwealth's Attorney Forfeited Assets Special Revenue Fund</u>			
Appropriation Units:			
Commonwealth's Attorney	490,344	100,000	100,000
Commonwealth's Attorney Forfeited Assets Special Revenue Fund Appropriation Totals	490,344	100,000	100,000
Revenue Sources:			
Miscellaneous Revenue	290	-	-
From the Use of Money and Property	4,196	-	-
Revenue from the Commonwealth	66,622	-	-
Specific Fund Reserves	-	100,000	100,000
Commonwealth's Attorney Forfeited Assets Special Revenue Fund Totals	71,107	100,000	100,000
<u>FD233 Sheriff's Office Special Revenue Fund</u>			
Appropriation Units:			
Sheriff and Corrections	56,006,756	57,697,644	62,973,654
Transfer to Other Funds	63,620	11,600	11,600
Sheriff's Office Special Revenue Fund Appropriation Totals	56,070,376	57,709,244	62,985,254
Revenue Sources:			
Revenue From Local Sources			
Charges for Services	4,406,497	5,976,608	4,976,608

**City of Virginia Beach, Virginia
Expenditure and Revenues**

	FY 2021-22	FY 2022-23	FY 2023-24
	Final Actuals	Amended	Adopted
Permits, Fees, and Regulatory Licenses	2,099	4,000	4,000
Miscellaneous Revenue	3,936	3,000	3,000
From the Use of Money and Property	6,350	14,000	14,000
Revenue from the Commonwealth	20,394,388	21,206,207	21,706,135
Revenue from the Federal Government	28,047	150,000	150,000
Transfer In	28,705,942	30,355,429	36,131,511
Sheriff's Office Special Revenue Fund Totals	53,547,260	57,709,244	62,985,254

FD240 Tourism Advertising Program Special Revenue Fund

Appropriation Units:

Convention And Visitors Bureau	11,971,327	15,948,117	16,016,930
Reserve for Contingencies	-	19,296	37,820
Transfer to Other Funds	2,056,838	56,838	57,083
Tourism Advertising Program Special Revenue Fund Appropriation Totals	14,028,165	16,024,251	16,111,833

Revenue Sources:

Revenue From Local Sources			
Charges for Services	4,056	4,000	4,000
Hotel Room Tax	7,736,056	7,767,366	7,629,721
From the Use of Money and Property	39,651	49,100	49,100
Restaurant Meal Tax	7,783,520	8,124,691	8,368,432
Specific Fund Reserves	-	79,094	60,580
Tourism Advertising Program Special Revenue Fund Totals	15,563,284	16,024,251	16,111,833

FD241 Tourism Investment Program Special Revenue Fund

Appropriation Units:

Convention And Visitors Bureau	733,328	12,075,142	11,796,784
Cultural Affairs and Historic Houses	355,000	1,270,500	520,500
Debt Service	19,429,812	26,670,471	37,113,682
Parks And Recreation	943,043	999,689	1,029,680
Planning	1,249,288	-	-
Public Works	2,963,840	4,003,762	4,613,828
Regional Participation	-	1,323,888	1,205,648
Reserve for Contingencies	-	3,900,320	925,425
Resort Management Office	7,075,290	-	-
Transfer to Other Funds	30,170	6,798,230	3,968,170
Tourism Investment Program Special Revenue Fund Appropriation Totals	32,779,771	57,042,002	61,173,717

Revenue Sources:

Revenue From Local Sources			
Charges for Services	4,165	-	-

**City of Virginia Beach, Virginia
Expenditure and Revenues**

	FY 2021-22	FY 2022-23	FY 2023-24
	Final Actuals	Amended	Adopted
Permits, Fees, and Regulatory Licenses	89,075	1,778	1,778
Fines and Forfeitures	53	-	-
Hotel Room Tax	25,587,420	24,056,929	26,091,535
Cigarette Tax	630,615	614,515	518,619
Amusement Tax	8,021,358	7,254,292	7,780,275
From the Use of Money and Property	889,952	891,250	891,250
Restaurant Meal Tax	17,434,564	17,224,346	17,741,076
Specific Fund Reserves	-	6,998,892	8,149,184
Transfer In	11,000,000	-	-
Tourism Investment Program Special Revenue Fund Totals	63,657,202	57,042,002	61,173,717

FD250 Central Business District South Tax Increment Financing Fund

Appropriation Units:

Debt Service	6,902,708	8,168,173	4,932,676
Reserve for Contingencies	-	1,644,074	5,423,659
Transfer to Other Funds	150,000	150,000	150,000
Central Business District South Tax Increment Financing Fund Appropriation Totals	7,052,708	9,962,247	10,506,335

Revenue Sources:

Revenue From Local Sources			
Hotel Room Tax	500,000	500,000	500,000
Real Estate	8,916,670	9,460,247	10,004,335
From the Use of Money and Property	7,185	2,000	2,000
Central Business District South Tax Increment Financing Fund Totals	9,423,855	9,962,247	10,506,335

FD251 Town Center Special Service District Fund

Appropriation Units:

Economic Development	-	-	3,082,730
Parks And Recreation	53,391	132,990	132,990
Special Financing Department	2,081,263	2,874,990	-
Transfer to Other Funds	634,226	634,226	645,976
Town Center Special Service District Fund Appropriation Totals	2,768,880	3,642,206	3,861,696

Revenue Sources:

Revenue From Local Sources			
Charges for Services	107,487	194,300	194,300
Fines and Forfeitures	37,337	-	-
Real Estate	2,312,987	2,313,491	2,370,626
From the Use of Money and Property	120,329	365,500	365,500
Specific Fund Reserves	-	618,915	781,270

**City of Virginia Beach, Virginia
Expenditure and Revenues**

	FY 2021-22	FY 2022-23	FY 2023-24
	Final Actuals	Amended	Adopted
Transfer In	150,000	150,000	150,000
Town Center Special Service District Fund Totals	2,728,141	3,642,206	3,861,696
<u>FD252 Sandbridge Special Service District Fund</u>			
Appropriation Units:			
Public Works	307,774	457,675	720,259
Reserve for Contingencies	-	2,417,935	285,732
Transfer to Other Funds	4,601,341	4,676,341	4,676,341
Sandbridge Special Service District Fund Appropriation Totals	4,909,115	7,551,951	5,682,332
Revenue Sources:			
Revenue From Local Sources			
Hotel Room Tax	5,269,211	7,060,280	5,506,543
Real Estate	549,305	297,642	172,772
From the Use of Money and Property	12,010	3,017	3,017
Specific Fund Reserves	-	191,012	-
Sandbridge Special Service District Fund Totals	5,830,526	7,551,951	5,682,332
<u>FD260 Federal Section 8 Program Special Revenue Fund</u>			
Appropriation Units:			
Housing And Neighborhood Preservation	23,815,688	26,340,167	27,136,331
Reserve for Contingencies	-	-	61,763
Federal Section 8 Program Special Revenue Fund Appropriation Totals	23,815,688	26,340,167	27,198,094
Revenue Sources:			
Revenue From Local Sources			
Charges for Services	2,501,668	3,508,100	2,606,322
Miscellaneous Revenue	26,065	-	-
From the Use of Money and Property	4,900	-	-
Revenue from the Federal Government	21,856,138	22,717,911	24,334,912
Specific Fund Reserves	-	38,156	180,860
Transfer In	76,000	76,000	76,000
Federal Section 8 Program Special Revenue Fund Totals	24,464,771	26,340,167	27,198,094
<u>FD261 State Rental Assistance Program Special Revenue Fund</u>			
Appropriation Units:			
Housing And Neighborhood Preservation	681,611	1,244,749	1,241,338
Reserve for Contingencies	-	-	3,410
State Rental Assistance Program Special Revenue Fund Appropriation Totals	681,611	1,244,749	1,244,748

**City of Virginia Beach, Virginia
Expenditure and Revenues**

	FY 2021-22	FY 2022-23	FY 2023-24
	Final Actuals	Amended	Adopted
Revenue Sources:			
Revenue From Local Sources			
From the Use of Money and Property	13,946	-	-
Revenue from the Commonwealth	1,568,548	1,244,749	1,244,748
State Rental Assistance Program Special Revenue Fund Totals	1,582,494	1,244,749	1,244,748

FD270 Consolidated Grants Special Revenue Fund

Appropriation Units:

Circuit Court	87,054	-	-
Commonwealth's Attorney	664,129	765,897	637,528
Cultural Affairs and Historic Houses	333,333	-	-
Economic Development	83,741	-	-
Emergency Communications and Citizen Services	3,000	3,000	4,000
Emergency Management	560,307	-	-
Emergency Medical Services	341,437	375,000	375,000
Fire	3,115,019	2,080,382	2,209,718
Health Department	386,283	-	-
Housing And Neighborhood Preservation	3,770,353	2,909,219	3,280,101
Human Resources	49,654	-	-
Human Services	2,571,850	2,970,142	3,047,957
Parks And Recreation	74,646	-	-
Police	323,844	-	-
Public Works	130,677	20,000	20,000
Reserve for Contingencies	-	-	4,955
Sheriff and Corrections	43,198	-	-
Transfer to Other Funds	317,340	300,000	300,000
Consolidated Grants Special Revenue Fund Appropriation Totals	12,855,865	9,423,640	9,879,259

Revenue Sources:

Revenue From Local Sources			
Charges for Services	194,785	40,000	40,000
Miscellaneous Revenue	1,754,237	-	-
Revenue from the Commonwealth	4,631,506	4,296,274	4,765,000
Revenue from the Federal Government	36,147,369	4,265,755	4,444,497
Transfer In	815,714	821,611	629,762
Consolidated Grants Special Revenue Fund Totals	43,543,611	9,423,640	9,879,259

**City of Virginia Beach, Virginia
Expenditure and Revenues**

	FY 2021-22 Final Actuals	FY 2022-23 Amended	FY 2023-24 Adopted
<u>FD272 Federal Housing Assistance Grant Special Revenue Fund</u>			
Appropriation Units:			
Housing And Neighborhood Preservation	1,285,424	1,208,266	1,231,533
Reserve for Contingencies	-	-	2,616
Federal Housing Assistance Grant Special Revenue Fund Appropriation Totals	1,285,424	1,208,266	1,234,149
Revenue Sources:			
Revenue From Local Sources			
From the Use of Money and Property	16,952	45,000	60,000
Revenue from the Federal Government	890,925	1,163,266	1,174,149
Federal Housing Assistance Grant Special Revenue Fund Totals	907,877	1,208,266	1,234,149
<u>FD273 Community Development Grant Special Revenue Fund</u>			
Appropriation Units:			
Housing And Neighborhood Preservation	3,344,547	1,875,730	2,474,318
Reserve for Contingencies	-	-	59,163
Transfer to Other Funds	128,585	128,858	95,163
Community Development Grant Special Revenue Fund Appropriation Totals	3,473,132	2,004,588	2,628,644
Revenue Sources:			
Revenue From Local Sources			
From the Use of Money and Property	3,224	60,864	75,000
Revenue from the Federal Government	2,839,715	1,404,540	2,014,460
Transfer In	539,184	539,184	539,184
Community Development Grant Special Revenue Fund Totals	3,382,123	2,004,588	2,628,644
<u>FD310 Old Donation Creek Dredging Special Service District Fund</u>			
Appropriation Units:			
Reserve for Contingencies	-	-	83,449
Transfer to Other Funds	-	364,504	-
Old Donation Creek Dredging Special Service District Fund Appropriation Totals	-	364,504	83,449
Revenue Sources:			
Revenue From Local Sources			
Real Estate	72,194	78,679	83,449
Specific Fund Reserves	-	285,825	-
Old Donation Creek Dredging Special Service District Fund Totals	72,194	364,504	83,449

**City of Virginia Beach, Virginia
Expenditure and Revenues**

	FY 2021-22 Final Actuals	FY 2022-23 Amended	FY 2023-24 Adopted
<u>FD311 Bayville Creek Dredging Special Service District Fund</u>			
Appropriation Units:			
Reserve for Contingencies	-	-	79,000
Transfer to Other Funds	-	286,000	-
Bayville Creek Dredging Special Service District Fund Appropriation Totals	-	286,000	79,000
Revenue Sources:			
Revenue From Local Sources			
Real Estate	68,123	73,772	79,000
Specific Fund Reserves	-	212,228	-
Bayville Creek Dredging Special Service District Fund Totals	68,123	286,000	79,000
<u>FD312 Shadowlawn Dredging Special Service District Fund</u>			
Appropriation Units:			
Transfer to Other Funds	-	42,000	209,000
Shadowlawn Dredging Special Service District Fund Appropriation Totals	-	42,000	209,000
Revenue Sources:			
Revenue From Local Sources			
Real Estate	37,121	34,628	37,119
Specific Fund Reserves	-	7,372	171,881
Shadowlawn Dredging Special Service District Fund Totals	37,121	42,000	209,000
<u>FD313 Chesapeake Colony Dredging Special Service District Fund</u>			
Appropriation Units:			
Reserve for Contingencies	-	250,048	231,025
Chesapeake Colony Dredging Special Service District Fund Appropriation Totals	-	250,048	231,025
Revenue Sources:			
Revenue From Local Sources			
Real Estate	195,550	229,078	231,025
Specific Fund Reserves	-	20,970	-
Chesapeake Colony Dredging Special Service District Fund Totals	195,550	250,048	231,025
<u>FD314 Harbour Point Dredging Special Service District Fund</u>			
Appropriation Units:			
Reserve for Contingencies	-	7,490	-
Transfer to Other Funds	-	22,000	108,000
Harbour Point Dredging Special Service District Fund Appropriation Totals	-	29,490	108,000
Revenue Sources:			
Revenue From Local Sources			

**City of Virginia Beach, Virginia
Expenditure and Revenues**

	FY 2021-22	FY 2022-23	FY 2023-24
	Final Actuals	Amended	Adopted
Real Estate	27,873	29,490	31,424
Specific Fund Reserves	-	-	76,576
Harbour Point Dredging Special Service District Fund Totals	27,873	29,490	108,000
<u>FD315 Gills Cove Dredging Special Service District Fund</u>			
Appropriation Units:			
Reserve for Contingencies	-	14,739	15,919
Gills Cove Dredging Special Service District Fund Appropriation Totals	-	14,739	15,919
Revenue Sources:			
Revenue From Local Sources			
Real Estate	14,225	14,739	15,919
Gills Cove Dredging Special Service District Fund Totals	14,225	14,739	15,919
<u>FD316 Hurds Cove Dredging Special Service District Fund</u>			
Appropriation Units:			
Reserve for Contingencies	-	245,416	246,905
Hurds Cove Dredging Special Service District Fund Appropriation Totals	-	245,416	246,905
Revenue Sources:			
Revenue From Local Sources			
Real Estate	113,649	245,416	246,905
Hurds Cove Dredging Special Service District Fund Totals	113,649	245,416	246,905
<u>FD317 Schilling Point Dredging Special Service District Fund</u>			
Appropriation Units:			
Reserve for Contingencies	-	44,082	43,916
Transfer to Other Funds	-	-	-
Schilling Point Dredging Special Service District Fund Appropriation Totals	-	44,082	43,916
Revenue Sources:			
Revenue From Local Sources			
Real Estate	47,165	44,082	43,916
Schilling Point Dredging Special Service District Fund Totals	47,165	44,082	43,916
<u>FD400 General Government Capital Projects Fund</u>			
Appropriation Units:			
Building and Assets Projects	6,422,837	4,439,509	8,062,010
Coastal Projects	9,575,319	10,677,825	10,956,922
Economic and Tourism Development Projects	2,252,726	10,009,175	5,812,308
Information Technology Projects	8,362,252	28,022,520	12,227,463
Parks and Recreation Projects	6,804,822	7,906,367	8,248,593
Transfer to Other Funds	9,000,000	-	-

**City of Virginia Beach, Virginia
Expenditure and Revenues**

	FY 2021-22	FY 2022-23	FY 2023-24
	Final Actuals	Amended	Adopted
Roadways Projects	4,034,797	2,995,321	7,589,845
General Government Capital Projects Fund Appropriation Totals	46,452,753	64,050,717	52,897,141
Revenue Sources:			
Transfer from Other Funds	37,179,775	64,050,717	52,897,141
General Government Capital Projects Fund Totals	37,179,775	64,050,717	52,897,141
<u>FD410 Water and Sewer Capital Projects Fund</u>			
Appropriation Units:			
Sewer Utility Projects	6,502,162	3,579,271	5,074,535
Water Utility Projects	3,113,791	3,444,622	3,525,465
Water and Sewer Capital Projects Fund Appropriation Totals	9,615,953	7,023,893	8,600,000
Revenue Sources:			
Revenue From Local Sources			
Transfer from Other Funds	9,615,953	7,023,893	8,600,000
Water and Sewer Capital Projects Fund Totals	9,615,953	7,023,893	8,600,000
<u>FD420 Stormwater Capital Projects Fund</u>			
Appropriation Units:			
Stormwater Projects	26,761,865	21,151,696	18,984,820
Stormwater Capital Projects Fund Appropriation Totals	26,761,865	21,151,696	18,984,820
Revenue Sources:			
Transfer from Other Funds	26,761,865	21,151,696	18,984,820
Stormwater Capital Projects Fund Totals	26,761,865	21,151,696	18,984,820
<u>FD430 Flood Protection Capital Projects Fund</u>			
Appropriation Units:			
Flood Protection Projects	-	495,000	1,000,000
Stormwater Capital Projects Fund Appropriation Totals	-	495,000	1,000,000
Revenue Sources:			
Transfer from Other Funds	-	495,000	1,000,000
Stormwater Capital Projects Fund Totals	-	495,000	1,000,000
<u>FD480 Schools Capital Projects Fund</u>			
Appropriation Units:			
Schools Projects	-	1,000,000	2,000,000
Schools Capital Projects Fund Appropriation Totals	-	1,000,000	2,000,000
Revenue Sources:			
Transfer from Other Funds	-	1,000,000	2,000,000

**City of Virginia Beach, Virginia
Expenditure and Revenues**

	FY 2021-22	FY 2022-23	FY 2023-24
	Final Actuals	Amended	Adopted
Schools Capital Projects Fund Totals	-	1,000,000	2,000,000
<u>FD510 Water And Sewer Enterprise Fund</u>			
Appropriation Units:			
Debt Service	10,825,102	19,130,303	18,934,769
Public Utilities	82,037,465	95,861,341	99,923,594
Reserve for Contingencies	-	4,555,153	3,777,810
Transfer to Other Funds	19,339,531	17,009,395	18,664,080
Water And Sewer Enterprise Fund Appropriation Totals	112,202,098	136,556,192	141,300,253
Revenue Sources:			
Revenue From Local Sources			
Charges for Services	128,356,562	129,858,905	135,311,910
Permits, Fees, and Regulatory Licenses	5,315	8,265	6,205
Miscellaneous Revenue	640,107	235,981	130,917
Other Financing Sources	-	2,680,133	3,185,673
From the Use of Money and Property	846,418	1,646,615	442,222
Transfer In	1,832,634	2,126,293	2,223,326
Water And Sewer Enterprise Fund Totals	131,681,036	136,556,192	141,300,253
<u>FD520 Storm Water Utility Enterprise Fund</u>			
Appropriation Units:			
Debt Service	4,279,255	9,811,282	9,827,631
Public Works	14,857,256	15,356,542	16,238,648
Reserve for Contingencies	-	138,966	138,966
Transfer to Other Funds	28,674,898	22,455,617	20,317,965
Storm Water Utility Enterprise Fund Appropriation Totals	47,811,409	47,762,407	46,523,210
Revenue Sources:			
Revenue From Local Sources			
Charges for Services	45,986,834	45,919,210	45,919,210
Miscellaneous Revenue	3,392	60,600	4,000
From the Use of Money and Property	500,049	1,515,000	600,000
Revenue from the Federal Government	-	267,597	-
Storm Water Utility Enterprise Fund Totals	46,490,274	47,762,407	46,523,210
<u>FD530 Waste Management Enterprise Fund</u>			
Appropriation Units:			
Public Works	36,262,724	37,508,929	39,857,995
Reserve for Contingencies	-	356,170	336,520
Transfer to Other Funds	2,882,346	3,006,842	3,059,278
Waste Management Enterprise Fund Appropriation Totals	39,144,617	40,871,941	43,253,793
Revenue Sources:			

**City of Virginia Beach, Virginia
Expenditure and Revenues**

	FY 2021-22	FY 2022-23	FY 2023-24
	Final Actuals	Amended	Adopted
Revenue From Local Sources			
Charges for Services	37,509,041	38,083,027	41,806,207
Permits, Fees, and Regulatory Licenses	123,842	125,000	125,000
Miscellaneous Revenue	734,403	712,286	712,286
From the Use of Money and Property	43,538	275,000	275,000
Revenue from the Commonwealth	58,254	40,000	40,000
Specific Fund Reserves	-	1,636,628	295,300
Waste Management Enterprise Fund Totals	38,469,079	40,871,941	43,253,793
<u>FD540 Parking Enterprise Fund</u>			
Appropriation Units:			
Debt Service	840,418	684,707	654,773
Economic Development	2,535,036	4,327,283	4,500,828
Planning	869,088	-	-
Reserve for Contingencies	27	157,864	17,818
Transfer to Other Funds	796,513	802,313	1,046,767
Parking Enterprise Fund Appropriation Totals	5,041,082	5,972,167	6,220,186
Revenue Sources:			
Revenue From Local Sources			
Charges for Services	5,823,700	5,147,667	5,054,886
Permits, Fees, and Regulatory Licenses	111,590	135,000	99,000
Fines and Forfeitures	495,758	541,000	541,000
Miscellaneous Revenue	5,151	-	-
From the Use of Money and Property	28,270	80,000	80,000
Specific Fund Reserves	-	-	373,300
Transfer In	68,500	68,500	72,000
Parking Enterprise Fund Totals	6,532,970	5,972,167	6,220,186
<u>FD600 City Garage Internal Service Fund</u>			
Appropriation Units:			
Public Works	14,134,497	14,988,964	16,628,826
Reserve for Contingencies	-	142,940	240,462
City Garage Internal Service Fund Appropriation Totals	14,134,497	15,131,904	16,869,288
Revenue Sources:			
Revenue From Local Sources			
Charges for Services	15,409,882	14,897,648	16,486,902
Miscellaneous Revenue	176,760	120,000	150,000
From the Use of Money and Property	44,768	25,000	40,000
Specific Fund Reserves	-	89,256	192,386
City Garage Internal Service Fund Totals	15,631,410	15,131,904	16,869,288
<u>FD601 Fuels Internal Service Fund</u>			
Appropriation Units:			
Public Works	5,779,659	7,831,421	8,367,672
Fuels Internal Service Fund Appropriation Totals	5,779,659	7,831,421	8,367,672

**City of Virginia Beach, Virginia
Expenditure and Revenues**

	FY 2021-22 Final Actuals	FY 2022-23 Amended	FY 2023-24 Adopted
Revenue Sources:			
Revenue From Local Sources			
Charges for Services	7,157,007	7,775,612	8,161,527
From the Use of Money and Property	10,193	55,809	55,809
Specific Fund Reserves	-	-	150,336
Fuels Internal Service Fund Totals	7,167,200	7,831,421	8,367,672

FD602 Risk Management Internal Service Fund

Appropriation Units:			
Finance	18,470,768	19,653,902	20,324,368
Reserve for Contingencies	-	16,391	9,486
Risk Management Internal Service Fund Appropriation Totals	18,470,768	19,670,293	20,333,854

Revenue Sources:			
Revenue From Local Sources			
Charges for Services	18,637,070	18,590,692	18,757,799
Miscellaneous Revenue	226	-	-
From the Use of Money and Property	212,485	248,259	248,259
Specific Fund Reserves	-	831,342	1,327,796
Risk Management Internal Service Fund Totals	18,849,781	19,670,293	20,333,854

FD603 Landscaping Internal Service Fund

Appropriation Units:			
Parks And Recreation	3,953,530	4,915,717	5,312,697
Reserve for Contingencies	-	114,829	131,363
Landscaping Internal Service Fund Appropriation Totals	3,953,530	5,030,546	5,444,060

Revenue Sources:			
Revenue From Local Sources			
Charges for Services	4,618,749	5,030,546	5,444,060
From the Use of Money and Property	11,832	-	-
Landscaping Internal Service Fund Totals	4,630,581	5,030,546	5,444,060

FD604 Subscriptions Internal Service Fund

Appropriation Units:			
Information Technology	87,975	-	-
Subscriptions Internal Service Fund Appropriation Totals	87,975	-	-

Revenue Sources:			
Revenue From Local Sources			
Charges for Services	936,698	-	-
Subscriptions Internal Service Fund Totals	936,698	-	-

FD605 Telecommunications Internal Service Fund

**City of Virginia Beach, Virginia
Expenditure and Revenues**

	FY 2021-22 Final Actuals	FY 2022-23 Amended	FY 2023-24 Adopted
Appropriation Units:			
Information Technology	2,530,501	3,136,157	3,184,523
Reserve for Contingencies	-	9,553	32,623
Transfer to Other Funds	1,100,000	-	-
Telecommunications Internal Service Fund Appropriation Totals	3,630,501	3,145,710	3,217,146

Revenue Sources:			
Revenue From Local Sources			
Charges for Services	3,055,373	3,130,710	3,202,146
From the Use of Money and Property	11,686	15,000	15,000
Telecommunications Internal Service Fund Totals	3,067,059	3,145,710	3,217,146

FD650 School Risk Management Internal Service Fund

Appropriation Units:			
Public Education	10,902,519	15,379,958	15,379,958
School Risk Management Internal Service Fund Appropriation Totals	10,902,519	15,379,958	15,379,958

Revenue Sources:			
Revenue From Local Sources			
Charges for Services	6,805,724	15,379,958	8,995,919
Miscellaneous Revenue	639,688	-	-
From the Use of Money and Property	84,537	-	-
Specific Fund Reserves	-	-	6,384,039
School Risk Management Internal Service Fund Totals	7,529,950	15,379,958	15,379,958

FD651 School Flexible Benefits Forfeiture Internal Service Fund

Appropriation Units:			
Public Education	-	100,000	206,000
School Flexible Benefits Forfeiture Internal Service Fund Appropriation Totals	-	100,000	206,000

Revenue Sources:			
Revenue From Local Sources			
Charges for Services	243,789	-	-
From the Use of Money and Property	4,608	-	-
Specific Fund Reserves	-	100,000	206,000
School Flexible Benefits Forfeiture Internal Service Fund Totals	248,397	100,000	206,000

FD652 School Health Insurance Internal Service Fund

Appropriation Units:			
Public Education	154,670,425	184,984,518	196,510,293
School Health Insurance Internal Service Fund Appropriation Totals	154,670,425	184,984,518	196,510,293

Revenue Sources:	
Revenue From Local Sources	

**City of Virginia Beach, Virginia
Expenditure and Revenues**

	FY 2021-22	FY 2022-23	FY 2023-24
	Final Actuals	Amended	Adopted
Charges for Services	153,774,396	184,984,518	176,510,293
Specific Fund Reserves	-	-	20,000,000
School Health Insurance Internal Service Fund Totals	153,774,396	184,984,518	196,510,293
<u>FD801 City Beautification Fund</u>			
Appropriation Units:			
Parks And Recreation	61,880	100,000	100,000
City Beautification Fund Appropriation Totals	61,880	100,000	100,000
Revenue Sources:			
Revenue From Local Sources			
Charges for Services	58,726	100,000	100,000
City Beautification Fund Totals	58,726	100,000	100,000
<u>FD814 Parks And Recreation Gift Fund</u>			
Appropriation Units:			
Parks And Recreation	11,723	55,000	55,000
Parks And Recreation Gift Fund Appropriation Totals	11,723	55,000	55,000
Revenue Sources:			
Revenue From Local Sources			
Miscellaneous Revenue	4,048	55,000	55,000
From the Use of Money and Property	945	-	-
Parks And Recreation Gift Fund Totals	4,993	55,000	55,000
<u>FD817 Social Services Gift Fund</u>			
Appropriation Units:			
Human Services	154	46,710	46,710
Social Services Gift Fund Appropriation Totals	154	46,710	46,710
Revenue Sources:			
Revenue From Local Sources			
Miscellaneous Revenue	5,422	-	-
Specific Fund Reserves	-	46,710	46,710
Social Services Gift Fund Totals	5,422	46,710	46,710
<u>FD818 Virginia Beach Library Gift Fund</u>			
Appropriation Units:			
Library	74,567	112,000	112,000
Virginia Beach Library Gift Fund Appropriation Totals	74,567	112,000	112,000
Revenue Sources:			
Revenue From Local Sources			

**City of Virginia Beach, Virginia
Expenditure and Revenues**

	FY 2021-22	FY 2022-23	FY 2023-24
	Final Actuals	Amended	Adopted
Miscellaneous Revenue	51,515	112,000	112,000
Virginia Beach Library Gift Fund Totals	51,515	112,000	112,000
<u>FD806 Virginia Beach Fire Gift Fund</u>			
Appropriation Units:			
Transfer to Other Funds		115,453	-
Virginia Beach Fire Gift Fund Appropriation Totals		115,453	-
Revenue Sources:			
Revenue From Local Sources			
Miscellaneous Revenue	1,750	91,907	
Specific Fund Reserves	-	23,546	-
Virginia Beach Fire Gift Fund Totals	1,750	115,453	-
<u>All Funds</u>			
Appropriation Units:			
Total Budget Appropriations	2,901,946,773	3,365,626,641	3,480,472,315
Less Internal Service Funds	211,629,874	251,274,350	266,328,271
Less Interfund Transfers	594,166,929	657,463,675	668,045,496
Net Budget Appropriations	2,096,149,970	2,456,888,616	2,546,098,548
Revenue Sources:			
Revenue From Local Sources			
Total Budgeted Revenue	3,110,478,548	3,365,626,641	3,480,472,315
Less Internal Service Funds	211,835,472	251,274,350	266,328,271
Less Interfund Transfers	594,166,929	657,463,675	668,045,496
NET BUDGET REVENUES	2,304,476,147	2,456,888,616	2,546,098,548

**City of Virginia Beach, Virginia
Interfund Transfer Summary**

Receiving Fund Code and Name	FY 2021-22 Actual	FY 2022-23 Amended	FY 2023-24 Adopted
<u>Transfer from General Fund</u>			
FD115: School Operating Fund	439,016,858	484,060,829	512,950,115
FD222: Law Library Special Revenue Fund	-	-	60,000
FD224: Parks And Recreation Special Revenue Fund	7,195,107	7,233,433	-
FD233: Sheriff's Office Special Revenue Fund	28,705,942	30,252,054	36,131,511
FD260: Federal Section 8 Program Special Revenue Fund	76,000	76,000	76,000
FD270: Consolidated Grants Special Revenue Fund	815,714	821,611	629,762
FD273: Community Development Grant Special Revenue Fund	539,184	539,184	539,184
FD400: General Government Capital Projects Fund	28,103,708	45,877,086	38,951,074
FD420: Stormwater Capital Projects Fund	-	827,633	856,600
Total Transfer from General Fund	504,452,513	569,687,830	590,194,246
<u>Transfer from School Operating Fund</u>			
FD201: Green Run Collegiate Charter School Operating Fund	3,784,392	4,363,929	4,363,929
FD204: School Athletics Special Revenue Fund	4,677,878	4,974,274	5,212,170
FD214: School Grants Special Revenue Fund	4,463,410	6,374,024	5,089,413
FD480: Schools Capital Projects Fund	-	1,000,000	2,000,000
Total Transfer from School Operating Fund	12,925,680	16,712,227	16,665,512
<u>Transfer from Flood Protection Referendum Fund</u>			
FD430: Flood Protection Referendum Fund	-	495,000	1,000,000
Total Transfer from Debt Fund	-	495,000	1,000,000
<u>Transfer from Debt Fund</u>			
FD221: Agriculture Reserve Program Special Revenue Fund	2,211,066	6,949,719	1,478,174
Total Transfer from Debt Fund	2,211,066	6,949,719	1,478,174
<u>Transfer from School Reserve Special Revenue Fund</u>			
FD115: School Operating Fund	1,334,364	667,182	333,591
Total Transfer from School Reserve Special Revenue Fund	1,334,364	667,182	333,591
<u>Transfer from Agriculture Reserve Program Special Revenue Fund</u>			
FD100: General Fund	1,680	-	-
FD420: Stormwater Capital Projects Fund	990,000	990,000	990,000
Total Transfer from Agriculture Reserve Program Special Revenue Fund	991,680	990,000	990,000
<u>Transfer from Law Library Special Revenue Fund</u>			
FD100: General Fund	40,000	40,000	-
Total Transfer from Law Library Special Revenue Fund	40,000	40,000	-

**City of Virginia Beach, Virginia
Interfund Transfer Summary**

Receiving Fund Code and Name	FY 2021-22 Actual	FY 2022-23 Amended	FY 2023-24 Adopted
<u>Transfer from Open Space and Parks Special Revenue Fund</u>			
FD400: General Government Capital Projects Fund	2,000,000	3,500,000	2,500,000
Total Transfer from Open Space and Parks Special Revenue Fund	2,000,000	3,500,000	2,500,000
<u>Transfer from Parks and Recreation Special Revenue Fund</u>			
FD100: General Fund	364,218	364,500	377,550
FD400: General Government Capital Projects Fund	1,172,000	1,197,000	1,197,000
Total Transfer from Parks and Recreation Special Revenue Fund	1,536,218	1,561,500	1,574,550
<u>Transfer from Sheriff's Office Special Revenue Fund</u>			
FD100: General Fund	63,620	11,600	11,600
Total Transfer from Sheriff's Office Special Revenue Fund	63,620	11,600	11,600
<u>Transfer from Tourism Advertising Program Special Revenue Fund</u>			
FD100: General Fund	56,838	56,838	57,083
FD241: Tourism Investment Program Special Revenue Fund	2,000,000	-	-
Total Transfer from Tourism Advertising Program Special Revenue Fund	2,056,838	56,838	57,083
<u>Transfer from Tourism Investment Program Special Revenue Fund</u>			
FD100: General Fund	30,170	15,170	15,170
FD400: General Government Capital Projects Fund	-	6,783,060	3,953,000
Total Transfer from Tourism Investment Program Special Revenue Fund	30,170	6,798,230	3,968,170
<u>Transfer from Central Business District South Tax Increment Financing Fund</u>			
FD251: Town Center Special Service District Fund	150,000	150,000	150,000
Total Transfer from Central Business District South Tax Increment Financing Fund	150,000	150,000	150,000
<u>Transfer from Town Center Special Service District Fund</u>			
FD100: General Fund	63,000	63,000	71,250
FD400: General Government Capital Projects Fund	502,726	502,726	502,726
FD540: Parking Enterprise Fund	68,500	68,500	72,000
Total Transfer from Town Center Special Service District Fund	634,226	634,226	645,976
<u>Transfer from Sandbridge Special Service District Fund</u>			
FD400: General Government Capital Projects Fund	4,601,341	4,676,341	4,676,341
Total Transfer from Sandbridge Special Service District Fund	4,601,341	4,676,341	4,676,341
<u>Transfer from Consolidated Grants Special Revenue Fund</u>			
FD100: General Fund	17,340	-	-
FD400: General Government Capital Projects Fund	300,000	300,000	300,000
Total Transfer from Consolidated Grants Special Revenue Fund	317,340	300,000	300,000

**City of Virginia Beach, Virginia
Interfund Transfer Summary**

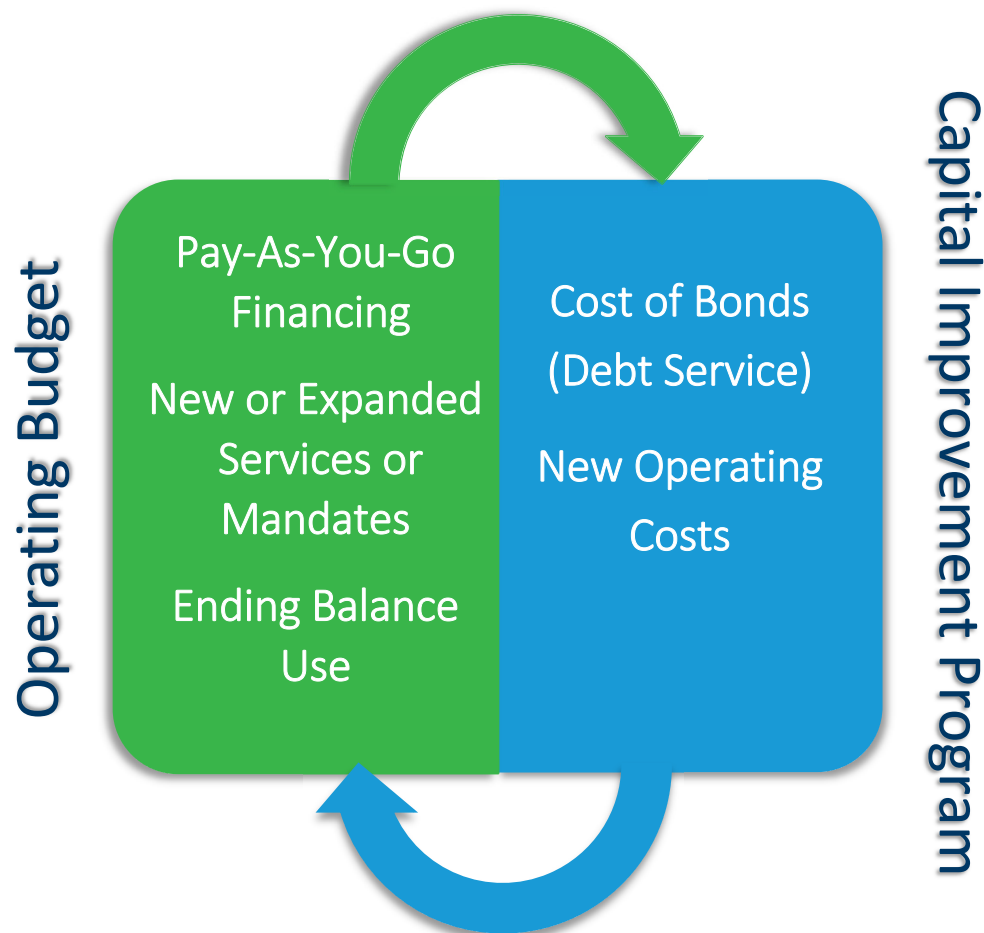
Receiving Fund Code and Name	FY 2021-22 Actual	FY 2022-23 Amended	FY 2023-24 Adopted
<u>Transfer from Community Development Grant Special Revenue Fund</u>			
FD100: General Fund	128,858	128,858	95,163
Total Transfer from Community Development Grant Special Revenue Fund	128,858	128,858	95,163
<u>Transfer from Old Donation Creek Dredging Special Service District</u>			
FD400: General Government Capital Projects Fund	-	364,504	-
Total Transfer from Old Donation Creek Dredging Special Service District	-	364,504	-
<u>Transfer from Bayville Creek Dredging Special Service District</u>			
FD400: General Government Capital Projects Fund	-	286,000	-
Total Transfer from Bayville Creek Dredging Special Service District	-	286,000	-
<u>Transfer from General Government Capital Projects Fund</u>			
FD241: Tourism Investment Program Special Revenue Fund	9,000,000	-	-
Total Transfer from General Government Capital Projects Fund	9,000,000	-	-
<u>Transfer from Water And Sewer Enterprise Fund</u>			
FD100: General Fund	9,723,578	9,985,502	10,064,080
FD410: Water and Sewer Capital Projects Fund	9,615,953	7,023,893	8,600,000
Total Transfer from Water And Sewer Enterprise Fund	19,339,531	17,009,395	18,664,080
<u>Transfer from Storm Water Utility Enterprise Fund</u>			
FD100: General Fund	1,826,213	1,875,844	1,875,844
FD420: Stormwater Capital Projects Fund	25,771,685	19,334,063	17,138,220
FD510: Water And Sewer Enterprise Fund	1,077,000	1,245,710	1,303,901
Total Transfer from Storm Water Utility Enterprise Fund	28,674,898	22,455,617	20,317,965
<u>Transfer from Waste Management Enterprise Fund</u>			
FD100: General Fund	2,126,259	2,126,259	2,139,853
FD510: Water And Sewer Enterprise Fund	755,634	880,583	919,425
Total Transfer from Waste Management Enterprise Fund	2,881,893	3,006,842	3,059,278
<u>Transfer from Parking Enterprise Fund</u>			
FD100: General Fund	296,513	302,313	546,767
FD400: General Government Capital Projects Fund	500,000	500,000	500,000
Total Transfer from Parking Enterprise Fund	796,513	802,313	1,046,767

**City of Virginia Beach, Virginia
Interfund Transfer Summary**

Receiving Fund Code and Name	FY 2021-22 Actual	FY 2022-23 Amended	FY 2023-24 Adopted
<u>Transfer from Shadowlawn Dredging Special Service District Fund</u>			
FD400: General Government Capital Projects Fund	-	42,000	209,000
Total Transfer from Shadowlawn Dredging Special Service District Fund	-	42,000	209,000
<u>Transfer from Harbour Point Dredging Special Service District Fund</u>			
FD400: General Government Capital Projects Fund	-	22,000	108,000
Total Transfer from Harbour Point Dredging Special Service District Fund	-	22,000	108,000
<u>Transfer from Fire Gift Fund</u>			
FD100: General Fund	-	115,453	-
Total Transfer From the Fire Gift Fund	-	115,453	-
TOTAL INTERFUND TRANSFERS FOR ALL FUNDS	594,166,749	657,463,675	668,045,496

RELATIONSHIP OF THE OPERATING BUDGET TO THE CAPITAL IMPROVEMENT PROGRAM

As the graph illustrates, there is a closed linkage between the Operating Budget and Capital Improvement Program. Decisions made in one area, may affect the other. For example, if the City were to construct and open a new fire station, the city must also plan to hire additional firefighter positions. Likewise, an expansion to a recreational program may require the construction of a new facility within the CIP.



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ECONOMIC OVERVIEW

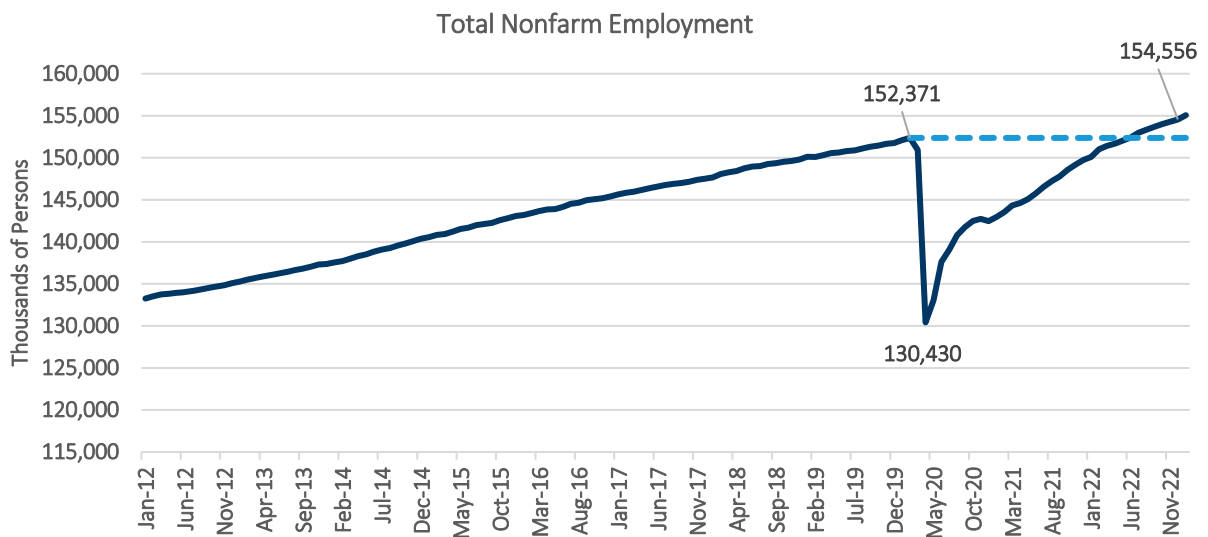
Introduction

The local, regional, and national economy has been on a bit of a roller coaster ride during the last several years. From the initial economic shock of the COVID-19 pandemic in 2020, to the surge in consumer spending and economic activity in 2021, to record levels of inflation in 2022, the economy has left many with a high degree of uncertainty. Questions of another recession have loomed over the country for over a year while the economy continues to grow and rebound in terms of job growth and unemployment. This section will seek to provide some context to what is happening currently and provide a big-picture view of where the economy may be going as the City heads into FY 2023-24.

Labor Market

The national labor market is measured using various indicators, including employment, unemployment, nonfarm payroll, and earnings, among others. These figures are often reported in isolation as either a “good” or “bad” figure; however, it is important to look at all of these indications together to better understand the health of this major component of the economy.

Nonfarm payroll is the indicator that grabs most of the headlines each month. This is the indicator individuals often see as how many jobs were added in the previous month. Prior to the COVID-19 pandemic, the national economy had consistently added jobs each month within this category. In fact, from January 2012 to February 2020, the economy added 197,000 jobs each month, on average. As shown in the graph below, this growth took a major hit in March 2020, falling by over 20 million jobs and reaching levels not seen since October 2010.



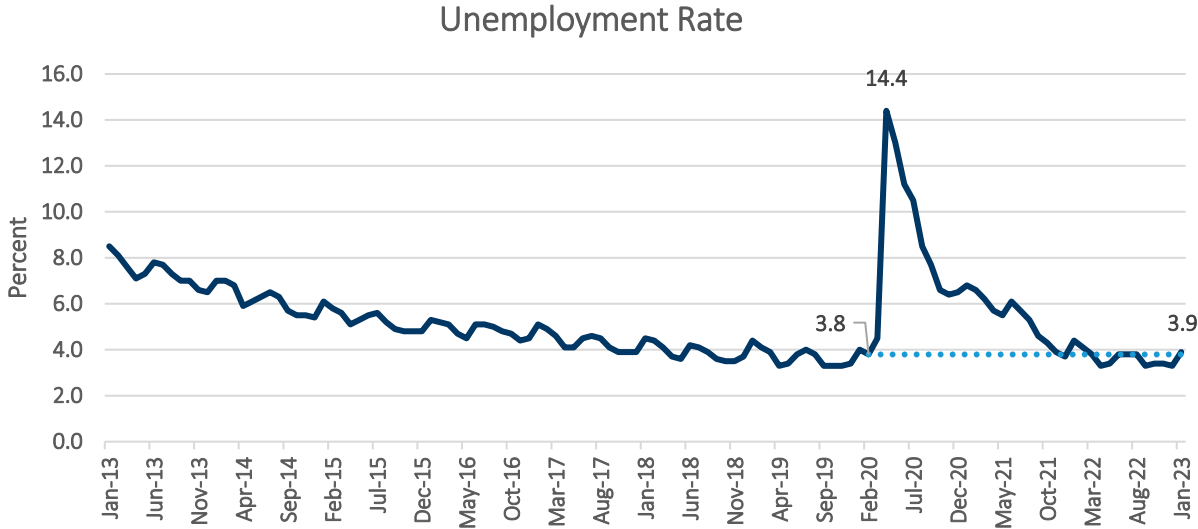
Source: Bureau of Labor Statistics

In recent months, however, nonfarm employment returned to pre-COVID levels. In June 2022, the economy added 370,000 jobs, bringing nonfarm employment back to its February 2020 level. Since then, an average of 380,000 jobs have been added each month, and in January of 2023, 517,000 jobs were added to the United States economy. This January figure was driven primarily by the leisure and hospitality industry, which added 128,000 jobs. This is unsurprising considering businesses in this industry are likely beginning to staff for the spring and summer travel

months. Other industries that experienced significant growth were professional and business services, which added 82,000 jobs, and health care, which added 58,000 jobs. This is encouraging for the local and regional economy as well, as a large portion relies on these industries.

According to the Bureau of Labor Statistics, in December 2022, the Virginia Beach area had 797,000 jobs, of which 11.7% were in leisure services, 14% were in business services, and 14.9% were in education and health services. Together, these accounts for more than 40% of the job growth in the local area. The only sectors with more job creation were trade, transportation, and utilities, which accounted for 16.9% of the job growth, as well as the government sector, which accounted for 19.7%. Considering that the federal government accounts such a large portion of the local economy, this figure is to be expected.

The other side of the employment picture, and one of the most frequently reported is the unemployment rate. This figure captures the number of individuals who do not currently have a job and are actively seeking employment. This is an important distinction, as not all individuals who are eligible for employment or who are of employment age are seeking a new job. As of January 2023, then national unemployment rate was 3.9%. This is the first time in several months that this rate has exceeded the pre-COVID rate.

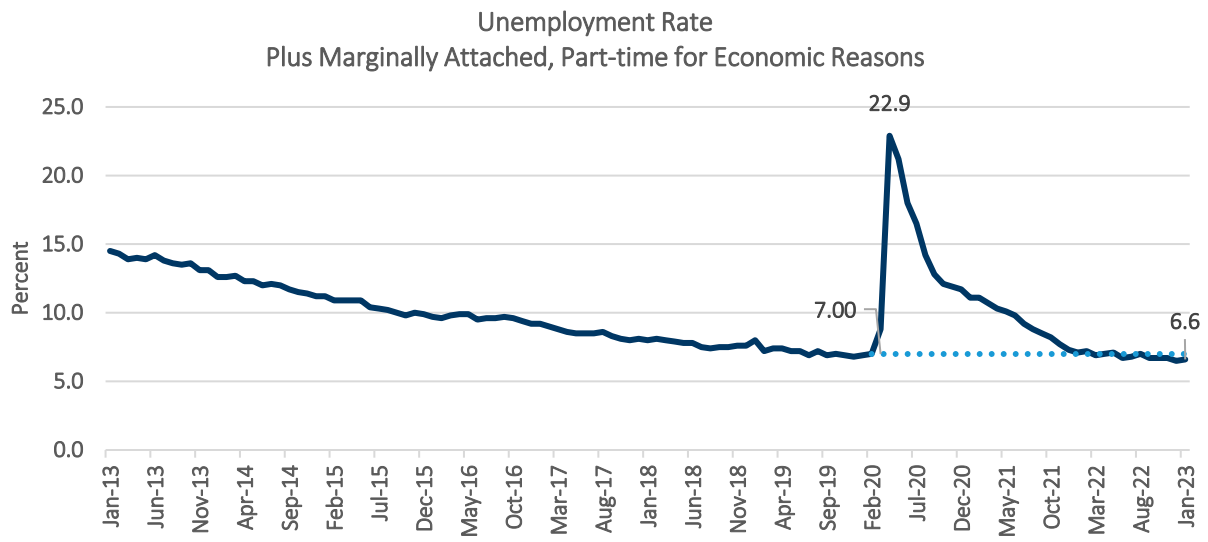


Source: Bureau of Labor Statistics

Full employment is broadly defined as the most efficient use of labor resources without being so low that it triggers inflation. The generally accepted standard for full employment is an unemployment rate between 4% and 6%. In normal times, this would mean that the country is currently at full employment. Also in normal times, this would be incredibly good news. It effectively means that every individual who wants a job has a job. Unfortunately, it is up for debate whether the country is currently at full employment because the unemployment rate does not capture “slack” in the labor market.

“Slack” in the labor market can take many different forms. For example, there are individuals who are defined as “discouraged workers.” The BLS defines these individuals as those who have “given a job-market related reason for not currently looking for work.” In other words, they know there are jobs available, but they do not see them as suitable positions for them to take. Other categories include “persons marginally attached to the labor force” and individuals who want full time work but have taken part-time work instead. While the latter is self-explanatory, the former – those who are moderately attached to the workforce – can be described as individuals who are not necessarily looking for work but available to work and have looked for a job at some point in the last year. When all of these categories are taken into consideration, the national unemployment rate could have been as high as 6.6%

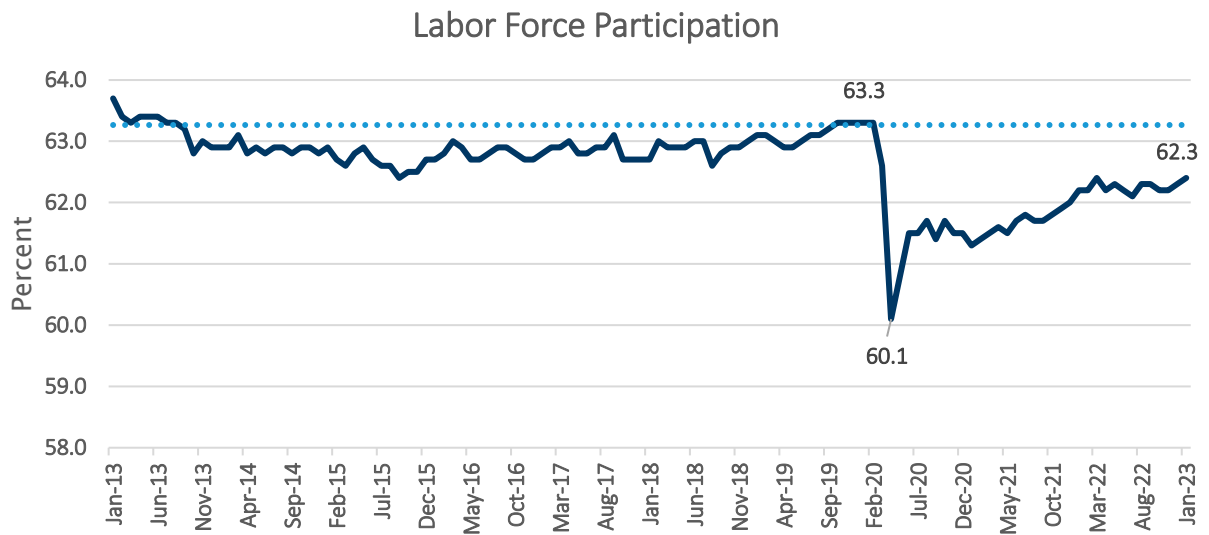
in January 2023. While this may sound high, it is important to note that this figure is still below the pre-COVID rate of 7% and well below the 10-year average of 9.9%. Taking this into consideration may further support the idea that the economy is at full employment.



Source: Bureau of Labor Statistics

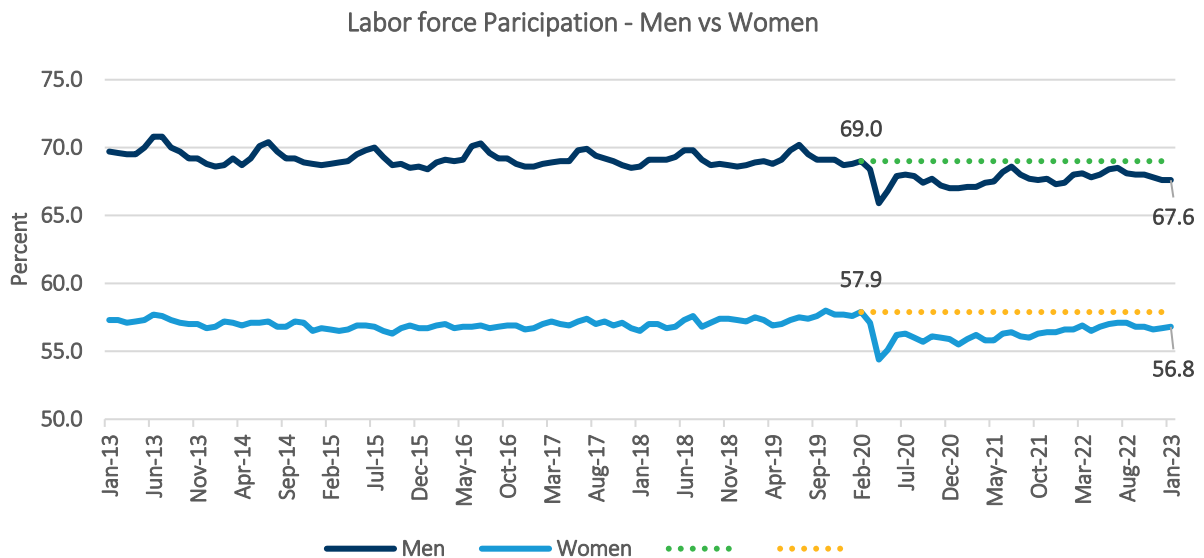
Another factor that can help to capture slack in the labor force is the labor force participation rate. This rate is calculated by dividing the number of employed individuals plus the number of unemployed individuals by the civilian, non-institutionalized population over the age of 16. In other words, what proportion of the non-institutionalized, working age population either has a job or is actively looking for a job. This figure can help to capture how many people have left the workforce all together. This was a common problem during the COVID-19 pandemic, and two of the most common reasons given was parents leaving their positions to care for children who now had to attend school at home, as well as the notion that older individuals simply decided to retire early and not assume the health risk associated with going into an office.

During the 10 years prior to the pandemic, the labor force participation rate averaged 63.3%. In April 2020, the rate hit a 47-year low of 60.1%, a rate not seen since February 1973. While participation has been climbing since this low, it has not yet rebounded to pre-pandemic levels. In January 2023, the labor force participation rate was 62.3%.



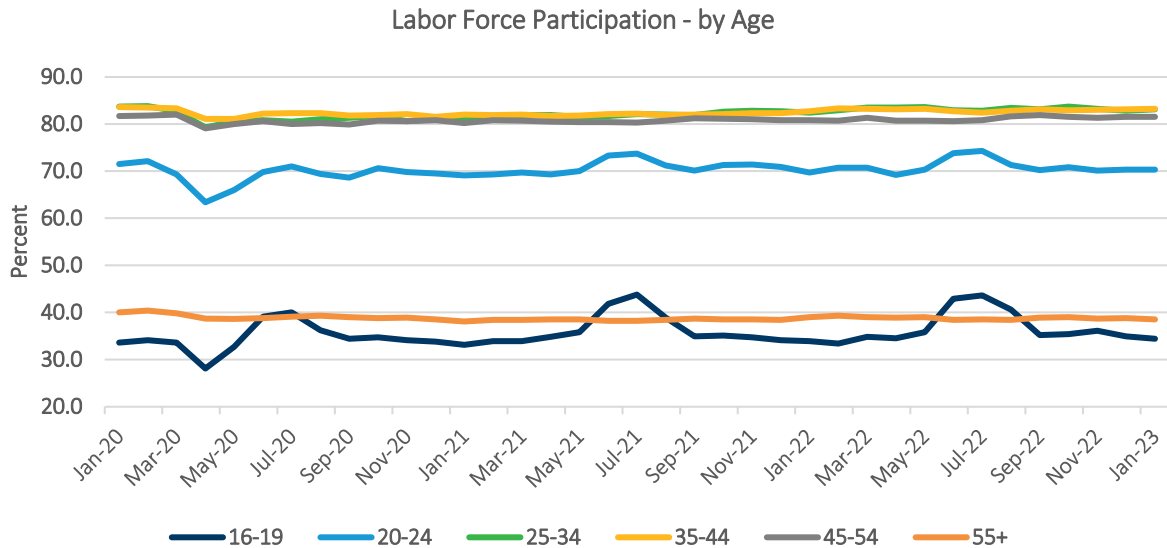
Source: Bureau of Labor Statistics

When looking into the idea that the primary contributor to this was that parents (particularly women) left the workforce amid the pandemic to help take care of children who had to attend school from home, it becomes clear that this was in fact not the primary driver of the reduced labor force. Both men and women left the workforce in a similar proportion, and neither group has returned to pre-pandemic levels, with men trailing by 1.4% and women trailing by 1.1%.



Source: Bureau of Labor Statistics

Looking into the other common idea that older individuals simply decided to retire early and not assume the health risks of being in the office, most age groups (20-24, 25-34, 35-44, 45-54, and 55+) have yet to return to pre-pandemic levels. The only age group to surpass pre-pandemic levels is individuals aged 16-19, but this was only a modest increase, with 34.1% participation in February of 2020 and 34.4% participation in January 2023. Individuals aged 20-24 and 55+ saw the largest declines, with participation rate declines of 1.8% and 1.9% respectively. The remaining age groups declined slightly; however, they were all less than 1%. This lends some credibility to the idea that early retirements may have been a contributing factor; however, they likely were not the primary or driving factor behind the shrinking labor force.



Source: Bureau of Labor Statistics

Economists at the Federal Reserve Bank of Chicago looked into this trend and made some interesting findings. Specifically, they examined the how individual's desire to work has changed from 2013 to 2021. Using survey questions in the Survey of Consumer Expectations, they were able to calculate what they call an "aggregate hours gap," which illustrates the difference between an individual's desire to work hours and the actual hours they worked. What they found was that there has been an overall decline in individuals' willingness to work during the last 10 years.

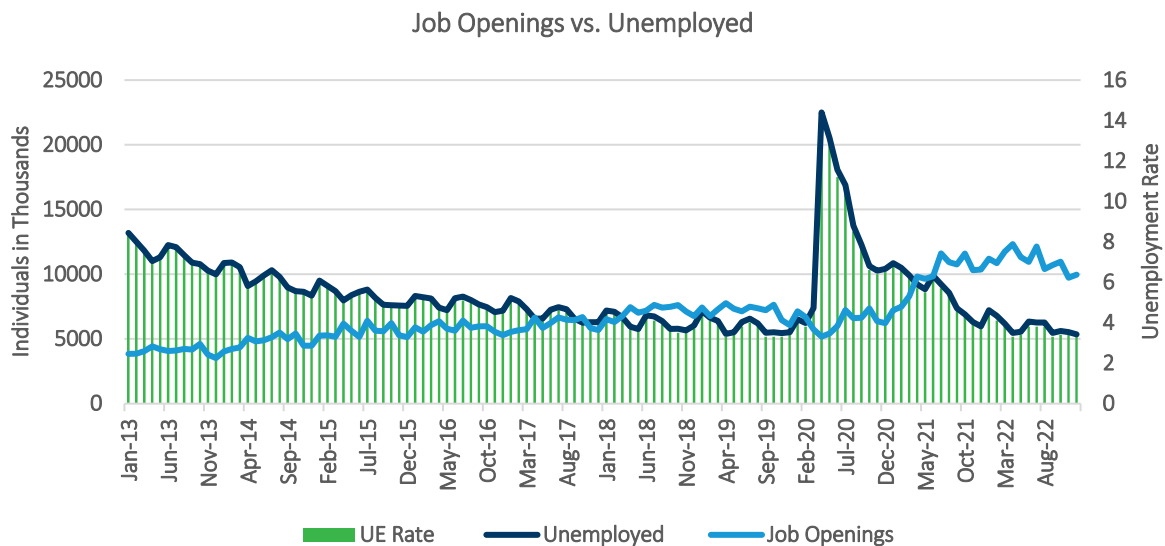
The table below illustrates the change in the hours individuals are willing to work each week:

Labor Force Status	October 2013-2017	October 2018-2019	October 2020-2021	Difference: '18-'19 vs. '20-'21
Employed	41.54	41.69	41.10	-0.59
Full-Time	44.88	45.11	45.11	0.00
Part-Time	28.68	27.10	23.97	-3.13
Unemployed	35.65	36.07	35.80	-0.27
Out of Labor Force	13.06	12.01	11.06	-0.95
Want Work	29.91	30.00	27.47	-2.53
Retired	10.99	10.25	9.68	-0.57
Others out of labor force	15.45	14.46	11.17	-3.29

Source: Federal Reserve Bank of Chicago

As illustrated in the table, the largest declines in willingness to work are among those out of the labor force (-3.29 hours), who want work (-2.53 hours), and part-time workers (-3.13 hours). When examined by job type, they also found that individuals with low social proximity in their work had a stronger willingness to work (+1.27 hours), while individuals with medium and high social proximity in their work had a lower willingness to work (-4.04 hours and -0.83 hours, respectively). Using this data, they concluded that, "[t]he decline in desired work hours is more than double the decline in the labor force participation rate." They further conclude that, "the decline in desired work hours . . . accounts for essentially all of the discrepancy between potential work hours and the labor force participation rate."

This reduction in the labor force has led to some interesting trends. One of these trends is that, since the COVID-19 pandemic, there have been more job openings than individuals searching for jobs. Since June 2021, there has consistently been more job openings than unemployed individuals seeking employment. In 2022, on average, there were more than 5 million more job openings than individuals seeking employment. In December of 2022, there were two job openings for every unemployed individual.

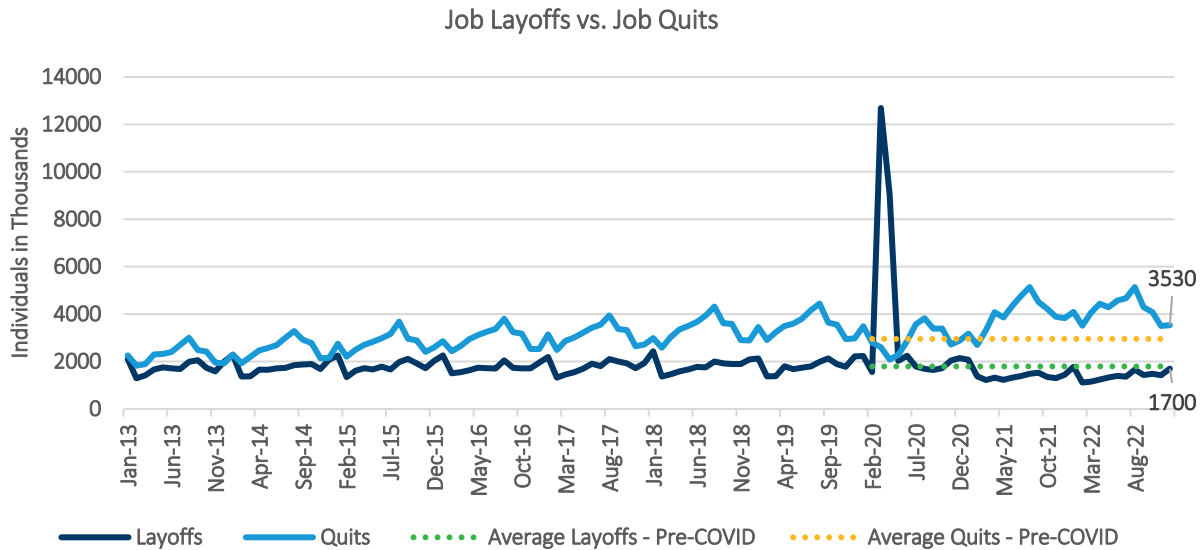


Source: Bureau of Labor Statistics

This creates a situation where employers must compete for labor, as individuals are better able to leverage offers from multiple employers and demand higher wages. This is not only true for unemployed individuals, but for currently employed job seekers as well. Conversely, this has created increased strain on employers, as it is more difficult to fill open positions and to keep individuals currently employed with their organization from leaving. This has led to a new phenomenon called “labor hoarding.”

Typically, when talks of a looming recession enter the broader economic discussion, organizations begin to lay off employees as a hedge against a potential downturn. Labor hoarding takes the opposite approach. Rather than laying off individuals to save costs, employers are recognizing that keeping their current employees will be more cost effective in the long run than trying to re-fill positions and train new employees later. This is primarily due to the gap between the number of job openings and job seekers discussed previously. Because individuals are leveraging would-be employers against one another, the time to hire and fill a position has increased. This leverage also means that the hiring costs have also grown substantially, with higher salaries and sign-on bonuses becoming more commonplace.

This trend is illustrated by the number of layoffs and the number of quits published by the Bureau of Labor Statistics. The number of layoffs has remained below the pre-COVID average consistently since January 2021, while the number of job quits has remained consistently higher than the pre-pandemic averages.



Source: Bureau of Labor Statistics

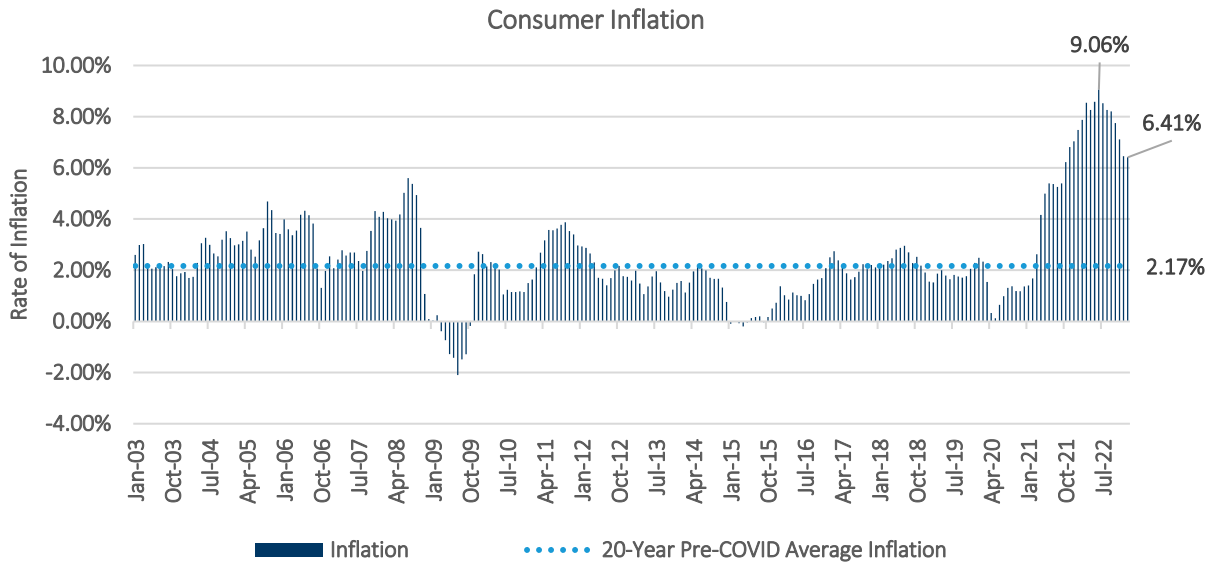
When looking at all of these indicators together, it paints the picture of a healthy, albeit complicated labor market. Unemployment has remained low, employment and wages are on the rise, all while the labor participation lags and willingness to work continues to decline among certain key labor demographics. Collectively, it becomes easier to understand why these indicators are also being used to inform policies related to another major element in the economy today, inflation.

Inflation

Inflation can be simply defined as the rise in prices over time or as the decline in purchasing power over time. Inflation is primarily measured using two indicators, the Consumer Price Index (CPI) and the Producer Price Index (PPI). CPI measures the year-over-year cost increase of goods and services for individual consumers, while PPI measures the year-over-year cost increase to produce those same goods and services and prepare them for consumption.

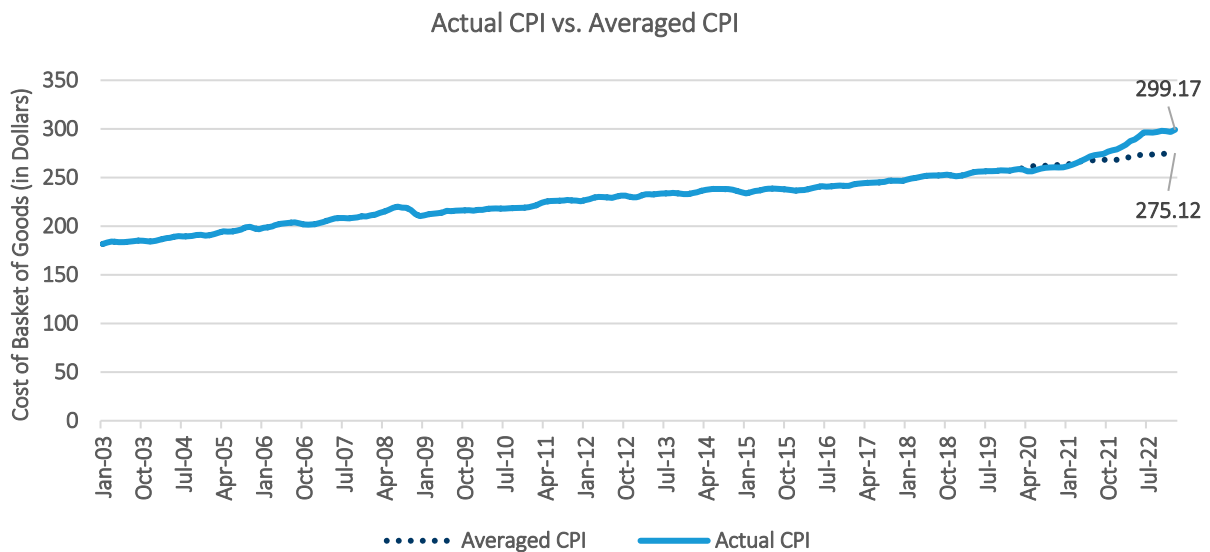
The Consumer Price Index (CPI) is the figure that is reported monthly in the news headlines as the inflation figures. As with labor indicators, these are often reports as simply “good” or “bad” figures, but as with all economic indicators, a more holistic context is important. Part of that context is the long-term average rate of inflation. Historically, inflation has averaged 3.69% annually since 1960, and the Federal Reserve target for inflation is between 2% and 3% annually. During the first year of the COVID-19 pandemic, from March 2020 through February 2021, inflation averaged just 1.09%, well below not only the historic average, but also the Federal Reserve target. This means that prices of goods and service effectively remained unchanged for an entire year.

The following graph illustrates the rate of inflation from January 2003 to January 2023. The most recently reported inflation figure was 6.41% for January 2023. This means that a good or service that was priced at \$100 in January 2022 would now cost the consumer \$106.41. While this figure is well above the average rate of inflation during the 20 years prior to the COVID-19 pandemic of 2.10%, it also represents a decline of the inflationary peak of 9.06% recorded in June 2022.



Source: Bureau of Labor Statistics

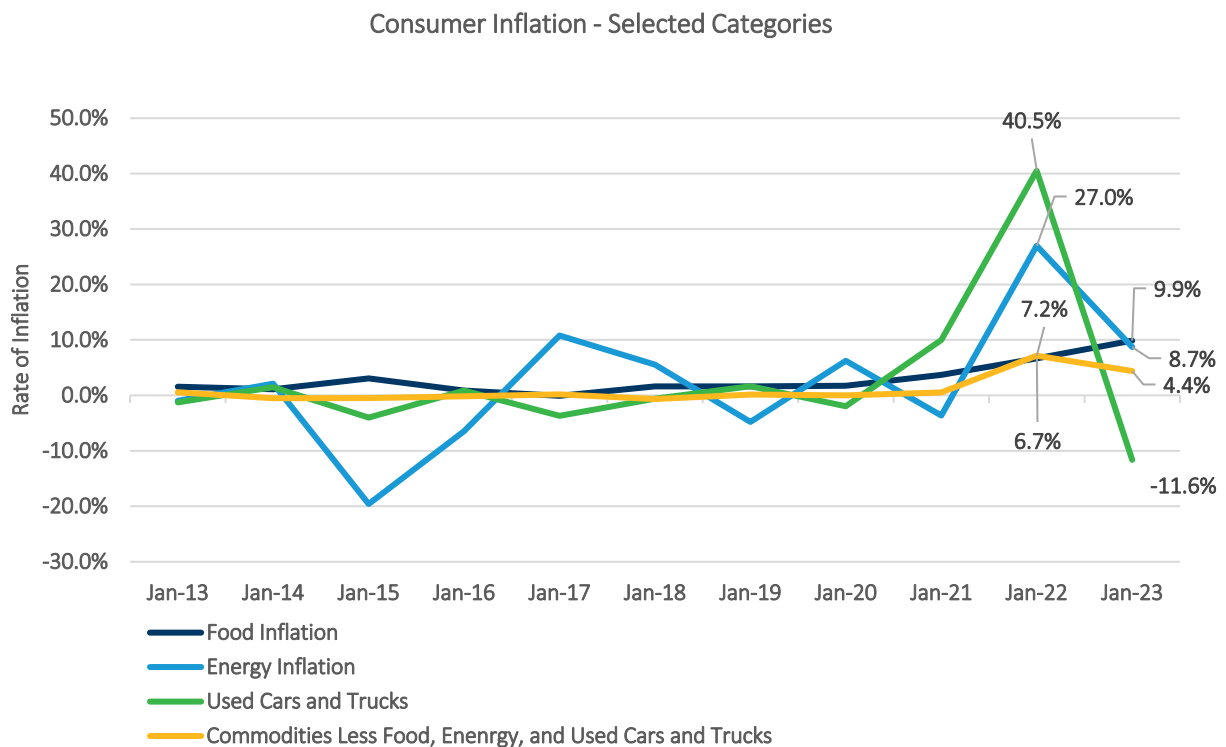
Seeing these high inflation figures reported in headlines can be alarming, and nobody can deny that individuals have absolutely seen an increase in the price of goods and services, but there are other factors that should be considered to put these figures into context. As previously mentioned, during the 20 years prior to the COVID-19 pandemic, from March 2000 through February 2020, the average rate of inflation was 2.17%. Using this average to smooth the impacts of the COVID-19 pandemic, the figures help to illustrate where CPI could have landed absent the pandemic as compared to the figures actually being recorded.



Source: Bureau of Labor Statistics

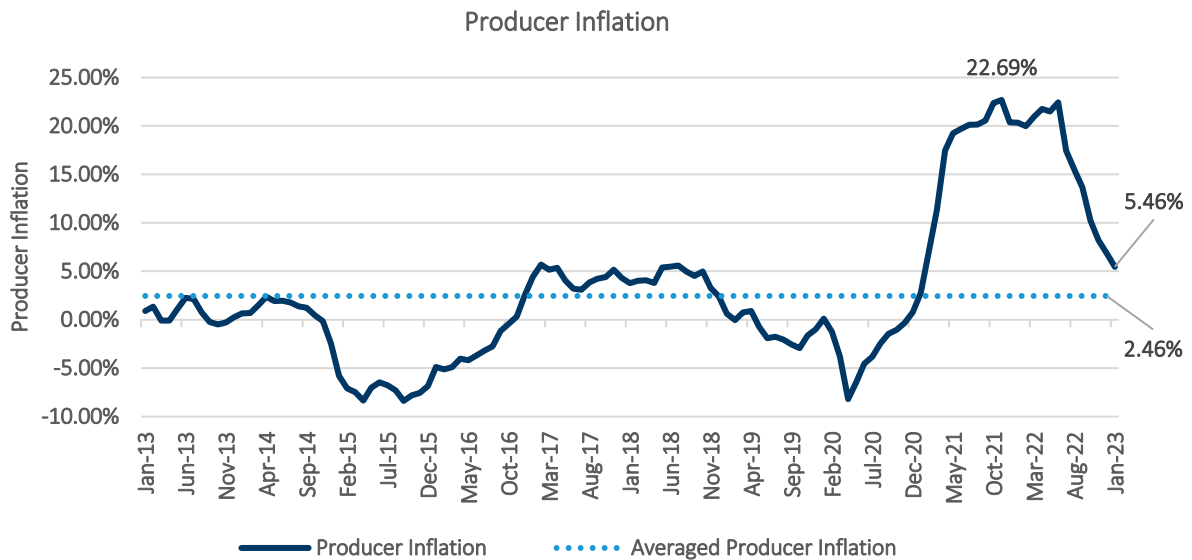
As reflected in the above graph, absent the impacts of the COVID-19 pandemic (i.e., well-below average rates of inflation and supply chain disruptions), CPI would likely be around 275.12. This was estimated using the long-term historical CPI and using this average to project forward from the onset of the pandemic in March of 2020 through January 2023. Put a different way, absent the COVID-19 pandemic, an item costing \$10 in January 2020 now costs \$11.60 on average, a 15.97% increase; however, absent the COVID-19 pandemic, on average a \$10 item would now cost just 6.65% more at \$10.66. This exercise further illustrates the impacts of inflation, as prices of goods and services are around 9.32% higher than they may have been otherwise.

The impacts of inflation have been felt throughout the economy, but they certainly have not been consistent among all sectors. Certain sectors – specifically food, energy, and used cars and trucks – have seen much higher rates of inflation than other sectors and are driving the overall figure higher. In January 2023, inflation for energy and food both outpaced inflation for all other commodities, while the rate of inflation for used cars and trucks declined sharply; however, it is important to note that the -11.6% is a decline from the January 2022 CPI, which was 40.5% higher than January 2021. This CPI figure of 185.86 is still 24.2% higher than the January 2021 of 149.66. This further illustrates the compounding effect of inflation and the idea that, while lower rates of inflation are an encouraging sign, they do not show a return to normal. A return to normal would likely require prolonged periods of negative inflation to bring prices down from their record highs.



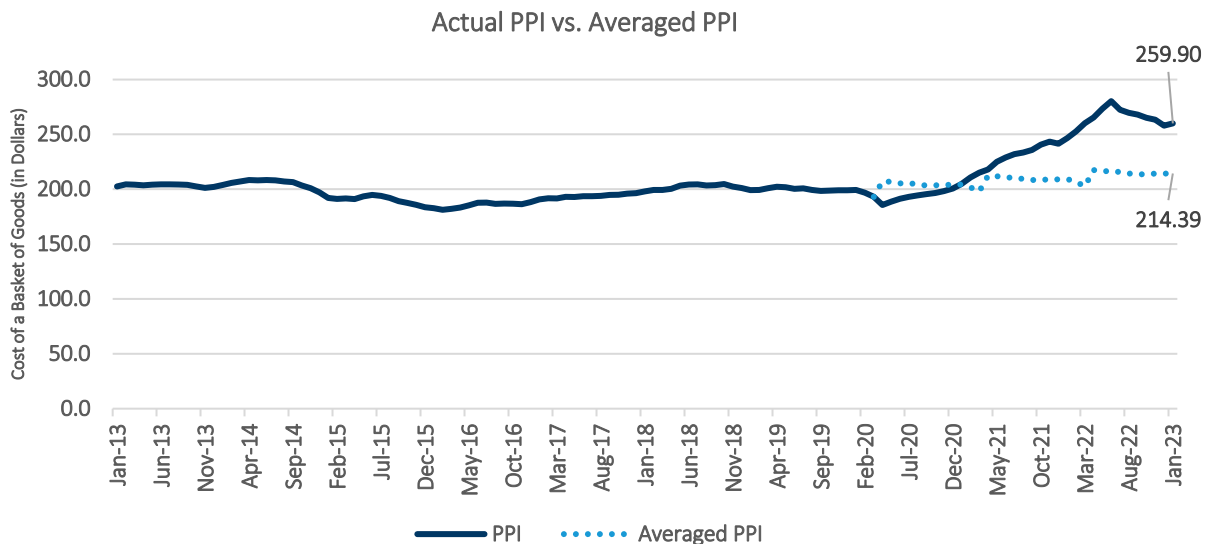
Source: Bureau of Labor Statistics

The impacts of inflation are also being felt on the producer or employer side, with the Producer Price Index (PPI) remaining elevated. During the COVID-19 pandemic, producers and employers experienced incredibly high levels of inflation, reaching rates as high as 22.69% in 2021. There are many reasons for these levels of inflation, including supply chain disruptions and increasing employee wages. The January 2023 producer inflation figure was 5.46%, as reflected in the following graph.



Source: Bureau of Labor Statistics

As with the CPI figures, an attempt can be made to control for the effects of the COVID-19 pandemic by using the 20-year, per-pandemic average rate of inflation. Similar to the CPI figures, it is clear that absent the effects of the pandemic, prices would likely be lower; however, the impacts on the producer side have been much greater than those on the consumer side. January PPI figures were 259.90, approximately 21.2% higher than they could have been if PPI had continued on the 20-year pre-pandemic trend of 2.46% inflation each year. Put differently, an item that was priced at \$10 for producers in January 2020 now costs \$13.04 on average, a 30.4% increase. Had the pre-COVID inflationary trend continued, it is likely that the price for that same product would have been \$10.76, an increase of just 7.6%.



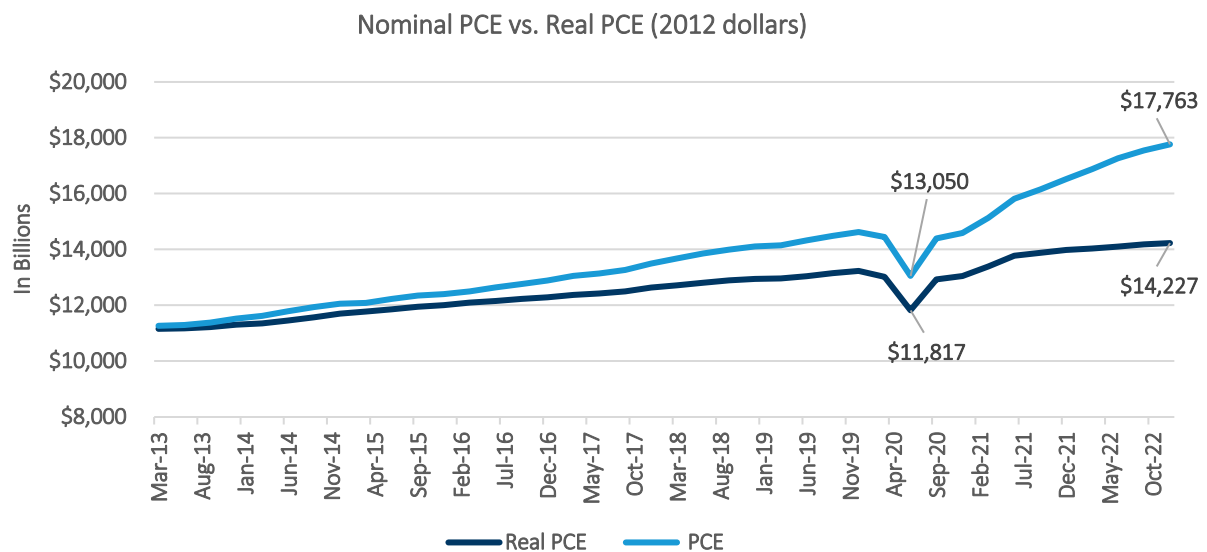
Source: Bureau of Labor Statistics

Looking at these CPI and PPI figures together, a bigger picture of producer price increases being passed along to consumers comes into view. It also helps to explain the labor hoarding trend discussed earlier, as well as some of the reasoning behind the recent interest rate hikes by the Federal Reserve. To tame inflation, the amount of money in circulation has to decrease. This means that the Federal Reserve must attempt to influence consumer behavior and consumer spending.

Consumer Behavior

Much of the targeted relief efforts amid the COVID-19 pandemic involved providing direct payment to citizens and businesses. These efforts ranged from stimulus payments, to payroll protection loans, to enhanced unemployment benefits. All of these programs increased the amount of money in circulation in an effort to avoid a severe recession and maintain consumer spending. One way consumer spending is measured is using the Personal Consumption Expenditures (PCE) data published by the Bureau of Economic Analysis.

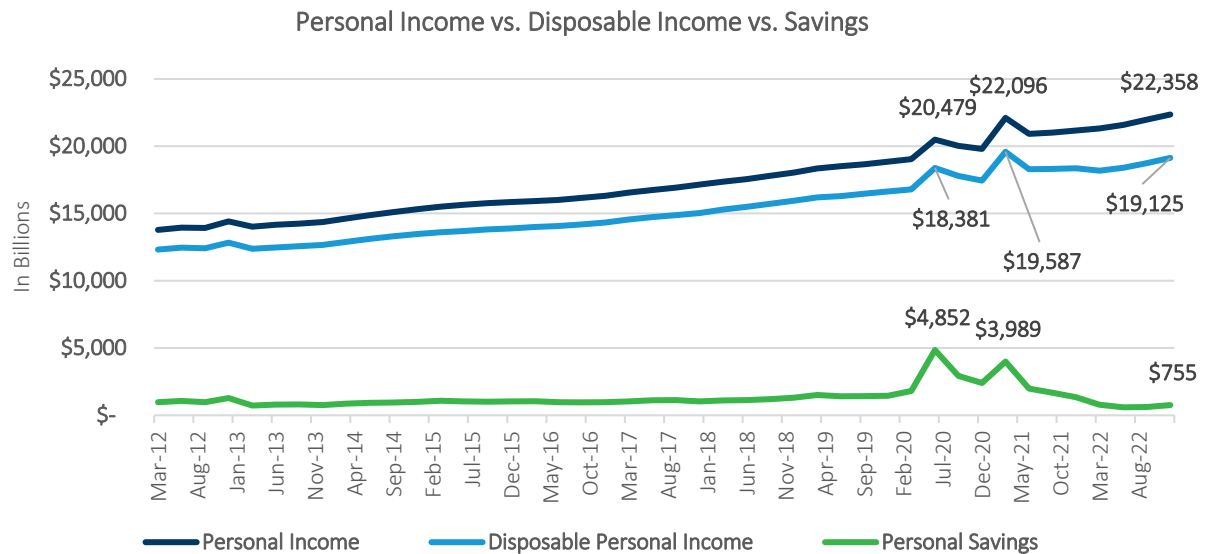
PCE data is a measure of the “value of the goods and services purchased by, or on the behalf of, U.S. residents.” In other words, it measures how much individuals are spending on goods and services. A more specific measure is Real PCE, which provides an inflation-controlled measure of consumer spending. Using this measure ensures that the measure reflects actual growth in consumption rather than simply the increased price of goods and services resulting from inflationary pressures.



Source: Bureau of Economic Analysis

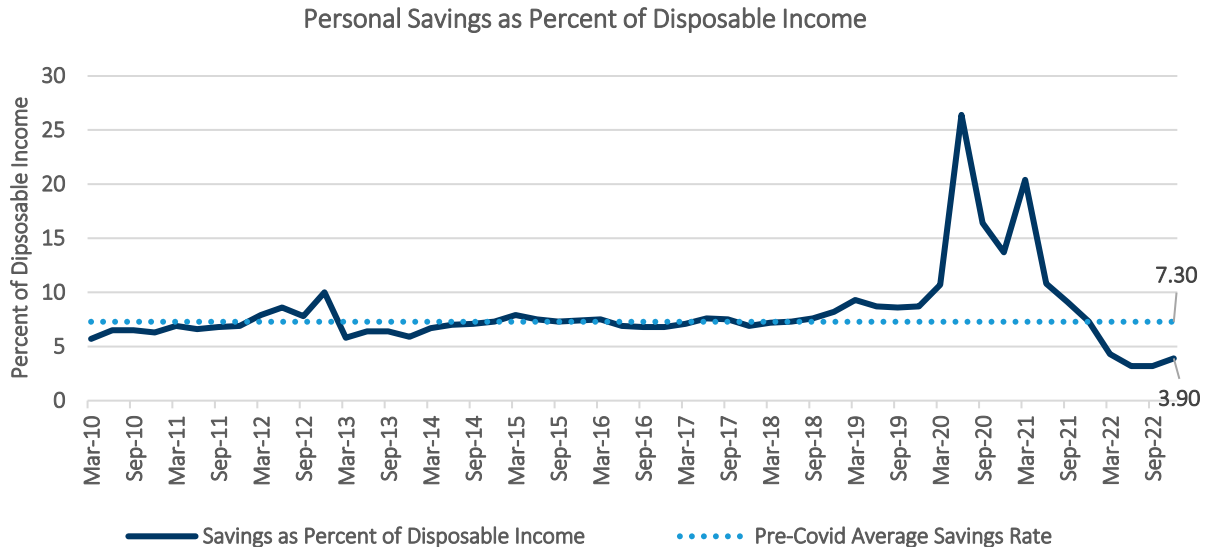
When controlled for inflation, consumer spending has been on a steady rise since the third quarter of 2020. The most recent PCE figure shows that real consumer spending increased by 0.3% in the fourth quarter of 2022. In nominal terms, the increase was 1.3%, reflecting the increased prices due to inflation. Taken together, these data points show that both prices and consumption continue to rise. This could indicate that consumers are not as put off by increased prices as recent headlines may suggest. On average, real consumer spending has increased 1.9% each quarter since the third quarter of 2020, while nominal consumer spending increased an average of 3.2% each quarter during that same period of time.

Driving this trend and also softening the impacts of inflation on the consumer side is the fact that incomes are on the rise. The following graph illustrates this trend, showing that both personal income and disposable personal income have increased since the onset of the COVID-19 pandemic. From the fourth quarter of 2019 to the fourth quarter of 2022, personal income has increased by 18.7%, and disposable personal income has increased by 15%. Also reflected in the graph is the personal savings rate, which not only follows a different trend than personal income, but also aids in explaining how consumption has remained high amid record inflation.



Source: Bureau of Economic Analysis

The personal savings rate by calculating total personal income, less taxes on gross pay, less personal outlays. This figure can provide some insight into how individuals view the state of the economy. The idea is that, in times of economic uncertainty, people will save more money to prepare for the unknown. Conversely, when people feel the economy is good and that no economic danger may lie ahead, they save less as they may not feel there is anything to worry about. This trend can be seen in the above graph. During the COVID-19 pandemic and when the federal government was issuing direct stimulus payments (illustrated by the two distinct peaks in 2020 and 2021), personal savings reached record highs.

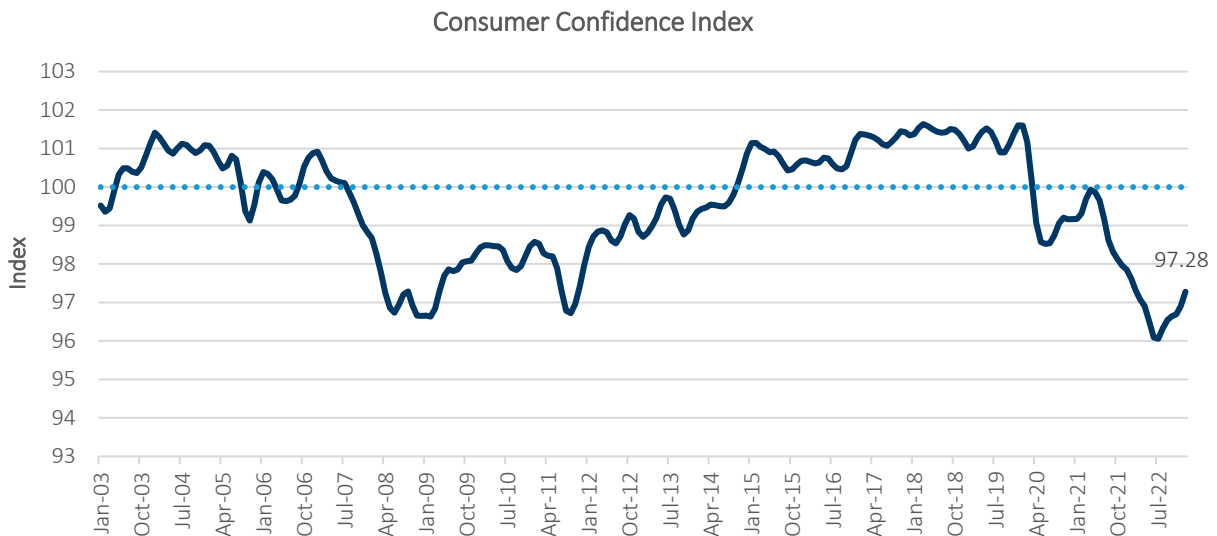


Source: Bureau of Economic Analysis

From the second quarter of 2020 through the first quarter of 2021, personal savings averaged \$3.5 trillion (19.23% of disposable income). During the 10 years prior to the pandemic, personal savings averaged \$1.1 trillion (7.9% of disposable income), less than one third of the personal savings recorded during the first year of the pandemic. During the last year however, there has been a distinct change. In 2022, personal savings averaged \$685 billion (3.65% of disposable income). When comparing the fourth quarter of 2022 to the fourth quarter of 2019, the data

show a 47.9% decrease in personal savings. Not only is this significantly less than the savings rate seen during the pandemic, but it is a shift from pre-pandemic behavior as well.

In normal economic times, this reduced savings rate signal strong consumer confidence; however, the Consumer Confidence Index shows this is not the case. The Consumer Confidence Index is a forward-looking measure that attempts to capture consumer sentiments about the economy and their individual financial situation. When this index rises above 100, this is an indication that consumers are optimistic about their economic future leading to reduced savings and increased consumption. When it falls below 100, consumers are less certain and are likely to spend less and save more. As of January 2023, the Consumer Confidence Index is 97.28. Notwithstanding the last few months, the last time the index was this low was in April 2009 and individuals were feeling the impacts of the Great Recession.



Source: Organization for Economic Co-operation and Development (OECD)

Conclusion

The current state of the economy certainly paints a mixed picture. There are highly encouraging job numbers, with unemployment down, employment and job creation up, and more jobs open than individuals in need of a job. Similarly, consumer inflation is beginning to show signs that the pressures created by the COVID-19 pandemic may be starting to ease, and consumer spending and consumption continues to rise despite these pressures.

On the other hand, workers are showing less willingness to work, and those who are willing to work are demanding higher wages than ever, placing additional pressure on employers and producers. This along with the prolonged effects of supply chain disruptions are leading to significantly higher producer inflation, the cost of which will likely be passed along to consumers at some point. Finally, while spending remains high, consumer confidence remains low, and there may be indications that people are using money they may have otherwise saved to support increased consumption habits established during the pandemic.

Other uncertainties exist as well. The potential for a government shutdown this summer could certainly impact the local economy, as such a significant portion relies on federal government spending. Likewise, student loan forgiveness and the possibility that student loan payments may resume soon creates some uncertainty as it relates to consumer spending. The impacts of these, as well as any impacts created by ongoing global tensions, remain unknown and it is difficult, if not impossible, to predict their overall impact.

All things considered, there are more good indicators than bad at this point, and economists are becoming more confident that the country may avoid a recession in 2023. Indeed, there are few indicators currently pointing toward a recession at this time. In the event there is a recession, the impacts on the local economy will likely not be felt locally in FY 2023-24, as the presence of the military and federal government provide significant insulation for both the City and region. While these indicators will continue to be monitored and economic situations may change, at this time, indicators are pointing to a stable, albeit inflated, economy, as well as stable revenue growth for Virginia Beach in FY 2023-24.

REVENUE

Forecasting Methodology

The City uses the following methods to forecast revenues:

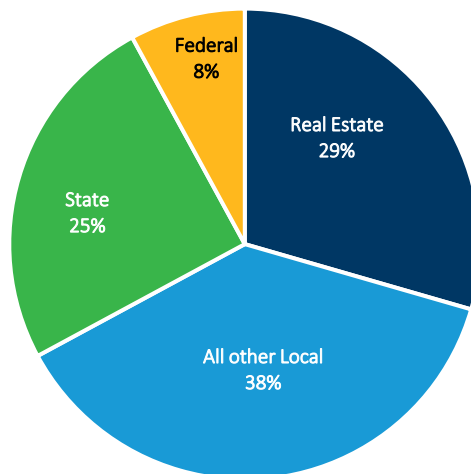
- Survey departments regarding trends in revenues
- Interview local economists and review national economic forecasting projections
- Monitor national and local economic trends
- Examine State and Federal budgets and legislative changes
- Examine relationships between revenues and economic variables

Final projections are based on a combination of the above techniques, as well as educated judgment. The generally accepted forecasting margin of error is 2.0%. For the most recently completed year, FY 2021-22, the City's General Fund revenue projection produced a variance of 4.3% when compared to actual collections. This variance can be attributed to higher than expected revenue collections, primarily the overperformance of consumer-driven revenues such as general sales and meals tax revenue.

Local Sources of Revenue

Local sources of revenue are comprised of taxes such as real estate, personal property, and general sales. These sources represent the largest portion of all revenues collected or received by the City of Virginia Beach in any given fiscal year. In FY 2023-24, local sources, including fund balance, make up approximately 67% of total revenue. The largest individual revenue generator for the City is the real estate tax, which generates over a quarter of the City's total revenue and nearly half of the City's General Fund tax revenue.

Revenue Sources in FY 2023-24



Dedications

The City dedicates a portion of several other local taxes to City Council priorities. The following table provides a breakdown of the City's major local tax dedications. For the revenue generated by each of these tax dedications, please see the "Dedication of Local Revenues" page in the Executive Summary.

Tax	Local Rate	Non-Dedicated General Fund	TIP Fund	TAP Fund	EDIP	Open Space
Amusement	10%	-	10%	-	-	-
Hotel Tax	8%	2%	5%	1%	-	-
Hotel Flat Tax	\$2	-	\$1	\$1	-	-
Restaurant Meal Tax	5.5%	3.5%	1.06%	0.5%	-	0.44%
Cigarette Tax (per pack)	75¢	54¢	5¢	-	16¢	-

Revenue Summary by Type

Real Estate Tax

The City Real Estate Assessor is projecting a 9.47% increase in assessments for FY 2023-24. This growth is being driven primarily by residential properties, which appreciated in value 9.81% on average. It is important to note, however, that there was growth in the commercial sector as well, with commercial properties appreciating 5.2% on average. The majority of properties in the City – 57.8% – appreciated by less than 10%. This is a change from last year, when 56.2% of properties appreciated by more than 10%.

Excluding the TIF, for every 1¢, the Real Estate Tax generates \$7,383,953

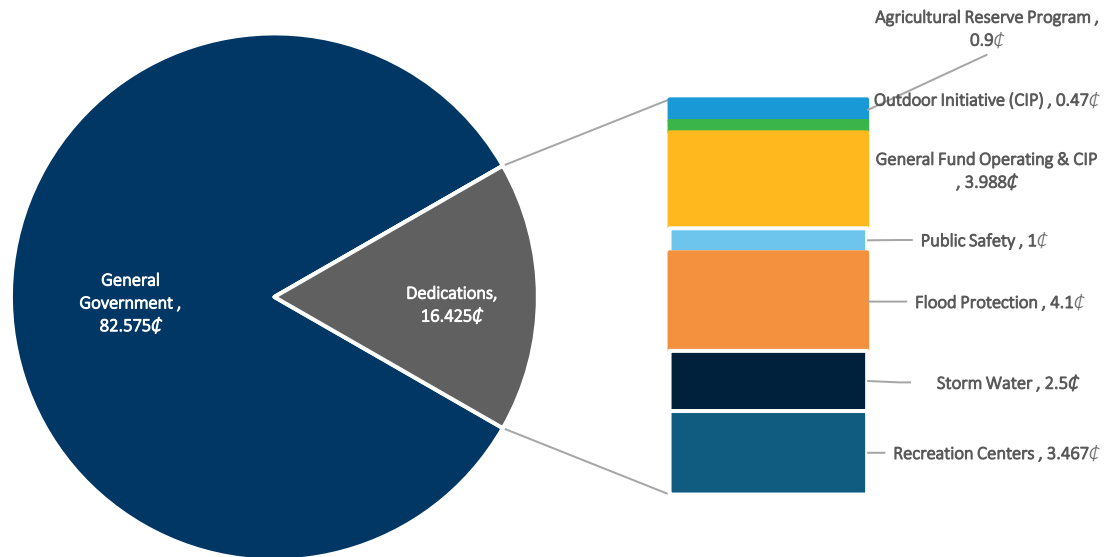
Demand for existing homes has eased during the last year, causing a slight cooling off in the housing market and for home values. Increased interest rates have driven some to purchase less expensive homes than they may have been able to afford last year and has driven other out of the market all together, choosing to wait until interest rates come back down. It is likely that this trend will continue as the Federal Reserve continues to increase interest rates and making the prospect of home ownership or a new home purchase more expensive. Despite this, home values continue to remain strong as the City heads into FY 2023-24.

In FY 2023-24, the real estate tax rate is \$0.99 per \$100 of assessed value. Total real estate tax revenue – including Public Service real estate, penalties, interest, all dedications, the Town Center TIF, and Special Service Districts – is expected to increase 5.6%, to \$734,738,849. Of this amount, General Fund real estate tax revenue is expected to total \$669,607,745. General Fund real estate tax revenue represents 47.28% of the total revenue estimate for the General Fund in FY 2023-24.

Included in the FY 2023-24 is a reduction in the real estate tax rate for surviving spouses of military service members who died in the line of duty. Beginning in FY 2023-24, the rate for these individuals will 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.

While the majority of the real estate tax supports general government operations (including Virginia Beach City Public Schools), City Council has dedicated portions of the real estate tax to fund various priorities. The graph on the following page identifies the priority areas that the dedicated rate supports. These dedications have varied over time, depending on conditions in the City and City Council priorities.

Real Estate Tax Dedications



Personal Property

Revenue generated from personal property taxes consist of taxes assessed on vehicles, business personal property, commercial boats, recreational vehicles, mobile homes, and several pleasure and leisure items. Of these, vehicles and business personal property taxes represent the largest share of the revenue collected.

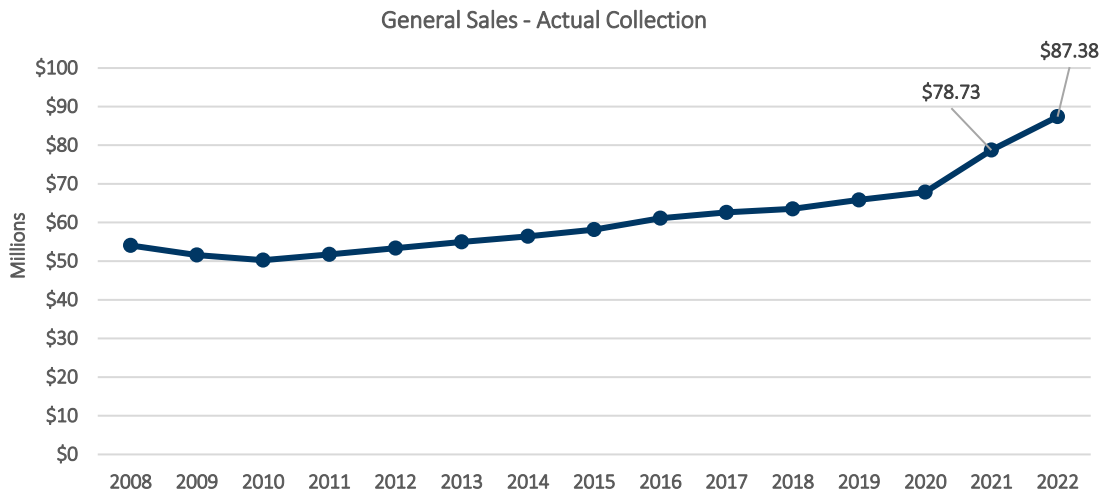
While inflationary trends in the automotive market have eased in recent months, the primary driver of this revenue continues to be elevated car values. This is especially true as it relates to new vehicles. In the fourth quarter of 2022, the price of a new car once again hit record highs, with the average new vehicle costing buyers \$49,507, with non-luxury vehicles averaging \$45,578 and luxury vehicles averaging \$66,660. On average, this is an increase of 4.9% or \$2,297 from the fourth quarter of 2021. On the other hand, used vehicle values have declined year over year, 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 decrease, while slight, illustrates the impact elevated interest rates are beginning to make in the automotive market.

Virginia Beach's vehicle personal property revenue collections come from two sources. The first source is a frozen reimbursement amount of \$53,412,868 received annually from Commonwealth of Virginia for implementation of the Personal Property Tax Relief Act (PPTRA), which was adopted by the General Assembly in 1998. The second source is received from the citizens of the City through payment of their personal property taxes. The percentage of residents' personal property tax liability that will be billed annually is determined by calculating the percentage of the eligible tax liability covered by the state reimbursement. This means that as total assessments increase, the portion of residents' tax liability that will be paid for through the PPTRA decreases.

In total, revenue from personal property taxes is estimated to be \$208,222,299 in FY 2023-24, an 8.1% increase over the FY 2022-23 Adopted Budget.

General Sales

The Commonwealth of Virginia imposes a 4.3% statewide sales and use tax and a 1.0% local option sales tax. In addition to these rates, a 0.7% regional sales and use tax is applied in Northern Virginia and Hampton Roads, making the combined sales and use tax rate 6% in Virginia Beach.



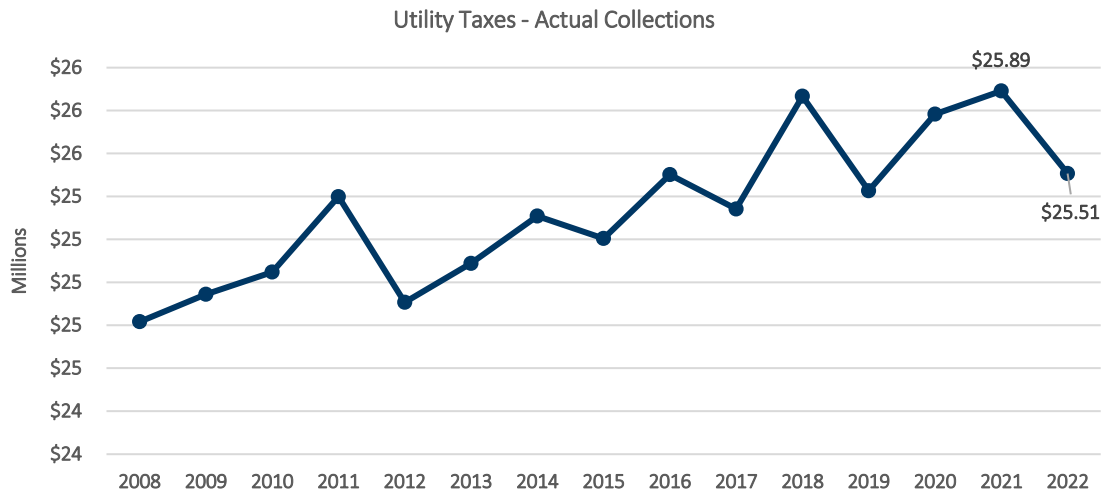
Estimated revenue from the General Sales tax in FY 2023-24 is \$91,916,310, a 2.1% decrease from the FY 2022-23 Adopted Budget.

During the last couple of years, this revenue experienced higher than anticipated growth due to the influx of federal spending to boost the national economy. This stimulus led to higher levels of disposable income, which was then used to purchase goods and services. While this revenue is still expected to remain higher than pre-pandemic levels, the surge in consumer spending has started to wane. This is due primarily to the impacts of inflation, as well as the fact that online sales are now being reported, and sales tax is now being collected, for businesses that have established an economic nexus with the Commonwealth of Virginia. An economic nexus is defined as 200 or more transactions or more than \$100,000 in annual gross revenue.

Utility Taxes

These taxes apply to electric, gas, and water bills for residential and commercial properties. According to Dominion Energy, approximately 50% of the City's utility tax revenue is generated by residential customers and 50% is generated by commercial customers. For residential properties, the Code of Virginia limits the tax to 20% of the first \$15 of a bill, meaning that growth in residential utility revenue can only occur with an increase in the number of utility customers. Increased utility charges for commercial customers are generally more lucrative than residential increases because the utility tax rate cap for businesses is less rigorous than for residential customers.

For FY 2023-24, estimated revenue for utility taxes is expected to remain level with the FY 2022-23 Adopted Budget at \$25,879,291.



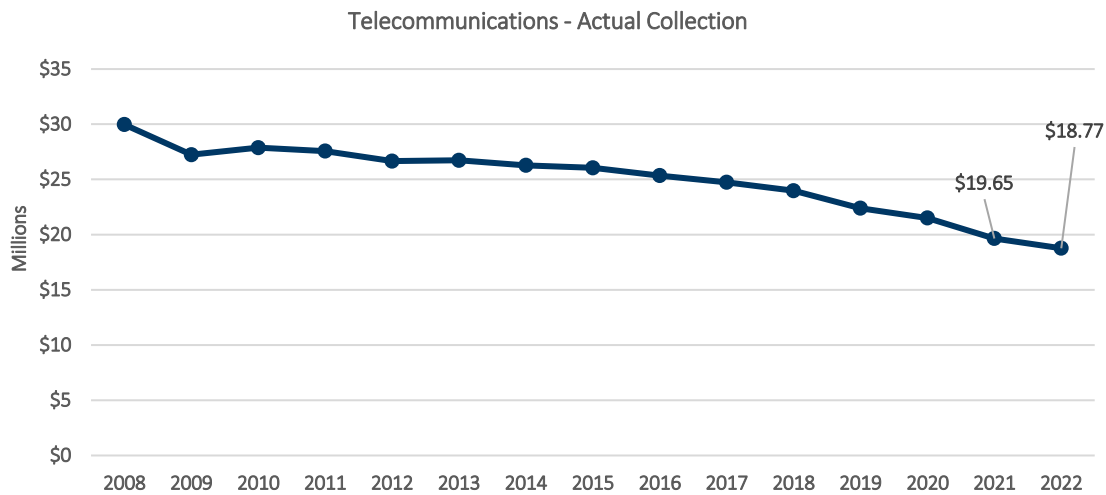
Virginia Telecommunications Tax

The Virginia Telecommunication Tax is a uniform 5% tax and an additional Right-of-Way fee per line. The tax applies to satellite TV, internet phone service, Voice-Over-Internet-Protocol (VOIP), and satellite radio but not data plans and streaming services. In recent years, market demand has shifted, and consumers have begun “cutting the cord,” moving from traditional cable and phone services to streaming services. This has led to a consistent decline in telecom revenue.

Despite decreasing tax revenue, efforts to amend the tax policy in the General Assembly to cover more relevant technology have been consistently unsuccessful. Until such a bill passes, the amount realized from the telecommunications tax will likely diminish each year. The City also includes the cable franchise fee as part of telecommunications tax revenue. The cable fee is subject to the same conditions as the rest of the industry – higher annual bills that have been offset by declining subscription rates.

Virginia telecommunications tax revenue is collected by the Commonwealth of Virginia and distributed to localities based on each locality’s percentage share of total state revenue at the time the current policy was adopted, July 1, 2006. This means that local changes in telecommunications tax payments have only a marginal impact on Virginia Beach’s realized telecommunications tax revenues.

For FY 2023-24, this revenue is to remain largely stable and generate \$17,245,958.



Business Professional and Occupational License Tax (BPOL)

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. In addition to this, to encourage and sustain new business creation, the City provides an incentive program in which new businesses that exceed the \$100,000 threshold pay at the \$50 rate for their first two years of operation. Enrollment in this program delays growth in the base of this revenue by approximately \$500,000 per year but is a major incentive.

Estimated BPOL revenue in FY 2023-24 is \$58,742,554, a 5.1% increase from the FY 2022-23 Adopted Budget, and a 7.1% increase from the Amended Budget as a result of City Council action in December 2022.

Automobile License Fee

In FY 2003-04, the City eliminated the issuance of physical decal stickers for vehicles, and the State Department of Motor Vehicles (DMV) began collecting these fees through a program called Local Vehicle Registration (LVR). The DMV represents a more comprehensive source for vehicle discovery and assists with the collection of delinquent fees. For participation in the program, the DMV charges the City \$2 per vehicle registered, which is then deducted from the revenue remitted to the City. Automobile licenses can be purchased for one, two, or three-year periods. While this can lead to volatility in year-over-year revenue collections, overall, this is a stable revenue source for the City.

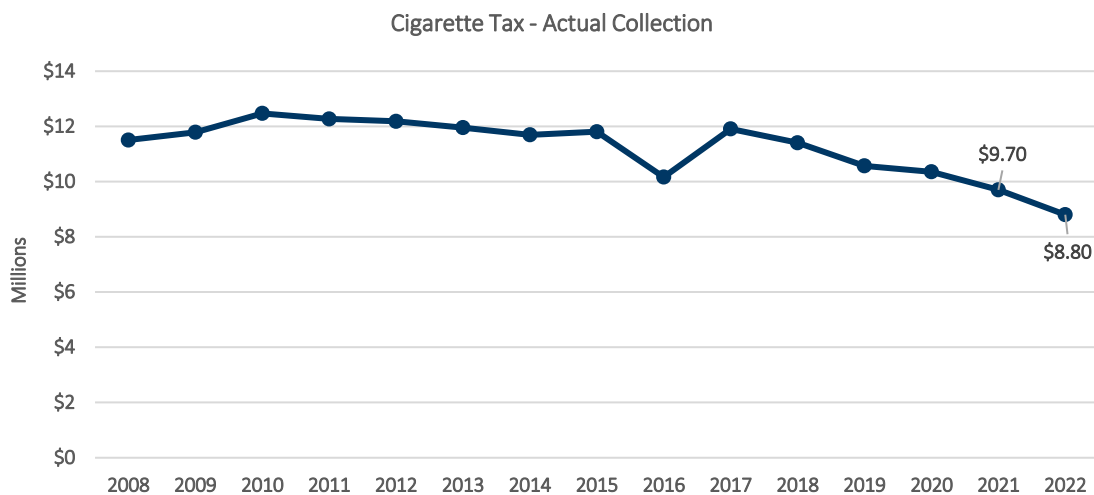
Total automobile license revenue is estimated to be \$10,769,956 in FY 2023-24. This represents a decrease of 4.5% from the FY 2022-23 Adopted Budget.

Cigarette Tax

During the last decade, cigarette tax revenue has continued to decline. This is an unsurprising trend given that tobacco use among adults has fallen from 20.6% in 2009, to 12.5% in 2020, according to the Centers for Disease Control and Prevention. This trend is expected to continue in the coming years, as recent legislative changes have been directed at reducing tobacco use among youth.

On July 1, 2019, the legal purchasing age for tobacco products was increased from 18 to 21, with the only exception being for active-duty military members with a valid military identification. This law applies to the purchase of all tobacco, nicotine vapor, and alternative nicotine products. Expectations are that this law will have an appreciable impact on overall tobacco usage since, according to the National Academy of Medicine, 90% of tobacco users report first usage before the age of 19. In addition to this change, another factor contributing to the decline in this revenue in recent years is individuals switching from cigarettes to vaping, which is not taxed in the same manner.

For every pack of cigarettes sold, the Tourism Investment Program Fund receives 5¢, the Economic Development Investment Program receives 16¢, and the remainder is allocated to the General Fund. In FY 2023-24, anticipated revenue generated from the cigarette tax is expected to be \$7,779,288, a 15.6% decrease from the FY 2022-23 Adopted Budget and an 11.6% decrease from actual revenue generated in FY 2021-22.



Hotel Tax

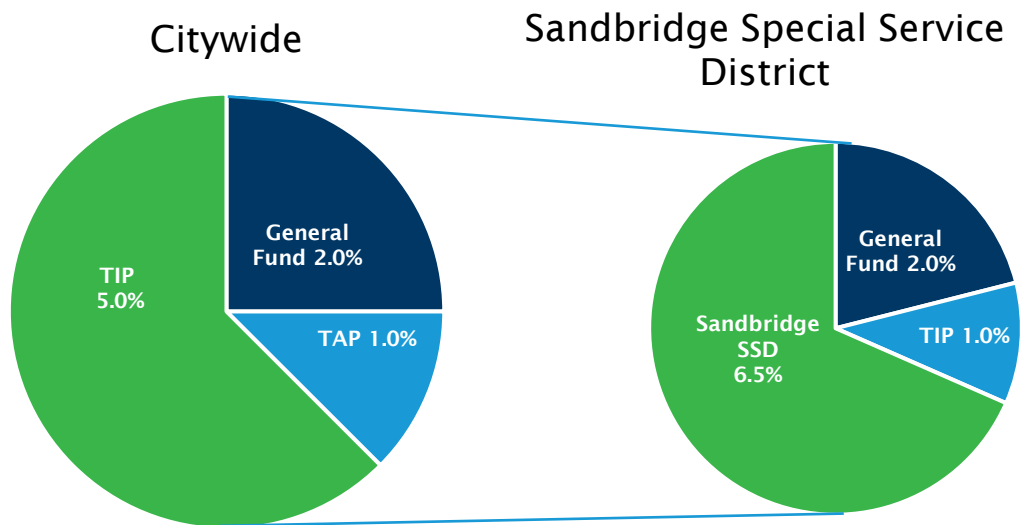
The hospitality industry is a major driver of the local economy; as such, revenue generated from hotel taxes are a substantial portion of the City's revenue. In fact, in FY 2021-22, hotel tax revenue accounted for 19.1% of the City's consumer-driven revenues. Hotel tax revenue is comprised of two separate components, an 8% tax on hotel stays and a flat \$2 tax per room night. The tax on hotel stays is driven primarily by the cost of a night's stay in a hotel, while the flat tax is driven by the number of nights a room is booked. This means that the hotel tax revenue is dependent on the economic climate and the desirability of Virginia Beach as a tourist destination.

As the City reopened and individuals were able to travel again amid the COVID-19 pandemic, the City saw a surge in tourism. This was partially due to pent up demand after more than a year of living with social distancing measures and travel restrictions, as well as the fact that Virginia Beach was among the first travel destinations to reopen. This led to an average 60.6% occupancy rate and \$140.34 average daily room rate in 2021. As the pent up demand waned in 2022, occupancy rates in the City's hotels dropped slightly to 59.4%; however, as with many goods and services during the past year, the price of a night's stay in Virginia Beach hotels rose 4.9% in 2022 to \$147.18 per night, on average. This increase in the price of a room more than made up for the reduced occupancy during the last year.

In FY 2023-24, hotel taxes are expected to total \$50,973,185, including the percentage tax, flat tax, and penalties.

Hotel Percentage Tax

Portions of the hotel percentage tax are dedicated to funds used to invest in tourism development and oceanfront infrastructure in Virginia Beach, such as the Tourism Investment Program (TIP) and Tourism Advertising Program (TAP). In addition, hotel percentage tax dedications and rates vary by location. The citywide hotel tax rate is 8%; however, there is an additional 1.5% tax in the Sandbridge Special Service District (SSD), for a total tax of 9.5%. Revenues collected by the SSD are used for beach replenishment and maintenance. A detailed breakdown of hotel percentage tax dedications is shown in the charts below.



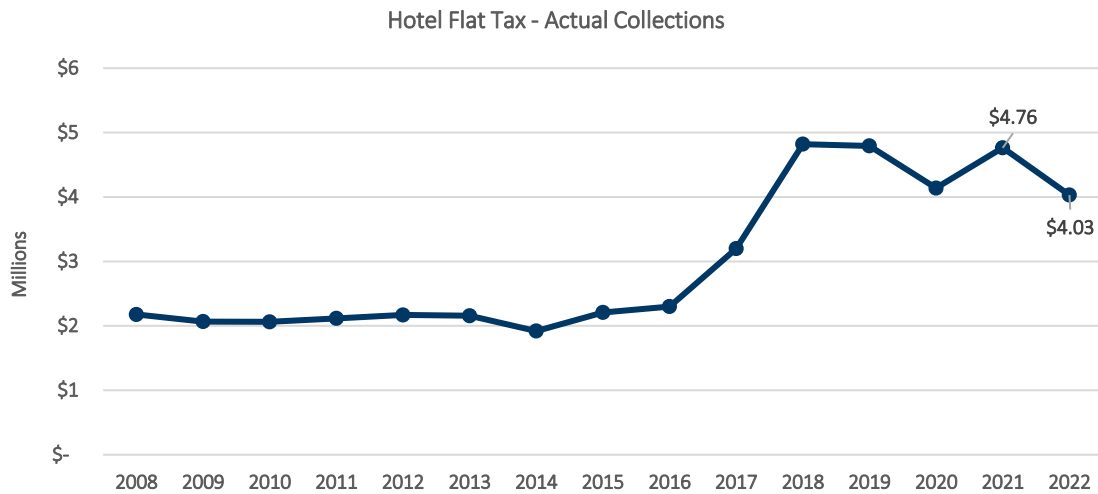
In FY 2023-24, total revenue from the hotel percentage tax, including revenue generated in the Sandbridge Special Service District, is estimated to be \$46,884,048. Of this amount, the General Fund's portion is \$11,186,270. This represents a 4.5% increase over the FY 2022-23 Adopted Budget and a 9.9% increase over actual revenue received in FY 2021-22.

Hotel Flat Tax

A tax of \$2 per room night is levied on all hotel rooms in the City. In most of the City, the revenue generated from this tax is split between the Tourism Investment Program (TIP) and Tourism Advertising Program (TAP), with \$1 going to the TIP and \$1 going to the TAP. The exception to this is hotel rooms in the Sandbridge Special Service District (SSD), where \$1 is dedicated to the SSD and \$1 is dedicated to the TIP. This tax is driven by the number of room nights booked in the City's hotels and not by room prices.

Prior to 2017, the City levied a \$1 flat tax per room night that was applied solely to the TAP and Sandbridge SSD. City Council adopted the increased, \$2 flat tax in January 2017, with the additional dollar dedicated to the TIP. This additional \$1 tax levy was scheduled to sunset on June 30, 2022; however, the Adopted FY 2022-23 Adopted Budget eliminated the sunset provision of the \$1 per room night that is dedicated to the Tourism Investment Program (TIP) fund and future sunsets to other consumer driven revenues to other funds. These revenue streams are used for the financing of projects in the Resort Area.

Given the occupancy rate trends during the last year, total revenue from the hotel flat tax is estimated to be \$4,030,021 in FY 2023-24, a 15.4% reduction from the FY 2022-23 budget. The General Fund does not receive any revenue from the hotel flat tax.



Restaurant Meal Tax

The restaurant meal tax is another significant revenue source for the City, representing 37% of consumer-driven revenue collections in FY 2021-22. This revenue has remained resilient in recent years, despite the COVID-19 pandemic. In fact, this revenue has grown 9%, on average, during the last three years, significantly outperforming the historical average of 4.5% annual growth. As with all consumer-driven revenue, however, restaurant revenue growth has slowed slightly due to inflationary pressures in the economy. Higher food and supply prices for restaurants have been passed along to consumers in many cases, influencing their behavior and leading to decreased consumption when compared to the last three years.

Despite this, revenue generated from the Restaurant Meals Tax is still expected to grow in FY 2023-24 to \$92,052,753 (excluding penalties), a 3% increase from the FY 2022-23 Adopted Budget, and a 7.5% increase from actual revenue in FY 2021-22.



Permits, Privilege Fees, Regulatory Licenses, and fines

This revenue source includes a broad range of governmental service permits, privileges, regulatory licenses, fines, and forfeitures. Realized revenue from these categories are primarily a function of population, age, economic climate, and real estate/construction industry activities.

In addition, this revenue source contains local government applied fines and forfeitures, with three primary revenues of Court Fines, Red Light Camera Violations, and Parking Tickets generated at the Oceanfront and in Town Center. These fees are designed to reduce violations of the law.

In FY 2023-24, total revenue from Permits, Privilege Fees, and Regulatory Licenses is estimated to be \$9,690,202. Of this total, the General Fund is anticipated to receive \$9,453,844.

Revenue from the Use of Money and Property

This revenue source is comprised of a broad range of financial and physical resource revenues; however, the largest individual contributors are interest on bank deposits and use of City property. For this reason, changes in market interest rates have an impact on realized revenues.

In FY 2023-24, total revenue from the use of money and property is estimated to be \$12,595,506. Of this total the General Fund is anticipated to receive \$8,529,849.

Charges for Services

Charges for Services are made up of a range of revenues offsetting the cost of delivering services and programs. The General Fund receives only a small portion of this overall amount because most charges for services are related to Enterprise Fund fee collections. In FY 2023-24, Parks and Recreation will be increasing several user fees, including an adjustment to the membership fee, which will generate additional revenue for the department to help support programs and facility maintenance needs at the City's seven recreation centers. In addition, the return of large-scale events at the Virginia Beach Convention Center helps to support growth in this particular revenue.

In FY 2023-24, total revenue from Charges for Services is estimated to be \$546,071,349. Of this total, the General Fund is estimated to receive \$52,705,150.

State and Federal Revenue

Estimates for these revenues are based on historical trends, General Assembly budget proposals, gubernatorial recommendations, and congressional action. State and federal budgetary timelines that do not align with the local fiscal cycle, as well as partisan activities that prolong budgetary processes, may impact the consistency of programmed support from year to year. For these reasons, the City budget for state and federal revenues is based upon current state and federal funding strategies that can be anticipated with some degree of certainty. The majority of all budgeted state and federal revenue are earmarked for School funding, human services, or housing assistance.

In FY 2023-24, total revenues from the Commonwealth of Virginia are estimated to be \$636.4 million. Of this amount, the General Fund is projected to receive \$121,377,504. Total revenues from the federal government are estimated to be \$201.4 million in FY 2023-24. Of this amount, the General Fund is projected to receive \$24,552,560. Together, these revenues represent approximately 33% of all anticipated revenue in FY 2023-24.

Special Revenue Funds (SRF)

Schools

In Virginia Beach, the public-school system depends on the City for a portion of their funding. The following funds comprise the total School operations: School Operating, Green Run Collegiate Charter School, School Vending Operations, School Grants, School Textbooks, School Athletics, School Cafeterias, School Instructional Technology, School Equipment Replacement, School Communication Tower Technology, School Risk Management, and City and School Health Insurance. Non-local revenue estimates for these funds are provided by School Administration and are based on information received from state and federal agencies at the time of budget preparation.

State funds are allocated to Virginia Beach City Public Schools (VBCPS) based on a two-part formula adopted by the General Assembly. The first portion of the state funding formula is based on Standards of Quality (SOQ) used to determine the number of teachers required for each school system, funded at an average salary. The second portion of the state formula is the Local Ability-to-Pay Composite Index, which is used to determine the funding breakdown between the State and localities. Under this index, wealthy communities receive a smaller proportion of State aid, while less-wealthy communities receive a larger proportion, and the City is responsible for the amount required beyond what the state provides. Additional State funds received by the Schools are earmarked for specific courses or activities. Examples include transportation, vocational education, special education, and technology. The state shared sales tax (1.125% of the state sales tax) is returned by the Commonwealth to localities exclusively for public education and is distributed based on the number of school-age persons in each locality. Virginia Beach schools also receive revenue from the federal government, predominantly in the form of Federal Impact Aid, for the cost of educating children of military service members and the free and reduced lunch program. In FY 2023-24, Schools anticipates receiving \$142,411,540 in categorical grants.

In November of 2019, City Council adopted a Revenue Sharing Formula intended to facilitate long-term planning and share growth in the City's tax base with the Schools. The school funding policy implements a straight revenue sharing formula, in which 46.75% of all non-dedicated local tax revenues are allocated to the Schools. Once funding is transferred to the Schools, the School Board has the sole authority to oversee all financial operations.

Based on initial revenue estimates, VBCPS' share in local revenue for FY 2023-24 calculated using the Revenue Sharing Formula was \$512,950,115. When compared with the Adopted FY 2022-23 operating budget, this budget includes an increase of 5.9% or \$28,383,572 in City support to VBCPS, primarily because of increases in formula revenues. In total, VBCPS' budgeted revenue is increasing 0.01% from FY 2022-23.

Housing

The following funds comprise the majority of the operations for the Department of Housing and Neighborhood Reservation in FY 2023-24: State Rental Assistance, Grants Consolidated, Community Development Special Revenue, Federal Housing Assistance Grant, and Federal Section 8 Programs. Revenue estimates for these funds are provided by the Department of Housing and Neighborhood Preservation and are based on information received from Commonwealth and Federal agencies at the time of the preparation of the budget. Federal funds are received both directly through the Department of Housing and Urban Development (HUD) and indirectly through the Commonwealth. Local funds are allocated to offset administrative costs for certain salary and fringe benefits, rental of office space, and utility costs.

Revenue estimates for these funds total \$35,830,691, a 5.5% increase from the FY 2022-23 Adopted Budget.

Parks and Recreation Special Revenue Fund

The Parks and Recreation Special Revenue Fund comprises the majority of operations for the Parks and Recreation Department. Funding is derived from user fees, charges for the use of Parks and Recreation facilities and sponsored

activities, and a dedicated portion of the real estate tax (which can be founded in the table “Dedication of Local Revenues,”) to support recreation center operations.

Until FY 2023-24, the Parks and Recreation Special Revenue Fund was also supported by a transfer from the General Fund. This transfer funded various programs, including Park Services, the Out-of-School Time program, therapeutic recreation programs, inclusion services, and the Youth Opportunities Office, among other programs and divisions. Beginning in FY 2023-24, rather than transferring these funds, they will become part of the department’s General Fund operating budget. This change will have no operational impact on the department.

Parks and Recreation Special Revenue Fund revenue for FY 2023-24 is estimated to be \$32,373,680. This revenue is being partially supported by the fees generated by the recreation centers. The department of Parks and Recreation plans to increase various fees in FY 2023-24, including the annual membership fee for residents. Additional information can be found within the Parks & Recreation Department write-up and on the “Summary of Tax & Fee Adjustments” table in the Executive Summary.

Sheriff’s Department Special Revenue Fund

Funding for care and custody of persons placed in the Virginia Beach Correctional Center by the courts comes from all three levels of government. The Federal reimbursement is specifically related to a contractual arrangement between the City and the Federal government to house Federal prisoners when necessary.

In FY 2023-24, revenue is estimated to grow 9.3% to \$62,985,254, primarily as a result of a \$5.9 million increase to the transfer from the General Fund. In FY 2023-24, the transfer from the General Fund totals \$36,131,511. Estimated revenue from inmate reimbursements is expected to decline year-over-year as a result of fewer court proceedings.

Tourism Investment Program Fund

The Tourism Investment Program (TIP) receives dedicated revenue streams to fund tourism and other economic vitality related operating costs and capital projects. Revenues in this fund are primarily generated from 5% of the hotel tax and \$1 of the \$2 Hotel Flat Tax, 1.06% of the meal tax, 5¢ per pack of the cigarette tax, and 100% of the amusement (10% admissions and 5% participatory) tax.

Total estimated revenue for the TIP fund in FY 2023-24 is \$61,173,717, including the use of \$8,149,184 in fund balance. This represents a 7.2% increase from FY 2022-23.

Tourism Advertising Program Fund

The Tourism Advertising Program (TAP) generates revenue for tourism advertising. This program is funded through a \$1 flat tax charge per hotel room night, a 1% hotel tax, and a 0.5% tax on restaurant meals.

In FY 2023-24, TAP Fund revenue is estimated to be \$16,111,833. This represents growth of 0.55%, or \$87,582, over the FY 2022-23 Adopted Budget.

Agricultural Reserve Program Fund (ARP)

This program is designed to promote and encourage the preservation of farmland in the rural southern portion of the City by means that are voluntary rather than regulatory. Revenue is primarily derived from a dedication of 0.9¢ (nine tenths of one cent) of the City’s real estate tax revenue.

In FY 2023-24, revenue for the ARP is estimated to be \$8,154,686, a decrease of \$4,967,685 or 37.9% from the FY 2022-23 Adopted Budget. This decline is due to a decrease in the transfer from the General Debt Fund for the repayment of principal to ARP property owners. During the next several years, revenue in this fund will fluctuate annually because of these payments. For more information, please see the Agriculture section of this document.

Open Space Special Revenue Fund

This fund provides funding for the preservation of land that has been identified in Parks and Recreation's Outdoors Plan as a candidate for future recreational amenities in the City. This plan calls for the preservation of 5% of the City's land for parks, trails, or natural vistas. The sources of revenue for this fund are a 0.44% dedication of the Restaurant Meal tax and the use of fund balance.

In FY 2023-24, estimated revenue is expected to increase by 3% to \$7,364,220.

Tax Increment Financing Funds

The Code of Virginia (Section 58.1-3245 – 3245.5) authorizes the use of Tax Incremental Financing (TIF), which can serve as a means of financing the cost of public improvement in a designated district. The financing of a TIF district works as follows: for the geographical area covered by the TIF, current real estate assessments are frozen; therefore, 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. TIFs are often set for predetermined limits, which are usually associated with the cost of these improvements. All TIF-related revenues are excluded from the City/School Revenue Sharing Formula.

Central Business District-South TIF (Town Center)

The Town Center TIF exists to facilitate a public-private partnership to develop high-rise office, hotel, and retail structures in the Pembroke area of the City. The TIF is funded by real estate taxes on the increase in assessments over the base year and hotel room taxes generated in the district and is used to fund debt service costs associated with the construction of public parking at this facility.

The CBD-South TIF revenue is expected to increase by 5.5% in FY 2023-24 to \$10,506,335.

Special Service District Funds

The Code of Virginia (Section 15.2-2400-2403.4) authorizes localities to establish Special Service Districts (SSD), which are intended to provide enhanced services within a predetermined geographic boundary. The Code of Virginia also grants localities the authority to impose additional taxes or rates within the SSD to finance these enhanced services. In addition, existing tax dedications may be restructured within the boundaries of an SSD. The City of Virginia Beach currently has ten established Special Service Districts, eight of which are for neighborhood dredging projects.

Town Center Special Service District

The Town Center SSD was established in May 2002 for the purpose of operating and maintaining parking garages, enhanced maintenance and cleaning of public streets and sidewalks, more frequent garbage removal, enhanced lighting, additional beautification and landscaping for public spaces, as well as enhanced entertainment and extra security in Town Center. The current real estate surcharge for this SSD is 45¢ per \$100 of assessed value.

In FY 2023-24, the City Manager will provide a report to the City Council regarding the real estate surcharge within the Town Center Special Service District (SSD) and will provide 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.

Total estimated revenue for the Town Center SSD in FY 2023-24 is \$3,861,696, which represents a 6% or \$219,490 increase from the FY 2022-23 Adopted budget.

Sandbridge Special Service District

The Sandbridge SSD was established by Council in November 1994, with a real estate surcharge rate of 6¢ per \$100 of assessed value. The purpose of the Sandbridge SSD is to ensure adequate funding for sand replenishment of Sandbridge Beach. In addition to the real estate surcharge, the SSD retains \$1 per room night of the hotel flat tax, as well as revenue from the hotel percentage tax. The total hotel rate in Sandbridge is 9.5%, of which the SSD retains 6.5%.

In FY 2023-24, the real estate surcharge rate for the Sandbridge SSD was reduced from 2¢ to 1¢ per \$100 of assessed value. Total revenue for the Sandbridge SSD is estimated to be \$5,682,332 in FY 2023-24.

Neighborhood Dredging Special Service Districts

In coordination with several waterfront neighborhoods, the City has established neighborhood dredging Special Service Districts, where the waterfront property owners within the community have agreed to a surcharge on their real estate taxes for the express purpose of constructing navigation channels through a 16-year dredging program.

In these districts, the City cost-participates by dredging a ‘spur’ channel from the main City navigation channel to the neighborhood. The Special Service District revenues cover the cost of continuing that channel, as a ‘neighborhood channel’ into the community to serve all participating properties. Individual channels linking private properties to the neighborhood channel are funded entirely by those property owners wishing to connect to the system. The City provides project management, including design, permitting, real estate acquisition, construction, and monitoring. The costs of these project management services for the neighborhood channel system are paid by the SSD, and by the individual property owners who elect to participate by creating individual channels to their properties. There are currently eight neighborhood dredging special service districts. Their individual rates and estimated FY 2023-24 revenues from real estate are shown in the table. More information about each of these SSDs can be found in Special Financing District section of this document, as well as in the Coastal section of the Capital Improvement Program document.

Neighborhood	Rate	Revenue
Old Donation Creek	18.4¢	\$83,449
Bayville Creek	47.2¢	\$79,000
Shadowlawn	15.9¢	\$37,119
Harbour Point	12.0¢	\$31,424
Chesopeian Colony	29.1¢	\$231,025
Gills Cove	6.30¢	\$15,919
Hurds Cove	43.8¢	\$246,905
Schilling Point	40.4¢	\$43,916

Enterprise/Utility Funds

Parking Enterprise Fund

This fund is supported by revenues generated through the operations of the Parking Systems Management Office, which manages the operation of parking lots at the Oceanfront and Sandbridge, Oceanfront parking meters, and the 9th Street, 25th Street, and 31st Street parking garages at the Oceanfront. In addition, the Parking Office oversees the contract for management of the Town Center garages and is involved in the structural engineering contract for

all City garages. The primary revenue streams collected by the Parking enterprise fund and used by the Parking Systems Management Office are residential parking permit fees, parking ticket fees, and charges for service at the City's garages or parking meters. In FY 2021-22, the Parking Enterprise Fund implemented paid parking at the Virginia Aquarium. In FY 2022-23, Economic Development's Parking Management Office made adjustments to the fee structure for Resort Area parking to align with Resort Area Mobility Plan. This adjustment is estimated to result in a \$57,333 decrease in the Parking Enterprise Fund.

In FY 2023-24, total revenue in the Parking Enterprise Fund is estimated to be \$6,220,186, a 3.2% increase over the FY 2022-23 Adopted Budget.

Water and Sewer

The Water and Sewer Fund operates as a self-supporting enterprise fund. All operating and debt service costs are financed and recovered primarily through user charges. Historically, major sources of revenue for operation of the water and sewer system include: Sale of Water, Water Service Charges, Sewer Charges, Interest on Bank Deposits, Sewer Main Extensions, and Sewer Line Fees. In total, charges for service (both water and sewer) represent 94% of the fund's revenue.

Public Utilities' FY 2023-24 budget includes various increases to these fees, including the water commodity rate, sanitary sewer charge, water service availability charge, capital recovery fees, and water meter installation fees. In total, revenue from these fee increases is expected to generate \$6,201,692. As with many other departments and services, cost increases are necessary in order to account for the cost of providing services. Among the significant cost increases are higher employee compensation costs due to compensation and minimum wage increases, the cost of compliance with the EPA's revised Lead and Copper Rule, and higher supply costs due to inflationary pressures.

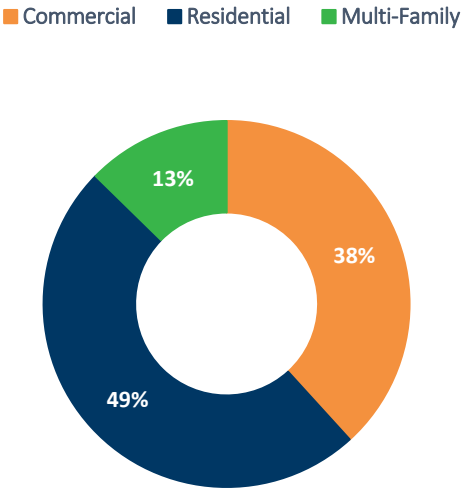
Estimated revenue in the Water and Sewer Fund is expected to be \$141,300,253 in FY 2023-24, a 3.5% increase when compared to the FY 2022-23 Adopted Budget.

Stormwater Utility Enterprise Fund

Since 1993, this fund has been supported primarily by the stormwater equivalent residential unit (ERU) fee. Other fund revenues include interest on bank deposits and other miscellaneous sources. The stormwater ERU fee is billed monthly as a part of the City's combined services bill for water, sewer, stormwater, and solid waste.

An ERU is equal to 2,269 square feet. All single-family homes are billed for one ERU, regardless of actual square footage of impervious area. Non-residential parcels are billed as multiples of the ERU and are based on actual impervious area. Undeveloped property is not charged an ERU fee. Commercial properties are also eligible for a stormwater fee credit/adjustment program. This program incentivizes property owners to have onsite stormwater management, which reduces the reliance on the City's stormwater system. In total, the City provides credit for approximately \$900,000 in ERU fees to commercial properties, which is equal to 2% of the total ERU revenue generated.

ERU Revenue by Source

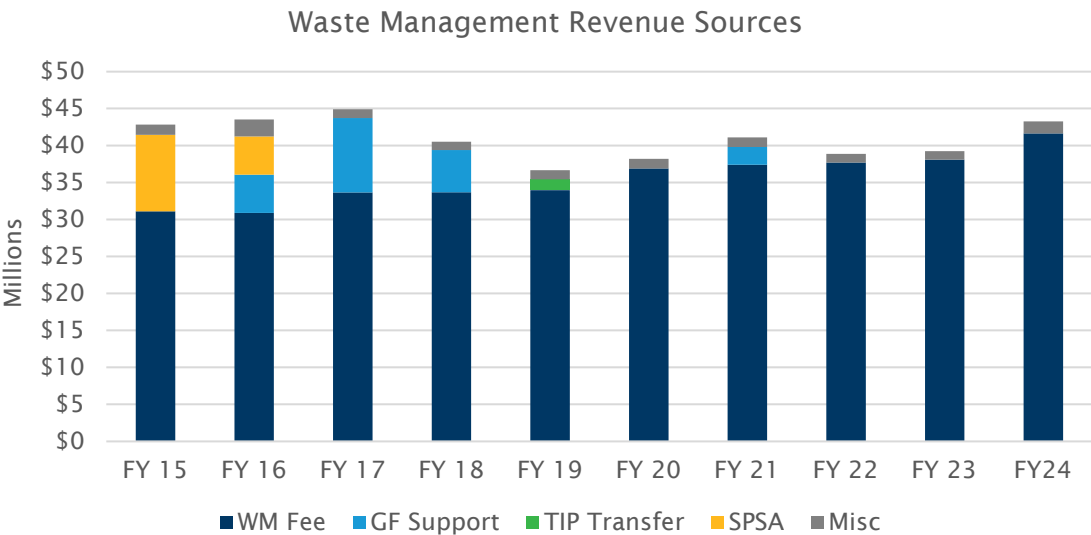


Following the passage of the Flood Protection Bond Program through a Referendum in the November 2021 election, City Council adopted an ordinance that froze the Stormwater Equivalent Residential Unit (ERU) fee at the current rate of 49.3¢ daily until FY 2028-29.

In FY 2023-24, total revenue for the Stormwater Enterprise Fund is estimated to be \$46,523,210, a decrease of 2.6% from the FY 2022-23 Adopted Budget.

Waste Management Enterprise Fund

The Waste Management Fund was established in FY 2011-12 as a special revenue fund and has since transitioned to an enterprise fund. The Fund is primarily supported from charges for service in relation to waste and refuse collection. Other revenue sources include an annual grant from the Commonwealth of Virginia, transfers from other City funds for provision of waste collection, interest on bank deposits, and other miscellaneous sources related to the sale of materials. FY 2017-2018 marked the last year that the Waste Management Fund received annual assistance from the General Fund for the purpose of the City’s annual payment to the Southeastern Public Service Authority (SPSA) for the use of their facilities. The table below displays a history of the fund’s sources of revenue:



As an Enterprise Fund, the Waste Management Fund is responsible for its own operating and capital costs, including SPSA payments. The Public Works FY 2023-24 budget includes an increase to the waste collection fee of \$2.50 per month 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, vehicle replacement, etc. In future budgets, the rate will need to be reassessed to ensure the fee collected adequately supports all operations of the enterprise fund. Several unknowns remain about future expenses related to the City’s recycling contract and SPSA fees for the disposal of waste tonnage. The fee increase is intended to support cost increases related to increased inflation, as well as the cost of providing services.

In FY 2023-24, total revenue for the Waste Management Fund is estimated to be \$43,253,793, an increase of 5.8% over the FY 2022-23 Adopted Budget.

City of Virginia Beach, Virginia
Requested But Not Funded

Title	Description	Amount	FTE
Aquarium-Programming And Operations			
Above Current			
Exhibits Technician III	Request to hire an assistant curator position, which would focus on incorporating emerging technologies into hands-on exhibits, audio-visual exhibits, soundscapes, and gallery and exhibit lighting. This work would create unique sound and visual experiences that enhance the areas around live animal habitats and provide hands-on interactions that are more impactful and memorable to guests.	64,551	1.00
Total Aquarium-Programming And Operations		64,551	1.00
Communications-Admin And Support			
Above Current			
Brand Manager, Channel Manager, and Analytic Manager	Request to hire a Brand Manager, Channel Manager, and Analytic Manager to help centralize the City's communications functions. These positions were recommended as part of a restructuring plan for the Communications Department, which was developed by the consultant group SIR.	316,467	3.00
Video Records Management	Request for the one-time cost of digitizing tape records. Digitizing these records would grant the public greater access to over 4,000 tapes from prior years of City Council meetings.	60,000	-
Equity Mapping Module	Request to expand the City's contract with PublicInput.com to include an equity mapping feature. This feature would assist with identifying communities that have historically been disenfranchised. Currently, this information would be identified through public information such as Census data, BLS data, HUD data, and reports by appropriate departments.	3,600	-
Media and Communication Coordinator	Request for an additional Media and Communication Coordinator III, which would represent the City at civic and community meetings, assist in identifying and reaching out to underrepresented populations, manage public meetings, public engage, and facilitation meetings, and coordinate the use of publicinput.com. The department initially requested two positions. One FTE was funded, while the other was requested but not funded.	88,823	1.00
Total Communications-Admin And Support		468,890	4.00
Commissioner of Revenue-Admin And Support			
Above Current			
WebEx Mini Video Conferencing Kit	Request to purchase a WebEx Conferencing Kit for the Commissioner of Revenue's office.	5,513	-
Total Commissioner of Revenue-Admin And Support		5,513	-
Cultural Affairs-Admin And Support			
Above Current			
Contracted Manpower	Request would provide additional contracted manpower for cultural programs, events, and properties management. The request would help expand programming into underserved areas.	35,226	-
Total Cultural Affairs-Admin And Support		35,226	-
Cultural Affairs-Board And Commissions			
Above Current			
VA MOCA Funding Increase	Per a request from the Virginia Museum of Contemporary Art (MOCA), increased funding to support exhibitions at the Boardwalk Art Show, among other events.	570,000	-
Total Cultural Affairs-Board And Commissions		570,000	-
Cultural Affairs-Historic Houses			
Above Current			
Enhanced Groundskeeping Services	Request to improve and enhance groundskeeping at historic houses through contracted landscaping services. This change would follow the department's newly developed interpretive plan by History Associates, Inc.	75,000	-
Total Cultural Affairs-Historic Houses		75,000	-

City of Virginia Beach, Virginia
Requested But Not Funded

Title	Description	Amount	FTE
<i>Economic Development-Admin And Support</i>			
Above Current			
Grow Smart Early Education Program	Request to fund the Grow Smart Early Education Program. This program, which focuses on brain science, healthy development, and kindergarten readiness for children ages 0-5, is typically funded through grants. This request would shift funding to annual City funds.	100,458	1.00
Administrative Technician	Request to hire an Administrative Technician for the Parking Management Office. The Administrative Technician would assist with the oversight of customer service and parking permit programs.	51,067	1.00
Parking Operations Supervisor	Request to hire a Parking Operations Supervisor for the Parking Management Office. The position would oversee the routine and capital maintenance operations for parking garages and lots.	106,808	1.00
Small Business Grant Program	Funding to establish a pilot small business grant program. This program would become a self-sustaining fund over time with the grant and repayments being managed within the HIVE by a non-government organization partnership.	323,635	-
Total Economic Development-Admin And Support		581,968	3.00
<i>Emergency Medical Services-Admin And Support</i>			
Above Current			
Public Safety Training Specialist	This request would provide additional training support to help meet the growing demand for education services, as well as a dedicated FTE responsible for the American Heart Association CPR instructor program.	71,597	1.00
Total Emergency Medical Services-Admin And Support		71,597	1.00
<i>Emergency Medical Services-Operational Management</i>			
Above Current			
EMS Safety and Wellness Program Staff	Request to hire two new FTEs for developing policies and guidelines that enhance EMS system safety, wellness, and provider mental health through design, compliance, and risk reduction.	262,322	2.00
Total Emergency Medical Services-Operational Management		262,322	2.00
<i>FIR-Admin And Support</i>			
Above Current			
Research and Analysis Bureau Staff	Request to hire two Public Safety Analyst positions, as well as promote one Master Firefighter to a Captain within the department's Research, Analysis, and Planning Bureau. The duties these positions would perform includes accreditation compliance, performance management, and GIS analytical support, and are currently performed by the Office of Performance and Accountability.	272,501	2.00
Total Fire-Admin And Support		272,501	2.00
<i>Fire-Operations And Training</i>			
Above Current			
Four-Person Staffing	Request to hire nine additional firefighter positions. The additional positions would help fulfill the department's 2020-2025 Strategic Plan, which calls for a four-person minimum on all engines to help reduce response time.	733,176	9.00
Total Fire-Operations And Training		733,176	9.00
<i>Housing and Neighborhood Preservation-Admin And Support</i>			
Above Current			
Owner Occupied Rehabilitation Program Funds	Request for additional funding to continue the pilot Owner Occupied Rehabilitation program. The program consists of City-provided affordable loans and grants to help eligible homeowners make necessary home repairs and rehabilitation to remove an existing or imminent health and/or safety hazard.	200,000	-
Total Housing and Neighborhood Preservation-Admin And Support		200,000	-
<i>Housing and Neighborhood Preservation-Housing Development</i>			
Above Current			
Homeless Services - "Show the Way" Software App	Request to support the Show the Way application that allows for outreach and better tracking of services delivered. This app focuses on people living on the street, who tend to be more vulnerable and harder to provide services for than those living in shelters.	15,000	-
Total Housing and Neighborhood Preservation-Housing Development		15,000	-

City of Virginia Beach, Virginia
Requested But Not Funded

Title	Description	Amount	FTE
Human Resources-Occupational Safety And Health			
Above Current			
Office Assistant II	Request to convert the current Office Assistant position responsible for supporting the front office of the clinic from a contractor to a full-time City FTE. The position has been staffed by a contractor for over 15 years and has required a full 40 hours a week for 10 years. Converting the position to a City FTE would provide benefits and help retain staff for longer, which would be ideal for this training-heavy position.	53,611	1.00
Total Human Resources-Occupational Safety And Health		53,611	1.00
Human Resources-Staffing And Compensation			
Above Current			
Staffing and Comp HR Business Partner	Request to hire an additional HR Business partner to assist with day-to-day operations, train new business partners, and conduct individualized trainings for other departments. This position would focus on training hiring managers, as well as training on the system for new hires and promotions.	86,207	1.00
Total Human Resources-Staffing And Compensation		86,207	2.00
Human Services-Children's Services Act			
Current			
CSA Client Purchased Services	Request to increase funding for compliance with the Federal Child and Services Act in anticipation of mid-year cost increases. Due to increased demand for CSA services and inflation, the department needed mid-year adjustments on an emergency funding basis. This proposal would pre-empt that increase.	2,774,922	-
Total Human Services-Children's Services Act		2,774,922	-
Library-Programming And Operations			
Above Current			
Furniture and Fixture Replacements	Request to create an annual fund to support ongoing and continuous facilities needs that fall outside of Public Works' Facilities CIP. The request would give the department greater flexibility to quickly address staff and customer accessibility and comfort.	50,000	-
Expansion of Outreach Services to Underserved Populations	Request to expand two outreach services focused on underserved population. The first, a Tier I preschool outreach program, provides book collections and programming to the highest risk and least served preschools in the City. The second, the elderly homebound delivery program, provides library services and essential social interactions to homebound seniors.	108,665	2.00
Increase Coverage of Tier II Preschool Outreach	Request to expand bimonthly book deposit collections and programming to 46 Tier II preschools. Tier II preschools are defined as those with "a moderate level of need based on identified risk factors."	108,665	2.00
Expansion of Adult Services	Request to hire an additional Adult Services Librarian I to expand the department's adult services. These services, which are accessible through library branches, virtually, and outreach programming, focus on adult literacy, English language learning, and workforce development.	75,632	1.00
Total Library-Programming And Operations		342,962	5.00
Vehicle Replacements			
Above Current			
City-wide Vehicle Funding	Request to increase funding for the City's vehicle replacement plan. Due to a lack of funding dedicated to the program during the pandemic, vehicle replacements are currently backlogged.	3,000,000	-
Total Vehicle Replacements		3,000,000	-
Community Organization			
Above Current			
Senior Services of Southeastern Virginia	Request for general funding from a community organization responsible for advocacy and services for seniors and caregivers.	163,823	-
Career Innovations of America	Request for funding for a preparatory training program for high school graduates to increase college enrollment into trade or vocational careers.	150,000	-
Old Dominion University (ODU) Research Foundation	Request to partly fund ODU's Business Development Center, which would provide services to Virginia Beach entrepreneurs and business owners.	75,000	-
Total Community Organization		388,823	-

City of Virginia Beach, Virginia
Requested But Not Funded

Title	Description	Amount	FTE
Emergency Management-Admin And Support			
Above Current			
Security Program Specialist	Request to hire an additional position to develop and implement the City's physical security program, as recommended by the Hilliard Heintze report. Short term solutions have been identified to fill in the gaps identified by the report, but the position would help implement a long-term strategy.	98,619	1.00
Total Emergency Management-Admin And Support		98,619	1.00
Parks and Recreation-Programming And Operations			
Above Current			
Full-time Lifeguards	Request to add seven full-time lifeguard - one for each of the City's recreation centers - to ensure that at least one lifeguard is on duty Monday through Friday during the day. The department saw a significant drop in part-time life guards over the past three years, leading to cuts to pool hours. Adding additional lifeguards would help ensure that pools can maintain regular hours.	363,328	7.00
Mobile Fit (VB on the Move)	Request for a mobile fitness fan, which would provide free fitness classes and health resources to park visitors.	328,817	3.00
Total Parks and Recreation-Programming And Operations		692,145	18.00
Planning and Community Development-Zoning Administration			
Above Current			
Oceanfront Zoning Inspector	Request to hire an additional Zoning Inspector to support Zoning Enforcement at the Oceanfront. Currently, there is one Zoning Inspector assigned to the Oceanfront, who averaged 40 hours of overtime during the six-month peak season. An additional Zoning Inspector would lighten the workload on the existing Zoning Inspector and allow both to perform more effective customer service.	62,083	1.00
Total Planning and Community Development-Zoning Administration		62,083	1.00
Police-Support Services			
Above Current			
Increase Animal Shelter Caretakers	Request to add three Animal Caretakers to the Virginia Beach Animal Control and Adoption Center to meet the national animal husbandry standard of 15 minutes per animal.	152,797	3.00
Increase Animal Shelter Clerks	Request to add two Animal Control Clerk I positions to provide timely service at the Virginia Beach Animal Control and Adoption Center.	95,025	2.00
Total Police-Support Services		247,822	5.00
Police-Uniform Patrol			
Above Current			
Sworn Positions	Request to add new sworn positions to offset the positions the department reclassified to civilian in FY 2022-23. The department requested 17 positions, 11 were funded, leaving 6 requested but not funded.	628,261	6.00
Total Police-Uniform Patrol		628,261	6.00
Public Works-Engineering			
Above Current			
Construction Manpower for the Engineering Construction Bureau	Request for additional funds for contracted manpower for the Engineering Construction Bureau. The Construction Bureau is responsible for both the constructed quality of Capital Project delivery and for ensuring appropriate spending of Capital construction outlay. Additional contracted power would help the Construction Bureau meet increasing demand.	444,157	-
Contracted Manpower for the Divisions of Transportation, SWEC, and Stormwater	Request for additional funds for contracted manpower to allow Transportation, SWEC, and Stormwater to maintain current and future anticipated workloads.	750,000	-
Total Public Works-Engineering		1,194,157	-

**City of Virginia Beach, Virginia
Requested But Not Funded**

Title	Description	Amount	FTE
<i>Sheriff-Operational Management</i>			
Above Current			
Inmate Kitchen Equipment Replacement	Request for funding to replace aging and broken kitchen equipment in the jail. Replacements will be funded through the CIP.	400,000	-
Part-time Building Maintenance Supervisor	Request to hire a part-time Building Maintenance Supervisor. This position would be responsible for project analysis, project implementation, and project management, as well as supervising one or more field crew.	51,827	0.75
LETA Vehicles	Request to replace both vehicles used by the Law Enforcement Training Academy (LETA). The academy currently uses a pickup truck for the range and an older model sedan for training.	90,081	-
New K9 Unit (Dog and Vehicle)	Request for an additional K9 team to assist with narcotics detection and suboxone in Virginia Beach. The City currently has two K9 units that frequently assist nearby jurisdictions.	67,687	-
Total Sheriff-Operational Management		609,595	0.75
<i>Voter Registration and Elections-Admin And Support</i>			
Above Current			
Additional Staff	Request to hire additional staff to comply with new voting laws concerning absentee voting and registration. The department originally requested four FTEs. One FTE was funded and the remaining three were not.	193,285	3.00
Total Voter Registration and Elections-Admin And Support		193,285	3.00
Total Requested But Not Funded		13,728,235	64.75

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AGRICULTURE



The mission of the Agriculture Department is to provide leadership, coordination, and education to enhance the economic vitality of the city's agricultural industry and the preservation and enhancement of its quality physical environment, to assist citizens in strengthening their families, and to provide citizens and visitors with cultural and recreational opportunities by preserving our agricultural and rural heritage.

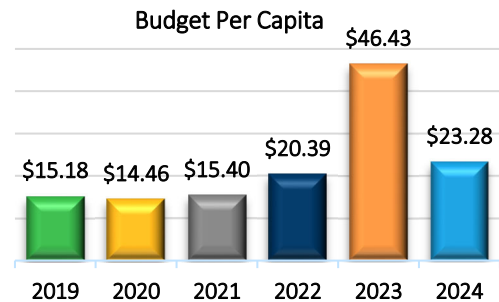
Department Overview

Director's Office

Provides overall direction, coordination, and administrative support to the department, as well as technical assistance to the agricultural community to ensure that agriculture is a viable segment of the City's economy.

Virginia Beach Agricultural Reserve Program (ARP)

Established by City Council in May 1995, the goal of the ARP is to preserve and protect farm and forested lands in the Southern part of the City. The ARP provides for the continued growth and sustainability of agriculture, the third largest industry in Virginia Beach; protects agricultural lands from increased residential, commercial, and industrial development through the purchase of development rights in the form of perpetual preservation easements; and reduces the need to extend City services. In the fall of 2020, the City Council amended the ARP ordinance to enable the ARP to acquire agricultural zoned land that was previously ineligible for participation in the ARP due to the property's road frontage's location in a floodplain, provided that the rest of the property sits outside the floodplain and is developable. This action will increase the land available in the City that may ultimately be included in the ARP.



The increase in FY 2021-22 and FY 2022-23 and decrease in FY 2023-24 are related to the pass-through payment of principal to landowners from the original ARP acquisitions, this amount will fluctuate annually.

Virginia Beach Farmers Market

The Farmers Market leases space to vendors to sell agricultural and complimentary products and provides agricultural-based education programs (K-5th grade) with over 3,477 children participating annually. The market staff provides programming that is agriculturally based, educational, and within a safe family-friendly environment. The Farmers Market business model is structured to provide eight special themed events annually, seasonal events with weekly Friday Night Hoedowns, and spring/fall amusement carnivals. Community interest in the Farmers Market remains strong and the Market is a source for entrepreneurial business opportunities in the southern part of the City.

Cooperative Extension Program

Provides research, technical marketing assistance, and community education for all residents regarding agriculture, horticulture, soils, family issue programming, and home management. It also administers two mandated programs: Agriculture Disaster Reporting and Pesticide Applicator Certification Recertification education.

Key Performance Measures

The table below illustrates how the Department has been performing on their departmental performance metrics:

Departmental Performance Metrics	FY 2020	FY 2021	FY 2022	FY 2023 EST	FY 2024 PROJ
Total market space leased at Farmers Market	87.5%	100%	100%	100%	100%
Total acres in the Agricultural Reserve Program	9,987	10,366	10,416	10,518	10,818
Total annual visitors to the Agriculture Educational Heritage Center	1,444	0	500	1,500	3,000

In 2022, the City contracted with ETC Institute to undergo a Resident Satisfaction Survey. The survey included standardized questions used in communities across the country, to allow Virginia Beach to benchmark the city against average ratings in other communities, and it also included questions developed specifically for Virginia Beach to gain insights on issues that impact the city. The following table provides how Virginia Beach compares to the Atlantic Region and the National average for a few of the survey findings.

Resident Satisfaction Results	Virginia Beach	Atlantic Region	National Average
Overall quality of customer service you receive from City employees	73%	38%	40.6%
Overall quality of services provided by the City	75.3%	53.6%	50.5%
How well the City is managing growth	31.6%	34.6%	39.7%

Trends and Issues

→ Agriculture Reserve Program (ARP)

The Agriculture Reserve Program is designed to maintain agriculture as a viable industry in Virginia Beach by preserving the resource base for farming. Agriculture is Virginia's largest private industry. The City finances the ARP costs through the purchase of United States Separate Trading of Registered Interest and Principal of Securities (STRIPS). The U.S. Treasury STRIPS purchases allow the City to minimize upfront costs of developmental rights acquisitions and helps the City leverage its funding over time. The interest that accrues on the initial STRIPS purchase will equal the principal payment that will be needed to compensate the landowner at the end of the 25-year payment plan. In exchange for the landowner waiting for their principal payment, the City pays the interest payments on the easement value as an operational expense during the payment plan. Over time, the interest rate and STRIPS values have fluctuated based on the market. Higher interest rates equate to lower buy-in rate to fund the 25-year STRIPS that is purchased to fund the easement value. In comparison, a lower interest rate equates to a higher buy-in amount to mature for the easement value. In mid-January, the interest rate was approximately 3.82% with a buy-in rate of 38.738 cents on the dollar.

The current acreage in ARP is 10,416.47 acres. The program goal over the next five years is to enroll 300 acres per year to increase the number of acres in the ARP to 12,000 acres. The voluntary program continues to support growth and sustainability of the agriculture industry while limiting development in the Southern part of the City. The ARP also helps to protect the environment and greenspace, along with natural habitats. By preserving land from development, the ARP also assists in addressing issues related to reoccurring flooding.

To date, over \$1,992,665.80 has been received in reimbursement funding from Virginia Department Agriculture Consumer Services to help with easement acquisition costs.

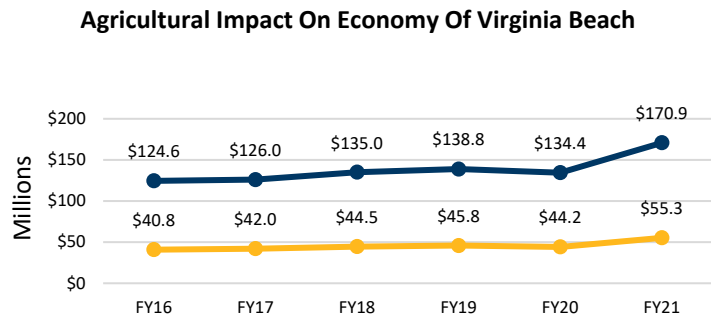
→ Farmers Market Activities

The Farmers Market is fully occupied. Fifteen leaseholders are currently located at the Farmers Market. The Department continues to explore opportunities for new programs. The Farmers Market hosts eight special themed events with over 100 crafters and sponsors attending each event. Friday Night Hoedowns are held every week from April through October with a loyal following of citizens of all ages. An Agriculture in the Classroom teacher workshop is sponsored in the summer for local teachers, and educational instruction on agriculture and its history is given to students in preschool through 5th grade with the Fun on the Farm tour. The Farmers Market also coordinates with the local 4-H program to host the Country Cured Ham Project, which is the largest ham project in Virginia. In cooperation with local farmers, fresh, local farm produce is offered at four City libraries during the summer season. Additional activities at the Market have included a carnival and ice-skating rink.

The Farmers Market generates approximately \$300,000 of annual revenue based on events, educational programs, rent, and community business sponsorships which offsets the operational expenses. The Farmers Market has a total estimated attendance of over 500,000 visitors per year. The Farmers Market is situated at a major traffic intersection with limited development opportunities, providing the Market with a location suited for continued viability as an economically feasible City asset with long-term growth.

→ Agricultural Impact on the Local Economy

Despite having the largest population of any city in Virginia, agriculture has a sizable presence in Virginia Beach. One-fifth of the City's total acreage is agriculture, forestry, open space, swamps, or marshland and of this total, over half is devoted purely to agricultural activities. This acreage produces positive value for the City. As illustrated in the graph, an estimated agricultural product value of \$55 million drove an estimated impact of \$170.9 million for the Virginia Beach economy in 2021. In 2021, climatic conditions



Source: Virginia Cooperative Extension

caused an upward move on three main crops: corn, soybeans, and wheat. The commodity value of soybeans and wheat had an average price increase of 34.6% per bushel, as well as average yields increased 19.6%.

To sustain this impact, the City supports the agricultural industry through programs and services offered by the Department of Agriculture. The Department works with intergovernmental partners such as the Virginia Department of Agriculture and Consumer Services, Virginia Cooperation Extension, the General Assembly, and the United States Department of Agriculture on state and federal agriculture issues and opportunities. In 2000, the Virginia General Assembly established the Virginia Agricultural Vitality Program in the state Department of Agriculture and Consumer Services (VDACS). One year later, it reestablished the program as the Office of Farmland Preservation (OFP). Virginia provides state matching funding to cities and counties with their own purchase of development rights (PDR) programs. To date this program has provided over \$1.99 million in program reimbursement funding for the City's highly recognized Agriculture Reserve Program. The agriculture industry remains stable based on controlled land development; the Agricultural Reserve Program; the presence of the Virginia Port Authority (which allows for easy export opportunities for grains such as soybeans, wheat, and corn); and the surrounding agricultural industries of pork and poultry in Southeast and Southside Virginia, which are reliant on grains for livestock feed. Interest in farming and generational farm operations are strong. The agricultural land and its use for this purpose also relieves the City of having to provide new or expanded infrastructure, services (such as transportation and schools), and utilities (such as water and sewer) to the Southern part of the City.

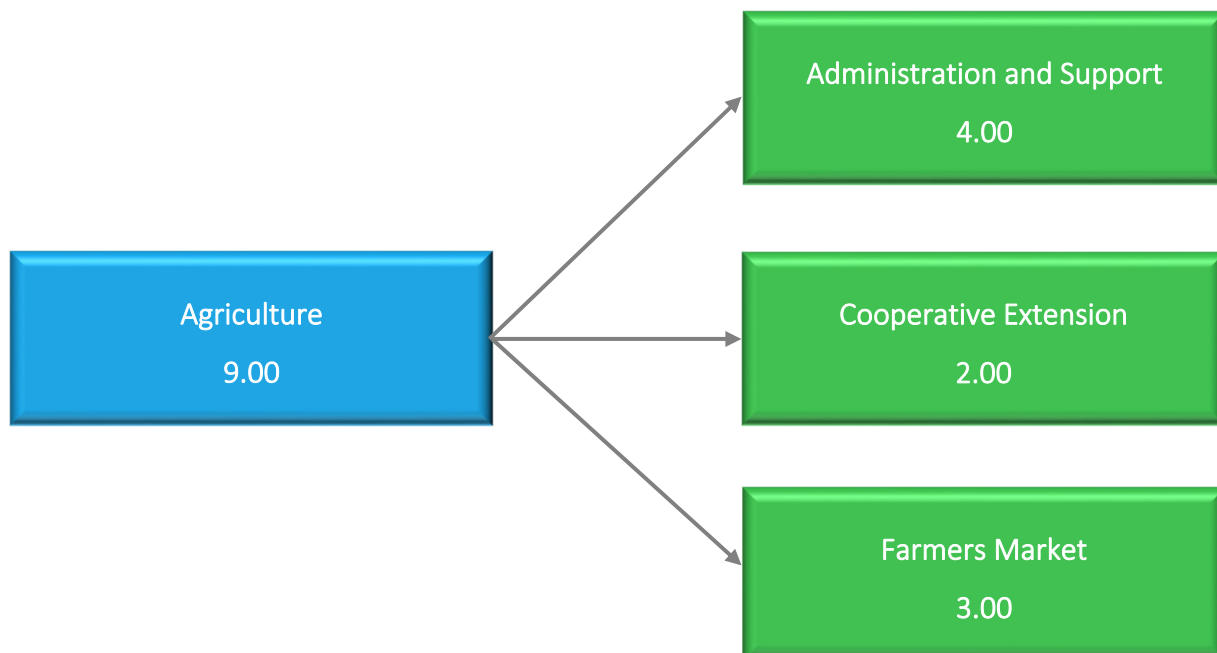
→ Use of Volunteers

The Department of Agriculture maximizes its impact in the City through the use of hundreds of volunteers. These volunteers assist with marketing and delivering educational Family and Consumer Sciences programs to both adults and children throughout the City. Among the programs the volunteers emphasize are those that teach financial literacy through food, such as financial simulations based on stores and marketplaces, protection from scams and identity theft, and resources to encourage healthier food consumption. Programs like 4-H, Master Gardeners, AG Education (Rural Heritage Center at Farmers Market), Nutrition Programs, and others, remain volunteer-based with strong community support. These community-based programs are a huge benefit to residents with little cost to the City. In FY 2020-21, the department had 411 volunteers with 17,107 hours that were valued at \$488,234. Agriculture is routinely one of the top five departments in the City for the use of volunteers.

Major Budget Changes

	Change	Impact
↑	<p>Farmer's Market Position Consolidation</p> <p>\$15,923</p>	<p>The Farmer's Market operations have historically been maintained by two full-time staff and two part-time staff members. Agriculture has experienced consistent difficulty in keeping both part-time positions filled creating gaps in service continuity for the Farmer's Market. The two part-time positions are merged to make one full time position that will allow longer periods of employment retention of this position resulting in a more consistent level of expected service delivery being achieved for the Farmer's Market. Continuity of this service ranked fairly high in importance per the 2022 City of Virginia Beach Resident Satisfaction Survey.</p>
↓	<p>ARP Principal Repayment</p> <p>\$5,471,545</p>	<p>The first purchases made through the ARP occurred in FY 1996-97. The 25-year term on the initial purchases came due in FY 2021-22. The City, via its agent and registrar, will receive principal payments on its STRIPS purchase from the U.S. Treasury. This payment will be transmitted to the individual landowners. An appropriation is made in this year's budget within the City Debt Fund and transferred to the ARP Fund so that these funds, \$1.47 million in total, may be received and paid out.</p>

Department Organization Chart



City Of Virginia Beach, Virginia
Agriculture - Departmental Resource Summary

	FY 2021-22	FY 2022-23	FY 2023-24	Variance
	Actual	Amended	Adopted	from FY 2023
FD100: General Fund				
Expenditures				
General Operating Expenses	847,799	1,071,339	1,028,781	(42,558)
Total Expenditures	847,799	1,071,339	1,028,781	(42,558)
Revenue				
Charges for Services	33,393	50,090	50,090	-
Permits, Fees, and Regulatory Licenses	-	23,240	-	(23,240)
Fines and Forfeitures	21,976	-	23,240	23,240
Miscellaneous Revenue	33,054	42,000	42,000	-
From the Use of Money and Property	185,553	182,500	182,500	-
Total Revenues	273,976	297,830	297,830	-
General City Support	573,823	773,509	730,951	(42,558)
FD190: General Debt Fund				
Expenditures				
General Operating Expenses	2,211,066	6,949,719	1,478,174	(5,471,545)
Total Expenditures	2,211,066	6,949,719	1,478,174	(5,471,545)
Revenue				
Specific Fund Reserves	-	6,949,719	1,478,174	(5,471,545)
Transfer In	302,193	-	-	-
Total Revenues	302,193	6,949,719	1,478,174	(5,471,545)
General City Support	1,908,873	-	-	-
FD221: Agriculture Reserve Program Special Revenue Fund				
Expenditures				
Agricultural Reserve Program	12	-	-	-
Stormwater General Government Capital Project (GGCP)	990,000	990,000	990,000	-
General Operating Expenses	2,688,477	12,132,371	7,164,686	(4,967,685)
Total Expenditures	3,678,489	13,122,371	8,154,686	(4,967,685)
Revenue				
Real Estate	5,558,004	-	-	-
From the Use of Money and Property	66,056	27,055	30,954	3,899
Transfer In	2,211,066	6,949,719	1,478,174	(5,471,545)
Total Revenues	7,835,127	6,976,774	1,509,128	(5,467,646)
General City Support	(4,156,638)	6,145,597	6,645,558	499,961

City Of Virginia Beach, Virginia
Agriculture - Departmental Resource Summary

	FY 2021-22	FY 2022-23	FY 2023-24	Variance
	Actual	Amended	Adopted	from FY 2023
<u>FD100: General Fund</u>				
<u>Position Summary</u>				
General Operations	7.52	7.52	7.52	0.00
Positions	7.52	7.52	7.52	0.00
<u>FD221: Agriculture Reserve Program Special Revenue Fund</u>				
<u>Position Summary</u>				
General Operations	1.48	1.48	1.48	0.00
Agriculture Reserve Program Special Revenue Fund Positions	1.48	1.48	1.48	0.00
Total Positions	9.00	9.00	9.00	0.00

VIRGINIA AQUARIUM

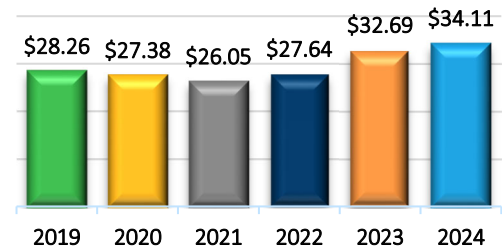


The mission of the Department of the Virginia Aquarium is to connect people to the marine environment, inspiring a more sustainable future. The Aquarium will be a driver in conservation, education, tourism, and sustainability, leading the charge to save wildlife and their ecosystem.

Department Overview

The Aquarium is a public-private partnership between the City of Virginia Beach and the Virginia Aquarium and Marine Science Center Foundation, a 501(c)(3) nonprofit. The City owns and maintains the Aquarium's buildings and provides administrative support, while the Foundation procures and maintains the Aquarium's collection of animals and exhibits. The Foundation is also responsible for fundraising efforts and various scientific research, education, and conservation programs. The Aquarium features a variety of attractions for visitors, including over 800,000 gallons of marine life to explore, coastal boat trips, a zip line and aerial adventure park, as well as a rotating collection of other exhibits.

Budget Per Capita



Key Performance Measures

The table below illustrates how the Department has been performing on their departmental performance metrics:

Departmental Performance Metrics	FY 2020	FY 2021	FY 2022	FY 2023 EST	FY 2024 PROJ
Total visitors to Aquarium	617,900	429,145	610,311	546,516	542,000
Total membership	7,450	6,712	8,088	8,399	7,743
Aquarium revenue generated per visitor (total)	\$18.02	\$19.58	\$19.23	\$17.89	\$17.75
Admissions	\$10.52	\$14.79	\$15.06	\$14.22	\$14.00
Store	\$2.50	\$4.79	\$4.17	\$3.67	\$3.75
Total earned revenue by the Aquarium in millions	\$9.3	\$9.3	\$12.9	\$10.3	\$10.7






In 2022, the City contracted with ETC Institute to undergo a Resident Satisfaction Survey. The survey included standardized questions used in communities across the country, to allow Virginia Beach to benchmark the city against average ratings in other communities, and it also included questions developed specifically for Virginia Beach to gain insights on issues that impact the city. The following table provides how Virginia Beach compares to the Atlantic Region and the National average for a few of the survey findings.

Resident Satisfaction Results	Virginia Beach	Atlantic Region	National Average
Overall quality of services provided by the City	75.3%	53.6%	21.7%
Overall quality of customer service received from City employees	73%	38%	40.6%

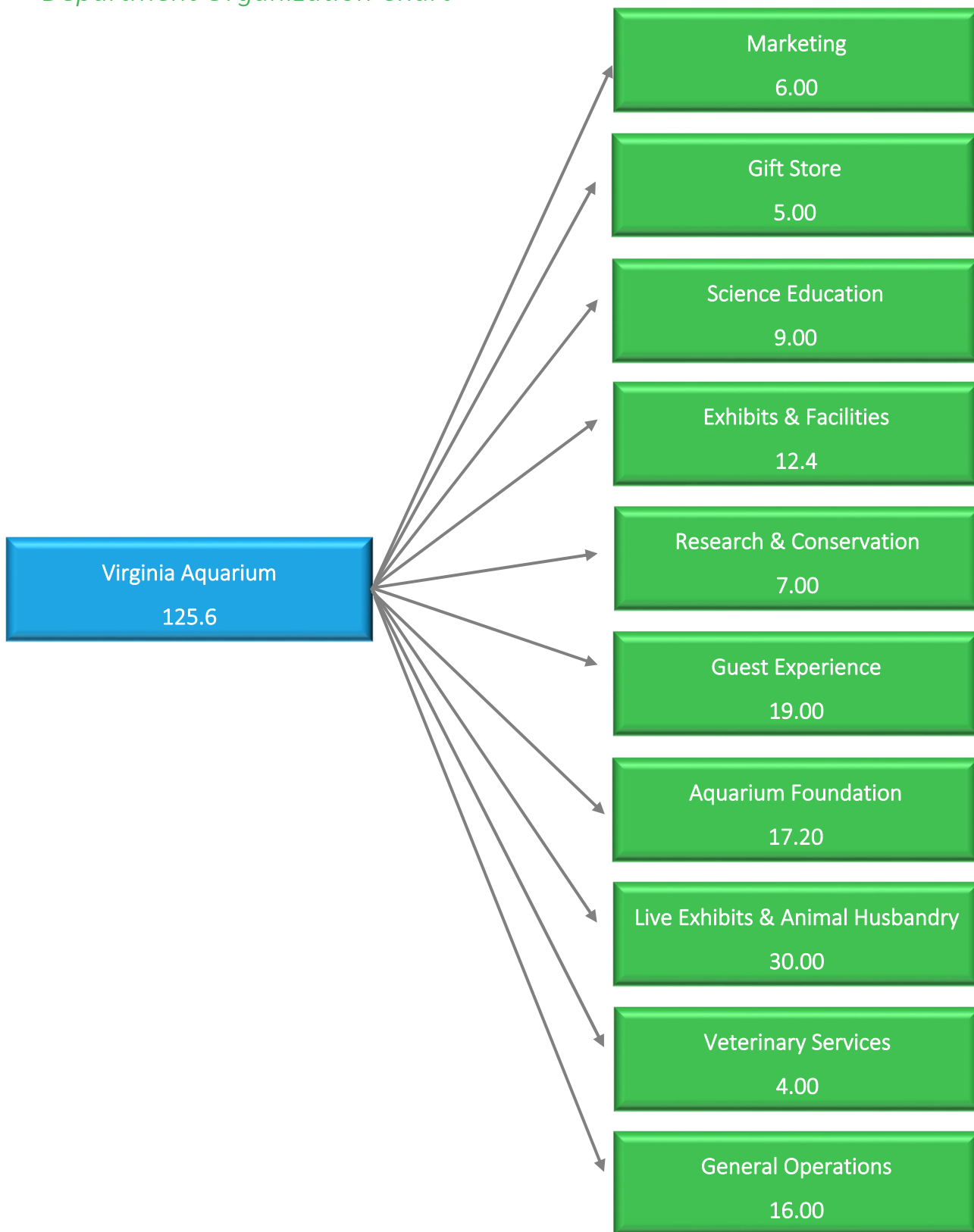
Trends & Issues

- The South Building renovation has experienced recurring construction delays since it was closed in 2018. Much of the planned renovations have been completed, with many exhibit spaces ready for water to be pumped in and processed. Although the building is not yet open to the public, the Water Quality team officially moved to the South Building to begin utilizing the fully functional water quality lab in February 2022. It is expected the facility will open in Summer 2023.
- Guest expectations continue to evolve; there is heightened expectation that exhibits incorporate digital experiences that engage all the senses. Guests no longer want to simply look at something. They want to experience it, feel it, touch it, be involved in it. Likewise, guests are researching attractions prior to visitation, and prioritizing those that address sustainability and conservation.
- To increase visitation, frequently marketing to tourists before their visit is a proven strategy. Research indicates that the cultural attractions that have taken full advantage of digital marketing opportunities results in tourists placing the visit on their agenda before they leave home.
- For the first time since 2019, the Aquarium was able to welcome back seasonal camps and school groups. Camps returned in summer 2021 with COVID modifications but were well received by participants. In June 2022, capacity limits were increased and hands-on activities were expanded. In winter 2022, school groups were welcomed back while the Aquarium's virtual educational offerings expanded throughout the Commonwealth of Virginia, reaching even more students than in pre-COVID years.
- A change in operations that the Aquarium is looking to move to on a permanent basis is the pre-purchase of tickets with reserved timeslots. This is expected to enhance the visitor experience and allow the Virginia Aquarium to better plan and resource facility needs.

Major Budget Changes

	Change	Impact
	<p>Aquarium Infrastructure Needs</p> <p>\$147,776</p> <p>0.00 FTE</p>	<p>This 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 North Building. For example, pre-purchase of tickets eliminates the need for the number of ticket booths currently occupying a footprint within the facility.</p>
	<p>Increase Advertising Funding</p> <p>\$163,000</p> <p>0.00 FTE</p>	<p>The Aquarium's FY 2023-24 budget includes an increase in the Virginia Aquarium's advertising allocation. The additional funds will extend digital display advertising and social media advertising into the Richmond, VA and Washington, DC 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 September through May. Total marketing budgeted within Aquariums operating budget is a \$906,038 expense that does not include the marketing done by the Convention and Visitor's Bureau via the TAP fund.</p>
	<p>Volunteer Engagement/Staff Training</p> <p>\$71,175</p> <p>0.0 FTE</p>	<p>An increase is included in the Aquarium budget for professional development opportunities and replacement uniforms for Volunteers, which have become faded over the years from wear and tear. Classes, workshops, and conferences offered by other aquariums and zoos, or accrediting organizations are primarily where this professional development is obtained. These committees include different animal population management groups and advisory and steering committees that set guidelines and standards for accredited facilities.</p>
	<p>Retail Specialist</p> <p>1.0 FTE</p> <p>\$58,325</p>	<p>With the stated aim of improving the overall guest experience in the Virginia Aquarium retail store, one new FTE will be joining the Aquarium staff as a Retail Store Specialist. The new employee will ensure the Aquarium is responsive to retail sales trends and reorders and allows for a more effective way to do business with two distinct retail locations. The Retail Store Specialist will plan, direct, and evaluate all store operations, including the two stores and e-business programs and offset the cost of their position by realizing new efficiencies and better market capture strategies.</p>
	<p>Conversion of Security Staff to Contractual Security</p> <p>(3.25) FTE</p>	<p>In FY 2022-23 the decision was made to reduce 2.25 FTEs from The Aquarium. Previously these positions provided security to the facility. Now a contract with the City's security provider is in place for this purpose.</p>

Department Organization Chart



City Of Virginia Beach, Virginia
Virginia Aquarium - Departmental Resource Summary

	FY 2021-22 Actual	FY 2022-23 Amended	FY 2023-24 Adopted	Variance from FY 2023
Program Summary				
<u>FD100: General Fund</u>				
<u>Expenditures</u>				
Marketing	1,242,836	1,428,052	1,605,895	177,843
Custodial Services	469,185	-	-	-
Training, Learning, and Development	458,536	-	-	-
Gift Store	1,440,511	1,479,409	1,618,287	138,878
Science Education	79,995	721,862	813,250	91,388
IMAX Theater	231,358	-	-	-
Exhibits and Facilities	1,307,656	1,744,646	1,950,504	205,858
Research and Conservation	563,638	664,440	730,867	66,427
Guest Experience	700,840	1,985,923	2,335,653	349,730
Aquarium Foundation	813,735	1,162,403	1,113,969	(48,434)
Live Exhibits and Animal Husbandry	2,090,621	2,330,267	2,385,611	55,344
Veterinary Services	17,341	525,271	541,647	16,376
General Operating Expenses	2,316,704	2,995,627	2,925,808	(69,819)
Total Expenditures	11,732,956	15,037,900	16,021,491	983,591
<u>Revenue</u>				
Charges for Services	12,868,784	11,050,000	11,704,825	654,825
Permits, Fees, and Regulatory Licenses	56,640	50,000	50,000	-
Miscellaneous Revenue	796,242	1,168,931	1,113,969	(54,962)
From the Use of Money and Property	16,410	15,000	15,000	-
Revenue from the Federal Government	4,486,715	-	-	-
Specific Fund Reserves	-	-	310,776	310,776
Total Revenues	18,224,790	12,283,931	13,194,570	910,639
General City Support	-6,491,835	2,753,969	2,826,921	72,952

	FY 2021-22 Actual	FY 2022-23 Amended	FY 2023-24 Adopted	Variance from FY 2023
<u>FD100: General Fund</u>				
<u>Position Summary</u>				
Marketing	7.00	6.00	6.00	-
Custodial Services	9.00	-	-	-
Training, Learning, and Development	9.10	-	-	-
Gift Store	5.00	5.00	5.00	-
Science Education	-	9.00	9.00	-
IMAX Theater	3.00	-	-	-
Exhibits and Facilities	13.15	14.50	12.40	(2.10)
Research and Conservation	6.60	7.50	7.00	(0.50)
Guest Experience	7.50	17.50	19.00	1.50
Aquarium Foundation	17.65	17.35	17.20	(0.15)
Live Exhibits and Animal Husbandry	30.00	30.00	30.00	-

City Of Virginia Beach, Virginia
Virginia Aquarium - Departmental Resource Summary

	FY 2021-22	FY 2022-23	FY 2023-24	Variance
	Actual	Amended	Adopted	from FY 2023
Veterinary Services	-	4.00	4.00	-
General Operations	19.00	18.00	16.00	(2.00)
Total Positions	127.00	128.85	125.60	(3.25)

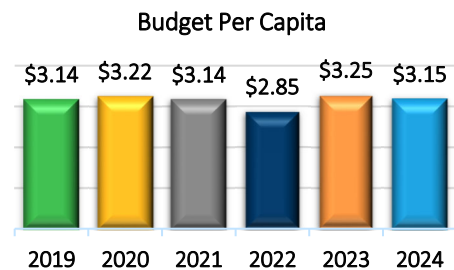
BUDGET & MANAGEMENT SERVICES



The mission of Budget and Management Services is to provide program, fiscal, and budgetary policy development, and analysis support services to the City Manager and, through the City Manager, to City Council for use in formulating City policy.

Department Overview

Budget and Management Services is responsible for the development and preparation of the Resource Management Plan, which includes the Operating Budget, six-year Capital Improvement Program, and the Executive Summary. Staff also conducts ongoing reviews of public-private partnerships to address the fiscal, budgetary, and economic impacts of proposals.



Key Performance Measures

The table below illustrates how the Department has been performing on their departmental performance metrics:

Departmental Performance Metrics	FY 2020	FY 2021	FY 2022	FY 2023 EST	FY 2024 PROJ
Total Fiscal Impacts completed	1	2	2	2	2
Number of Community Organization Grants	14	14	13	13	13
Ordinance & agenda requests completed in prescribed time	100%	100%	100%	100%	100%
Total adjustments made to CIP and budget	372	367	550	550	600

In 2022, the City contracted with ETC Institute to undergo a Resident Satisfaction Survey. The survey included standardized questions used in communities across the country, to allow Virginia Beach to benchmark the city against average ratings in other communities, and it also included questions developed specifically for Virginia Beach to gain insights on issues that impact the city. The following table provides how Virginia Beach compares to the Atlantic Region and the National average for a few of the survey findings.

Resident Satisfaction Results	Virginia Beach	Atlantic Region	National Average
Effectiveness of City communication with the public	49.9%	48.3%	38.2%
Overall value received for City tax dollars and fees	52.8%	33.8%	33.8%

Trends & Issues

→ Community & Regional Grant Updates

Among the projects Budget and Management Services will be performing is digitizing the Community grant process. The Office will provide staff support to the Community Organization Grant (COG) committee and will be taking a deeper dive into the policy implications of the process. The COG application will be going fully digital in FY 2023-24. Budget and Management Services will be performing a detailed analysis over the next fiscal year on Regional Grants to ensure funding provided to these non-profits is providing efficient and effective services and continues to align with City Council goals.

Department Organization Chart



City Of Virginia Beach, Virginia
Budget and Management Services - Departmental Resource Summary

	FY 2021-22 Actual	FY 2022-23 Amended	FY 2023-24 Adopted	Variance from FY 2023
Program Summary				
FD100: General Fund				
Expenditures				
General Operating Expenses	1,149,057	1,482,008	1,440,815	(41,193)
Total Expenditures	1,149,057	1,482,008	1,440,815	(41,193)
Revenue				
Charges for Services	-	-	-	-
Total Revenues	-	-	-	-
General City Support	1,149,057	1,482,008	1,440,815	(41,193)

	FY 2021-22 Actual	FY 2022-23 Amended	FY 2023-24 Adopted	Variance from FY 2023
FD100: General Fund				
Position Summary				
General Operations	13.00	13.00	13.00	-
Total Positions	13.00	13.00	13.00	-

CITY ATTORNEY



The Virginia Beach City Attorney's Office mission is dedicated to providing effective and efficient legal services, promoting accountability, trust and openness in government and focusing on outcomes that are fair, equitable, and balanced while protecting the best interests of the client.

Department Overview

The City Attorney's Office is organized into five functional sections:

Public Policy and Administration

Provides legal services in support of core governmental and administrative functions including public policy, public facilities, human resources, public finance, and public safety. This area has the primary responsibility for drafting policies, ordinances and resolutions; drafting opinions on legal issues posed by City departments and officials; and providing advice regarding compliance with state and federal laws including the Conflict-of-Interest Act, Freedom of Information Act (FOIA), the American with Disabilities Act (ADA) and the First Amendment.

Real Estate, Infrastructure, and Development

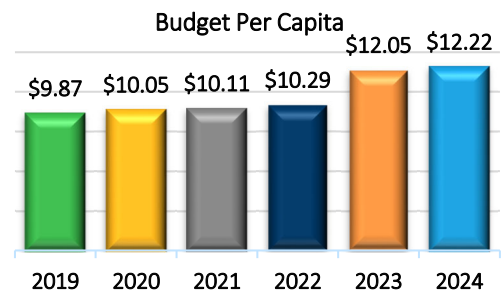
Provides legal services for the acquisition, maintenance, and operation of the City's infrastructure and supports development activities intended to enhance the City's tax base. These attorneys are engaged in all aspects of municipal real estate and development, including title searches, street closures, drafting deeds and leases, bringing real estate ordinances to City Council, managing complex economic development transactions, handling the sale of excess property and easements, litigating eminent domain cases, and undertaking land acquisition associated with road projects, the Flood Protection Program, the Agricultural Reserve Program, and any other CIP projects requiring property or easements. The Section also has responsibility for legal services related to federal and military real estate matters, such as the City's Accident Potential Zone 1 (APZ-1) and Interfacility Traffic Area (ITA) acquisition programs to reduce encroachment around Naval Air Station Oceana and Future Base Design, and the Army Corps projects involving sand replenishment and restoration of the Lynnhaven River.

Land Use

Performs legal tasks involved in the development, implementation, administration, and enforcement of the City's zoning, land use, including the Air Installation Compatible Use Zone (AICUZ)-related, environmental, agricultural, and neighborhood preservation programs, including short-term rental enforcement. In addition, the land use attorneys serve as the primary legal counsel to the Planning Commission, Board of Zoning Appeals, Wetlands Board, Chesapeake Bay Preservation Area Board, Agricultural Advisory Commission, Bayfront Advisory Committee, Green Ribbon Committee, and the Workforce Housing Advisory Board.

Litigation

Provides representation in all civil litigation cases involving the City, its departments, boards, commissions, employees, and volunteers. Representation includes defending and prosecuting tort claims, civil rights claims, collection actions, contract disputes, and construction claims. In addition, the litigation section represents the Human Services Department in cases seeking to protect at-risk children and handicapped or elderly adults from abuse and neglect. Litigation attorneys are actively involved with the Risk Management Division and other City departments in evaluating and minimizing potential exposure to tort and contract claims before they arise.



Key Performance Measures

The table below illustrates how the Department has been performing on their departmental performance metrics:

Departmental Performance Metrics	FY 2020	FY 2021	FY 2022	FY 2023 EST	FY 2024 PROJ
Percent of all legal services provided in house	96%	96%	95%	95%	95%
Effective hourly rate of all City legal services	\$119	\$121	\$122	\$125	\$125
Number of FOIA requests	1,382	1,756	2,122	2,100	2,100
Number of hours of direct legal services	40,817	40,000	44,544	45,000	45,000

In 2022, the City contracted with ETC Institute to undergo a Resident Satisfaction Survey. The survey included standardized questions used in communities across the country, to allow Virginia Beach to benchmark the city against average ratings in other communities, and it also included questions developed specifically for Virginia Beach to gain insights on issues that impact the city. The following table provides how Virginia Beach compares to the Atlantic Region and the National average for a few of the survey findings.

Resident Satisfaction Results	Virginia Beach	Atlantic Region	National Average
Overall quality of services provided by the City	75.3%	53.6%	50.5%
Overall value received for resident tax dollars and fees	52.8%	33.8%	33.8%

Trends and Issues

→ Major Initiatives

The Office of the City Attorney is actively involved in the implementation of various city initiatives including: the redevelopment of the Dome Site, legal support for challenges to the Election System, short-term rentals, and telecommunication franchise agreements. Our real estate team is managing the legal work for several major road projects throughout the City. Additionally, if City Council elects to allow collective bargaining, then additional support will be provided by our office for this initiative. Real estate and eminent domain efforts related to flood control and new roadway construction may call for increased personnel in the form of contract attorneys and/or additional in-house attorney staffing.

Department Organization Chart



City Of Virginia Beach, Virginia
City Attorney - Departmental Resource Summary

	FY 2021-22 Actual	FY 2022-23 Amended	FY 2023-24 Adopted	Variance from FY 2023
Program Summary				
FD100: General Fund				
Expenditures				
General Operating Expenses	4,989,556	5,562,499	5,580,657	18,158
Total Expenditures	4,989,556	5,562,499	5,580,657	18,158
Revenue				
Charges for Services	3,819	-	-	-
Total Revenues	3,819	-	-	-
General City Support	4,985,738	5,562,499	5,580,657	18,158

	FY 2021-22 Actual	FY 2022-23 Amended	FY 2023-24 Adopted	Variance from FY 2023
FD100: General Fund				
Position Summary				
General Operations	43.00	39.60	39.60	-
Total Positions	43.00	39.60	39.60	-

CITY AUDITOR

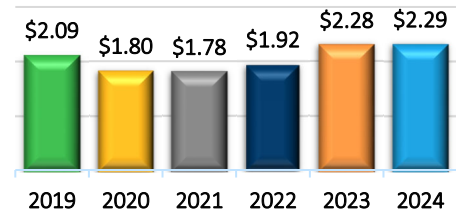


The primary mission of the City Auditor is to promote accountability and integrity in City operations by providing quality audit services

Department Overview

The City Auditor is an independent appraisal function responsible for financial, attestation engagements, and performance audits of city programs, functions, and activities. This office also conducts investigations, provides oversight and management of the city's external audit contract, advises departments, and manages other special projects.

Budget Per Capita



Key Performance Measures

The table below illustrates how the Department has been performing on their departmental performance metrics:

Departmental Performance Metrics	FY 2020	FY 2021	FY 2022	FY 2023 EST	FY 2024 PROJ
Number of audits scheduled each year	17	18	16	16	18
Number of audits completed each year	14	14	12	15	17
Percent of audits completed within budgeted hours	98%	93%	92%	94%	94%
Number of audit recommendations accepted	88%	100%	100%	100%	100%
Cases originating from the Fraud, Waste, and Abuse Hotline	73	50	55	60	60

In 2022, the City contracted with ETC Institute to undergo a Resident Satisfaction Survey. The survey included standardized questions used in communities across the country, to allow Virginia Beach to benchmark the city against average ratings in other communities, and it also included questions developed specifically for Virginia Beach to gain insights on issues that impact the city. The following table provides how Virginia Beach compares to the Atlantic Region and the National average for a few of the survey findings.

Resident Satisfaction Results	Virginia Beach	Atlantic Region	National Average
Overall image of the City	80.2%	67.3%	55.0%
Overall quality of City services	75.3%	53.6%	50.5%
Overall value that you receive for your City tax dollars	52.8%	33.8%	33.8%

Trends and Issues

→ Speed of Technology Changes

Auditors must continually provide assurance while adapting to evolving risks, speed of technology changes, and constant regulatory changes. Challenges in this area hit in numerous ways. First, there is an expanded purview required from emerging technologies and related risks. Second, there is the risk of ensuring you have the required skillset to address the technology changes. Third, there is an increased depth and breadth of data that brings along associated issues — including data reliability, related required team efforts, and resource constraints.

→ **Fraud Waste and Abuse Reports**

The number of and complexity of calls to the mandated Fraud, Waste, and Abuse Hotline has returned to pre-pandemic levels in part due to greater than normal turnover and prolonged vacancies that have impacted supervision and operations. The Office of the City Auditor diligently investigates each allegation. Having a robust Fraud, Waste, and Abuse program maintains the City's reputation and ensures that there is a strong system of internal controls to prevent, detect, and deter fraud.

→ **Proposed Revisions to Government Auditing Standards**

Government Auditing Standards provide a framework for performing high-quality audit work with competence, integrity, objectivity, and independence to enhance accountability and to help improve government operations and services. Proposed 2023 revisions include enhancements to strengthen an audit organization's framework for conducting high-quality engagements through its system of quality management and guidance to address key audit matters in financial audits. Anticipated impacts of these revisions are minimal.

Department Organization Chart



City Of Virginia Beach, Virginia
City Auditor - Departmental Resource Summary

	FY 2021-22 Actual	FY 2022-23 Amended	FY 2023-24 Adopted	Variance from FY 2023
Program Summary				
<u>FD100: General Fund</u>				
<u>Expenditures</u>				
General Operating Expenses	825,786	1,036,508	1,044,762	8,254
Total Expenditures	825,786	1,036,508	1,044,762	8,254
<u>Revenue</u>				
Total Revenues	-	-	-	-
General City Support	825,786	1,036,508	1,044,762	8,254

	FY 2021-22 Actual	FY 2022-23 Amended	FY 2023-24 Adopted	Variance from FY 2023
<u>FD100: General Fund</u>				
<u>Position Summary</u>				
General Operations	8.00	8.00	8.00	-
Total Positions	8.00	8.00	8.00	-

CITY CLERK

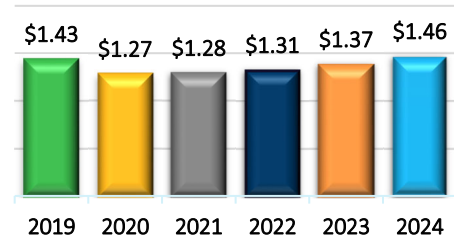


The mission of the City Clerk is to provide a historical record of the governing body; prepare and deliver the weekly Agenda; serve the City Council in the most efficient manner to meet the needs of citizens; and attest to and record all official agreements, deeds, contracts, etc. The City Clerk also ensures that all public notices comply with applicable state code regulations and City Council policies. This Office maintains the highest standards of customer service for the taxpayer needs and to ensure the City's policies are addressed.

Department Overview

The Office of the City Clerk preserves and provides accurate legislative historical records for the governing body. Responsibilities include preparing and delivering weekly agendas, preparing and recording minutes, attesting to and recording all official agreements, deeds and contracts, and ensuring all public notices comply with the applicable state code and City Council policies. The City Clerk serves as Clerk of Council and custodian of the city seal. The City Clerk possesses the authority to sign all City-borrowed bond issuances and monitors City Council appointed boards, commissions, authorities, and committees.

Budget Per Capita



Key Performance Measures

The table below illustrates how the Department has been performing on their departmental performance metrics:

Departmental Performance Metrics	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023 EST	FY 2024 PROJ
Legal documents notarized, scanned, and returned to departments	650	749	749	616	616	616
Number of passport applications processed and mailed on the same day	1,716	1,000	1,000	1,272	1,500	1,728
Notices of public hearings prepared and forwarded to the newspaper	82	85	85	75	80	85

In 2022, the City contracted with ETC Institute to undergo a Resident Satisfaction Survey. The survey included standardized questions used in communities across the country, to allow Virginia Beach to benchmark the city against average ratings in other communities, and it also included questions developed specifically for Virginia Beach to gain insights on issues that impact the city. The following table provides how Virginia Beach compares to the Atlantic Region and the National average for a few of the survey findings.

Resident Satisfaction Results	Virginia Beach	Atlantic Region	National Average
Overall quality of services provided by the City	75.3%	53.6%	50.5%
Overall quality of customer service received from City employees	73.0%	38.0%	40.6%
Effectiveness of City communication with the public	49.9%	48.3%	38.2%

Trends & Issues

The City Clerk's office is exploring opportunities to improve City Council meeting management and the various agenda processes. Overall goals include:

- Simplifying the management of public meetings with an easy way to prepare agendas and minutes
- Automating the entire meeting process for better workflow and productivity
- Achieving easy agenda building and distribution with automatic routing of agenda items
- Developing Microsoft Office integration with the ability to format agenda items and to easily import files
- Instituting web and mobile approvals of agenda items on the go
- Establishing the ability to compile, store, and track meeting minutes and agenda items
- Building public trust with access to fully searchable meeting content, including legislative decisions and public meeting videos
- Keeping users engaged and informed by offering content

Department Organization Chart



City Of Virginia Beach, Virginia
City Clerk - Departmental Resource Summary

	FY 2021-22 Actual	FY 2022-23 Amended	FY 2023-24 Adopted	Variance from FY 2023
Program Summary				
<u>FD100: General Fund</u>				
<u>Expenditures</u>				
General Operating Expenses	557,811	655,196	665,964	10,768
Total Expenditures	557,811	655,196	665,964	10,768
<u>Revenue</u>				
Total Revenues	-	-	-	-
General City Support	557,811	655,196	665,964	10,768

	FY 2021-22 Actual	FY 2022-23 Amended	FY 2023-24 Adopted	Variance from FY 2023
<u>FD100: General Fund</u>				
<u>Position Summary</u>				
General Operations	6.00	6.00	6.00	-
Total Positions	6.00	6.00	6.00	-

CITY MANAGER



The mission of the City Manager's Office (CMO) is to provide support and direction for the delivery of quality customer service to Virginia Beach citizens and visitors, City Council, city staff, and others to maintain and nurture a quality community. The City Manager serves as the executive and administrative head of the city government and coordinates and directs the complex groups within agencies and departments responsible for the delivery of city services to citizens.

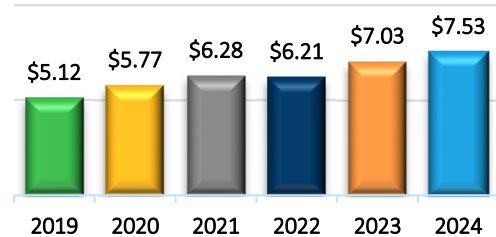
Department Overview

The City Manager's Office is divided into two main areas that provide services to ensure that the city organization functions as a quality organization to support the community and meet City Council's goals.

City Manager and Staff

The Office is responsible for the executive oversight and coordination of operations, programs, and initiatives to implement City Council goals and policies.

Budget Per Capita



Office of Volunteer Resources

The Office of Volunteer Resources (OVR) exists to support and guide City of Virginia Beach departmental volunteer programs in connecting citizens with government through diverse volunteer opportunities. The OVR team is charged with administering policies, procedures, database management and analytics, as well as professional development in support of more than 120 departmental Volunteer Resource Managers, across the organization.

Historically, the OVR has managed and coordinated the recovery efforts of several emergency events to include Hurricane Matthew, the 5/31 tragedy, and COVID-19. This division continues to oversee the long-term recovery and resiliency from the May 31, 2019, shooting at the Municipal Center. The team's efforts are critical to the survivors, family-members, the workforce, and the community.

Key Performance Measures

The table below illustrates how the Department has been performing on their departmental performance metrics:

Departmental Performance Metrics	FY 2020	FY 2021	FY 2022	FY 2023 EST	FY 2024 PROJ
Response to citizen concerns/inquiries	3,239	2,881	2,246	2,200	2,000
Value of volunteer service	\$27,093,065	\$22,197,973	\$23,663,777	\$24,521,099	\$25,378,421
Volunteer hours	996,000	777,784	790,109	795,100	800,000
Number of volunteers engaged in local government	11,892	9,019	9,338	9,730	10,050

In 2022, the City contracted with ETC Institute to undergo a Resident Satisfaction Survey. The survey included standardized questions used in communities across the country, to allow Virginia Beach to benchmark the city against average ratings in other communities, and it also included questions developed specifically for Virginia Beach to gain insights on issues that impact the city. The following table provides how Virginia Beach compares to the Atlantic Region and the National average for a few of the survey findings.

Resident Satisfaction Results	Virginia Beach	Atlantic Region	National Average
Overall quality of customer service you receive from City employees	73.0%	38.0%	40.6%
Availability of information about local government services and activities	52.0%	52.5%	47.5%
Opportunities for resident participation in City policy development and decision making	32.9%	38.2%	34.2%
The City as a place to live	89.7%	60.0%	49.7%
Effectiveness of City communication with the public	49.9%	48.3%	38.2%
Overall value that you receive for your City tax dollars and fees	52.8%	33.8%	33.8%



Opportunities and Challenges

- Identifying and recommending initiatives to enhance recruitment and retention of City employees
- Improving processes to enhance efficiency of services and customer satisfaction with government services
- Increasing volunteer engagement, which continues to rise despite the continued ebbs and flows of Coronavirus surges
- Supporting long-term recovery from the events of May 31st and COVID-19, which both continue to deeply impact the workforce, volunteer population and Virginia Beach community

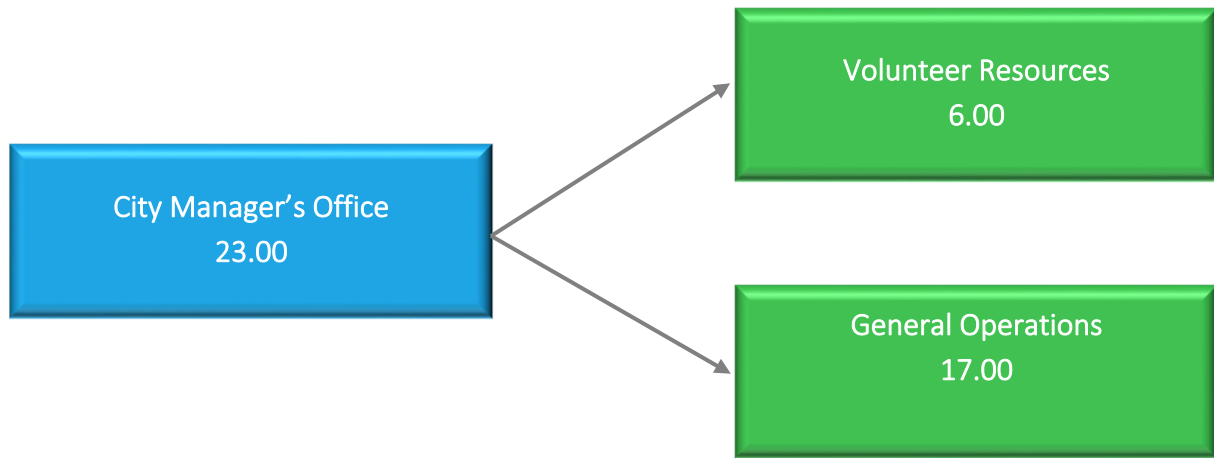
The focus of the Management Agenda for FY 2023-24 will include:

- Improvement of communications on organizational updates
- Empowerment and support of Volunteer Resource Managers (VRMs)
- Integration of legislative affairs into organizational practices and initiatives
- Enhancement of the capacity of constituent affairs

Major Budget Changes

	Change	Impact
	<p>Position Increase: Administrative Assistant I</p> <p>1.0 FTE</p> <p>\$62,580</p>	<p>This budget includes the addition of an Administrative Specialist to address Community Affairs staffing needs. This position will assist the Community Affairs division within the City Manager's Office and act as the initial point of contact in the City Manager's Office for citizen inquiries. This position will respond to phone calls, e-mails, and assist citizens with navigating City services. Additionally, the position will disseminate program and policy information to stakeholders.</p>
	<p>Position Increase: Assistant to the City Manager</p> <p>1.0 FTE</p> <p>\$80,264</p>	<p>This budget includes the addition of an Assistant to the City Manager, Special Projects Coordinator to support the Community Affairs division. This position will assist with the enforcement of the Americans with Disabilities Act (ADA) across City departments. The position will also serve as the City's contact for various community/homeowners' associations to provide information on city services/policies and assist in acquiring any necessary assistance. Additionally, the position will communicate information regarding services, policies, and ordinances, serving as a City-wide contact.</p>
	<p>The Inclusion & Diversity Council (IDC)</p> <p>\$25,000</p>	<p>This budget includes \$25,000 to support the Inclusion & Diversity Council (IDC). The IDC is a group of dedicated and passionate members who are tasked with supporting the City's workforce in developing new and creative initiatives, events, and programs to integrate diversity and inclusion throughout the organization. The IDC develops its capacity to serve as a knowledge and training resource for inclusion and diversity topics, concepts, and competence, which leads to greater knowledge, awareness, and a highly culturally competent organization.</p> <p>Funding for the Inclusion & Diversity Council was previously included in the Department of Human Resources' Operating Budget.</p>
	<p>Position Decrease</p> <p>1.0 FTE</p> <p>(\$115,610)</p>	<p>One position was reallocated from the City Manager's Office to the Office of Communications to centralize community engagement activities within one department. Additional information about community engagement can be found in the Communication Office's departmental section.</p>

Department Organization Chart



City Of Virginia Beach, Virginia
City Manager - Departmental Resource Summary

	FY 2021-22 Actual	FY 2022-23 Amended	FY 2023-24 Adopted	Variance from FY 2023
Program Summary				
<u>FD100: General Fund</u>				
<u>Expenditures</u>				
General Operating Expenses	2,843,578	3,201,328	3,439,541	238,213
Total Expenditures	2,843,578	3,201,328	3,439,541	238,213
<u>Revenue</u>				
Total Revenues	-	-	-	-
General City Support	2,843,578	3,201,328	3,439,541	238,213

	FY 2021-22 Actual	FY 2022-23 Amended	FY 2023-24 Adopted	Variance from FY 2023
<u>FD100: General Fund</u>				
<u>Position Summary</u>				
General Operations	21.00	21.00	23.00	2.00
Total Positions	21.00	21.00	23.00	2.00

CITY REAL ESTATE ASSESSOR



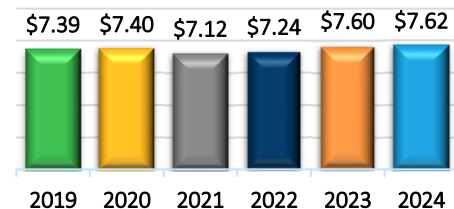
The mission of the City Real Estate Assessor is to annually appraise all taxable and tax-exempt real estate fairly and equitably; maintain and continually amend assessment records to reflect changes in the City's real property in accordance with state law and City code; perform transfers of ownership, updates, wills, and plats recorded with the Clerk of Circuit Court; and the accurate preparation of the Real Estate Land Book. The Assessor's Office also provides information and assistance to the City Council, City staff, State Department of Taxation, and the public regarding the land book and individual assessments.

Department Overview

City Real Estate Assessor

The Office is responsible for accurately calculating Virginia Beach's real estate property assessments. This office's responsibilities include an annual inventory and appraisal of over 162,000 parcels. A quarterly inspection of new construction is also conducted, which includes the measurement, classification, documentation, and appraisal of newly constructed buildings, as well as additions to existing buildings. For existing buildings and properties, subdivision sales are recorded throughout the year and the results are analyzed to determine assessment adjustments. Additional responsibilities include the real estate transfer function, which involves deed transfers from the sale of properties, transfers of ownership resulting from other transactions, and recording taxable parcels (i.e., parcels created from development).

Budget Per Capita



Board of Equalization

The Board has the power to revise, correct, and amend real estate assessments. Generally, after an initial assessment review by the Real Estate Assessor, a resident may appeal to the Board to review the request. Hearings are held annually between July and February. The Board either affirms the initial assessment or determines whether it should be increased or decreased.

Both the City Council-appointed Real Estate Assessor and the Circuit Court-appointed Board of Equalization are fully funded by general City revenue.

Key Performance Measures

The table below illustrates how the Department has been performing on their departmental performance metrics:

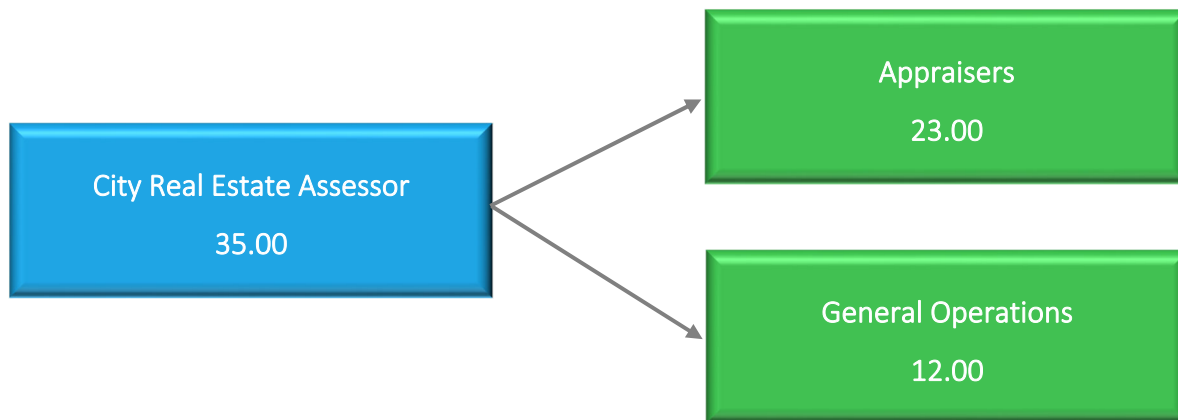
Departmental Performance Metrics	FY 2020	FY 2021	FY 2022	FY 2023 EST	FY 2024 PROJ
Number of taxable parcels	158,431	158,849	159,110	159,126	159,315
Number of taxable parcels per appraiser	7,208	6,906	6,917	7,956	7,966
Number of tax-exempt parcels	3,758	3,735	3,767	3,772	3,770
Number of new housing units built	1,443	1,109	1,233	734	431
Average increase in residential property assessments	3.08%	2.91%	4.79%	11.29%	9.81%
Average increase in commercial property assessments	5.39%	2.85%	-1.65%	-0.06%	5.20%

Trends and Issues

- The City Real Estate Assessor is projecting a 9.47% increase in assessments for FY 2023-24, with the median residential assessment increasing by 9.2%. This increase is due to a robust residential market. Overall, growth is projected to be 0.4%, while appreciation is projected at 9.07%. The overall growth rate is lower due to reductions in the assessed value of commercial properties.
- For the sixth year in a row, the City has seen a decrease in the number of foreclosures and foreclosure sales. In 2021, the City had 99 foreclosures and 61 foreclosure sales. While this is evidence of a strong local market, the steep decline is also a direct result of the eviction moratorium that has been in place throughout the COVID-19 pandemic.

Sale Type	2015	2016	2017	2018	2019	2020	2021
Foreclosure	916	799	664	548	497	193	99
Foreclosure Sales	785	725	536	447	341	212	61

Department Organization Chart



City Of Virginia Beach, Virginia
City Real Estate Assessor - Departmental Resource Summary

	FY 2021-22 Actual	FY 2022-23 Amended	FY 2023-24 Adopted	Variance from FY 2023
Program Summary				
FD100: General Fund				
Expenditures				
Board of Equalization	1,123	2,774	2,774	-
General Operating Expenses	3,154,515	3,462,940	3,479,593	16,653
Total Expenditures	3,155,637	3,465,714	3,482,367	16,653

Revenue				
Total Revenues	-	-	-	-
General City Support	3,155,637	3,465,714	3,482,367	16,653

	FY 2021-22 Actual	FY 2022-23 Amended	FY 2023-24 Adopted	Variance from FY 2023
FD100: General Fund				
Position Summary				
General Operations	35.00	35.00	35.00	-
Total Positions	35.00	35.00	35.00	-

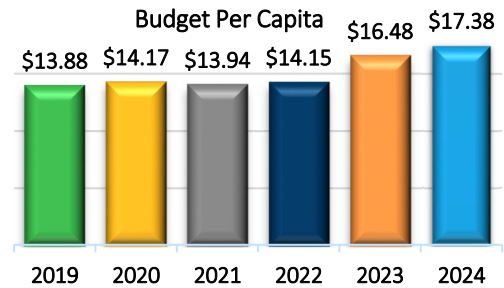
CITY TREASURER



The mission of the City Treasurer's Office is to collect revenues and tax receipts due to the City in the most efficient and effective manner and to invest these funds in a manner which will provide the highest investment returns. This is done while meeting goals of: maximum security/safety, providing for daily cash flow demands, and conforming with all state and local statutes governing the investment of public funds.

Department Overview

The City Treasurer's Office mails out, receives, and processes payments for current and delinquent real estate taxes, personal property taxes, trustee taxes, parking tickets, and other various bills due to the City. The Treasurer is also responsible for the investment of all cash financial assets of the City. This is done in a manner that will provide the highest return on investment only after the goals of maximum security and safety, meeting daily cash flow demands, and conformance with all state and local statutes governing the investment of public funds have been met.



Key Performance Measures

The table below illustrates how the Department has been performing on each of these metrics:

Departmental Performance Metrics	FY 2020	FY 2021	FY 2022	FY 2023 EST	FY 2024 PROJ
Number of personal property bills generated	455,850	548,181	594,704	648,822	707,865
Number of real estate bills generated	155,048	183,054	198,325	219,347	242,598
Number of trustee bills generated	39,493	45,393	45,913	46,831	47,299
Number of Miscellaneous bills generated	32,504	23,601	26,373	32,740	33,722
Number of Parking Tickets Referred through Treasurer	21,032	17,901	23,239	23,440	23,909
Amount of restitution collected and reimbursed to victims	\$456,503	\$481,189	\$472,249	\$470,000	\$470,000
Number of Online Payments	1,103,903	1,224,187	1,158,717	1,294,369	1,397,919
Total number of payments processed	2,481,097	2,443,965	2,424,013	2,500,000	2,500,000

In 2022, the City contracted with ETC Institute to undergo a Resident Satisfaction Survey. The survey included standardized questions used in communities across the country, to allow Virginia Beach to benchmark the city against average ratings in other communities, and it also included questions developed specifically for Virginia Beach to gain insights on issues that impact the city. The following table provides how Virginia Beach compares to the Atlantic Region and the National average for a few of the survey findings.

Resident Satisfaction Results	Virginia Beach	Atlantic Region	National Average
Overall quality of customer service you receive from City employees	73.0%	38.0%	40.6%
Overall quality of services provided by the City	71.1%	47.8%	50.5%
Effectiveness of City communication with the public	49.9%	48.3%	38.2%
Availability of information about local government services and activities	52.0%	52.5%	47.5%
Overall value that you receive for your City tax dollars and fees	52.8%	33.8%	33.8%

Trends & Issues

→ Tax Collection

In line with the mission of the City Treasurer's Office to collect revenues and tax receipts due to the City in the most efficient and effective manner, collection activities have continued after enforcement methods were lessened during the height of the pandemic. The Treasurer will continue to enforce wage liens at the reduced rate of 25%, rather than the 100% of wages allowable by State Code. The Treasurer will continue to work with citizens and businesses as well as offer payment plans; however, these methods prolong the life of the collection. The Treasurer continues DMV Stops in the collection of personal property and parking tickets.

→ Enterprise Revenue Management – Technology Advancements

The Treasurer's Office continues to refine the software capabilities facilitating the billing and collection of local taxes and other charges, specifically working on automation of collection functionality as well as online functionality. In September 2021, the online business portal was expanded to include the filing and payment of trustee taxes. In September 2022, payment of School Board invoices was added to the citizen portal. Payments made online continue to grow and the Treasurer will continue expanding the types of payments accepted online. Internally, the office continues to redevelop legacy applications to keep technologies current. The City Treasurer's Office is replacing their aging remittance processor in February/March 2023, which is the software and hardware that processes all checks and related payment coupons to post payments in subsidiary systems and perform bank deposits. This new technology will create redundancy, reducing or eliminating down time, and will be scanning more documentation cutting down on paper files/storage.

→ E-billing Initiative

The City Treasurer's Office has received funding in the Capital Improvement Program to expand the online payment portal to add electronic billing. The reliable delivery of tax bills by the post office remains an ongoing concern for our citizens. This project is intended to provide citizens the option to receive their personal property and/or real estate bills in an electronic/email form. It is the expectation that the e-billing solution be able to be expanded upon to other types of bills sent by the City Treasurer.

→ **Court Costs & Fines and Restitution Collections**

The inability of the Courts to suspend driver's licenses for the non-payment of court costs and fines continues to make the Treasurer's collection of these charges difficult. Additionally, the method in which the Courts refer cases to the Treasurer's Office for collections has been modified, resulting in fewer referrals.

Department Organization Chart



City Of Virginia Beach, Virginia
City Treasurer - Departmental Resource Summary

	FY 2021-22 Actual	FY 2022-23 Amended	FY 2023-24 Adopted	Variance from FY 2023
Program Summary				
<u>FD100: General Fund</u>				
<u>Expenditures</u>				
General Operating Expenses	6,481,806	7,528,031	7,938,987	410,956
Total Expenditures	6,481,806	7,528,031	7,938,987	410,956
<u>Revenue</u>				
Charges for Services	2,172,775	2,027,615	2,360,082	332,467
Permits, Fees, and Regulatory Licenses	30,803	49,283	31,475	(17,808)
Personal Property	-	-	-	-
Real Estate	-	-	-	-
Revenue from the Commonwealth	701,112	741,980	808,920	66,940
Transfer In	368,573	380,662	645,781	265,119
Total Revenues	3,273,263	3,199,540	3,846,258	646,718
General City Support	3,208,543	4,328,491	4,092,729	(235,762)

	FY 2021-22 Actual	FY 2022-23 Amended	FY 2023-24 Adopted	Variance from FY 2023
<u>FD100: General Fund</u>				
<u>Position Summary</u>				
General Operations	76.60	76.60	76.60	-
Total Positions	76.60	76.60	76.60	-

COMMISSIONER OF THE REVENUE



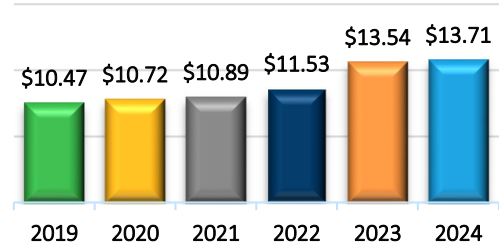
The mission of the Commissioner of the Revenue is to ensure the uniform and consistent assessment of applicable state and local tax codes while providing customer assistance on all tax related issues.

Department Overview

The Commissioner of the Revenue is one of five elected Constitutional Officers in the City and, as such, is partially funded by the State Compensation Board.

The office is responsible for the discovery, investigation, licensing, assessment, audit, prosecution, and reporting of tax levies. It also provides select Department of Motor Vehicles (DMV) services and has the additional responsibility of selling hunting and fishing licenses in partnership with the Virginia Department of Game and Inland Fisheries.

Budget Per Capita



Key Performance Measures

The table below illustrates how the Department has been performing on their departmental performance metrics:

Departmental Performance Metrics	FY 2020	FY 2021	FY 2022	FY 2023 EST	FY 2024 PROJ
Audits and investigations	23,399	20,454	16,408	19,000	20,500
Personal property accounts assessed	510,944	551,564	568,592	585,000	590,000
DMV customer contacts	53,224	44,697	55,086	52,500	52,250
Direct customer contacts	369,695	310,166	331,806	350,000	360,000
Business licenses assessed	34,369	30,623	30,128	32,500	33,000
Business property accounts assessed	32,024	26,533	26,611	27,000	27,250
Military and volunteer exemptions processed	36,676	54,541	33,081	35,000	35,000
State income returns assessed	34,207	21,371	19,264	17,500	15,500

In 2022, the City contracted with ETC Institute to undergo a Resident Satisfaction Survey. The survey included standardized questions used in communities across the country, to allow Virginia Beach to benchmark the city against average ratings in other communities, and it also included questions developed specifically for Virginia Beach to gain insights on issues that impact the city. The following table provides how Virginia Beach compares to the Atlantic Region and the National average for a few of the survey findings.

Resident Satisfaction Results	Virginia Beach	Atlantic Region	National Average
Overall quality of customer service you receive from City employees	73.0%	38.0%	40.6%
Overall quality of services provided by the City	71.1%	47.8%	50.5%

Trends & Issues

→ Efficiencies for Business Owners – Online Business Personal Property Portal

In Fall 2023, an enhancement to the Commissioner of the Revenue's online business portal was completed to allow for online business personal property filing. Coupled with the ability to renew business licenses, apply for new business licenses, and file and pay trustee taxes, the Commissioner of the Revenue will possess one of the most dynamic online filing systems in the state, surpassing 15,000 online business accounts. Over \$16 million in business license and \$35 million in trustee tax revenue was paid online for 2022. The Commissioner of the Revenue continues to provide face-to-face services to taxpayers at City Hall, but now businesses have a choice regarding how they interact with the office.

→ Business License Threshold


On December 6, 2022, the Commissioner of the Revenue proposed, and the City Council adopted an ordinance to modify business license thresholds to lessen the burden on local business taxpayers. Previously, business owners with gross receipts between \$0 - \$25,000 were charged a flat fee of \$40, and those with \$25,001 - \$100,000 in gross receipts were charged a \$50 license fee. The new thresholds became effective on January 1, 2023, and are displayed on the table below.

THRESHOLD COMPARISON		
RANGE	PRIOR RATE	NEW RATE 1/1/23
0 - 25,000	\$40.00	\$25.00
25,000.01-100,000	\$50.00	\$40.00
100,000.01 - 200,000	.0012 - .0058	\$50.00

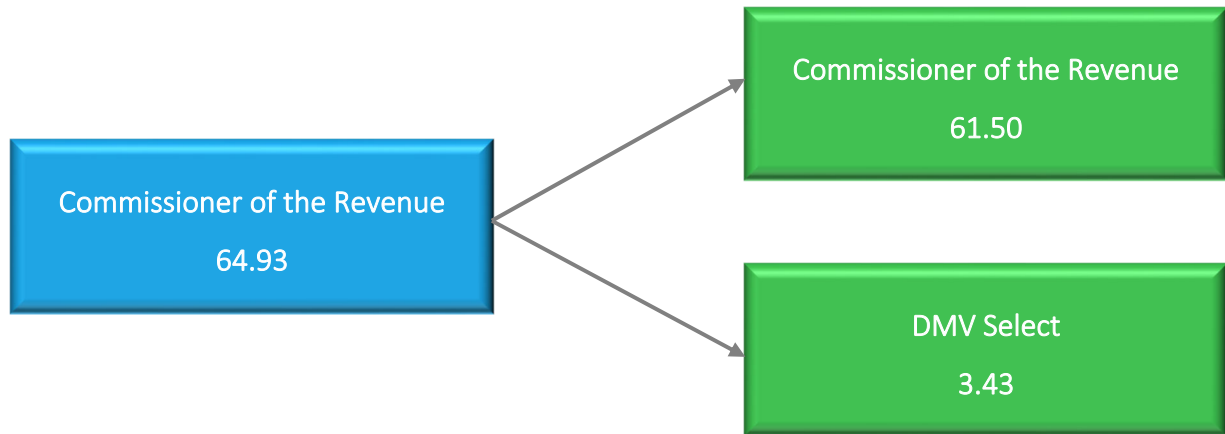
→ New City Hall office

On April 12, 2022, the Commissioner of the Revenue moved into its new office space within the newly constructed City Hall. This new space increased counter space by a third and includes five interview rooms, allowing for confidential meeting spaces during interviews with real estate tax relief applicants and assisting customers with state income tax preparation. The new space also centralizes staff, enhancing cross-training and collaboration.

Major Budget Changes

	Change	Impact
	National Automobile Dealers Association (NADA) \$85,295	This budget includes funding to address increases in software maintenance used by the Commissioner of the Revenue. The Commissioner of the Revenue uses a per-vehicle lookup service provided by the National Automobile Dealers Association (NADA) for personal property assessments. This valuation service is heavily used by the Department to appraise personal property vehicles. This is the City's second largest local revenue source, and it is critical in the support of general fund operations (fire, police, EMS, support for schools). The additional funding will ensure that the Commissioner of the Revenue will continue using the most up to date NADA resources to conduct vehicle valuations.

Department Organization Chart



City Of Virginia Beach, Virginia
Commisioner of the Revenue - Departmental Resource Summary

	FY 2021-22 Actual	FY 2022-23 Amended	FY 2023-24 Adopted	Variance from FY 2023
Program Summary				
<u>FD100: General Fund</u>				
<u>Expenditures</u>				
DMV Select	168,486	136,578	171,794	35,216
General Operating Expenses	5,234,866	6,031,497	6,093,523	62,026
Total Expenditures	5,403,353	6,168,075	6,265,317	97,242
<u>Revenue</u>				
Charges for Services	472	-	-	-
Revenue from the Commonwealth	926,525	963,989	1,020,968	56,979
Total Revenues	926,997	963,989	1,020,968	56,979
General City Support	4,476,355	5,204,086	5,244,349	40,263

	FY 2021-22 Actual	FY 2022-23 Amended	FY 2023-24 Adopted	Variance from FY 2023
<u>FD100: General Fund</u>				
<u>Position Summary</u>				
DMV Select	2.93	2.93	3.43	0.50
General Operations	61.00	62.00	61.50	(0.50)
Total Positions	63.93	64.93	64.93	-

COMMONWEALTH'S ATTORNEY



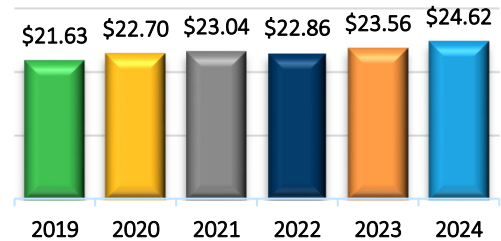
The Office of the Commonwealth's Attorney is responsible for reviewing and prosecuting all felony cases as well as some misdemeanors and civil matters. At the discretion of the Commonwealth's Attorney, the office also prosecutes all DUIs, city and state misdemeanor appeals, domestic violence cases, and other misdemeanors upon request. The office also provides legal training and advice to all local law enforcement officers, magistrates, and other local officials. In addition, the office provides services and support for the victims and witnesses involved in the various cases handled by the office.

Department Overview

The Commonwealth's Attorney is an elected, constitutional (Article VII, Section 4), law enforcement official who is independent from both the City and the Commonwealth. The primary responsibilities of the Commonwealth's Attorney's Office are:

- To review all felony and selected misdemeanor cases, and to pursue the prosecution of those cases where there is sufficient evidence.
- To oversee many civil matters to include forfeitures, extraditions, and mental health appeals.
- To oversee, at the office's discretion, all city and state misdemeanor appeals, all Driving Under the Influence (DUI), domestic violence cases, and complicated misdemeanor cases upon request.
- To provide, at the office's discretion, legal training and advice to local officials, law enforcement, and other public safety agencies when requested.
- To prepare the Circuit Court criminal docket and the General District Court DUI docket as well as handle preliminary hearings on felony cases in the General District and Juvenile and Domestic Relations Courts.

Budget per Capita



Key Performance Measures

Due to the recent departure of the department's Business Application Specialist II and the deployment of a new case management system, the ability to run statistics has been hindered. The Commonwealth Attorney's office is in a state of transition; the performance measures below are shared to provide a new framework showcasing the services the Office of the Commonwealth's Attorney performs. The sharp rise in both the Number of Body-Worn and In-Car camera videos and Total hours of Body-Worn and In-Car camera videos from FY 2021-22 to FY 2022-23 is due to the phased implementation of the devices by Virginia Beach law enforcement. More years of actuals are needed to obtain an accurate projection for those two metrics.

The table below illustrates how the department has been performing on their departmental performance metrics:

Departmental Performance Metrics	FY 2022	FY 2023 EST	FY 2024 PROJ
Total number of felony cases opened	2,793	3,142	3,491
Total number of misdemeanor cases opened	3,783	4,016	4,249
Number of participants in the Drug Treatment Court	14	16	21
Number of Body-Worn and In-Car camera videos	42,693	67,810	67,810
Total hours of Body-Worn and In-Car camera videos	21,577	36,820	36,820

In 2022, the City contracted with ETC Institute to undergo a Resident Satisfaction Survey. The survey included standardized questions used in communities across the country, to allow Virginia Beach to benchmark the city against average ratings in other communities, and it also included questions developed specifically for Virginia Beach to gain insights on issues that impact the city. The following table provides how Virginia Beach compares to the Atlantic Region and the National average for a few of the survey findings.

Resident Satisfaction Results	Virginia Beach	Atlantic Region	National Average
Feeling of safety in the City overall	80.1%	71.1%	9%

Trends & Issues

→ Body-Worn Cameras

The Axon body-worn camera project went live with the Virginia Beach Police Department and the Office of the Commonwealth's Attorney in August 2018, with the deployment of the first phase of body-worn cameras. Currently, the Police personnel deploy approximately 822 body-worn cameras, outfitting all patrol officers, detectives, and supervisors. In February 2022, the police department deployed approximately 230 in-car cameras. The body-worn camera project directly impacts the workload the Commonwealth's Attorney staff and how the Office prosecutes cases. Prosecutors are ethically bound to review all body-worn camera footage related to their cases. In the summer of 2021, the Office of the Commonwealth's Attorney implemented a new initiative to help streamline processes and assist the Police Department as well as attorneys on receiving body-worn camera-related videos in an expedited process. While this is a more efficient process, the Office of the Commonwealth's Attorney has taken on an increased workload. This budget includes twelve positions to address the increased workload. An additional 2 FTEs were transferred to the CWA mid-year FY 2022-23 to support this need. In total, 14 FTEs have been added to the CWA to support the BWC program. The Virginia Beach Fire Department has 7 Fire Investigators who have BWCs. On the horizon, the Virginia Beach Sheriff's Office may be implementing body-worn cameras, which would also impact the office workload.

→ Changes in Jury Sentencing

The General Assembly enacted legislation, effective July 1, 2021, that changed the way defendants are sentenced after a jury trial. Historically, the jury determined if a defendant was guilty or not guilty and also recommended a sentence. The new legislation removed the jury from participation in the sentencing portion of the trial, redirecting the sentencing decision to the judge, unless the defendant specifically requested a jury sentencing. As a result of these changes, there has been a large increase in jury trial requests creating many more preparation hours for both attorneys and support staff. The Office of the Commonwealth's Attorney prepared for approximately 225 scheduled jury trials in FY 2022. Between July 1, 2022 and January 31, 2023, the Office prepared for approximately 149 jury trials. There are 139 scheduled between February 1, 2023, and June 30, 2023. Although all these scheduled trials do not come to fruition, the preparation work is required for many of the scheduled cases.

→ Discovery Rules

On July 1, 2020, discovery rules were changed in the Commonwealth of Virginia. The new rules enable defense attorneys to review police reports and witness statements. Prior to turning over the information, the Office of the Commonwealth's Attorney must thoroughly review all materials to be sent and restrict dissemination of sensitive information. The changes to discovery rules have drastically increased the workload for attorneys and support staff in preparation for cases.

→ **Electronic Discovery and Digital Case Files**

The Office of the Commonwealth’s Attorney has instituted optional electronic delivery of discovery. To date, over 500 defense attorneys have signed up to receive discovery through this manner. Electronic discovery allows the City to reduce time, paper, and postage expenses. The Office is working with the Virginia Beach Police Department to transition to digital case files, which will assist with electronic discovery and will allow further efficiency savings.

→ **Commonwealth’s Attorney Staffing Standards**

In February 2022, the Commonwealth of Virginia began examining the present attorney staffing standards for the Offices of the Commonwealth’s Attorney, and this may include alternative court dockets. The Compensation Board of the Commonwealth of Virginia contracted with the National Center for State Courts to perform the comprehensive time study of the duties and responsibilities of all Commonwealth’s Attorney Offices. The study will help the Compensation Board and the Virginia Association of Commonwealth’s Attorneys recommend an allocation formula based on metrics, aside from simply relying on sentencing events. Among the practices the General Assembly desires to be examined in the study is the use of diversion programs and specialty dockets. At this time, it is too early to determine how the study may impact Virginia Beach; however, results are expected in Spring 2023.

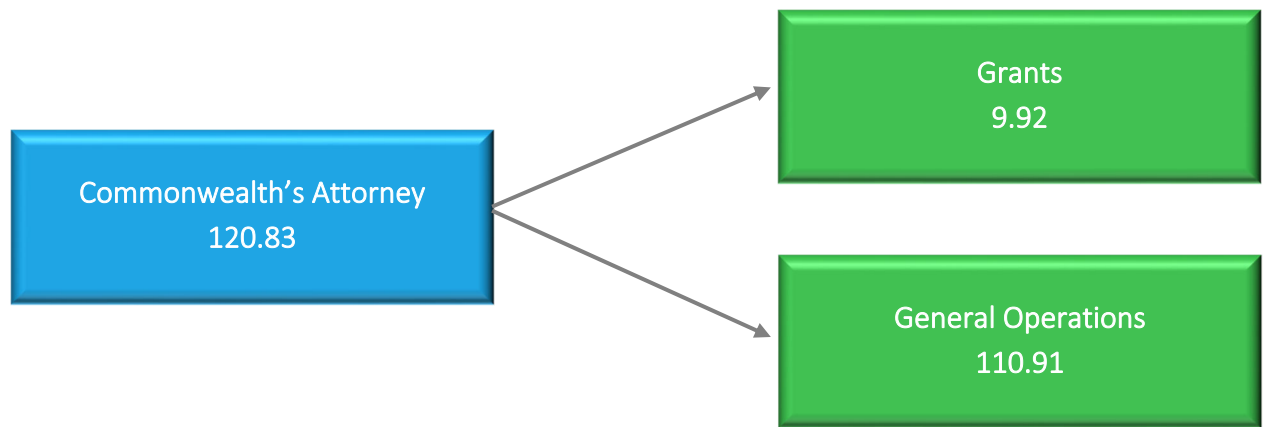
→ **Alternative Court Dockets**

The City of Virginia Beach offers one alternative sentencing court docket related to adult drug offenders. Working with the Virginia Beach Circuit Court, the Office of the Commonwealth’s Attorney administers the Virginia Beach Drug Treatment Court. In 2018, a state grant was awarded to help fund this program. A federal grant was awarded in fall of 2021 to double the number of participants. In the upcoming year, the department is looking to have up to 30 participants, although due to Department of Human Service’s staffing the department is currently only able to have 18. This program helps reduce recidivism and allows participants the opportunity to obtain adequate employment and housing as well as to sustain sobriety upon graduation. The City, through the Commonwealth Attorney’s Office, is working to add additional non-traditional methods of resolving offenses aside from normal criminal proceedings. These specialty courts include a Veteran’s Court and a Juvenile Drug Court. The Office’s goal is to institute these courts within the next two years.

Major Budget Changes

	Change	Impact
↑	Addition of 12 Positions 12.0 FTEs \$1,059,518	This budget includes the addition of two Legal Information Clerks, one Business Application Specialist II, four Attorneys, two Paralegals, two Legal Assistants and one Clerk to assist with increased workload related to the increase in the body-worn cameras and discovery rules in the Commonwealth. One-time costs such as computers and furniture are needed for the new employees as well. Half of the employees will be authorized in July 2023, and half would be authorized the following January.

Department Organization Chart



City Of Virginia Beach, Virginia
Commonwealth's Attorney - Departmental Resource Summary

	FY 2021-22	FY 2022-23	FY 2023-24	Variance
	Actual	Amended	Adopted	from FY 2023
Program Summary				
FD100: General Fund				
Expenditures				
Victim/Witness	-	-	191,849	191,849
General Operating Expenses	9,641,729	10,845,749	12,087,146	1,241,397
Total Expenditures	9,641,729	10,845,749	12,278,995	1,433,246

Revenue				
Charges for Services	1,608	-	-	-
Revenue from the Commonwealth	2,690,427	3,129,078	3,348,113	219,035
Total Revenues	2,692,035	3,129,078	3,348,113	219,035
General City Support	6,949,693	7,716,671	8,930,882	1,214,211

FD230: Commonwealth's Attorney Forfeited Assets Special Revenue Fund

Expenditures				
General Operating Expenses	490,344	100,000	100,000	-
Total Expenditures	490,344	100,000	100,000	-

Revenue				
Miscellaneous Revenue	290	-	-	-
From the Use of Money and Property	4,196	-	-	-
Revenue from the Commonwealth	66,622	-	-	-
Specific Fund Reserves	-	100,000	100,000	-
Total Revenues	71,107	100,000	100,000	-
General City Support	419,237	-	-	-

FD270: Consolidated Grants Special Revenue Fund

Expenditures				
General Operating Expenses	664,129	765,897	637,528	(128,369)
Total Expenditures	664,129	765,897	637,528	(128,369)

Revenue				
Revenue from the Commonwealth	225,267	143,512	159,382	15,870
Revenue from the Federal Government	293,784	430,536	478,146	47,610
Transfer In	191,849	191,849	-	(191,849)
Total Revenues	710,899	765,897	637,528	(128,369)
General City Support	(46,771)	-	-	-

City Of Virginia Beach, Virginia
Commonwealth's Attorney - Departmental Resource Summary

	FY 2021-22	FY 2022-23	FY 2023-24	Variance
	Actual	Amended	Adopted	from FY 2023
General Operations	91.91	97.91	110.91	13.00
General Fund Positions	91.91	97.91	110.91	13.00

FD270: Consolidated Grants Special Revenue Fund

Position Summary

General Operations	10.92	10.92	9.92	(1.00)
Consolidated Grants Special Revenue Fund Positions	10.92	10.92	9.92	(1.00)
Total Positions	102.83	108.83	120.83	12.00

COMMUNICATIONS



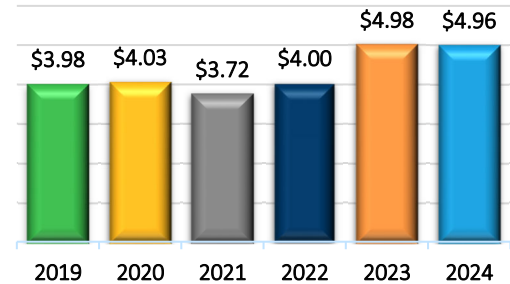
The Communications Office mission is to provide the full range of strategic and tactical communications services that facilitate service delivery, relationship-building, and the exchange of ideas to achieve established objectives.

Department Overview

The Communications Office is a full-service agency providing strategic and tactical communication solutions for citywide and department-level initiatives. Among the range of services provided, staff:

- Develops communication strategies
- Creates campaigns to achieve established objectives
- Coordinates, crafts, and distributes City messages during crisis and weather events
- Promotes community awareness of and engagement in municipal government
- Organizes special events and public input opportunities
- Produces videos and streams live meetings
- Maintains content on the City website and social media sites
- Manages media inquiries
- Writes speeches, articles, newsletters, editorials, news releases, reports, and presentations
- Designs logos, brochures, infographics, and other creative collateral in line with municipal organization brand
- Manages member communications

Budget Per Capita



Key Performance Measures

The table below illustrates how the Department has been performing on each of these metrics:

Departmental Performance Metrics	FY 2020	FY 2021	FY 2022	FY 2023 EST	FY 2024 PROJ
Number of website visitors per year	2,750,000	3,043,483	3,198,007	4,010,000	4,400,000
Number of plays of online files	545,500	307,174	557,026	725,073	797,000
Number of social media followers across all platforms	269,000	326,036	376,182	397,257	418,000
Number of participants with Publicinput.com	48,000	62,000	74,000	80,000	90,000

In 2022, the City contracted with ETC Institute to undergo a Resident Satisfaction Survey. The survey included standardized questions used in communities across the country, to allow Virginia Beach to benchmark the city against average ratings in other communities, and it also included questions developed specifically for Virginia Beach to gain insights on issues that impact the city. The following table provides how Virginia Beach compares to the Atlantic Region and the National average for a few of the survey findings.

Resident Satisfaction Results	Virginia Beach	Atlantic Region	National Average
Overall quality of customer service you receive from City employees	73.0%	38.0%	40.6%
Usefulness of the City's website	59.0%	45.5%	43.4%
Availability of information about local government services and activities	52.0%	52.5%	47.5%
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%

Trends & Issues

→ Social Media and Citizen Engagement

- The Communications Office maintains the City's seven "corporate level" social media sites (Facebook, Twitter, Nextdoor, YouTube, Flickr, Instagram and LinkedIn) which have seen 18.5% growth in FY 2022-23 with a combined followership of almost 400,000. Video content continues to be an opportunity for engagement with a 68% increase in video views on Instagram. Growing the City's reach to new audiences that represent all Virginia Beach residents is a critical component of the City's social media strategy. This is especially important because social platforms provide direct, unmediated connections with people and a large portion of Americans rely on social media for news (Pew Research Center, 2021). The Communications Department implemented Sprout Social software for social media management as an enterprise tool in FY 2022-23 and is currently in the process of expanding to other departments who manage social media sites.
- The department's new Community Engagement division promotes and facilitates civic engagement by empowering residents through information, training and tools to understand and utilize the variety of ways in which they can serve, interact with, and have a voice in their local government. To achieve City Council and residents' desire for enhanced community engagement, the utilization of the Public Input platform has been rebranded as SpeakUpVB.com and expanded to serve as the community engagement hub where residents can participate in meetings and surveys, provide their comments and input, and receive updates on specific projects. From 2018 through the end of February 2023, over 70,000 people have provided 1,262,020 responses on 121 active projects. The analytics from future engagements will provide staff with the knowledge of who is participating and how they are learning about the opportunities, as well as highlight demographic groups that are under-represented to further guide resource decisions.
- The Communications Department is piloting Salesforce Social Studio and Marketing Cloud for email marketing and social media management. This interface offers a fully customizable team-based collaboration platform that also analyzes channel and content performance.
- The City's new website, virginia-beach.gov, launched in February 2022 as a Phase 1 step, with Phase 2 department sites currently underway and nearing completion. In the 2022 Resident Satisfaction Survey, usefulness of the City website exceeded national averages by 13.5% with 86% of residents have visited the City website and ranking #2 in source for City information. It is anticipated that the enhanced functionality, as well as American Disability Act (ADA) compliance, will increase citizen satisfaction and usage.

Major Budget Changes

	Change	Impact
↑	<p>Software</p> <p>0.0 FTE</p> <p>\$119,346</p>	<p>The budget includes resources for the cost of maintaining Sprout Social as a replacement for the discontinued Salesforce Social Studio platform as of October of FY 2022-23. This system is an integral part of Social Media Monitoring and responding to social media postings across City social media accounts.</p> <p>Also included are resources to implement the use of Asana which is a project management software. It collaboratively facilitates the planning, organizing, and managing of the team's work from start to finish. This tool allows the department to monitor and maintain high volume of work. It is also used as a central hub for documenting progress and interactions with clients.</p> <p>Additional funding added to the budget for Adobe Creative Cloud and Acrobat licenses, due to changes from Adobe in both distribution of software licenses and billing. Included is funding for additional license for the use of Canva Software; a graphic design platform, used to create social media graphics, presentations, posters, documents and other visual content.</p>
↑	<p>Media and Communications Coordinator III</p> <p>1.0 FTE</p> <p>\$107,282</p>	<p>The Media and Communications Coordinator III position 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 of the community, manage public meetings, public engagement, and facilitation meetings, and coordinate the use of publicinput.com.</p> <p>Additional funding added to the budget to support ongoing cost for community engagement.</p>
↑	<p>Executive Assistant II</p> <p>1.0 FTE</p> <p>\$72,682</p>	<p>This position will primarily support the Director of Communications with administrative needs. The Director of Media and Communications has been requesting an Executive Assistant position since the middle of FY 2022-23. This position will also create and maintain a shared use calendar documenting key events for city leadership to ensure strong attendance by the municipal organization.</p>

Department Organization Chart



City Of Virginia Beach, Virginia
Communications Office - Departmental Resource Summary

	FY 2021-22 Actual	FY 2022-23 Amended	FY 2023-24 Adopted	Variance from FY 2023
Program Summary				
FD100: General Fund				
Expenditures				
General Operating Expenses	2,219,897	2,444,567	2,844,730	400,163
Total Expenditures	2,219,897	2,444,567	2,844,730	400,163
Revenue				
Charges for Services	294	-	-	-
Total Revenues	294	-	-	-
General City Support	2,219,603	2,444,567	2,844,730	400,163

	FY 2021-22 Actual	FY 2022-23 Amended	FY 2023-24 Adopted	Variance from FY 2023
FD100: General Fund				
Position Summary				
General Operations	22.00	25.00	27.00	2.00
Total Positions	22.00	25.00	27.00	2.00

CONVENTION AND VISTOR'S BUREAU



The Virginia Beach Convention and Visitor's Bureau develops and promotes Virginia Beach as a first-class, year-round travel destination that contributes to the city's quality of life and its diverse economy.

Department Overview

The department supports, maintains, and expands the leisure travel, meeting, and convention markets in the city in order to promote Virginia Beach as a first-class, year-round travel destination. The four core program areas of the Convention and Visitor's Bureau (CVB) are:

Convention Promotion and Facility Management

This program provides the management, operations, and marketing for the City's Convention Center as a destination for conventions, trade shows, and meetings. Staff members promote the city and Convention Center on a nationwide basis with the objective of increasing the number of quality events.

The Virginia Beach Sports Center opened in the fall of 2020. While day-to-day operations of the building are the responsibility of Eastern Sports Management (ESM), the Convention Center grounds crew maintains the grounds and parking lots of the Sports Center.

Tourism and Sports Marketing Promotion

This program includes developing domestic and international tours, family reunions, travel agent sales contacts and leads, sales opportunities, developing/servicing sporting events and sports related meetings, and conventions. These sales leads and opportunities are generated from trade shows, trade advertising, telemarketing, in-person sales calls, and site inspection visits. The sales leads are converted to bookings by the local hospitality industry in collaboration with the CVB team.

With the opening of the new Sports Center, the Sports Marketing division communicates the capabilities of the facility and submit proposals to new groups and tournaments who have an interest in the City's new Sports Center in addition to other sporting venues throughout the City.

Tourism Promotion and Advertising

Advertising for the City and visitor information is provided through a dedicated funding stream, the Tourism Advertising Program (TAP) fund. The fund receives revenue from a dedication of one percent of the transient lodging tax, one-half of a percent of the restaurant meals tax, and a flat lodging tax of \$1 per room night to support the City's advertising and marketing program and related activities including the operation of the Visitor Information Center. The Communications Division of the CVB is charged with building media relationships on a local and regional level and disseminating tourism-related information to our residents and industry and regional partners. This includes overseeing the marketing and promotional efforts to encourage out-of-market tourism targeting leisure, meetings and conventions, sports marketing, group tours, and international visitors.

Budget Per Capita



Increase in FY 2022-23 due to reabsorption of the Resort Management Office.

Resort Management Office

Schedules and coordinates special events at the Oceanfront and Resort Area and plans and programs the entertainment events. It serves as the primary liaison between the special events organizer and the appropriate city operating department(s). This office facilitates the development of resort business opportunities, supports the Resort Advisory Commission's initiatives, and coordinates capital improvement projects in the resort area. In addition, this office interacts with citizen advisory groups, administers contracts, collects revenue, ensures city code compliance, and manages oceanfront franchise agreements (including open air cafe's, boardwalk vendors, beach equipment rentals, beach photography, and film production). The office interacts with other city departments to facilitate service delivery related to special events and routine services performed in the resort area including Building Maintenance, Landscape Services, Beach Operations, Traffic Operations Civil Inspections, Code Enforcement, Zoning Office, and the Police Department. Some of the main events that are managed by Resort Management Office are the Boardwalk Art Show, East Cast Surf Championships, Neptune Festival, North American Sand Soccer Championships, Shamrock Marathon, and more.

Key Performance Measures

The table below illustrates how the Department has been performing on each of these metrics:

Departmental Performance Metrics	FY 2020	FY 2021	FY 2022	FY 2023 EST	FY 2024 PROJ
Number of Convention Center visitors	283,390	168,641	360,000	580,000	580,000
Hotel room demand (in summer)	668,264	809,826	817,924	824,120	830,362
Hotel room demand (non-peak)	1,132,884	1,498,399	1,513,382	1,543,350	1,573,911
Number of international visitors to Virginia Beach	0	0	248,800	334,000	315,000
Number of visitors served at visitor center information locations	61,463	57,244	67,000	77,000	77,000
Sports Center estimated athletes	3,100	52,355	40,000	45,000	55,000
Sports Center estimated spectators	3,500	58,810	60,000	60,000	75,000
Number of estimated room nights based on Sports Center projected events	3,500	33,803	35,000	37,500	50,000

In 2022, the City contracted with ETC Institute to undergo a Resident Satisfaction Survey. The survey included standardized questions used in communities across the country, to allow Virginia Beach to benchmark the city against average ratings in other communities, and it also included questions developed specifically for Virginia Beach to gain insights on issues that impact the city. The following table provides how Virginia Beach compares to the Atlantic Region and the National average for a few of the survey findings.

Resident Satisfaction Results	Virginia Beach	Atlantic Region	National Average
Overall quality of customer service you receive from City employees	73%	38%	40.6%
Overall quality of services provided by the City	75.3%	53.6%	50.5%
Physical condition of City parks, trails or other outdoor facilities	88.4%	68.6%	50.6%
Overall Image of the City	80.2%	67.3%	55%
Feeling of safety in retail areas	62.9%	68.1%	65.5%
Overall condition of City sidewalks	51.4%	55.2%	48%
City efforts to attract business/tourism	56.2%	-	-

Trends and Issues

→ **Virginia Beach Sports Center**

The Virginia Beach Sports Center is a tournament facility that has hosted a variety of sporting events since opening in October of 2020. During the COVID-19 Pandemic, the venue successfully hosted various events within the given COVID-19 safety guidelines through the end of May 2021. The CVB's Sports Tourism Team hosted 106 events in FY 2021-22 and is expected to hosts an estimated 167 events for FY 2022-23. Of those 167 events 60 are to take place in the Virginia Beach Sports Center. The CVB Sports Tourism team continues to garner commitments from new and exciting events that include, NCAA Indoor Track and Field Division I, II, III Championship; CAA Indoor Championship; Virginia High School League Wrestling Championship; USA Field Hockey National Indoor Championship; and many others. The Sports Center is owned by the City of Virginia Beach; however, Eastern Sports Management operates the facility.

→ **Resort Area Initiatives and Special Events**

The Beach Ambassador program as a pilot program, proved to be successful, with an agreement between the Block-by-Block company. The program continued in FY 2022-23 with service being expanded onto the boardwalk for hospitality and supplemental cleaning. The entertainment contract was increased in FY 2022-23 and has had a positive influence on the environment.

The Something in the Water Festival has announced its return to Virginia Beach in April 2023. A new festival has been announced for June of 2023, the Jackelope Festival, which features high adrenaline action sports. A new country music festival, BeachIT, has been announced for the last week in June 2023. JA Racing has announced a new holiday event to produce a Labor Day weekend in FY 2023-24.

→ **Convention Center Utilization**



The Virginia Beach Convention Center (VBCC) continues to recover from the pandemic and revenues are returning accordingly. The Convention Center has successfully hosted multiple events such as trade shows, banquets, consumer shows, and a few conventions sustaining revenue. Local events continue to be consistent and business travel/events fluctuate. Industry experts have indicated that inflation, energy prices, supply-chain challenges and labor shortages have added several months to reach full recovery to pre-COVID figures. As such, revenue projections remain largely flat with a slight increase based on 2024 event bookings.

→ Economic Recovery

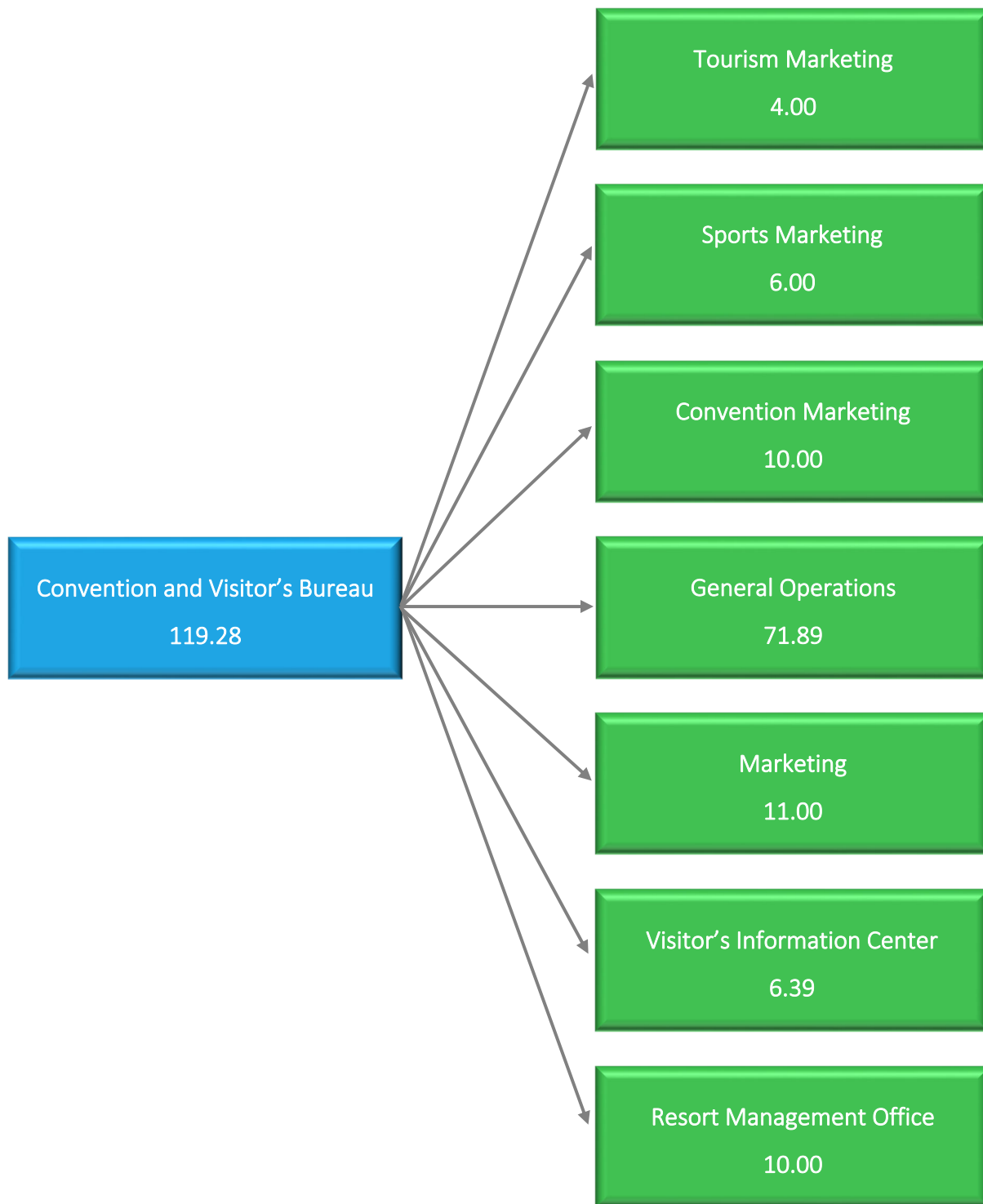
Travel and tourism destinations throughout the country and the world suffered greatly due to COVID-19 and Virginia Beach was no exception. During the Pandemic, the market performed better than other travel destinations of comparable size. The Norfolk/Virginia Beach market segment was the first market in the Top 25 national markets to cross over 50% hotel occupancy during COVID-19 the week of June 13, 2020, and led the Top 25 markets in overall occupancy percentage for 16 consecutive weeks. Note that the Top 25 markets are proprietary and defined by Smith Travel Research.

Post-pandemic, Travel and Tourism destinations have observed the “revenge traveler,” who have remained resilient through economic instability and uncertainty, rising gas prices, and rising rates due to inflation. While these factors have ushered in relatively lower occupancy rates nationwide, Virginia Beach has continued to lead its competitive set in Year over Year occupancy, and is experiencing a flourishing Average Daily Rate (ADR) and Revenue per Available Room (RevPAR), exceeding even pre-pandemic 2019 numbers. Despite economic barriers, in 2022 Virginia Beach led with occupancy rates similar to 2021 and 2019, and over a 20% increase of occupancy in 2020. The City also achieved record highs in ADR and RevPAR in 2022. Lodging tax spending in 2021 was \$580 million, 20.2% higher than pre-COVID 2019 levels; and an increase of 53.7% over 2020. This revenue source includes all short-term rentals, including hotels, cottages, and campgrounds. Virginia Beach has benefited greatly as a premier destination within driving distance for many large East Coast markets. Additionally, the international borders reopening for leisure travel has allowed many of our international travelers to make their return to our destination. Flight demand is also at an all-time high, with airport traffic being higher than pre-pandemic levels.

Major Budget Changes

	Change	Impact
	Beach Ambassador Program Contractual Increase \$430,371	The Resort Management Office has been running a Beach Ambassador Pilot Program focused on providing cleaning services, safety services, and hospitality services between Atlantic Avenue and the Boardwalk, Pacific Avenues and Resort Area Parks. The positive reaction to the pilot program resulted in a long term agreement being met in November 2022. The cost increase is in a direct result of labor cost, inflation, and expansion of service area from the pilot program. Fiscal Year 2023-24 will be the first year of the new Beach Ambassador Program. This program is funded by the TIP Fund.
	Increased Support for the Neptune Festival \$100,000	Through Reconciliation, additional funding has been provided to annual contribution of the Neptune Festival to support the Boardwalk Weekend during the last weekend of September. This is the same level of funding that was provided by City Council through a mid-year adjustment in FY 2022-23. The annual contribution total amount funded will now be \$375,000.

Department Organization Chart



City Of Virginia Beach, Virginia
Convention and Visitor's Bureau - Departmental Resource Summary

	FY 2021-22 Actual	FY 2022-23 Amended	FY 2023-24 Adopted	Variance from FY 2023
Program Summary				
FD100: General Fund				
Expenditures				
Marketing	1,189	28,093	26,702	(1,391)
Tourism Marketing	466,339	489,452	461,147	(28,305)
Special Events	-	-	151,011	151,011
Visitor's Information Center	1,366	-	-	-
Sports Marketing	580,072	626,763	700,263	73,500
Convention Marketing	989,413	1,052,555	1,100,004	47,449
General Operating Expenses	6,352,749	8,647,084	8,654,887	7,803
Total Expenditures	8,391,128	10,843,947	11,094,014	250,067

Revenue				
Charges for Services	524,607	919,778	929,000	9,222
Permits, Fees, and Regulatory Licenses	-	1,750	1,750	-
Miscellaneous Revenue	537,487	1,301,218	1,351,140	49,922
From the Use of Money and Property	1,390,166	1,580,720	1,700,000	119,280
Total Revenues	2,452,260	3,803,466	3,981,890	178,424
General City Support	5,938,869	7,040,481	7,112,124	71,643

FD240: Tourism Advertising Program Special Revenue Fund

Expenditures				
Marketing	53,763	11,635,107	11,068,206	(566,901)
Tourism Marketing	12,031,961	695,203	698,203	3,000
Visitor's Information Center	408,867	534,837	537,144	2,307
Sports Marketing	1,081,533	1,245,407	1,250,781	5,374
Convention Marketing	388,772	1,183,207	1,188,312	5,105
General Operating Expenses	63,270	730,490	1,369,188	638,698
Total Expenditures	14,028,165	16,024,251	16,111,833	87,582

Revenue				
Charges for Services	4,056	4,000	4,000	-
Hotel Room Tax	7,736,056	-	-	-
From the Use of Money and Property	39,651	49,100	49,100	-
Restaurant Meal Tax	7,783,520	-	-	-
Specific Fund Reserves	-	-	16,332	16,332
Total Revenues	15,563,284	53,100	69,432	16,332
General City Support	-1,535,119	15,971,151	16,042,401	71,250

FD241: Tourism Investment Program Special Revenue Fund

Expenditures				
Special Events	(28,314)	11,591,734	11,299,374	(292,360)
General Operating Expenses	761,642	483,408	522,515	39,107
Total Expenditures	733,328	12,075,142	11,821,889	(253,253)

City Of Virginia Beach, Virginia
Convention and Visitor's Bureau - Departmental Resource Summary

	FY 2021-22 Actual	FY 2022-23 Amended	FY 2023-24 Adopted	Variance from FY 2023
Revenue				
Permits, Fees, and Regulatory Licenses	-	1,778	1,778	-
From the Use of Money and Property	-	886,250	886,250	-
Specific Fund Reserves	-	1,116,142	-	(1,116,142)
Total Revenues	-	2,004,170	888,028	(1,116,142)
General City Support	733,328	10,070,972	10,933,861	862,889

	FY 2021-22 Actual	FY 2022-23 Amended	FY 2023-24 Adopted	Variance from FY 2023
FD100: General Fund				
Position Summary				
Tourism Marketing	4.00	4.00	4.00	-
Special Events	-	-	2.00	2.00
Sports Marketing	6.00	6.00	7.00	1.00
Convention Marketing	10.00	10.00	10.00	-
General Operations	71.89	71.89	68.89	(3.00)
General Fund Positions	91.89	91.89	91.89	-

FD240: Tourism Advertising Program Special Revenue Fund

Position Summary				
Marketing	-	11.00	11.00	-
Tourism Marketing	11.00	-	-	-
Visitor's Information Center	6.39	6.39	5.39	(1.00)
General Operations	-	-	1.00	1.00
General Fund Positions	17.39	17.39	17.39	-

FD241: Tourism Investment Program Special Revenue Fund

Position Summary				
Special Events	-	10.00	10.00	-
Tourism Investment Program Special Revenue Fund Positions	-	10.00	10.00	-
Total Positions	109.28	119.28	119.28	-

COURTS AND COURT SUPPORT



The mission of the court system is to provide an accessible and responsive forum for the resolution of disputes through the rule of law and quality service that ensures that all are treated with courtesy, dignity, and respect.

Department Overview

Courts and Court Support is comprised of six divisions, each with responsibilities focused on different aspects of the local judicial process. Each division has a separate state and city budget, as the State provides a large portion of the total funding for each court. The responsibilities for each division are detailed below:

Virginia Beach Circuit Court

This is the trial court for the City with the authority to try both civil and criminal cases. This court has jurisdiction over all felonies and misdemeanors originating from grand jury indictments and can hear appeals from the General District and Juvenile and Domestic Relations District Courts.

Virginia Beach General District Court (GDC)

GDC hears cases involving traffic violations, civil disputes (for claims up to \$25,000), criminal misdemeanors, the preliminary hearings for criminal felonies, and bond hearings.

Virginia Beach Juvenile and Domestic Relations District Court (JDR)

JDR is responsible for cases involving juveniles as well as adults involved in issues concerning support, visitation, parentage, abuse, or custody of children.

Clerk of the Circuit Court

The Clerk's office serves as the keeper of vital documents recorded in the locality, some of which are deeds, deeds of trust, plats, power of attorney, Certificate of Release or Discharge from Active Duty (DD-214s), financing statements, judgments, notary applications, and business names. The Clerk of Circuit Court also oversees nine judges with dockets that consist of name changes, adoption, divorce, civil suits, complex criminal matters, and all the appeals from the District Courts.

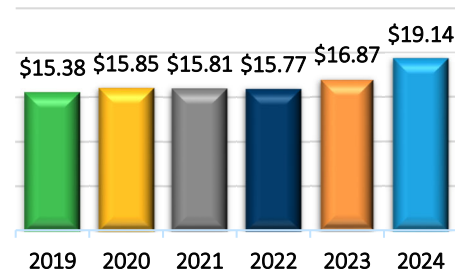
Virginia Beach Magistrate's Office

This division provides an independent review of complaints from law enforcement officers and citizens to determine if there is probable cause for criminal charges. Magistrates issue arrest and search warrants and can set bail or commit individuals to custody following an arrest.

Juvenile Probation

This unit provides supervision to children placed on probation by the Juvenile Court and parole services to those youth who have been committed to the Department of Juvenile Justice. The unit prepares all social history background investigations for the Juvenile Court and refers juveniles who are brought before the court to community-based systems for sanctions, programs, and services.

Budget Per Capita



Key Performance Measures

The table below illustrates how the Departments have been performing on their departmental performance metrics:

Departmental Performance Metrics	FY 2020	FY 2021	FY 2022	FY 2023 EST	FY 2024 PROJ
Number of cases tried in the General District court	165,444	198,232	214,879	215,000	215,000
Percent of youth assessed for detention	89%	100%	100%	100%	100%
Number of youths receiving supervision or unofficial counseling	284	260	280	230	230
Number of deeds recorded	74,201	87,657	63,379	52,800	60,000
New cases commenced in Circuit Court	22,604	12,451	19,655	24,108	25,000

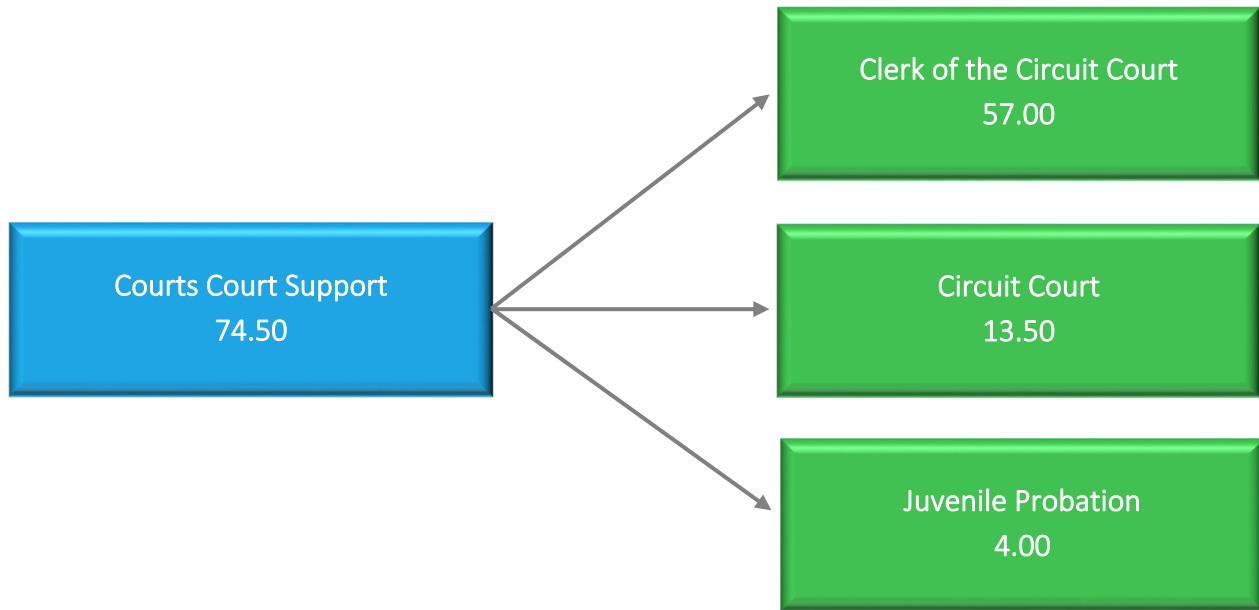
In 2022, the City contracted with ETC Institute to undergo a Resident Satisfaction Survey. The survey included standardized questions used in communities across the country, to allow Virginia Beach to benchmark the city against average ratings in other communities, and it also included questions developed specifically for Virginia Beach to gain insights on issues that impact the city. The following table provides how Virginia Beach compares to the Atlantic Region and the National average for a few of the survey findings.

Resident Satisfaction Results	Virginia Beach	Atlantic Region	National Average
The City's overall efforts to prevent crime	65.9%	57.8%	50.4%
Enforcement of local traffic laws	56.5%	61.0%	50.6%
Overall quality of City customer service	73.0%	38.0%	40.6%

Trends and Issues

- In FY 2021-22, Juvenile Probation began collaborating with Virginia Beach City Public Schools and the Virginia Beach Police Department to implement a new restorative justice program, which emphasizes accountability, character development, and school and community safety. Restorative justice specialists work with participants to create incident-specific responses, repair harm caused by delinquent behavior, provide support for victims, reduce recidivism, and reduce risk factors that could contribute to inappropriate or delinquent behavior. Juvenile Probation hired and trained staff to begin administering this new program in FY 2022-23 and will continue to monitor its progress as it proceeds into FY 2023-24.
- In the FY 2021-22 budget, the City established a one-year Memorandum of Understanding (MOU) in which the City would provide funding salary supplements for state employees of the Juvenile and Domestic Relations Court (\$44,000) and the General District Court (\$69,000) to address the high turnover rate by providing a retention incentive for court Clerks. Staff reviewed the MOU and renewed the funding for the FY 2022-23 and FY 2023-24 budgets.
- As Court facilities age, multiple departments have requested changes to promote the accessibility, security, and professionalism of facilities. The FY 2023-24 budget includes \$150,000 to renovate the Juvenile and Domestic Relations District Court's front counter and media room to meet modern ADA standards. This funding is included as part of CIP project 100446 "Various Building Rehabilitation and Renewal IV", not the department's budget. In FY 2022-23 and FY 2023-24, the Circuit Court is using its operating budget to replace outdated and broken furniture in courtrooms and jury rooms. The Magistrate's Office is looking into upgrading its facilities to include additional security for public-facing staff, with renovations to begin in FY 2023-24 or later.

Department Organization Chart



City Of Virginia Beach, Virginia
Courts and Court Support - Departmental Resource Summary

	FY 2021-22	FY 2022-23	FY 2023-24	Variance
	Actual	Adopted	Adopted	from FY 2023
<u>Program Summary</u>				
<u>FD100: General Fund</u>				
<u>Expenditures</u>				
Clerk of the Circuit Court	3,978,371	4,330,725	4,969,858	639,133
Circuit Court	1,216,469	1,396,533	1,527,837	131,304
General District Court	449,760	531,845	531,845	-
Juvenile and Domestic Relations District Court	173,401	217,841	217,841	-
Juvenile Probation	979,388	1,419,522	1,475,707	56,185
Magistrates	37,848	51,073	48,573	(2,500)
Total Expenditures	6,835,237	7,947,539	8,771,662	824,123
<u>Revenue</u>				
Clerk of the Circuit Court	2,523,842	2,652,524	2,807,673	155,149
General District Court	67,385	132,020	132,020	-
Juvenile and Domestic Relations District Court	29,015	55,000	55,000	-
Total Revenues	2,620,242	2,839,544	2,994,693	155,149
General City Support	4,214,995	5,107,995	5,776,969	668,974

	FY 2021-22	FY 2022-23	FY 2023-24	Variance
	Actual	Amended	Adopted	from FY 2023
<u>FD100: General Fund</u>				
<u>Position Summary</u>				
Clerk of the Circuit Court	57.00	57.00	57.00	-
Circuit Court	12.50	13.50	13.50	-
Juvenile Probation	4.00	4.00	4.00	-
General Fund Positions	73.50	74.50	74.50	-
Total Positions	73.50	74.50	74.50	-

CULTURAL AFFAIRS



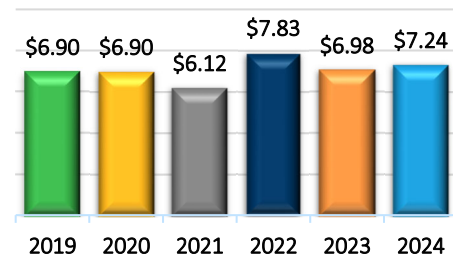
The mission of the Virginia Beach Cultural Affairs Department is to engage residents and visitors through meaningful arts, heritage and cultural experiences to connect and strengthen communities.

Department Overview

The Department of Cultural Affairs works with the Virginia Beach Arts and Humanities Commission to support cultural activities throughout the City. The Commission provides grants to local arts organizations. The Department is also responsible for:

- Overseeing the Sandler Center for the Performing Arts, a 1,300-seat theatre which opened in the fall of 2007 at Town Center and is managed by a private contractor.
- Acting as the liaison to the ViBe Creative District Museum of Contemporary Art (MOCA), African American Cultural Center, Zeiders American Dream Theater, and Sandler Center Foundation.
- Overseeing the City's public art program and working in conjunction with the Virginia Beach Public Art Foundation and the Public Art Committee to commission works of art for public spaces and to develop community art programs.
- Funding roughly two dozen nonprofit arts and cultural organizations through the Arts and Humanities Commission.
- Providing a grant to the Virginia Museum of Contemporary Art for utilities.
- Providing support to the Boardwalk Art Show funded by the Tourism Investment Program fund.
- Operation of City owned Historic Houses and Museums including the Francis Land House, Adam Thoroughgood House, Lynnhaven House, and the Princess Anne County Training School / Union Kempsville High School Museum located in the Renaissance Academy. These four history museums create awareness of Virginia Beach history and are supported by a 501c3 nonprofit, as well as the General Fund.

Budget Per Capita



Key Performance Measures

The table below illustrates how the Department has been performing on their departmental performance metrics:

Departmental Performance Metrics	FY 2020	FY 2021	FY 2022	FY 2023 EST	FY 2024 PROJ
Programs funded by the Arts and Humanities Commission	454	646	799	685	685
Event days at the Sandler Center	287	83	450	392	392
Attendees at Sandler Center events	116,757	15,177	106,698	125,000	125,000
Visitors to the History Museums	11,847	408	5,578	5,800	5,800
Event days at the History Museums	40	3	35	40	45

In 2022, the City contracted with ETC Institute to undergo a Resident Satisfaction Survey. The survey included standardized questions used in communities across the country, to allow Virginia Beach to benchmark the city against average ratings in other communities, and it also included questions developed specifically for Virginia Beach to gain insights on issues that impact the city. The following table provides how Virginia Beach compares to the Atlantic Region and the National average for a few of the survey findings. The four metrics listed without regional comparison are the resident responses indicating the service as “Excellent” or “Good.”

Resident Satisfaction Results	Virginia Beach	Atlantic Region	National Average
Overall quality of services provided by the City	70.1%	42.9%	50.5%
Effectiveness of City communication with the public	49.9%	48.3%	38.2%
Availability of arts & cultural programs in Virginia Beach	64.7%	-	-
Availability of culturally diverse art & cultural programs in Virginia Beach	52.5%	-	-
Quality of arts & cultural programs in Virginia Beach	57.4%	-	-
Quality of City entertainment venues	63.6%	-	-

Trends and Issues

→ Arts and Humanities Commission Grants

The Virginia Beach Arts and Humanities Commission is comprised of 11 members appointed by City Council. The Commission meets in late March to determine grant allocations for the upcoming fiscal year. The Commission awards three types of grants: project grants, leadership, and organizational development (LOD) grants and the new community arts grants. Project grants are designed to increase access to quality cultural programs for all residents of Virginia Beach, and this program supports a wide variety of artistic and cultural activities. LOD grants are intended to support the leadership of arts and humanities organizations by funding professional development or outside consulting. The Community Arts Grant is designed to provide support for arts projects that create innovative or participatory experiences that reflect the changing communities in which we live or broaden access to arts experiences with an emphasis on projects that bring the community together to celebrate the diversity of artistic heritage to increase understanding, acceptance, and positive regard among our communities.

→ Organizations awarded grants in FY 2022-23:

Leadership & Organizational Development Grants: *Received one grant application and awarded one grant (as of February 2023)*

Museum of Contemporary Art (MOCA)	\$750
TOTAL	\$750

Community Cultural Arts Grants (culturally specific non-profits): *Received two grant applications and awarded two grants (as of February 2023)*

Organization	Amount
International Association for Human Values (IAHV)	\$5,000
The Art of Living Foundation (AOLF)	\$5,000
TOTAL	\$10,000

Organizations awarded Project grants in FY 2022-23: *Received 25 grant applications and awarded 22 grants*

Organization	Amount	Organization	Amount
Access Virginia	\$2,500	Virginia African American Cultural Center	\$10,000
Ballet Virginia	\$35,000	Virginia Arts Festival	\$13,437
Governor's School for the Arts Foundation	\$2,500	Virginia Beach Art Center	\$19,000
Hurrah Players	\$35,937	Virginia Beach Chorale	\$4,000
Little Theatre of Virginia Beach	\$25,000	Virginia Musical Theatre	\$93,437
Military Aviation Museum	\$5,000	Virginia Stage Company	\$5,000
Symphonicity	\$83,437	Virginia Symphony	\$53,437
Teens With a Purpose - The Youth Movement	\$9,200	WHRO: Curate	\$5,000
Tidewater African Cultural Alliance	\$7,025	Young Audiences of Virginia (dba Arts 4 Learning)	\$7,570
Tidewater Arts Outreach	\$13,437	Zeiders American Dream Theater	\$48,437
Tidewater Winds	\$5,437	TOTAL	\$547,228
ViBe Creative District	\$63,437		

Total funds requested for project grants in FY 2022-23: \$979,295

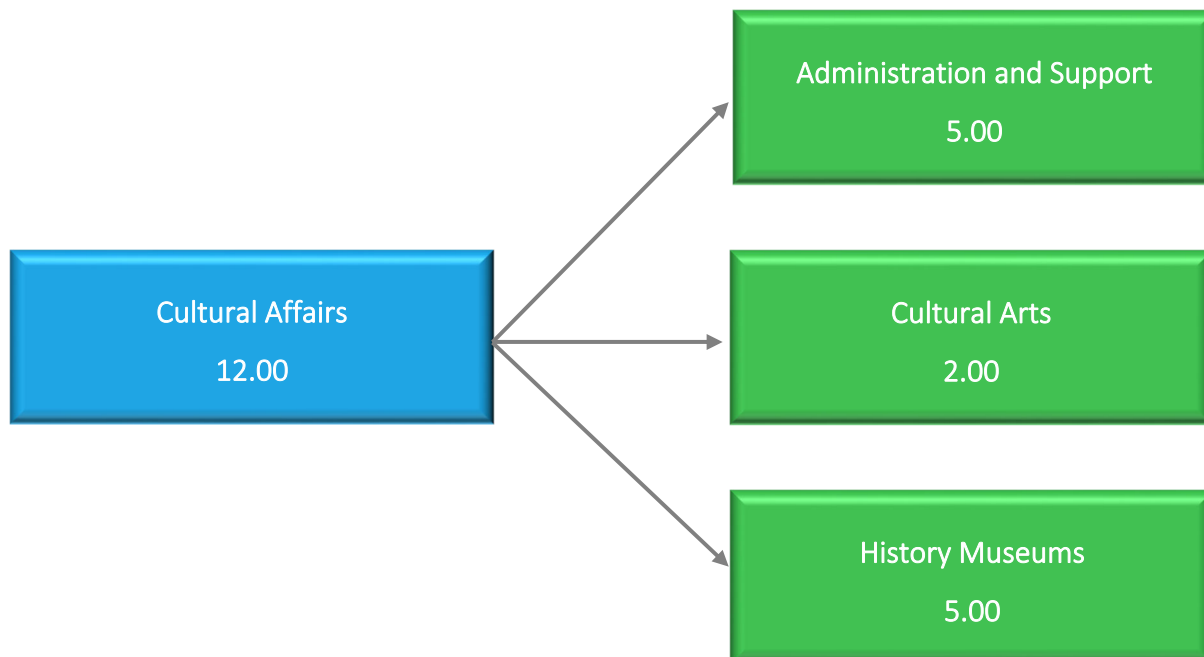
→ Inclusive Arts Programming

The Department of Cultural Affairs continues to remain committed to diversity, equity, and inclusion through the arts and multi-cultural programming. The Arts & Humanities Commission's Public Art Committee and Cultural Equity Committee adhere to equity statements to ensure accessibility of funding for diverse communities. The department is engaged in partnerships with Teens with a Purpose and Norfolk State University, creating dynamic relationships with Princess Anne County Training School/Union Kempsville High School Museum (PACTS), including an innovative poetry program for youth, as well as expanding a Black History Month panel discussion into a year-round series, both initiatives involving PACTS alumni. Juneteenth was celebrated with multiple arts programs at locations throughout the City, and the department also partnered with Virginia Beach Public Libraries on two equity panels for Unity Week in the fall. VBGIGS (Virginia Beach Globally Inspired Gatherings) is a series of free and low-cost public performances taking place throughout the City in public spaces and performance venues. In alignment with the City's arts strategic plan, [Arts Plan 2030](#), VBGIGS aims to bring world-class, culturally rooted performing artists to Virginia Beach residents in their neighborhoods and nearby venues.

Major Budget Changes

	Change	Impact
↑	Annual Public Art 0.0 FTEs \$50,000	This budget increase created an annual Public Art Maintenance and Conservation Fund of \$50,000 annually in the General Fund, overseen by the Cultural Affairs Department, to ensure the long-term preservation and sustainability of the City's permanent and temporary art collection. The permanent and temporary collection includes 49 public sculptures and artworks valued at more than \$7 million.
↑	Art and Humanities Commission 0.0 FTEs \$70,000	This budget increase is one-time funding to the Department of Cultural Affairs operating budget to provide additional contributions to the Art and Humanities Commission in the amounts of \$70,000 in the General Fund. The total amount of \$765,000 will be provided for grant opportunities.

Department Organization Chart



City Of Virginia Beach, Virginia
Cultural Affairs and Historic Houses - Departmental Resource Summary

	FY 2021-22 Actual	FY 2022-23 Amended	FY 2023-24 Adopted	Variance from FY 2023
Program Summary				
FD100: General Fund				
Expenditures				
Museum of Contemporary Arts-Education Grant	-	115,000	115,000	-
Art and Humanities	621,327	585,000	655,000	70,000
General Operating Expenses	2,180,218	2,601,449	2,659,248	57,799
Total Expenditures	2,801,545	3,301,449	3,429,248	127,799

Revenue				
Charges for Services	46,454	25,000	26,000	1,000
Miscellaneous Revenue	3,000	-	-	-
From the Use of Money and Property	19,445	55,000	57,500	2,500
Revenue from the Commonwealth	4,500	4,500	4,500	-
Total Revenues	73,399	84,500	88,000	3,500
General City Support	2,728,146	3,216,949	3,341,248	124,299

FD241: Tourism Investment Program Special Revenue Fund

Expenditures				
Museum of Contemporary Arts-Education Grant	-	-	-	-
General Operating Expenses	355,000	1,270,500	520,500	(750,000)
Total Expenditures	355,000	1,270,500	520,500	(750,000)

Revenue				
Hotel Room Tax	265,474	-	-	-
Restaurant Meal Tax	-	-	-	-
Specific Fund Reserves	-	165,000	-	(165,000)
Total Revenues	265,474	165,000	-	(165,000)
General City Support	89,526	1,105,500	520,500	(585,000)

	FY 2021-22 Actual	FY 2022-23 Amended	FY 2023-24 Adopted	Variance from FY 2023
FD100: General Fund				
Position Summary				
General Operations	12.00	12.00	12.00	-
Total Positions	12.00	12.00	12.00	-

ECONOMIC DEVELOPMENT



The mission of the Department of Economic Development is to develop, implement, and maintain programs that facilitate the creation of a diversified, continually expanding, dynamic economy through the development of, and investment in, new targeted businesses and enhanced existing businesses. This will lead to the creation of quality jobs, higher wages, and lower tax rates, as well as encourage the retention and expansion of activities and enhance the overall quality of life in Virginia Beach.

Department Overview

Economic Development encourages and assists in the attraction of new businesses, retention and expansion of existing businesses, and international trade opportunities. Specific outcomes of the Economic Development program are: 1) a growing local economy, 2) economic opportunity and prosperity for residents and, 3) revenue growth to fund city services.

Economic Development Administration and Staff

Staff work to expand and diversify the tax base and employment opportunities for the city through business development. They work closely with the business community to provide site selection, market information, financial guidance, and business assistance. Regular assessments of market needs are evaluated providing staff with the knowledge of market voids and necessities. The department places special interest on key industries such as biomedical and life sciences, defense, information services, retail, maritime and logistics, small women-owned and minority (SWaM) businesses, etc.

Workforce Development

A well-educated and skilled population is vital for a thriving community. Virginia Beach residents and employers benefit from an excellent public and private education system. The GrowSmart program works with Virginia Beach City Public Schools (VBCPS) and community partners to ensure children's healthy development and access to high-quality education in the first five years of life, which prepares them to be ready to learn and succeed in school. The local colleges and exiting members of the military provide talented individuals to meet the employment needs of the business community. Economic Development constantly communicates with the business community to assess if the educational community is meeting the needs of employers.

Virginia Beach Development Authority (VBDA) Staff Support

The VBDA is appointed by City Council with the goal of facilitating the expansion of the tax base through increased investment in business. The VBDA administers the Economic Development Investment Program (EDIP) that is funded through the city's CIP. The funding source for this program is a dedication of 16 cents of the cigarette tax. Economic Development staff provides support and implements decisions made by the VBDA.

Parking Management

The Parking Management Office is responsible for the administrative and financial oversight of the Parking Enterprise Fund and other parking related funds that are designed to be revenue producing and self-sufficient to meet the City's overall parking mission and goals. The office provides guidelines, and plans to operate, manage, maintain, and repair parking facilities and other parking programs including parking permits, enforcement, and adjudication.

Budget Per Capita



Note: The increase in FY 2021-22 is due to the inclusion of the Economic Development Investment Program in the department's operating budget as well as the reorganization of the Strategic Growth Area (SGA) office within Economic Development. FY 2022-23 decrease represents the removal of the EDIP from the Operating Budget back to the CIP. The FY 2023-24 increase is due to the inclusion of the Town Center SSD within Economic Development.

Strategic Growth Area (SGA)

The City of Virginia Beach growth strategy is to accommodate and absorb urban growth with a focus on planning and infrastructure. The SGA Office manages the Economic and Tourism Development CIP section.

Key Performance Measures

The table below illustrates how the Department has been performing on their departmental performance metrics:

Departmental Performance Metrics	FY 2020	FY 2021	FY 2022	FY 2023 EST	FY 2024 PROJ
Language Environment Analysis Start program families	100	57	68	100	100
Existing companies expanded	35	8	11	10	10
New companies located in Virginia Beach	20	6	16	15	15
Existing company prospects	50	15	49	50	50
New company prospects	75	26	26	35	40
Value of new capital investment (millions)	\$100	\$215	\$286	\$300	\$500
New employment opportunities created	1,500	1,008	800	900	1,500
Overall quality of new development	-	-	-	-	36.2%
City's use of economic development incentives to support economic opportunity for residents	-	-	-	-	40%
City's efforts to attract new business	-	-	-	-	56.2%
City's efforts to assist small, women, and minority-owned (SWaM) businesses, including service-disabled/veteran-owned businesses	-	-	-	-	45.6%

In 2022, the City contracted with ETC Institute to undergo a Resident Satisfaction Survey. The survey included standardized questions used in communities across the country, to allow Virginia Beach to benchmark the city against average ratings in other communities, and it also included questions developed specifically for Virginia Beach to gain insights on issues that impact the city. The following table provides how Virginia Beach compares to the Atlantic Region and the National average for a few of the survey findings.

Resident Satisfaction Results	Virginia Beach	Atlantic Region	National Average
Overall quality of customer service you receive from City employees	73%	38%	40.6%
Overall quality of services provided by the City	75.3%	53.6%	50.5%
As a place to live	89.7%	60%	49.7%
Overall Image of the City	80.2%	67.3%	55%
Feeling of safety in retail areas	62.9%	68.1%	65.5%
How well is the City managing growth	31.6%	34.6%	39.7%

Trends & Issues

→ Offshore Wind

Dominion Energy's two wind-turbine pilot program was completed in October 2020, and the company is now preparing for a major multi-billion-dollar, 200+ wind turbine project. With construction of the larger project expected to start in 2024, Economic Development's focus has been on building the supply chain, workforce training, and helping to ensure that appropriate sites for infrastructure are available from Virginia Beach's shores to the grid. To the south of the Dominion project, Avangrid Renewables will be building a slightly larger wind-turbine project. Due to the lack of infrastructure and manpower on the Outer Banks, project support and infrastructure for Avangrid will be provided from resources in Virginia Beach and the Hampton Roads region. The timeframe and support from Economic Development for this initiative will overlap with Dominion's wind turbine project.

Economic Development staff met with the Kempsville Entrepreneurial Academy to discuss the concept of an Offshore Wind Industry course that could generate student interest in higher education curriculum and advanced manufacturing jobs. Work will continue to develop the curriculum as an anticipated part of the 2023-2024 school year.

→ Subsea Cable and Data Centers

Virginia Beach remains one of the hottest markets in the country to land subsea cables and data centers and the City has presented during national and international industry conventions providing insights into the growth being experienced. The third major cable "Dunant" (Google) landed in Virginia Beach late 2020. Three other subsea cables are currently being planned by various cable entities, and Virginia Beach has an excellent chance to be the east coast landing site for each of these over the next several years. With the first phase of Globalinx operational, Phase Two has been designed with construction started in late 2021. PointOne's Phase One (20,000 sq. ft.) data center construction has been delayed, with anticipation to resume construction later this year. Interest has been high regarding access to additional cable landing sites on our coast. Globalix has Virginia Marine Resources Commission (VMRC) approval to land at Sandbridge and Rudee Inlet. Other enquires for additional landing sites have been received. Sandbridge has been mentioned most often but dedicated right-of-way areas still need to be established from Sandbridge to Corporate Landing and the surrounding area along with additional oceanfront landing sites.

→ Cybersecurity/IT

Cybersecurity remains one of the key growth areas within the city. Vostrom, a software developer and services company in cybersecurity, has relocated and expanded to Hilltop North which will allow them to open a Cybersecurity incubator and lab. In addition, the non-profit organization Good Girls Write Code also located their new facility in Virginia Beach. Old Dominion University launched their School for Cybersecurity and opened the Center for High Impact Practices receiving a \$3.9 million National Science Foundation (NSF) grant and a \$1 million grant for their Coastal Virginia Center for Cyber Innovation. There is still a need for work-ready, cybersecurity professionals in the area and to address that need, the department and several local companies have been working with ElevateU to create a workforce development platform. The platform will be a collaboration with various Virginia Beach companies and will bridge the gap between business needs and formal education training. It will be housed in the City's HIVE facility.

→ Sites and Buildings

Subsea Cable and Data Center real estate specialists continue to inquire about sites in Virginia Beach, looking for a total of 500 acres for development. Warehousing and logistics companies also are looking for large acreage for new facilities due to changing needs generated by the “New Normal” opportunities, including a Fortune 500 company. Because the Development Authority can acquire property for commercial development, the City is able to maintain an inventory of various sites that offer companies a range of choices in our community. Considering public and private partnerships for construction of speculative buildings may also be a way to ensure that companies located in the city continue to expand and that the city remains attractive to new businesses. Continue working with NAS Oceana to identify, market, and develop underutilized land in and around the installation for new commercial development through the Future Base Design Initiative. Approximately 1,000 acres of underutilized land has been identified thus far. Of that, a little more than 400 acres around the installation is classified as developable and site ready.

→ Hive

The Virginia Beach HIVE in Town Center held its grand opening in August 2021. The HIVE is designed to support an innovative and entrepreneurial ecosystem in Hampton Roads through collaboration with the City of Virginia Beach, academic institutions, other cities in Hampton Roads, Small Business Associations, and other amount of Capital Investment entrepreneurial-related organization. The HIVE is committed to serving small businesses particularly those that are in socially and economically disadvantaged communities.

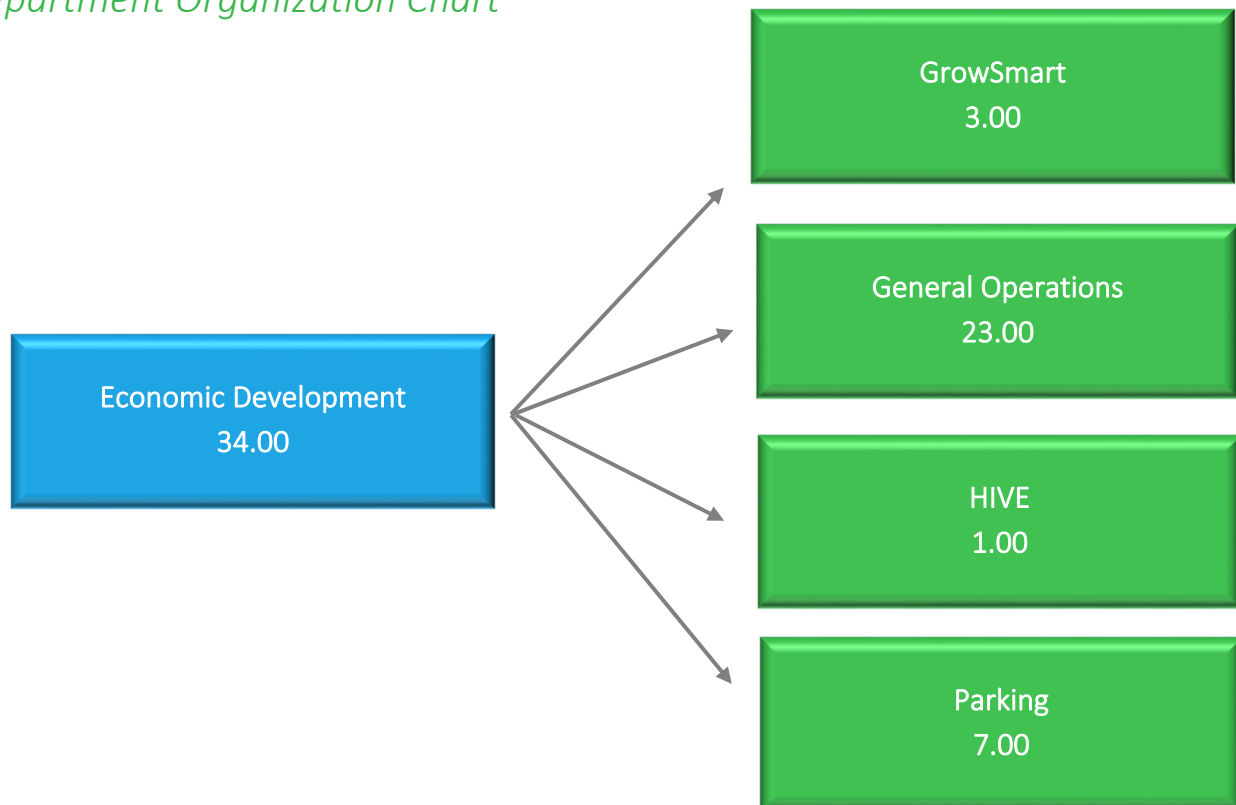
The goal is to foster an environment of growth and success for existing businesses and entrepreneurs by:

- Supporting youth entrepreneurship programs at the local level to foster a culture of innovation and cultivate an entrepreneurial spirit which is important for helping the city’s low-income and minority youth to develop skills and knowledge that will support their future success and benefit their community
- Increasing efforts to reach out to women-owned firms and minority-owned businesses and offer assistance for growth and expansion
- Developing new initiatives and programs with business resource partners to assist existing small businesses and startups
- Offering events/trainings and workshops with the HIVE business resource partners
- Forging partnerships with educational institutions and offering certifications trainings
- Offering one-on-one financial counseling and other business assistance
- Developing partnerships with military employment stakeholders and assistance to veteran businesses and military spouse entrepreneurs

Major Budget Changes

	Change	Impact
↑	<p>HIVE Service Delivery Improvements</p> <p>\$144,069</p> <p>1.00 FTE</p>	<p>The HIVE business program is designed to create an innovative entrepreneurial ecosystem and is directly tied to the City's Strategic Plan of Growing Economic Opportunity, which includes building opportunities for SWaM (Small Women and Minority) owned businesses. To support this program, an Office Assistant is added to focus on maintaining a consistent presence at the front desk of the facility, managing the conference facilities, and other administrative duties. Additionally, \$100k is added increased training and workforce development opportunities within the HIVE.</p>
↓	<p>Town Center Project Coordinator</p> <p>(\$68,402)</p>	<p>This is a reclassification an existing FTE in the General Fund to a Project Coordinator to directly focus on the various financial impacts and influences on the funds associated with Town Center as well as General Fund grant management. This will allow for consistent messaging to community stakeholder to ensure health and future impact of opportunities within the funds. This position will also track and report on the various economic development deals to ensure agreement obligations are met and properly budgeted and planned.</p>
↔	<p>Town Center Special Service District</p> <p>\$3,728,706</p>	<p>This change is a movement of funds from the Special Financing District section to Economic Development to more accurately reflect where the fund is managed. This is simply a change in display and not a function of the fund.</p>

Department Organization Chart



City Of Virginia Beach, Virginia
Economic Development - Departmental Resource Summary

	FY 2021-22 Actual	FY 2022-23 Adjusted	FY 2023-24 Adopted	Variance from FY 2023
Program Summary				
FD100: General Fund				
Expenditures				
Economic Development Investment Program	2,051,760	-	-	-
The Hive	-	-	144,069	144,069
GrowSmart	451,964	498,054	452,863	(45,191)
General Operating Expenses	6,977,730	6,310,292	5,532,538	(777,754)
Total Expenditures	9,481,454	6,808,346	6,129,469	(678,877)

Revenue				
Total Revenues	-	-	-	-
General City Support	9,481,454	6,808,346	6,129,469	(678,877)

FD540: Parking Enterprise Fund

Expenditures				
Economic and Tourism General Government Capital Project (GGCP)	500,000	500,000	500,000	-
General Operating Expenses	3,266,283	5,472,167	5,720,186	248,019
Total Expenditures	3,766,283	5,972,167	6,220,186	248,019

Revenue				
Charges for Services	5,822,040	5,147,667	5,054,886	(92,781)
Permits, Fees, and Regulatory Licenses	111,556	135,000	99,000	(36,000)
Fines and Forfeitures	398,296	541,000	541,000	-
From the Use of Money and Property	16,581	80,000	80,000	-
Specific Fund Reserves	-	-	373,300	373,300
Transfer In	68,500	68,500	72,000	3,500
Total Revenues	6,416,973	5,972,167	6,220,186	248,019
General City Support	-2,650,690	-	-	-

FD251: Town Center Special Service District Fund

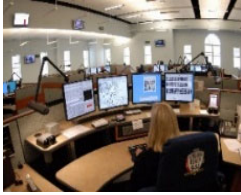
Expenditures				
Economic and Tourism General Government Capital Project (GGCP)	-	-	502,726	502,726
General Operating Expenses	-	-	3,225,980	3,225,980
Total Expenditures	-	-	3,728,706	3,728,706

Revenue				
Charges for Services	-	-	194,300	194,300
From the Use of Money and Property	-	-	365,500	365,500
Transfer In	-	-	150,000	150,000
Total Revenues	-	-	709,800	709,800
General City Support	-	-	3,018,906	3,018,906

City Of Virginia Beach, Virginia
Economic Development - Departmental Resource Summary

	FY 2021-22 Actual	FY 2022-23 Amended	FY 2023-24 Adopted	Variance from FY 2023
<u>FD100: General Fund</u>				
<u>Position Summary</u>				
The Hive	-	-	1.00	1.00
GrowSmart	3.00	3.00	3.00	-
General Operations	22.00	23.00	23.00	-
General Fund Positions	25.00	26.00	27.00	1.00
<u>FD540: Parking Enterprise Fund</u>				
<u>Position Summary</u>				
General Operations	7.00	7.00	7.00	-
Parking Enterprise Fund Positions	7.00	7.00	7.00	-
Total Positions	32.00	33.00	34.00	1.00

EMERGENCY COMMUNICATIONS AND CITIZEN SERVICES



The mission of Emergency Communications and Citizen Services (ECCS) is to provide efficient, accurate, professional processing of emergency, non-emergency, and information requests. This is achieved through commitment, teamwork, excellent customer service, and a willingness to serve in a respectful and professional manner.

Department Overview

The Department has six main program areas:

VB 9-1-1- Emergency Communications

Receives and processes citizens' calls for emergency and non-emergency public safety service requests requiring response from emergency personnel including police, fire, emergency medical services, and animal control.

VB 3-1-1- Citizen Services

Processes general government information and service requests via multiple communication channels including telephone, online assistance, email, walk-ins, print, radio dispatching, and emergency notifications. Assistance is provided for service and information requests to other city agencies including the Real Estate Assessor, Public Safety, Public Utilities, Public Works, Parks and Recreation/Landscape Services, and Information Technology/Telecommunications.

Director's Office

Provides oversight, leadership, executive level assistance for ECCS, as well as management of the Commission on Accreditation for Law Enforcement accreditation program, which consists of tri-annual on-site assessment, renewal, and annual mandatory training conferences.

Administration

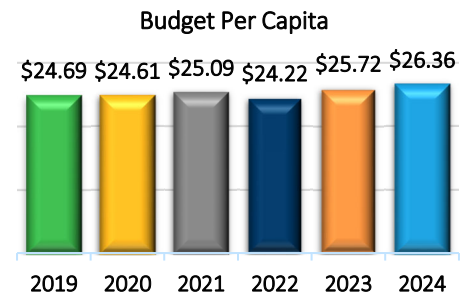
Provides support for the day-to-day business affairs for ECCS including payroll, accounts payable/receivable, human resources, quality assurance and quality improvement related to call processing, and departmental inventory.

Training

This includes training and policy development for all ECCS employees, learning and development tracking, and professional development.

Technology and Support

Provides on-site support and maintenance of ECCS' business applications to ensure optimal operation to enable ECCS to provide services efficiently and effectively.



Key Performance Measures

The table below illustrates how the Department has been performing on their departmental performance metrics:

Departmental Performance Metrics	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023 EST	FY 2024 PROJ
Average wait time for VB 3-1-1 calls (in seconds)	23.0	23.0	60	21	21	21
3-1-1 online inquiries	10,169	10,170	9,163	12,506	5,879	15,000
Service requests handled for City agencies	9,351	11,000	11,771	10,408	4,685	11,000
Total incoming calls to VB 9-1-1	476,590	636,324	625,688	635,756	349,950	640,000
Public safety calls received and dispatched	454,564	424,806	403,428	411,051	141,236	425,000
9-1-1 average wait time (in seconds)	14	15	16.3	21	26	16

In 2022, the City contracted with ETC Institute to undergo a Resident Satisfaction Survey. The survey included standardized questions used in communities across the country, to allow Virginia Beach to benchmark the city against average ratings in other communities, and it also included questions developed specifically for Virginia Beach to gain insights on issues that impact the city. The following table provides how Virginia Beach compares to the Atlantic Region and the National average for a few of the survey findings.

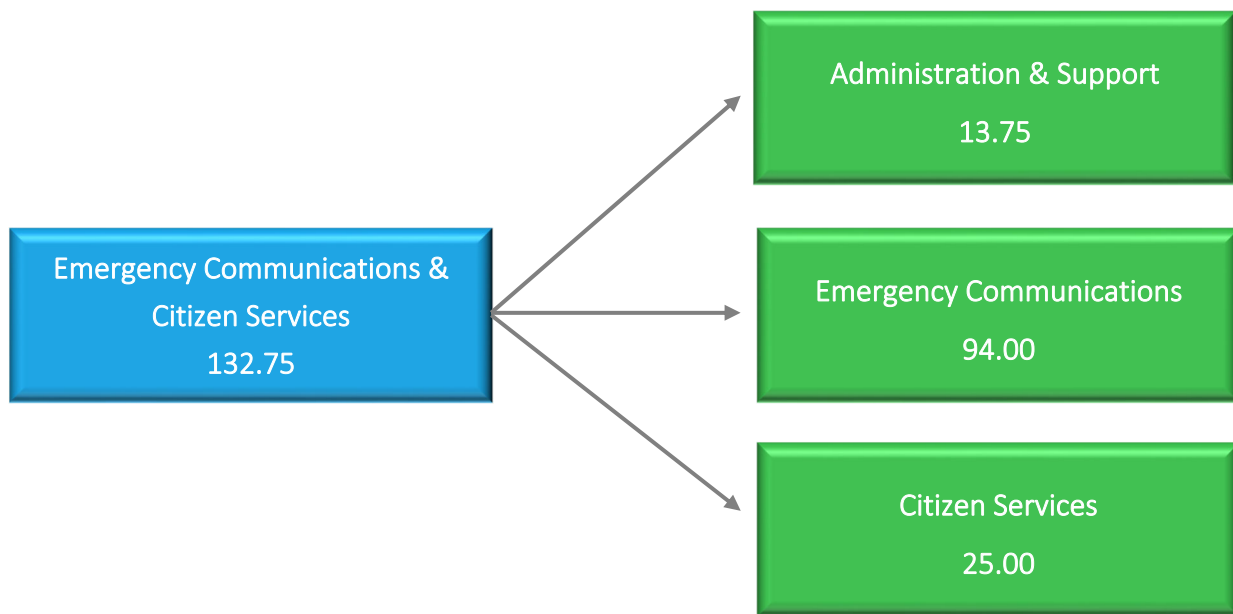
Resident Satisfaction Results	Virginia Beach	Atlantic Region	National Average
Effectiveness of City communication with the public	49.9%	48.3%	38.2%
Overall quality of customer service received from City employees	73%	38%	40.6%
Response time for ambulances/emergency medical services	87%	72.4%	14.6%
Response time for police services	70.1%	42.9%	27.2%
Response time for fire services	89.7%	79.2%	73.1%

Trends & Issues

- Emergency Communications and Citizen Services (ECCS), in conjunction with Information Technology, is working on the deployment of Next Generation 9-1-1 (ESInet). This is part of a regional project that will replace legacy telephone infrastructure with IP-based technology. This will provide additional benefits to those who contact 9-1-1, including the ability to send a text message to reach 9-1-1 emergency call takers. This system will also provide additional capabilities for ECCS, including the ability to transfer calls to the proper jurisdiction based on location tracking. This technology needs to be fully deployed no later than December 31, 2024, in order to meet the updated legislative deadline. ECCS plans to have the deployment of ESInet in place by July 1, 2023.
- To address long-term vacancies for this critical service, Emergency Communications and Citizen Services (ECCS) has developed a recruitment and retention program to assist with vacancies. This program launched in December 2021, with recruits receiving a \$500 sign-on bonus, as well as additional, progressive bonuses totaling \$4,500 based on progression to a Public Safety Emergency Telecommunicator II, III, and IV. In total, new hires are eligible to receive up to \$5,000 in sign-on bonuses. In addition, appreciation bonuses have been initiated for both 9-1-1 and 3-1-1 personnel to assist with retention.

- ECCS has recently kicked off a major upgrade of its Motorola Vesta software, which distributes incoming emergency and non-emergency calls to 9-1-1 staff. One component of the upgraded Vesta system is a “Command Post” mobile call-taking system. The parts to support the Command Post fit inside a single pelican case and can easily be transported to remote locations, providing the ability to answer both emergency and non-emergency calls wherever the user can access the internet via a virtual private network connection back to the servers. Combined with similarly protected remote access to Motorola PremierOne CAD, an uninterruptible power supply, and a backup wireless hotspot connection, a skilled 9-1-1 professional can effectively support the staff at the primary work site.
- Equipment replacement of the Xybix desk consoles currently in use by Emergency Communications and Citizen Services is to be funded through the Public Safety CIP project. The furniture is past its useful life expectancy and downed stations impact service delivery efforts.

Department Organization Chart



City Of Virginia Beach, Virginia
Emergency Communications and Citizen Services - Departmental Resource Summary

	FY 2021-22 Actual	FY 2022-23 Adopted	FY 2023-24 Adopted	Variance from FY 2023
Program Summary				
FD100: General Fund				
Expenditures				
Training, Learning, and Development	40,406	101,067	101,205	138
Technology and Support	784,908	1,074,881	1,127,302	52,421
General Operating Expenses	8,781,616	10,538,644	10,813,315	274,671
Total Expenditures	9,606,930	11,714,592	12,041,822	327,230

Revenue				
Transfer In	141,396	141,396	141,396	-
Total Revenues	141,396	141,396	141,396	-
General City Support	9,465,534	11,573,196	11,900,426	327,230

FD270: Consolidated Grants Special Revenue Fund

Expenditures				
General Operating Expenses	3,000	3,000	4,000	1,000
Total Expenditures	3,000	3,000	4,000	1,000

Revenue				
Revenue from the Commonwealth	3,000	3,000	4,000	1,000
Total Revenues	3,000	3,000	4,000	1,000
General City Support	-	-	-	-

	FY 2021-22 Actual	FY 2022-23 Amended	FY 2023-24 Adopted	Variance from FY 2023
FD100: General Fund				
Position Summary				
Technology and Support	8.00	7.00	7.00	-
General Operations	125.75	125.75	125.75	-
Total Positions	133.75	132.75	132.75	-

EMERGENCY MANAGEMENT

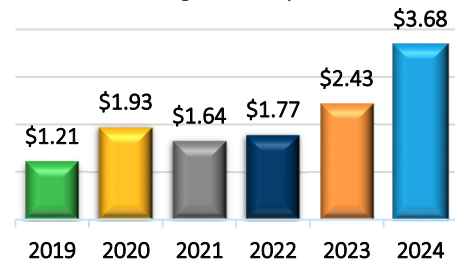


The mission of the Department of Emergency Management and Infrastructure Protection is to build a disaster-resilient City while acting as a national model for others.

Department Overview

The Department of Emergency Management and Infrastructure Protection is responsible for all citywide emergency initiatives, as outlined in the Virginia State Code, City Code, and federal guidelines. The Director of the Department of Emergency Management and Infrastructure Protection is the City's designated Emergency Management Coordinator and is responsible for overseeing day-to-day activities of the Department and coordinating major emergency operations. The Department of Emergency Management and Infrastructure Protection is organized into two divisions, Emergency Management and Security. Between both divisions, the Department is responsible for citywide crisis management, business continuity, citizen & business disaster preparedness, natural hazard mitigation, workforce security, and critical asset protection.

Budget Per Capita



The large increase from 2023 to 2024 is related to contracted security services being redirected to the Operating Budget from the CIP.

Emergency Management Division

Responsible for emergency preparedness, citywide training and exercises, community outreach, emergency planning, incident management response, and recovery operations. This division represents the City on regional, state, and federal workgroups and committees.

Security Division

Responsible for managing the City's physical security program, as recommended by the Hilliard Heintze report, and is leading the way as the first emergency management office in Virginia to launch a dedicated division to the mission of protection/prevention. The division oversees workforce security, critical asset protection, and conducts threat assessments to provide security recommendations.

Key priorities include:

- Completing the city-wide Continuity of Operations Plan (COOP) to strength resiliency to disasters
- Strengthen response and recovery capabilities by enhancing technology, data management, collaborative partnerships, community support, and resource management
- Grow the all-hazards training and exercise program to evaluate all aspects of the emergency management program
- Review and strengthen emergency management plans with stakeholders
- Implement collaborative natural hazard mitigation strategies to contribute to the City's overall resiliency
- Increase community and business engagement to develop a "Culture of Preparedness" in the City of Virginia Beach
- Advance the profession of emergency management by serving as a model for other localities across the country
- Strengthen recovery and resiliency-building efforts within the City of Virginia Beach

Since 2003, the Department of Emergency Management and Infrastructure Protection has also sponsored the **Virginia Beach Community Emergency Response Team (VBCERT) program under the Emergency Management Division**. The VBCERT program educates citizens in disaster preparedness and trains them in basic disaster response skills, such as: fire safety, light search and rescue, team organization, and disaster medical operations. Using the training learned in the classroom and during exercises, VBCERT members can assist others in their neighborhood or workplace following an incident when professional responders are not immediately available to help.

Key Performance Measures

The table below illustrates how the Department has been performing on their departmental performance metrics:

Departmental Performance Metrics	FY 2020	FY 2021	FY 2022	FY 2023 EST	FY 2024 PROJ
Completion rate of the Emergency Operating Plan (EOP) including annexes	75%	100%	100%	100%	100%
All-Hazards Emergency Preparedness presentations given to the community	20	1*	9*	15*	20
Exercises annually that include more than 5 departments	8	5	8	10	15
Number of CERT members trained for support activities in VB	1,450	1,600	1,600	1,600	1,600
Overall quality of emergency management during a natural or man-made disaster (Good-Excellent) **	N/A	N/A	N/A	69%	69%

* COVID-19 response and mass vaccination operations impacted outreach presentations.

** Results from the Resident Satisfaction Survey conducted by ETC Institute.

In 2022, the City contracted with ETC Institute to undergo a Resident Satisfaction Survey. The survey included standardized questions used in communities across the country, to allow Virginia Beach to benchmark the city against average ratings in other communities, and it also included questions developed specifically for Virginia Beach to gain insights on issues that impact the city. The following table provides how Virginia Beach compares to the Atlantic Region and the National average for a few of the survey findings.

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 services provided by the City	70.1%	42.9%	50.5%
Feeling of safety in the City overall	80.1%	71.1%	68.0%
Effectiveness of City communication with the public	49.9%	48.3%	38.2%

Trends & Issues

→ Security Program

The Department of Emergency Management and Infrastructure Protection continues the implementation of the Citywide physical security program. Key initiatives include increased collaboration with key departments to address security or safety concerns and growing the safety and security liaisons taskforce which is made up of representatives from each department to continue emergency action plan development and familiarization, coordination of safety and security trainings and exercises, information, and intelligence sharing, and serving as subject matter experts to department stakeholders. Other priorities include conducting facility risk assessments in partnership with the U.S. Department of Homeland Security, updating City security policies, expanding workforce training opportunities, and managing the citywide security services contract.



→ Technology Enhancements

The Department of Emergency Management and Infrastructure Protection is collaborating closely with Information Technology (IT) to modernize the approach to technology use in improving information sharing, incident management, situational awareness, and record keeping. The goal of these efforts is to revamp software and systems by aligning resources and gaining expertise with IT through collaboration to produce a simple, enterprise-wide solution that connects daily activities, emergency operations, situation monitoring, and information sharing. The FY 2023-24 budget provides the IT department 1.00 FTE to assist in these efforts.

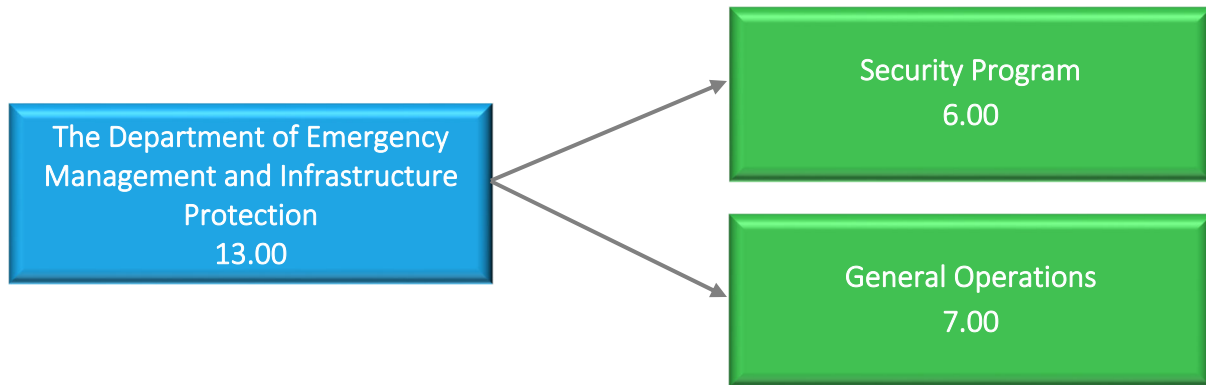
→ Special Event Planning

Given the current threat landscape and the increased number and scale of special events in the City, the Department of Emergency Management and Infrastructure Protection, in coordination with public safety and special event planning stakeholders, continue to improve interdepartmental coordination and planning for large special events. Efforts include establishing a standardized framework for public safety planning, developing citywide emergency action plans with contingencies for expanding events, and improving risk analysis and identification assessments to ensure public safety has a measured response to events that allows for a positive experience by event attendees.

Major Budget Changes

	Change	Impact
	Position Increase: Federated Municipal Security Model 3.00 FTE \$85,740	This budget includes funding for part-time Public Safety Investigators to staff and secure City Hall. To provide protective services for City employees and centralize the City's Security Program, the Department of Emergency Management and Infrastructure Protection has created a federated security model with the Virginia Beach Police Department. This staffing model maintains a quality level of support for City Hall and City employees. The federated model and additional positions will establish effective and experienced security staffing at City Hall and the Municipal Center. These positions along with security through the Allied contract will provide City Hall with security services 24/7.
	Allied Universal \$500,000	<p>This budget includes \$500,000 for the City's contact with Allied Universal for security staffing of the Municipal Center.</p> <p>The costs of the contract with Allied were previously included in the City's CIP. Funding for the contract has moved to the Department of Emergency Management and Infrastructure Protection's Operating Budget.</p>

Department Organization Chart



City Of Virginia Beach, Virginia
Emergency Management - Departmental Resource Summary

	FY 2021-22 Actual	FY 2022-23 Amended	FY 2023-24 Adopted	Variance from FY 2023
Program Summary				
FD100: General Fund				
Expenditures				
Security	5,323	366,947	959,530	592,583
General Operating Expenses	807,069	739,019	713,721	(25,298)
Total Expenditures	812,392	1,105,966	1,673,251	567,285
Revenue				
Miscellaneous Revenue	9,280	2,000	2,000	-
Revenue from the Commonwealth	1,400	700	700	-
Revenue from the Federal Government	102,914	102,914	102,914	-
Total Revenues	113,594	105,614	105,614	-
General City Support	698,798	1,000,352	1,567,637	567,285

	FY 2021-22 Actual	FY 2022-23 Amended	FY 2023-24 Adopted	Variance from FY 2023
FD100: General Fund				
Position Summary				
Security	-	3.00	6.00	3.00
General Operations	8.00	7.00	7.00	-
Total Positions	8.00	10.00	13.00	3.00

EMERGENCY MEDICAL SERVICES



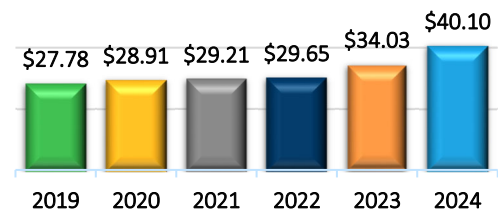
The mission of the Department of Emergency Medical Services (EMS) is to provide quality services to the community, which preserve life, reduce suffering, improve health, and promote the safety of citizens and visitors, who live, learn, work, and play in our community. This mission is accomplished through a systems approach focused on providing high quality patient care services, organizational sustainment, public awareness and education, proactive safety interventions, and all-hazards readiness.

Department Overview

Administration

Provides for leadership, direction, and support through the provision of manpower (retention and recruitment, human resources), development of policies, management of departmental budgets and finances, performance of liaison activities with related state, local, and federal agencies, processing of public inquiries, provision of logistics support, gathering and analysis of data and research, and development of programs.

Budget Per Capita



Operations and Emergency Response

Provides quality emergency medical services to increase the probability of stabilizing or improving patients' conditions. This includes rapid response to, and proper provision of, basic and advanced patient care pre-hospital and inter-facility care services, as well as specialized services to the general public to reduce patient morbidity and mortality. This involves oversight of ten independent Volunteer Rescue Squads, who are distributed throughout the City's EMS stations and who are augmented by career paramedics. This helps to ensure a minimum staffing level of nine ambulances daily, with the goal of one ambulance per 3,000 calls for service. In addition, EMS provides specialized rescue teams utilizing volunteers, including marine rescue, bike medics, tactical medics, vehicle extrication, mass casualty operations, and disaster response.

Regulation and Enforcement

Provides the oversight of medical control to ensure medical protocols are followed. This unit also conducts quality assurance assessments, inspects commercial EMS ambulance agencies operating in the city, and provides oversight for infection control and mandates promulgated by the federal and state governments.

Training

Provides basic life support (BLS), advanced life support (ALS), and specialized training for EMS volunteers, career medics, specialty team members, Fire, Police, emergency dispatchers, and hospital personnel. This unit also ensures that personnel remain certified to work on ambulances and perform medical duties, allowing EMS to remain in compliance with state requirements.

EMS Lifeguard Services

Provides in-house lifeguard services to Sandbridge Beach from 9:30 a.m. to 6:00 p.m. from May until October. EMS also manages the lifeguard contract serving the resort area beaches from 2nd Street to 42nd Street, as well as 57th Street and Croatan beaches from the middle of May until the end of September.

Key Performance Measures

The table below illustrates how the Department has been performing on their departmental performance metrics:

Departmental Performance Metrics	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023 EST	FY 2024 PROJ
Probability that patients' conditions are stabilized or improved in care of EMS	99%	99%	99%	99%	99%	99%
Percent of priority one calls with the first medical help on scene in 6 minutes or less	65.3%	62.4%	70.6%	65%	65%	61.4%
Percent of priority one calls with an ambulance on scene within 12 minutes of dispatch (Advance Life Support calls)	82.1%	83.8%	59.9%	57.0%	57.0%	59%
Number of Advance Life Support transports	9,906	9,074	8,121	8,752	9,102	7,687
Number of Basic Life Support transports	24,010	25,355	26,253	28,254	30,384	30,873
Number of calls for ambulance services	46,623	47,555	49,254	54,943	57,141	58,134
Number of marine rescue response requests	254	205	247	207	207	182
Number of EMS SWAT Team response requests	122	91	146	122	122	191
Applicants attended orientation	807	837	680	736	736	799
New Attendants In Charge certified	181	213	122	120	120	75
Average number of total certified ambulance volunteers	532	539	504	463	463	408
Total EMS volunteer members all types	967	1,023	965	916	916	895
Sudden cardiac arrest survival rate	53%	27%	24%	22%	22%	25%

In 2022, the City contracted with ETC Institute to undergo a Resident Satisfaction Survey. The survey included standardized questions used in communities across the country, to allow Virginia Beach to benchmark the city against average ratings in other communities, and it also included questions developed specifically for Virginia Beach to gain insights on issues that impact the city. The following table provides how Virginia Beach compares to the Atlantic Region and the National average for a few of the survey findings.

Resident Satisfaction Results	Virginia Beach	Atlantic Region	National Average
Overall value received for City tax dollars and fees	52.8%	33.8%	19%
Overall quality of ambulance services/emergency medical services	87%	72.4%	14.6%
Efforts to ensure the community is prepared for emergencies/disasters	70.1%	42.9%	27.2%
Feeling of safety in the City overall	80.1%	71.1%	9.0%

Trends & Issues

→ **Calls for Service**

Total calls for service continue to grow as the City's population expands and ages. The department has seen a 13.5% increase in the number of calls for service during the last five years. That increase equates to 7,100+ additional calls for service without personnel to increase the number of staffed ambulances. As a result, the department is only meeting its Priority-1 response time arrival goal of <12 minutes 55% at the 90th percentile. Daily demands regularly exceed the number of immediately available ambulances. Trained personnel from the Fire Department or EMS Medics arrive before an ambulance and begin assessment and treatment. While all calls for service have been answered, an ambulance was not immediately available to respond at the moment of dispatch for 10.2% of calls in 2022.

→ **Ambulance Staffing**







Emergency Medical Services (EMS) had historically relied on a workforce mix of 90% volunteer and 10% career personnel to staff ambulances. While higher informal staffing goals have been used by the department, the City's baseline funding and resource levels were established in 2005, with the goal of providing 9.5 ambulances and 3.5 zone medics daily. In total, 10 new paramedic positions were added between 2010 and 2020, even as multiple new ambulance stations were opened and calls for service increased. In the past, increased demands were met only by having a robust volunteer workforce, coupled with creative resource deployment and overtime hours by the limited career augmentation team. This approach has met community needs; however, it is not sustainable. While the 12 medics hired for the Burton Station facility in FY 2020-21 were a welcome addition, that growth did not provide the level of ambulance staffing needed for the City of Virginia Beach.

EMS was authorized an increase of 20 new Paramedics in FY 2022-23. EMS anticipated that hiring these positions would help to reduce response times and improve service delivery. As the economy has recovered from the impacts of the COVID-19 pandemic, many departments have struggled to fill positions. EMS has not been immune to this problem. Even with reducing some job experience requirements, the department had to adjust its approach to hiring Paramedics. The department conducted a total of 4 New Medic Academies from July, 2022 to January, 2023 as the Paramedic pool of eligible candidates has decreased.

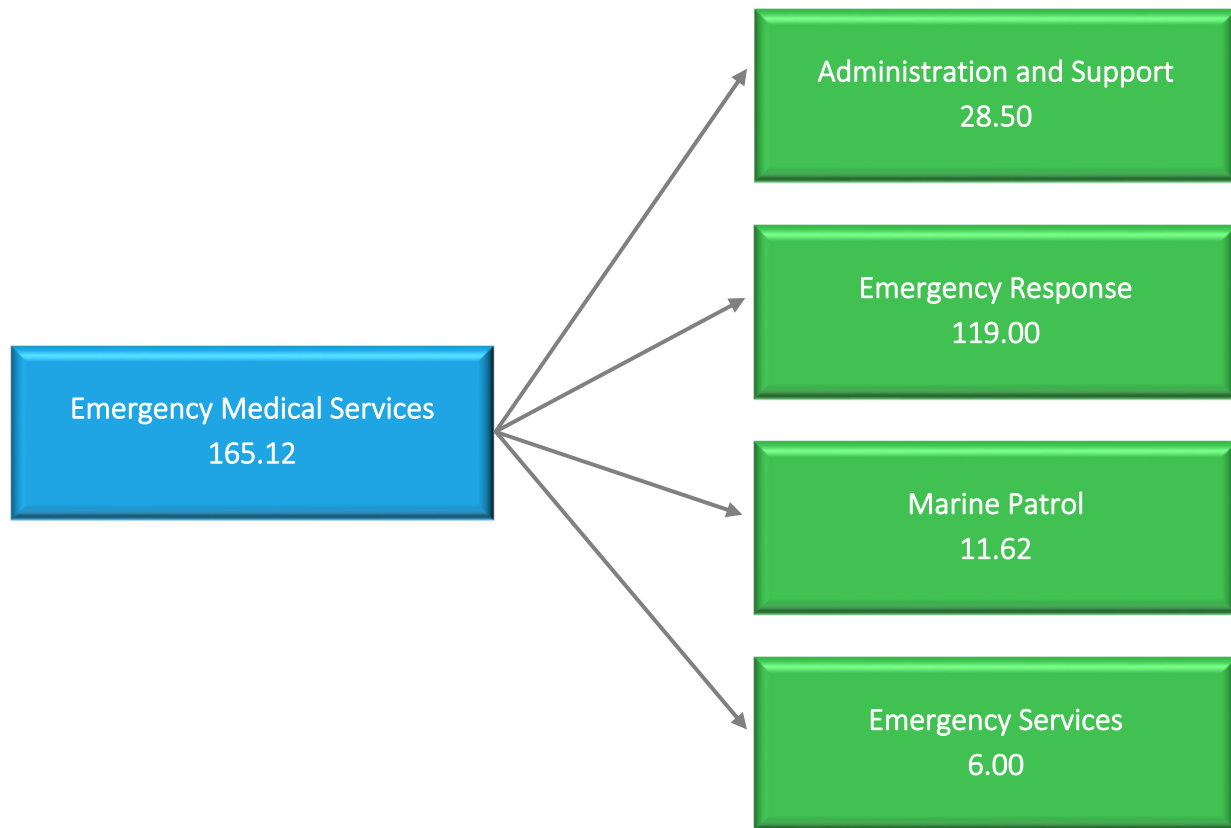
→ **Advanced EMT Training**

The department believes that the Advanced EMT (A-EMT) provider certification level can alleviate the issues with the smaller pool of potential Paramedic providers and applicants. A-EMTs are trained to a level above the EMT with enhanced assessment and treatment skills. The use of A-EMTs will allow Paramedics to be available for more critical patient care situations. In 2022, the department received a Letter of Review from the State Office of EMS which is a step in the process of seeking A-EMT accreditation. The department's first in-house National Registry A-EMT course for volunteers began in August, 2022 and graduated in March, 2023. The department anticipates full A-EMT training accreditation to be granted in 2023. The department is seeking to add 20 certified A-EMTs in FY 2023-24. Those A-EMTs, in addition to 10 Paramedics, will join the combined department to improve daily ambulance staffing needs.

Major Budget Changes

	Change	Impact
	<p>Increase EMS Staffing</p> <p>\$2,593,838</p> <p>38.00 FTEs</p>	<p>Current EMS staffing levels are not adequate to provide effective services as the City moves into the future. Additional career personnel are required. EMS should continue to operate with a combined volunteer-career workforce, albeit with a shift away from the traditional expectation that the rescue squads will staff nearly all the ambulances. EMS will hire 34 additional FTEs to enhance staffing (4 captains, 10 paramedics, and 20 advanced EMTs). An additional 4 captains will be hired as operational supervisors to better direct EMS activities in the field. Half of the new hires will start July 1st, 2023 and the other half will start January 1st, 2024.</p>
	<p>Payroll Specialist</p> <p>\$65,277</p> <p>1.00 FTE</p>	<p>Payroll and leave administration in Emergency Medical Services was historically a shared function between a Division Chief and a part-time human resources coordinator. This bifurcated responsibility led to gaps in service, creating administrative difficulties for the department. One Payroll Technician III FTE will address the full range of highly specialized payroll functions and legislative requirements necessary to meet the fundamental obligation of executing payroll and addressing leave properly for each pay cycle.</p>
	<p>Sandbridge Lifeguard</p> <p>\$21,473</p> <p>0.57 FTE</p>	<p>This budget adjustment provides additional lifeguard response teams beyond the traditional summer season. Coverage dates would be expanded in Sandbridge to mirror services already provided. These expansions will address the rise in beach activities and emergencies during the warm weekends after Labor Day. EMS proposes to deploy lifeguard patrols during the four weekends following Labor Day. At least two teams of lifeguards on ATVs will patrol the beaches for ten hours daily each Saturday and Sunday. The service level will mirror existing services provided at the Oceanfront.</p>
	<p>Recruitment & Retention Officer</p> <p>\$65,277</p> <p>1.0 FTE</p>	<p>The Recruitment and Retention Coordinator will work along with the Rescue Council, Rescue Squad Foundation, career personnel, union, Rescue Squads and others for recruitment and retention. A dedicated full-time recruiter will be able to conduct community outreach to market strong volunteer and career opportunities to individuals who want to get into a health profession or to those who don't know that a career in public safety is extraordinarily rewarding. The Recruitment and Retention Coordinator will be responsible for researching, coordinating and attending recruiting events. Evaluating various methods to recruit and retain members for VBRescue will be an additional job responsibility.</p>
	<p>Grant to the Rescue Council</p> <p>\$700,000</p>	<p>The City will provide the Council of Virginia Beach Volunteer Rescue Squads Inc with a \$700,000 grant. The Council serves as the advisory board of all City rescue squads and consists of two members of each organization. The council will allocate the money to each organization in a fair and appropriate manner. This grant funds the purchase of new ambulances, emergency medical supplies, and uniforms, along with other daily operational costs and no-interest loan repayments. This funding will also help to increase retention and recognition initiatives, which are critical to ensuring adequate volunteer staffing levels in order to continue providing essential services to the community.</p>
	<p>Grant to the Rescue Council Increase</p> <p>\$75,000</p>	<p>The City will provide the Council of Virginia Beach Volunteer Rescue Squads Inc with an addition \$75,000 to complement the already-allocated \$700,000 grant. This addition was part of the Reconciliation process.</p>

Department Organization Chart



City Of Virginia Beach, Virginia
Emergency Medical Services - Departmental Resource Summary

	FY 2021-22 Actual	FY 2022-23 Amended	FY 2023-24 Adopted	Variance from FY 2023
Program Summary				
FD100: General Fund				
Expenditures				
Business Center	-	717,188	722,363	5,175
Emergency Response System	6,092,755	9,056,719	11,693,841	2,637,122
Training, Learning, and Development	891,435	1,315,797	1,328,531	12,734
Marine Patrol	-	598,305	623,328	25,023
Personnel	-	412,531	414,862	2,331
Emergency Services	-	3,678,960	2,342,456	(1,336,504)
Administration	-	765,956	721,119	(44,837)
General Operating Expenses	7,387,316	1,984,129	4,178,806	2,194,677
Total Expenditures	14,371,506	18,529,585	22,025,307	3,495,722

Revenue				
Charges for Services	28,255	66,500	66,500	-
Permits, Fees, and Regulatory Licenses	38,217	25,000	100,000	75,000
Miscellaneous Revenue	1,729	-	-	-
Specific Fund Reserves	-	-	1,074,000	1,074,000
Total Revenues	68,201	91,500	1,240,500	1,149,000
General City Support	14,303,305	18,438,085	20,784,807	2,346,722

FD270: Consolidated Grants Special Revenue Fund

Expenditures				
General Operating Expenses	341,437	375,000	375,000	-
Total Expenditures	341,437	375,000	375,000	-

Revenue				
Revenue from the Commonwealth	401,918	375,000	375,000	-
Total Revenues	401,918	375,000	375,000	-
General City Support	-60,481	-	-	-

	FY 2021-22 Actual	FY 2022-23 Amended	FY 2023-24 Adopted	Variance from FY 2023
FD100: General Fund				
Position Summary				
Business Center	-	5.00	5.00	-
Emergency Response System	58.00	81.00	117.00	36.00
Training, Learning, and Development	9.00	11.00	12.00	1.00
Marine Patrol	-	11.05	11.62	0.57
Personnel	-	5.00	5.00	-
Emergency Services	-	6.00	6.00	-
Administration	-	5.50	5.50	-
General Operations	34.55	-	3.00	3.00
Total Positions	101.55	124.55	165.12	40.57

FINANCE



The mission of the Finance Department is, through strong leadership, to deliver comprehensive financial and business services and protect the City's resources in a high quality, cost effective, and innovative environment that inspires trust and supports our community for a lifetime.

Department Overview

The Finance Department objectives include: conservative financial management; quality core services to vendors, citizens, and departments; long-range fiscal sustainability; and improve financial technology, controls, and financial resource management citywide. This is accomplished through the various divisions and programs listed below.

Debt Management

Supports the approved Capital Improvement Program (CIP) debt requirements by providing planning, debt issuances and analysis, reporting, and administration of the City's bond programs.

Payroll

Prepares City employee payroll, manages federal and state tax reporting and compliance, manages Virginia Retirement System programs, and other functions including garnishments, liens, and other pay deductions.

Accounting and Reporting

Prepares mandated financial reports in compliance with federal and state laws, including the Annual Comprehensive Financial Report. Responsible for oversight and integrity of the financial management system for operating and capital project funds. Manages unclaimed property reporting and provides oversight of accounting policies and internal controls citywide.

Accounts Payable

Processes all invoices, generates and manages City payments, and payment tax compliance.

Purchasing

Responsible for the procurement of all goods, services, and construction in accordance with State law and City code. Manages the bidding and competitive negotiation processes for all formal procurement solicitations. Provides staff and management for minority business programs.

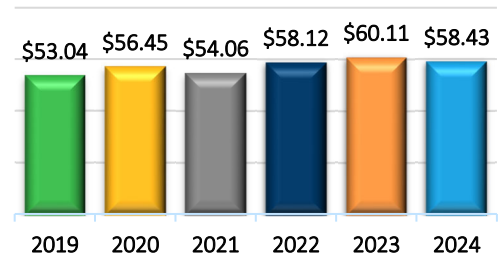
Risk Management

Manages the City's self-insurance program including: identifying and evaluating risk, managing the loss control programs, purchasing insurance products, and processing workers' compensation adjustments and civil liability claims. Also manages public assistance recovery and reimbursement efforts.

Financial Services

Prepares financial business policies, procedures and practices for the City, provides functional systems management, advances the use of data for decision-making, fosters a financial learning and teaching environment, and promotes best practices, transparency, and financial controls.

Budget Per Capita



Key Performance Measures

The table below illustrates how the Department has been performing on their departmental performance metrics:

Departmental Performance Metrics	FY 2020	FY 2021	FY 2022	FY 2023 EST	FY 2024 PROJ
Dollar volume of purchase orders in millions	\$379	\$750	\$762	\$775	\$787
Number of formal purchasing solicitations	152	218	263	308	350
Number of workers compensation claims	1,400	1,047	924	1,165	1,100
Value of workers compensation claims in millions	\$9.9	\$9.1	\$8.8	\$10.1	\$8.9
Dollar volume of invoices processed in millions	\$871	\$979	\$1,003	\$1,004	\$1,004
Number of invoices processed	140,577	167,072	206,484	211,585	212,985
Dollar value of payroll payments issued to employees in millions	\$390	\$417	\$455	\$500	\$500
Number of payroll payments issued to employees	257,657	256,464	304,000	334,000	334,000

In 2022, the City contracted with ETC Institute to undergo a Resident Satisfaction Survey. The survey included standardized questions used in communities across the country, to allow Virginia Beach to benchmark the city against average ratings in other communities, and it also included questions developed specifically for Virginia Beach to gain insights on issues that impact the city. The following table provides how Virginia Beach compares to the Atlantic Region and the National average for a few of the survey findings.

Resident Satisfaction Results	Virginia Beach	Atlantic Region	National Average
How well the City is managing growth	31.6%	34.6%	39.7%
Overall value that you receive for your City tax dollars	52.8%	33.8%	33.8%
Overall quality of services provided by the City	75.3%	53.6%	50.5%

Trends & Issues

→ Continue Maintaining the City's Strong Financial Position and Support Fiscal Sustainability

For the thirteenth consecutive year, all three major bond rating agencies affirmed the City's Triple-A rating due to its solid financial management practices. The Triple-A rating indicates an extremely strong capacity to meet financial commitments, resulting in favorable interest rates and debt savings. The City's strong fiscal policies and adequate fund reserves are the key financial tools to help mitigate the risk of future revenue uncertainties caused by a natural disaster, or a recession.

→ Continue Implementing Disparity Study Recommendations

The HIVE is a small business resource center designed to establish, and showcase innovation and startups by translating insights into actionable strategies, rethinking the customer experience, improving operational experience and efficiency as well as testing new business models through the use of technology. The HIVE offers mentorship, networking, and a variety of fundamental resources through resource partners, the Urban League, the Women's Business Center, and Workforce Development that can provide businesses with the necessary tools for growth and success. Resource partners at The HIVE are able to provide assistance regarding funding sources, federal, state, and local government procurement process assistance, assistance with workforce development and SWaM certification. The City's Small, Women and Minority-owned Business (SWaM) Office has a full-time presence at The HIVE and provides assistance in doing business with the City through the City's SWaM Procurement Programs including free workshops, a variety of networking and outreach events, as well as structured business training programs.

→ **Leverage Technology and Improve Business Processes**

With automated employee time tracking tools and new functionalities, VBTime has improved time and attendance processes, increased efficiency, and accuracy along with enhanced visibility and accountability. Continuous improvement to the City's financial system (Oracle Financials Cloud) is required to maximize the value of the new system, improve business processes, increase the return on the investment, and achieve efficiency. The City is currently exploring a new Human Capital Management (HCM) System. The new HCM System will transform the traditional administrative functions - recruiting, training, payroll, compensation, and performance management, into opportunities to drive engagement, accountability, and productivity.

→ **Meet Regulatory Compliance and Standards Requirements**

Regulatory changes may affect the City's business and operations. To ensure the City's compliance with new law and regulatory standards, the Finance Department needs to actively assess, monitor, and address impacted services. New accounting standards issued by the Governmental Accounting Standards Board could have a significant effect on the City's financial statements and require additional resources to implement the new standards. Evolving workers' compensation legislation expands the criteria with which claims are accepted and will likely increase expenses of workers' compensation claims and future liabilities.


→ **Meet the City's Risk Management Needs**

The City will see increases in premiums and higher self-insured retentions resulting from increases in natural disasters and changes to legislation. The City continues to actively manage cybersecurity risks including the purchase and evaluation of limits for cybersecurity insurance given the multiple large scale, data breaches of other municipalities across the country. The Risk Management Division will continue to work effectively with its third-party administrator to better manage workers' compensation claims ensuring the City's compliance with federal or state occupational safety and health laws and regulations.

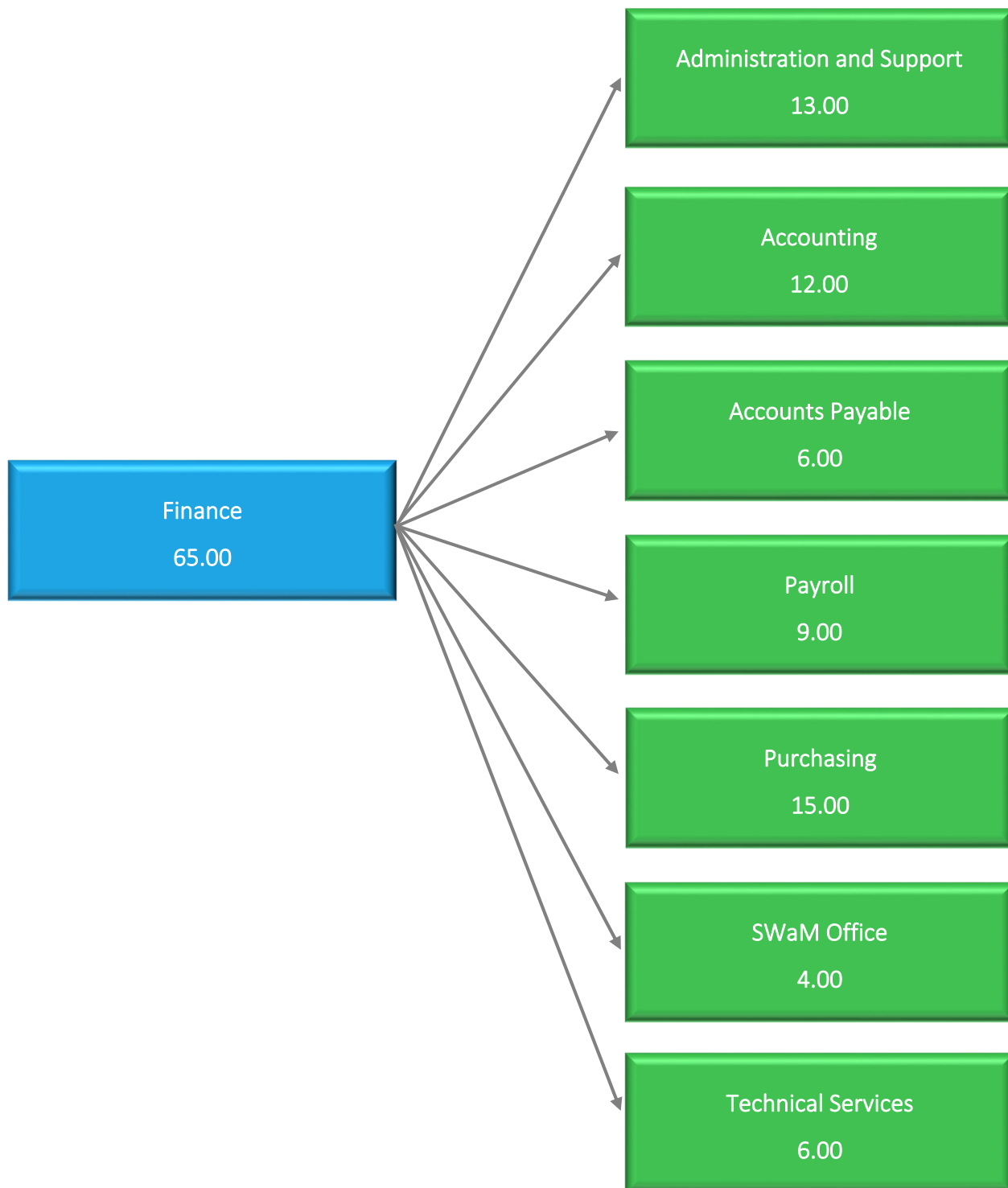
→ **Meet the City's Contracting and Procurement Needs**

Over the past few years, the City's purchasing staff have experienced a steady increase in workload due to a confluence of factors: American Rescue Plan Act (ARPA) projects with a construction commitment deadline of December 2024, the influx of Flood Protection Program projects supported by the bond referendum, increased workload associated with the review of Small, Women-owned, and Minority-owned Business initiatives/contracts, as well as inflationary increases causing multiple reworks of bids. Additionally, while ARPA is one-time funding, the City anticipates additional ongoing construction workload due to the passage of the Infrastructure Investment and Jobs Act and release of millions in federal funding. To meet existing demands for service and to ensure purchasing is able to process contracts in a timely manner, the Finance department added three additional FTEs in mid-year FY 2022-23. The City will continue to monitor the staffing needs for contracting and procurement and adjust accordingly.

Major Budget Changes

	Change	Impact
	Moving STOP Funding \$1,610,000	Prior to FY 2023-24, the State Vehicle Registration Withholding Program (STOP), which is administrated by the State Department of Motor Vehicles and City Treasurer's Office, housed its expenses and associated \$650,000 in revenue under the Finance Department. To better reflect the scope of Finance's operations, those associated funds have been relocated to Non-Departmental in FY 2023-24, though Finance will continue to monitor the program.

Department Organization Chart



City Of Virginia Beach, Virginia
Finance - Departmental Resource Summary

	FY 2021-22 Actual	FY 2022-23 Adopted	FY 2023-24 Adopted	Variance from FY 2023
Program Summary				
FD100: General Fund				
Expenditures				
Local Vehicle Registration Program	960,220	1,610,000	-	(1,610,000)
Disparity Study Implementation	55,701	-	-	-
General Operating Expenses	5,612,529	6,339,027	6,360,146	21,119
Total Expenditures	6,628,449	7,949,027	6,360,146	(1,588,881)

Revenue				
Charges for Services	422,755	650,400	400	(650,000)
Permits, Fees, and Regulatory Licenses	-	8,750	8,750	-
Miscellaneous Revenue	150,137	262,492	262,492	-
Revenue from the Commonwealth	11,573	-	-	-
Total Revenues	584,466	921,642	271,642	(650,000)
General City Support	6,043,983	7,027,385	6,088,504	(938,881)

FD602: Risk Management Internal Service Fund

Expenditures				
General Operating Expenses	18,470,768	19,670,293	20,333,854	663,561
Total Expenditures	18,470,768	19,670,293	20,333,854	663,561

Revenue				
Charges for Services	18,637,070	18,590,692	18,757,799	167,107
Miscellaneous Revenue	226	-	-	-
From the Use of Money and Property	212,485	248,259	248,259	-
Specific Fund Reserves	-	831,342	1,327,796	496,454
Total Revenues	18,849,781	19,670,293	20,333,854	663,561
General City Support	(379,012)	-	-	-

	FY 2021-22 Actual	FY 2022-23 Amended	FY 2023-24 Adopted	Variance from FY 2023
FD100: General Fund				
Position Summary				
General Operations	55.00	58.00	58.00	-
General Fund Positions	55.00	58.00	58.00	-

FD602: Risk Management Internal Service Fund

Position Summary				
General Operations	7.00	7.00	7.00	-
Risk Management Internal Service Fund Positions	7.00	7.00	7.00	-
Total Positions	62.00	65.00	65.00	-

FIRE



The Virginia Beach Fire Department is a professional department dedicated to protecting life and property through an all-hazards approach.

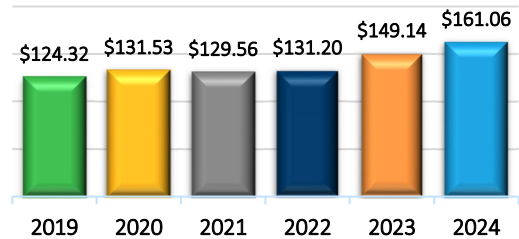
Department Overview

The core services provided by the department are categorized into the following areas:

Fire Administration

This division provides executive direction, guidance, and administrative support in the areas of budget and finance, grants management, procurement and inventory, research and analysis, accreditation, and alignment with City Council goals. All research and analysis for departmental accreditation, performance measurement, and operational efficiency is also completed by this division.

Budget Per Capita



Fire Prevention Bureau

This division administers and enforces the statewide Fire Prevention Code. This includes providing annual fire maintenance inspections and operational permits for commercial establishments that are considered to pose a higher risk of fire hazard; providing periodic inspections of businesses that pose a lower risk of fire hazard and are not mandated for inspection; community risk reduction through life safety education programming; and providing site plan review related to fire code issues. Another key activity is investigating criminal/arson and non-criminal fires, as well as hazardous material disposal.

Fire Operations

This division is distributed among 21 City-owned fire stations located throughout Virginia Beach, as well as one shared facility at Fort Story, and delivers comprehensive emergency services through a seamless and integrated emergency response system. Examples of services include fire suppression, salvage and overhaul, emergency medical services, search and rescue, technical rescue services, hazardous materials response, and mutual aid to neighboring localities. The staffed apparatus includes twenty engine companies, eight ladder companies, three tankers, two heavy rescue companies, six command units, and one safety unit. The department has four specialized teams that serve the region and state: Tidewater Regional Technical Rescue Team, which is one of the seven Regional State Urban Search and Rescue Teams, marine firefighting (located at First Landing Fire Station #1, Creeds Fire Station #6, and Seatack Fire Station #12), hazardous materials response (located at London Bridge Fire Station #3), and Metro Medical Response System (located at Nimmo Fire Station # 21). The department also has a Volunteer Support Technician Team and houses one of 28 national FEMA Urban Search and Rescue Task Forces.

Fire Personnel and Development

This division provides human resource management, diverse workforce recruiting, mandated career development, and organizational enhancement training programs to meet nationally recognized standards in the following areas: fire, emergency medical services, rescue, life safety, management, driver operator, and any specialty training for volunteer and career firefighters.

Key Performance Measures

The table below illustrates how the Department has been performing on their departmental performance metrics:

Departmental Performance Metrics	FY 2020	FY 2021	FY 2022	FY 2023 EST	FY 2024 PROJ
Fire deaths	3	4	6	5	5
Fire injuries	35	36	31	36	36
Building and property saved	98.81%	97.12%	96.26%	97.04%	97.04%
Total response time of 1st unit to moderate risk structure fire - urban (time)	9:07	9:05	8:13	8:51	8:51
EMS rescue response	22,982	26,614	29,914	26,702	26,702
Fire response	833	850	849	829	829
False alarm response	4,031	4,340	4,136	4,141	4,141
Good intent response	5,473	5,916	6,573	5,713	5,713
Hazardous conditions response	1,484	1,341	1,125	1,344	1,344
Rupture/explosion response	73	66	69	70	70
Service call response	3,400	3,744	3,997	3,597	3,597
Other response	91	72	72	91	91

In 2022, the City contracted with ETC Institute to undergo a Resident Satisfaction Survey. The survey included standardized questions used in communities across the country, to allow Virginia Beach to benchmark the city against average ratings in other communities, and it also included questions developed specifically for Virginia Beach to gain insights on issues that impact the city. The following table provides how Virginia Beach compares to the Atlantic Region and the National average for a few of the survey findings.

Resident Satisfaction Results	Virginia Beach	Atlantic Region	National Average
Overall quality of fire services – excellent rating	92.5%	87.0%	77.8%
Response time for fire services– excellent rating	89.7%	79.2%	73.1%
Fire inspection and permitting services– excellent rating	68.1%	52.8%	48.5%
Efforts to ensure the community is prepared for emergencies/disasters – excellent rating	70.1%	43.4%	26.7%

Trends and Issues

→ **Firefighter Health**

The International Agency for Research on Cancer (IARC) has classified occupational exposure as a firefighter as Group 1, “carcinogenic to humans,” meaning there is a strong level of evidence that this occupation can cause cancer. Funding will continue to be needed to support mitigating the risk of exposure to carcinogens, such as duplicate sets of personal protective apparel and costly decontamination and cleaning equipment. As new screening tests, such as the Galleri multi-cancer early detection blood test become available, research will need to be done to ascertain how these tests are incorporated into annual physicals. Early cancer detection and aggressive prevention measures will continue to be explored.

→ **Supply Chain Issues and Increased Costs**

Fire engine, ladder, and rescue trucks, as well as fire boats and other support vehicles are becoming significantly more expensive, with cost increases of up to 50%. The amount of time it takes to receive these items after an order has been placed has on average increased by 116%. Although these cost increases and supply chain issues have been most impactful with fire apparatus, this trend has applied to building construction, as well as equipment and supplies used by the department. To help offset this trend, an additional \$805,000 was added annually to CIP 100175, “Fire Apparatus IV.”

→ **Fire Station Facility Needs**

Funding for required maintenance and routine upgrades needed for fire stations located throughout the City has not been adequate. The Fire Department maintains 25 facilities, many of which are older and nearing end of life. Further compounding this issue is the significant delay in work being completed; as costs become significantly higher, the backlog of work to be done becomes increasingly more expensive. The changing workforce in fire operations has led to an increased need for private bathrooms and changing areas for female firefighters. To help alleviate this backlog, \$500,000 in additional funding was added to CIP 100176, “Fire Facility Rehabilitation III.”

→ **Fire Prevention and Community Risk Reduction**

The Fire Prevention Bureau has proactively begun working to educate and prepare businesses for fire inspections. The goal is to engage stakeholders in the process so that they will become more actively involved in compliance, which should have the added benefit of reducing the number of re-inspections that are required. Life Safety staff have developed robust and successful educational classes for Virginia Beach Schools. Student test scores on fire safety are higher, with demonstrated gains in fire safety knowledge after participating in the class.

→ **Paramedic Program**

To support the department’s goal of having all apparatus staffed with an Advanced Life Saving (ALS) provider, federal Assistance to Firefighter Grant (AFG) funds are being used to pay for firefighters to enroll in an EMT to paramedic training class. AFG funding was also obtained to pay the overtime costs associated with attending the required classroom-based training, as well as clinical rotations required. The department intends to apply for more AFG funds to continue to support this goal.

→ **Research, Analysis and Planning**

The department’s Research, Analysis, and Planning (RAP) Bureau uses business intelligence, analytics, and Geographic Information System (GIS) Technology to equip the department with the necessary information to make data-driven decisions. RAP staff invests a significant amount of time supporting the work done by the Office of Performance and Accountability (OPA) by participating and reporting on RescueStat, InvestStat, PermitStat, and FleetStat initiatives.

→ Technology Advancements

Rapid advancement of technology within the fire service has caused a greater need for computers and mobile devices in both the fire apparatus and the fire stations. The Fire Department has increased the use of connected devices, which are interrelated smart devices connected to the internet that have the ability to transfer data over a network without human-to-human or human-to-computer interaction. Devices used by the Fire Department include self-contained breathing apparatus, bio/medical and location sensors on firefighters, devices on apparatus that communicate with traffic lights, and devices on apparatus that communicate with navigation apps such as Waze and Google Maps to warn motorists of emergency apparatus. The department has begun to evaluate the replacement of the ToughBooks used for mobile reporting. These devices were purchased using the Integrated Public Safety project.

The increases in technology has also led to an increase in connectivity expenses. This connectivity includes cellular service which requires monthly service charges, or hardwired internet connections, which require initial fees for new/relocated service drops. Security requirements now require a detailed review from IT, which has significantly delayed projects and contributed to increased costs.

The Fire Department has embraced the use of unmanned aerial systems for emergency scene, special event, and significant weather event usage. This technology is rapidly advancing requiring the acquisition of additional equipment as technology advancements are made. Another cost associated with this technology is the abundance of expensive batteries, which then must be replaced on a rotating basis to maintain a sufficient operational schedule.

Major Budget Changes

	Change	Impact
↑	Three New Firefighter Recruits 3.0 FTEs \$244,392	Three Firefighter Recruit positions will be added to the Fire Department's budget in FY 2023-24. The addition of these positions will allow the department to create three Battalion Accountability and Safety Technician positions for all three shifts. The role of this position is to support the Battalion Chief with day-to-day management functions and to support the Incident Commander when responding to emergency situations.
↑	Amended Leave Policy for Firefighters	In FY 2023-24, the flexible leave policy will be amended to 24 hours for the Fire Department, reducing 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 will 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.

Department Organization Chart



City of Virginia Beach, Virginia
Fire Departmental Resource Summary

	FY 2021-22 Actual	FY 2022-23 Amended	FY 2023-24 Adopted	Variance from FY 2023
<u>Program Summary</u>				
<u>FD100: General Fund</u>				
<u>Expenditures</u>				
Program Support	-	115,453	4,000	(111,453)
Training, Learning, and Development	1,971,951	1,785,126	1,904,496	119,370
Leases	213,239	-	225,117	225,117
General Operating Expenses	62,585,095	68,608,311	68,434,556	(173,755)
Total Expenditures	64,770,285	70,508,890	70,568,170	59,280
<u>Revenue</u>				
Charges for Services	267,861	384,000	321,000	(63,000)
Permits, Fees, and Regulatory Licenses	167,340	220,900	171,200	(49,700)
Miscellaneous Revenue	37,005	62,000	14,000	(48,000)
Transfer In	-	115,453	-	(115,453)
Total Revenues	472,206	782,353	506,200	(276,153)
General City Support	64,298,078	69,726,537	70,061,970	335,433
<u>FD270: Consolidated Grants Special Revenue Fund</u>				
<u>Expenditures</u>				
Storage and Maintenance	-	-	326,584	326,584
Administration	-	-	7,915	7,915
Buildings General Government Capital Project (GGCP)	300,000	300,000	300,000	-
General Operating Expenses	3,115,019	2,080,382	1,875,219	(205,163)
Total Expenditures	3,415,019	2,380,382	2,509,718	129,336
<u>Revenue</u>				
Revenue from the Commonwealth	1,772,777	1,474,382	1,848,423	374,041
Revenue from the Federal Government	1,486,091	906,000	661,295	(244,705)
Other Financing Sources	-	-	-	-
Transfer In	36,812	-	-	-
Total Revenues	3,295,680	2,380,382	2,509,718	129,336
General City Support	119,339	-	-	-

City of Virginia Beach, Virginia
Fire Departmental Resource Summary

FD806: Fire Gift Fund

Expenditures

General Operating Expenses	10,393	115,453	-	(115,453)
Total Expenditures	10,393	115,453	-	(115,453)

Revenue

Miscellaneous Revenue	1,750	91,907	-	(91,907)
Specific Fund Reserves	-	23,546	-	(23,546)
Total Revenues	1,750	115,453	-	(115,453)
General City Support	8,643	-	-	-

	FY 2021-22 Actual	FY 2022-23 Amended	FY 2023-24 Adopted	Variance from FY 2023
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FD100: General Fund

Position Summary

Training, Learning, and Development	15.00	15.00	14.00	(1.00)
General Operations	535.63	538.63	543.13	4.50
General Fund Positions	550.63	553.63	557.13	3.50

FD270: Consolidated Grants Special Revenue Fund

Position Summary

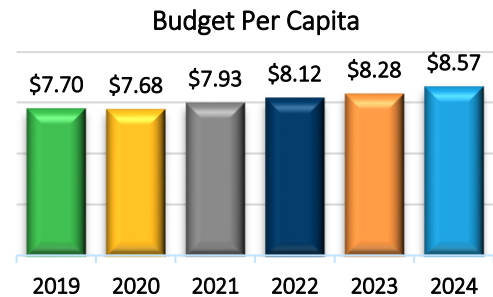
General Operations	4.60	4.60	4.10	(0.50)
Consolidated Grants Special Revenue Fund Positions	4.60	4.60	4.10	(0.50)
Total Positions	555.23	558.23	561.23	3.00



The mission of the Virginia Beach Department of Public Health is: Promoting health, preventing disease, and protecting the environment so that all in Virginia Beach are empowered to achieve optimal health and well-being.

Department Overview

The Virginia Beach Department of Public Health (VBDPH) operates under a cooperative agreement between the City of Virginia Beach and the Commonwealth of Virginia. It provides a wide range of health services to the Virginia Beach population. The department has over 100 FTEs, of which 8.00 are fully City-funded. The City is required to provide a 45% match to the funding from the Commonwealth for the VBDPH. City funds support a wide array of mandated services, such as childhood immunizations, communicable disease treatment and prevention, family planning services, pregnancy testing, and food service inspections.



The VBDPH also provides the following non-mandated services to residents through funding provided by the City:

Dental Program

Provides free and low-cost dental services for eligible children and teenagers ages 6 months to 18 years. Services include cleanings, fillings, sealants, x-rays, restorations, and extractions. This program is completely funded by the City, and patients must be residents of the City of Virginia Beach to qualify for services.

Healthy Families Program

Encompasses a continuum of services from prenatal to 5 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.

Senior Services Program

Support for the Long Term Services and Supports Screenings are required for any person requesting care in a Medicaid certified facility, or for in-home care who are eligible and approved for Medicaid. A detailed assessment is performed by a Public Health Nurse and a Family Service Worker, to determine need and appropriate setting for care.

Laboratory Program

Laboratory program services are provided to support a variety of programs at the health department including phlebotomy and other kinds of specimen collection, specimen handling and dispatch for patients served at our clinics as well as off-site outreach testing throughout the community.

Key Performance Measures

The table below illustrates how the Department has been performing on their departmental performance metrics:

Departmental Performance Metrics	FY 2019	FY 2020*	FY 2021*	FY 2022 EST	FY 2023 PROJ
Number of unduplicated routine immunization clients	2,151	1,323	1,129	1,063	1,600
Number of unduplicated COVID immunization clients	N/A	N/A	129,719	17,111	2,700
Number of unduplicated MPOX immunization clients	N/A	N/A	N/A	N/A	2400
Number of community vaccination events	N/A	N/A	119	184	140
Number of children dental patients who received care	1205	851	826	800	1,100
Number of laboratory patients served	9,777	2,740	8,157	6,694	7,500
Number of clinic patients who received care	4,576	3,095	1,989	2,464	2,700
Number of restaurants permitted	539	505	76	635	504
Number of health screenings provided to elderly citizens	639	408	434	348	575

**Note – some vaccinations did not exist in prior years and therefore metrics are not applicable for those periods. Additionally, FY2020 & 2021 measures were impacted by service adjustments during the COVID-19 pandemic response.*

In 2022, the City contracted with ETC Institute to undergo a Resident Satisfaction Survey. The survey included standardized questions used in communities across the country, to allow Virginia Beach to benchmark the city against average ratings in other communities, and it also included questions developed specifically for Virginia Beach to gain insights on issues that impact the city. The following table provides how Virginia Beach compares to the Atlantic Region and the National average for a few of the survey findings.

Resident Satisfaction Results	Virginia Beach	Atlantic Region	National Average
Overall quality of City services	75.3%	53.6%	50.5%
Overall quality of City customer service	73.0%	38.0%	40.6%
Perception of the City as a place to raise children	84.1%	69.1%	62.4%

Trends and Issues

→ Public Health Response

For the past three fiscal years a significant focus of the Virginia Beach Public Health Department has been on the COVID-19 pandemic response. During this challenging and evolving response period, VBDPH has continued to work very closely with a wide range of public and private partners throughout the City to help facilitate a coordinated response. These activities include public health communication and outreach, technical support and expertise, case investigation/contact tracing, community testing, direct community vaccination as well as vaccine distribution to other providers, and support for vulnerable populations in the City. Most of these efforts continue to be primarily funded from non-City resources with federal awards made with the Virginia Department of Health (VDH) to VBDPH. In addition to efforts from the VBDPH workforce, the Virginia Beach Medical Reserve Corps (MRC) continues to provide essential volunteer support to the COVID-19 pandemic response, supporting vaccination clinics and community testing events. Vaccines continue to remain the most critical tool in addressing COVID-19 and, through close partnerships with the City, local providers, and regional partners, 70.7% of the total City population are fully vaccinated (80.9% of adults are now fully vaccinated, 63.5% of Ages 12-17 are fully vaccinated, and 31.1% of ages 5-11 are fully vaccinated). During this time, VBDPH has also continued to provide other essential public health programming through clinical, environmental health, and community outreach services. As we move toward FY 2023-24, VBDPH is focusing on using the experiences of the COVID-19 response to inform how public health can best support the community moving forward.

→ **Virginia Beach Public Health Department awarded Grant to Address Workforce and Infrastructure**

The Centers for Disease Control (CDC) awarded the VBDPH a \$6 million grant known as OE22-2203: Strengthening U.S. Public Health Infrastructure, Workforce, and Data Systems. This is a unique investment that supports critical public health infrastructure and workforce needs of jurisdictions across the United States. The grant creates a foundation for CDC's public health infrastructure work and provides maximum flexibility so jurisdictions can address their most pressing needs. VBDPH plans to use these funds over a five-year period to strengthen and develop its workforce and infrastructure. VBDPH will be building on the relationships and processes established throughout the COVID-19 response and direct this transformational investment into the core competencies of our health department in the service of coastal Virginia

→ **Virginia Beach Baby Care Program**

The Virginia Beach Baby Care Program continues to play an important role in supporting children and their families in our community. This program, which provides home visitations by registered nurses to families with children that are less than two years of age and are eligible for Medicaid, is dependent upon grant funds to operate. The Baby Care Program again received a renewal donation from the Landmark Foundation to support operations through FY 2022-23. In fall of 2022, the VBDPH Babycare program transitioned to a structure of state positions in order to support the long-term growth of the program by creating more funding stability and opportunities for cross-training and expansion. The program, including the 5.0 FTEs, is no longer reflected within the City's budget.

→ **Pediatrics Dental Community Services**

As part of continuing education and pediatric dental care, a new Panoramic X-Ray machine was installed at the VBDPH Dental clinic. This allows VBDPH to safely and conveniently provide an important pediatric dental service at our office location. The VBDPH dental team also increased community engagement through opportunities such as Dental Health Education Seminars to VBCPS students in kindergarten-2nd Grade and a partnership with the Virginia Beach Technical & Career Education Center to provide dental instruction to dental assistant students who might consider a career in public health. The dental team has also expanded their collaboration with other public health programs to provide prenatal dental consultations and education to children in Family Health Services, Baby Care, and Health Families programs.

→ **Community Lab Services**

During the past several years, the laboratory at VBDPH has been an important part of providing COVID-19 testing for the community. The VBDPH lab personnel were a critical part of the testing team that served the most vulnerable community members residing in long-term care facilities and congregate settings throughout the pandemic. The flexibility and adaptability of these resources were essential in helping isolate those that were positive with COVID-19 to prevent further illnesses. Further, the approach developed for these settings has been subsequently adapted for other conditions and vulnerable groups and serves as a model for addressing future public health needs in the community.

→ **Healthy Families Program Accreditation**

The Healthy Families Program at the Virginia Beach Department of Public Health was once again granted accreditation during its national review and recognition process last year. During the peer review visit, noted strengths included clear evidence that families have goal plans and were aware of what their goals were, that families had demonstrated linkage to resources in our community, and supervisors/staff are well trained in all processes and policies.

	Change	Impact
↓	Relocating Baby Care Positions 5 FTEs	In Fall 2022, the Landmark Foundation grant, which previously funded the Baby Care program, came to a close. Following the closure and continuing into FY 2023-24, the five FTEs previously funded by the grant have transitioned to the State. This does not impact the operation of the program, just the allocation of funding. As such, these FTEs and the grant will no longer be reflected in the City budget.
↑	Full-time Laboratory Staff 2 FTEs \$0	In order to better meet anticipated demand for laboratory services, the FY 2023-24 budget includes upgrades to current laboratory staffing. On the City side, two positions that were previously part-time Laboratory Technicians will be changed to full-time and transition to being City employees. Additionally, the State will upgrade its part-time Laboratory Supervisor position to full-time. These changes are due to a sharp increase in demand for laboratory services over FY 2022, including for COVID-19 testing in underserved communities, communicable disease outbreaks in congregate settings, and new and re-emerging diseases such as Monkeypox. The addition of these FTEs has a \$0 impact, as the city previously provided funds to the State for this purpose.
↔	Conversion of Two Part-time Positions to One Full-time FTE (0.38 FTE)	In order to reduce turnover and attract high quality candidates, the department opted to merge its two part-time Family Service Specialist I positions into one full-time position. The positions previously accounted for 0.5 and 0.88 FTEs and become 1.0 FTE in the FY 2023-24 budget.

Department Organization Chart



City Of Virginia Beach, Virginia
Health Department - Departmental Resource Summary

	FY 2021-22 Actual	FY 2022-23 Amended	FY 2023-24 Adopted	Variance from FY 2023
<u>Program Summary</u>				
<u>FD100: General Fund</u>				
<u>Expenditures</u>				
General Operating Expenses	3,716,105	3,805,548	3,913,005	107,457
Total Expenditures	3,716,105	3,805,548	3,913,005	107,457

<u>Revenue</u>				
Charges for Services	-	219,601	328,118	108,517
Revenue from the Commonwealth	15,251	18,015	18,015	-
Revenue from the Federal Government	628,197	102,084	102,084	-
Total Revenues	643,448	339,700	448,217	108,517
General City Support	3,072,658	3,465,848	3,464,788	(1,060)

FD270: Consolidated Grants Special Revenue Fund

<u>Expenditures</u>				
General Operating Expenses	386,283	-	-	-
Total Expenditures	386,283	-	-	-

<u>Revenue</u>				
Miscellaneous Revenue	300,000	-	-	-
Total Revenues	300,000	-	-	-
General City Support	86,283	-	-	-

	FY 2021-22 Actual	FY 2022-23 Amended	FY 2023-24 Adopted	Variance from FY 2023
<u>FD100: General Fund</u>				
<u>Position Summary</u>				
General Operations	6.38	6.38	8.00	1.62
General Fund Positions	6.38	6.38	8.00	1.62

City Of Virginia Beach, Virginia
Health Department - Departmental Resource Summary

	FY 2021-22 Actual	FY 2022-23 Amended	FY 2023-24 Adopted	Variance from FY 2023
<hr/>				
<u>FD270: Consolidated Grants Special Revenue Fund</u>				
<u>Position Summary</u>				
General Operations	-	5.00	-	(5.00)
<hr/>				
Consolidated Grants Special Revenue Fund Positions	-	5.00	-	(5.00)
<hr/>				
Total Positions	6.38	11.38	8.00	(3.38)
<hr/>				

HOUSING AND NEIGHBORHOOD PRESERVATION



The Department of Housing and Neighborhood Preservation's mission is to create quality solutions that expand housing opportunities and promote vibrant, well-maintained neighborhoods.

Department Overview

Code Enforcement

This division is responsible for the enforcement of the Virginia Maintenance Code and the City's Property Maintenance Codes. Duties and responsibilities include: citywide patrol inspections, citizen complaint response, systematic exterior inspections of entire communities, Certificate of Compliance rental inspections, monitoring of commercial trash collection in the resort area, issuing citations for code violations such as the accumulation of trash/junk, overgrown grass/weeds, graffiti, buildings and structures in disrepair, inoperable vehicles, unsafe natural gas and electrical appliances, and illegally parked recreational equipment and commercial vehicles.

Rental Housing

This division administers various rental subsidy programs that provide affordable rental housing, mainly the Federal Section 8 Housing Choice Voucher Program. It also administers family self-sufficiency, portability, project-based HUD vouchers, Home-funded tenant-based rental assistance, Community Development Block Grant (CDBG) funded optional relocation, and special allocations for groups such as disabled and homeless veterans. Property inspections for the Section 8 program are also conducted for existing renters and for those seeking rental housing.

Housing Development

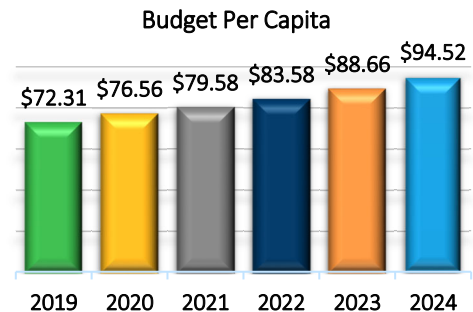
This division is responsible for managing all aspects of homeowner rehabilitation programs, the development and coordination of new housing programs, and the City's neighborhood revitalization strategy. The division also seeks and utilizes other sources of funding for housing improvements, works closely with housing development organizations seeking to create new housing in the City, and coordinates with the Department of Planning and Community Development for the review of proposed housing developments. The division is working with the Virginia Tech Center for Housing Research on an affordable housing study for review by City of Virginia Beach Council members.

Homeless Services

This division is responsible for achieving the goals of the City's strategic plan to reduce homelessness. As part of that, the division will oversee contracts for services for multiple non-profits, coordinate the work of the BEACH Community Partnership and sub-groups, coordinate the community-wide application for funds under the Continuum of Care grant, and manage the operation of the Housing Resource Center. The division is also the lead agency for the City of Virginia Beach Continuum of Care and oversees the homeless system of services goals and objectives in the City.

Director's Office

This office contracts for key services and provides overall direction, resource development, and administrative and support functions for the department. This includes obtaining and administering multiple federal grants that provide approximately 80% of the department's funding. Included in the grant administration work is the management of Housing Opportunities for People with Aids grant which provides short and long-term housing assistance and support services to over 290 households regionally. The director's office also oversees the goals for the City of Virginia Beach ARPA funded non-profit partners that received funds.



Key Performance Measures

The table below illustrates how the Department has been performing on their departmental performance metrics:

Departmental Performance Metrics	FY 2020	FY 2021	FY 2022	FY 2023 EST	FY 2024 PROJ
Unique properties inspected	17,845	17,818	15,967	17,832	17,832
Code violations corrected	32,688	30,774	27,730	31,731	31,731
Building maintenance code violations cited	6,079	5,161	5,448	5,620	5,620
Property maintenance code violations cited	17,456	17,492	15,576	17,474	17,474
Unsafe equipment violations cited	922	949	806	936	936
Waste management violations cited	3,214	3,451	2,894	3,333	3,333
Inoperable vehicle violations cited	2,816	1,499	1,768	2,158	2,158
Nuisance cases abated by contractor	457	410	395	434	434
Graffiti cases abated by contractor	60	355	372	208	208
Inoperable vehicles towed	102	29	85	53	53
Certificate of compliance inspections	553	26	31	26	26
Households provided long-term housing stability	2,571	2,529	2,549	2,685	2,666
Affordable housing units created or preserved	23	2	17	25	146*
Homes improved or provided rehab or emergency repairs	16	16	9	25	25
Years of housing stability created	3,501	2,829	3,194	3,810	7,421*
Persons who became homeless for the first time	400	532	537	437	400
Permanent supportive housing units	841	921	940	950	950
Persons accessing homeless services	2,857	2,707	2,800	2,600	2,400
Days person remains homeless in emergency shelters and transitional housing programs	90	110	120	100	90
Homeless persons sheltered	700	448	214	230	230
Households served with day support	700	321	400	500	500
Homeless persons who have an increase in earned income	30%	20%	11%	20%	25%
Persons from street outreach successfully placed into housing or shelter	55%	10%	53%	55%	55%
Sheltered persons successfully placed into permanent housing	88%	50%	37%	50%	55%

***The increase in these two performance measures is due to several projects that will be complete in FY 2023-24 that will provide additional affordable housing opportunities**

In 2022, the City contracted with ETC Institute to undergo a Resident Satisfaction Survey. The survey included standardized questions used in communities across the country, to allow Virginia Beach to benchmark the city against average ratings in other communities, and it also included questions developed specifically for Virginia Beach to gain

insights on issues that impact the city. The following table provides how Virginia Beach compares to the Atlantic Region and the National average for a few of the survey findings.

Resident Satisfaction Results	Virginia Beach	Atlantic Region	National Average
Overall appearance of the City	81.7%	66.0%	56.2%
Mowing and tree trimming along City Streets and other public areas	75.5%	65.1%	56.5%
Enforcement of mowing and cutting of weeds on private property	51.4%	47.2%	47.0%
Enforcement of exterior maintenance of commercial/business property	50.6%	52.6%	48.0%
Enforcement of junk and debris cleanup on private property	42.3%	55.3%	46.0%
Affordability of housing options in the City	21.5%	N/A	N/A
Variety of housing options in the City	40.2%	N/A	N/A
Quality and condition of housing in your neighborhood	81.7%	N/A	N/A
Overall appearance of your neighborhood	81.0%	N/A	N/A

Trends and Issues

→ Housing Instability

The housing instability among previously stable renters caused by the economic effects of the COVID-19 pandemic continues to be the biggest national housing issue that is also impacting Virginia Beach. Currently, Federal funding and State programs are the main sources of funding addressing these issues, but many will be expiring in 2023. The ending of the last year's eviction moratoria, high rental costs, and very low vacancy rates are also affecting housing stability rates. Virginia Beach will continue to ensure that available Federal and State funding is provided to assist residents who are impacted by loss of income and low vacancy rates to prevent an even greater rise in homelessness following the pandemic. Federal HOME ARPA funding for this, once approved by HUD will be the primary means for this assistance to reach residents, and this should continue through September 2026.

→ Need for Additional Funding and Policies to Address Homelessness


There is an increasing need for continued funding and policies to address homelessness as there has been a rise in the unsheltered population after the COVID-19 pandemic. Virginia Beach has seen a significant increase in the demand for homeless prevention funding, and to address this demand, the Department has been provided an additional \$100,000 for prevention in the FY 2023-24 budget. These activities will continue using additional available American Rescue Plan Act (ARPA) funding sources through 2026 to address the increased need across the city.

→ Affordable Housing

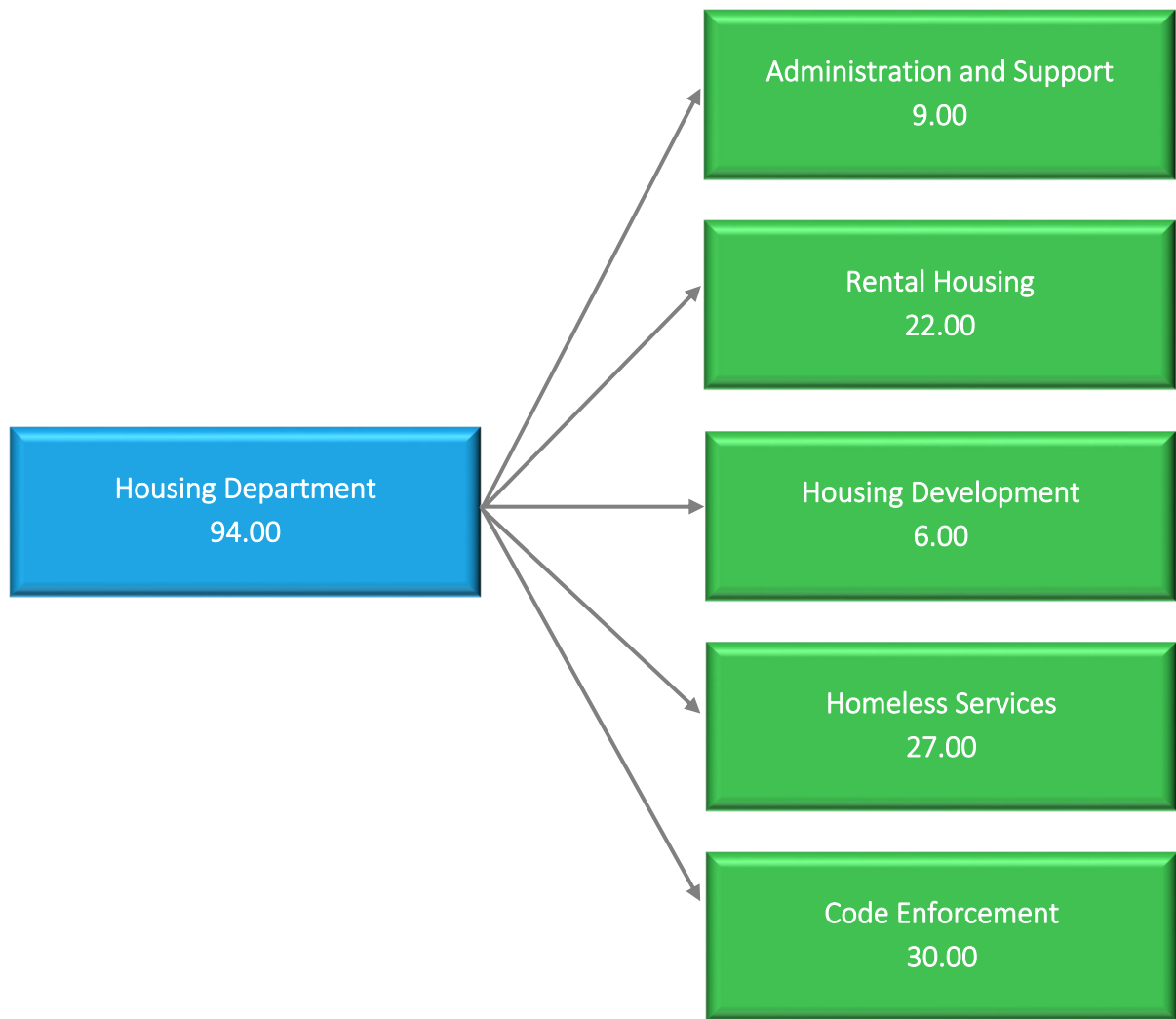
Virginia Beach's slow growth in population, households, and housing requires new policies to address the need for new housing of various types that is affordable to a range of buyers and renters, as well as the need for re-investment and revitalization of existing neighborhoods. The increase in rental prices continues to add to this issue and make it more and more difficult to find and secure affordable rental housing units. The Housing Choice Voucher Program has implemented small area fair market rent increases for all zip codes in the City of Virginia Beach that may help to address this issue. Additionally, the city pilot program for owner occupied rehabilitation funds is an initiative that aims to help owners maintain decent, safe and affordable housing. This program has been revised to be made available to a broader group of homeowners than are eligible for assistance with Federal funding and will continue in FY 2023-24 until funds are depleted.

Major Budget Changes

	Change	Impact
↔	<p>Executive Assistant II - Conversion of Contracted Manpower</p> <p>1.00 FTE \$0</p>	<p>Restoration of the Housing Department's Executive Assistant II position which was eliminated as part of the COVID-19 pandemic budget restrictions. The position of the Executive Assistant will be responsible for FOIA requests, managing FMLA, Risk Management and departmental communications.</p> <p>The Department will convert contracted manpower from its Community Development Block Grant (CDBG) in the amount of \$64,551 to cover expenditures for this position.</p>
↔	<p>Rental Housing Support Positions</p> <p>3.00 FTE \$22,098</p>	<p>The Housing Department's FY 2023-24 budget includes the addition of three support positions for Rental Housing operations, including one Housing Specialist Assistant, one Housing Specialist I, and one Housing Specialist II.</p> <p>The Assistant position will assist the Rental Housing Coordinator with administrative duties allowing the coordinator to allocate needed time to supervising the team. The Housing Specialist I position assist with the intake process for a couple of new programs which have different qualifying standards and different payments requirements. The Housing Specialist II position will assist with criminal background checks, researching potential fraud and executing repayment agreements for the recovery of overpaid benefits.</p> <p>The Department will use a combination of converting contracted manpower and other grant resources from the Federal Section 8 program; therefore, no City funds are requested.</p>
↑	<p>Housing Specialist Assistant – Homeless Services</p> <p>1.0 FTE \$9,198</p>	<p>The Housing Specialist Assistant position in the Homeless Services Division will conduct necessary triage assessments at the point of entry to the homeless response system on all households experiencing a housing crisis.</p> <p>The Department will convert contracted manpower in the amount of \$39,811 and will receive additional \$9,198 from the General Fund.</p>
↑	<p>Housing Specialist II – Homeless Services</p> <p>1.0 FTE \$3,482</p>	<p>The Housing Specialist II will serve as a lead position for the Tennant Based Rental Assistance (TBRA) Program. Due to federal funding increase in the HOME programs, the Housing Department can increase capacity and provide two-year housing vouchers from serving 18 households to serving 100 households experiencing homelessness.</p> <p>The Department will convert contracted manpower in the amount of \$61,068 and will receive additional \$3,482 from the General Fund.</p>
↑	<p>Homeless Prevention and Diversion Program</p> <p>\$100,000</p>	<p>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.</p> <p>These funds are utilized 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.</p>

	<p>Contracted Manpower and Programmatic Support</p> <p>\$434,843</p>	<p>The increased amount of \$434,843 in the Department of Housing and Neighborhood Preservation is due to the award from the federal Department of Housing. This amount is greater than the City Manager’s Proposed Budget and is being appropriated to the FY 2023-24 Operating Budget through the Reconciliation Process.</p>
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Department Organization Chart



City Of Virginia Beach, Virginia
Housing and Neighborhood Preservation - Departmental Resource Summary

	FY 2021-22 Actual	FY 2022-23 Adjusted	FY 2023-24 Adopted	Variance from FY 2023
Program Summary				
FD100: General Fund				
Expenditures				
State Rental Assistance	24,455	-	-	-
General Operating Expenses	6,334,969	6,821,628	7,588,004	766,376
Total Expenditures	6,359,424	6,821,628	7,588,004	766,376
Revenue				
Charges for Services	150,007	240,000	240,000	-
Permits, Fees, and Regulatory Licenses	250	-	-	-
Miscellaneous Revenue	-	-	-	-
Total Revenues	150,257	240,000	240,000	-
General City Support	6,209,168	6,581,628	7,348,004	766,376
FD260: Federal Section 8 Program Special Revenue Fund				
Expenditures				
Family Support	-	-	59,242	59,242
Mainstream Vouchers	1,369,919	-	-	-
Vash Vouchers	719,656	-	-	-
Operations	2,035,045	2,212,254	2,193,503	(18,751)
Cloverleaf SRO Vouchers	95,834	106,580	95,596	(10,984)
State Rental Assistance	-	-	-	-
Portability Payments	2,132,198	3,291,000	2,405,340	(885,660)
Vouchers	17,264,763	19,337,868	21,208,682	1,870,814
SRO Vouchers	50,570	48,445	50,163	1,718
HCV Mainstream 5	147,704	826,499	759,872	(66,627)
Emerg HSG Voucher	-	517,521	425,695	(91,826)
General Operating Expenses	-	-	-	-
Total Expenditures	23,815,688	26,340,167	27,198,094	857,927
Revenue				
Charges for Services	2,501,668	3,508,100	2,606,322	(901,778)
Miscellaneous Revenue	26,065	-	-	-
From the Use of Money and Property	4,900	-	-	-
Revenue from the Federal Government	21,856,138	22,717,911	24,334,912	1,617,001
Specific Fund Reserves	-	38,156	180,860	142,704
Transfer In	76,000	76,000	76,000	-
Total Revenues	24,464,771	26,340,167	27,198,094	857,927
General City Support	(649,083)	-	-	-

FD261: State Rental Assistance Program Special Revenue Fund**Expenditures**

State Rental Assistance	681,611	1,244,749	1,244,748	(1)
Total Expenditures	681,611	1,244,749	1,244,748	(1)

Revenue

From the Use of Money and Property	13,946	-	-	-
Revenue from the Commonwealth	1,568,548	1,244,749	1,244,748	(1)
Revenue from the Federal Government	-	-	-	-
Total Revenues	1,582,494	1,244,749	1,244,748	(1)
General City Support	(900,883)	-	-	-

FD270: Consolidated Grants Special Revenue Fund**Expenditures**

General Operating Expenses	3,770,353	2,909,219	3,285,056	375,837
Total Expenditures	3,770,353	2,909,219	3,285,056	375,837

Revenue

Revenue from the Commonwealth	45,288	-	-	-
Revenue from the Federal Government	2,413,605	2,909,219	3,285,056	375,837
Total Revenues	2,458,893	2,909,219	3,285,056	375,837
General City Support	1,311,460	-	-	-

FD272: Federal Housing Assistance Grant Special Revenue Fund**Expenditures**

General Operating Expenses	1,285,424	1,208,266	1,234,149	25,883
Total Expenditures	1,285,424	1,208,266	1,234,149	25,883

Revenue

From the Use of Money and Property	16,952	-	-	-
Revenue from the Federal Government	890,925	1,163,266	1,174,149	10,883
Other Financing Sources	116,239	45,000	60,000	15,000
Total Revenues	1,024,115	1,208,266	1,234,149	25,883
General City Support	261,309	-	-	-

FD273: Community Development Grant Special Revenue Fund**Expenditures**

Program Support	-	545,385	-	(545,385)
Inspections	407,467	739,012	582,900	(156,112)
Community Rehabilitation	-	579,980	740,282	160,302
Administration	311,153	717,993	727,246	9,253
Housing Development	300,297	-	578,217	578,217

General Operating Expenses	3,670,455	-	-	-
Total Expenditures	4,689,372	2,582,370	2,628,644	46,274

Revenue

From the Use of Money and Property	3,224	-	-	-
Revenue from the Federal Government	2,839,715	1,968,186	2,014,460	46,274
Other Financing Sources	133,689	75,000	75,000	-
Transfer In	539,184	539,184	539,184	-
Total Revenues	3,515,812	2,582,370	2,628,644	46,274
General City Support	1,173,560	-	-	-

	FY 2021-22 Actual	FY 2022-23 Adjusted	FY 2023-24 Adopted	Variance from FY 2023
<u>FD100: General Fund</u>				
<u>Position Summary</u>				
General Operations	43.92	44.34	49.17	4.84
General Fund Positions	43.92	44.34	49.17	4.84

FD260: Federal Section 8 Program Special Revenue Fund

Position Summary

Family Support	-	-	0.90	0.90
Operations	19.64	19.32	20.38	1.06
Cloverleaf SRO Vouchers	0.14	0.16	0.14	(0.02)
SRO Vouchers	0.06	0.07	0.06	(0.01)
HCV Mainstream 5	-	0.15	0.35	0.20
Emerg HSG Voucher	-	0.23	0.27	0.05
Federal Section 8 Program Special Revenue Fund Positions	19.84	19.93	22.10	2.17

FD261: State Rental Assistance Program Special Revenue Fund

Position Summary

State Rental Assistance	0.40	0.48	1.00	0.52
State Rental Assistance Program Special Revenue Fund Position	0.40	0.48	1.00	0.52

FD270: Consolidated Grants Special Revenue Fund

Position Summary

General Operations	1.35	1.35	1.30	(0.05)
Consolidated Grants Special Revenue Fund Positions	1.35	1.35	1.30	(0.05)

FD272: Federal Housing Assistance Grant Special Revenue Fund**Position Summary**

General Operations	0.67	0.50	1.22	0.73
Federal Housing Assistance Grant Special Revenue Fund Positio	0.67	0.50	1.22	0.73

FD273: Community Development Grant Special Revenue Fund**Position Summary**

Program Support	-	5.57	-	(5.57)
Inspections	-	8.02	5.81	(2.21)
Administration	-	5.83	5.85	0.02
Housing Development	-	-	5.55	5.55
General Operations	20.83	2.00	2.00	-
Community Development Grant Special Revenue Fund Positions	20.83	21.42	19.21	(2.21)
Total Positions	87.01	88.00	94.00	6.00

HUMAN RESOURCES



The mission of the Department of Human Resources is to facilitate the recruitment, retention, and development of a sustainable quality workforce and its alignment with the City's strategy.

Department Overview

Funding for the Human Resources Department comes primarily from general City revenues. Significant services include:

Staffing and Compensation

Coordinates and oversees the City's recruitment, test administration, selection processes, employee personnel records, and administration of the City's compensation system. This division provides technical assistance to all departments, employees, and applicants on matters which affect the selection, classification, and pay of employees. Staff support the City's commitment to ensuring pay equity by conducting position evaluations and salary analysis.

Learning and Development

Provides citywide learning opportunities to allow a comprehensive and integrated learning and development continuum for every City employee. This recognizes the City's underlying commitment to provide leadership and learning opportunities by enabling employees to realize their full potential and to continue learning throughout their career and for a lifetime.

Workforce Planning and Development

Coordinates the development of departmental plans that will anticipate and design ways to meet the needs of the City's current and future workforce.

Human Rights Commission

Conducts and engages in educational and informational programs to promote mutual understanding among citizens. The Commission serves as a forum for discussion on human rights issues, conducts studies, proposes solutions for the improvement of human relations, and provides referral assistance to persons who believe their rights have been violated.

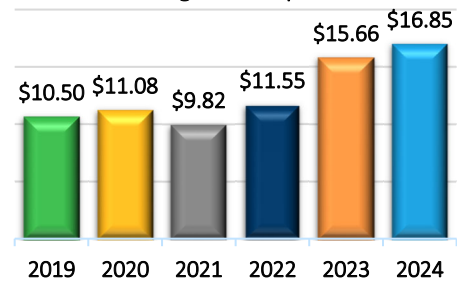
Investigative Review Panel (IRP)

Reviews complaints involving the Police Department as requested by citizens to ensure that reports and conclusions of the Police Department's Internal Affairs Office investigations involving abuse of authority or other serious misconduct are complete, accurate, and factually supported.

Equal Employment Opportunity (EEO)/American Disability Act (ADA)/Diversity Programs

Provides consultative services to departments in managing EEO/ADA/Diversity programs. Staff advises and investigates EEO/ADA related complaints and issues and provides training that will raise awareness for both employees and managers.

Budget Per Capita



*The increase in FY 2022-23 is attributed to the addition of new positions in response to the Hilard Heintze report recommendations.

Employee Relations

Focuses on maintaining effective management and employee relationships. The division provides technical advice and assistance to departments regarding human resource policies and procedures, performance management and counseling, performance and discipline-based actions, an alternative dispute resolution process, leave management and administration, and work life issues.

Occupational Safety and Health Services

Conducts pre-placement and annual medical examinations for public safety and safety sensitive positions that screen for correctable risk factors. Provides fitness for duty testing, substance abuse testing, and manages the Return-to-Work Program. Occupational Safety coordinates Department of Motor Vehicles checks and supports city operations conducting ergonomic evaluations of workstations, indoor air quality testing, job hazard studies, and safety compliance training.

Key Performance Measures

The table below illustrates how the Department has been performing on their departmental performance metrics:

Departmental Performance Metrics	FY 2020	FY 2021	FY2022	FY 2023 EST	FY 2024 PROJ
Number of Participants attending Learning & Development instructor led courses	7,000	3,248	3,050	3,500	4,200
Number of Participants attending Learning and Development e-learning courses	3,165	2,971	5,066	5,500	6,00
Number of participants attending Occupational Health and Safety Training	4,256	4,000	3,664	3,700	3,800
Number of medical exams/nursing services	17,165	15,693	14,997	15,000	15,500
Number of employee injuries reported	1,178	966	935	1,000	1,000
Percent of positions filled within 60 days of initial advertisement	42%	41%	52%	53%	53%

In 2022, the City contracted with ETC Institute to undergo a Resident Satisfaction Survey. The survey included standardized questions used in communities across the country, to allow Virginia Beach to benchmark the city against average ratings in other communities, and it also included questions developed specifically for Virginia Beach to gain insights on issues that impact the city. The following table provides how Virginia Beach compares to the Atlantic Region and the National average for a few of the survey findings.

Resident Satisfaction Results	Virginia Beach	Atlantic Region	National Average
Overall quality of customer service you receive from City employees	73.0%	38.0%	40.6%
Overall quality of services provided by the City	71.1%	47.8%	50.5%
Effectiveness of City communication with the public	49.9%	48.3%	38.2%
Availability of information about local government services and activities	52.0%	52.5%	47.5%
Overall value that you receive for your City tax dollars and fees	52.8%	33.8%	33.8%
Usefulness of the City's website	59.0%	45.5%	43.4%

Trends and Issues

→ Continuing Efficiency through Deployment of Technology

- In partnership with IT and Finance, Human Resources is working on the selection and implementation of a new Human Resource Management (HRM) tool. The HRM will better enable the City to manage people activities associated with life cycle employment. The current system, Oracle EBS (Insite), has served as the HRM since 2008.
- Human Resources continues to utilize the electronic routing of correspondence within the Department and between Human Resources and the City Manager's Office. This has facilitated a quicker turnaround of documents needed to effectuate many personnel actions.
- Human Resources is offering more in-person classes and returning to in-person New Member Orientation sessions. The Department continues to offer training classes and New Member Orientation Day 2 via Adobe Connect. Virtual instructor led training, e-learning platforms, and VB Online (asynchronous training) allow members multiple access point for continuous professional and organizational development.

→ Employee Compensation

- The City of Virginia Beach implemented a \$15 minimum starting rate for all full-time and part-time positions effective July 1, 2022.
- The City implemented a step-pay-plan with 16 steps; a majority of City employees were placed on the step/range based upon 50% of total years of service with the City.
- During FY 2020-21, City Council approved the solicitation of a consultant to evaluate the City's market competitiveness via a market salary and benefits survey. Based on the survey results, the City adjusted 65 classifications on the administrative pay plan and 93 on the general pay plan.
- Pay ranges have been expanded to reflect a 55% spread between the pay range minimum and pay range maximum.
- Hiring bonus programs have been implemented across multiple disciplines to assist the City in attracting candidates to apply for difficult to fill positions and will be evaluated annually for effectiveness and need.
- Retention bonuses have been provided for some positions experiencing extremely high turnover in an effort to incentivize retention.

→ Recruitment

- It is becoming increasingly competitive for the City to find quality employees. The City is actively engaging in activities to increase its presence within the labor market.
- 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 automatic access to all applications for a position so they can review applications as they come in rather than waiting until a position advertisement closes.
- In FY 2022-23, Human Resources received two positions to provide talent acquisition support and actively source candidates. Sourcing strategies include weekly Recruiter Q&A sessions to enhance the candidate experience, building sponsored social media recruitment campaigns, and utilizing LinkedIn Recruiter to reach out to candidates directly.
- Human Resources organized a City career fair in October 2022 at the Virginia Beach Convention Center and attracted close to 500 attendees.
- Human Resources continues to utilize existing relationships with local colleges and military transitioning programs to attract talent. In the past year, HR has partnered with operational departments to identify programs and educational institutions outside the local area to engage in additional networking and recruitment activities.

- The City has renewed its V3 certification and partnered with HireVetsNow - Skillsbridge to recruit and attract transitioning military members to City of Virginia Beach employment.
- In cooperation with the Office of Performance and Accountability, HR launched an official internship program using City positions. Human Resources will oversee the process, assist with recruiting efforts, and provide guidance to departments.
- Total vacancies in March 2022 were 892 and as of March 2023 there are 719 vacancies. A substantial number of FTEs was added last year, making the number of filled vacancies over the past year even higher. Progress is being made to fill vacancies and attract quality employees to City jobs.

→ **Enhancement of Employee Benefits**

- City Council has approved redefining full-time exempt as those employees working 80 hours over a two-week period rather than 40-hours per week. This measure provides extra flexibility for the employee and the organization.
- The City is reviewing several benefits for possible future implementation, including modification of shift differential to provide more flexibility.

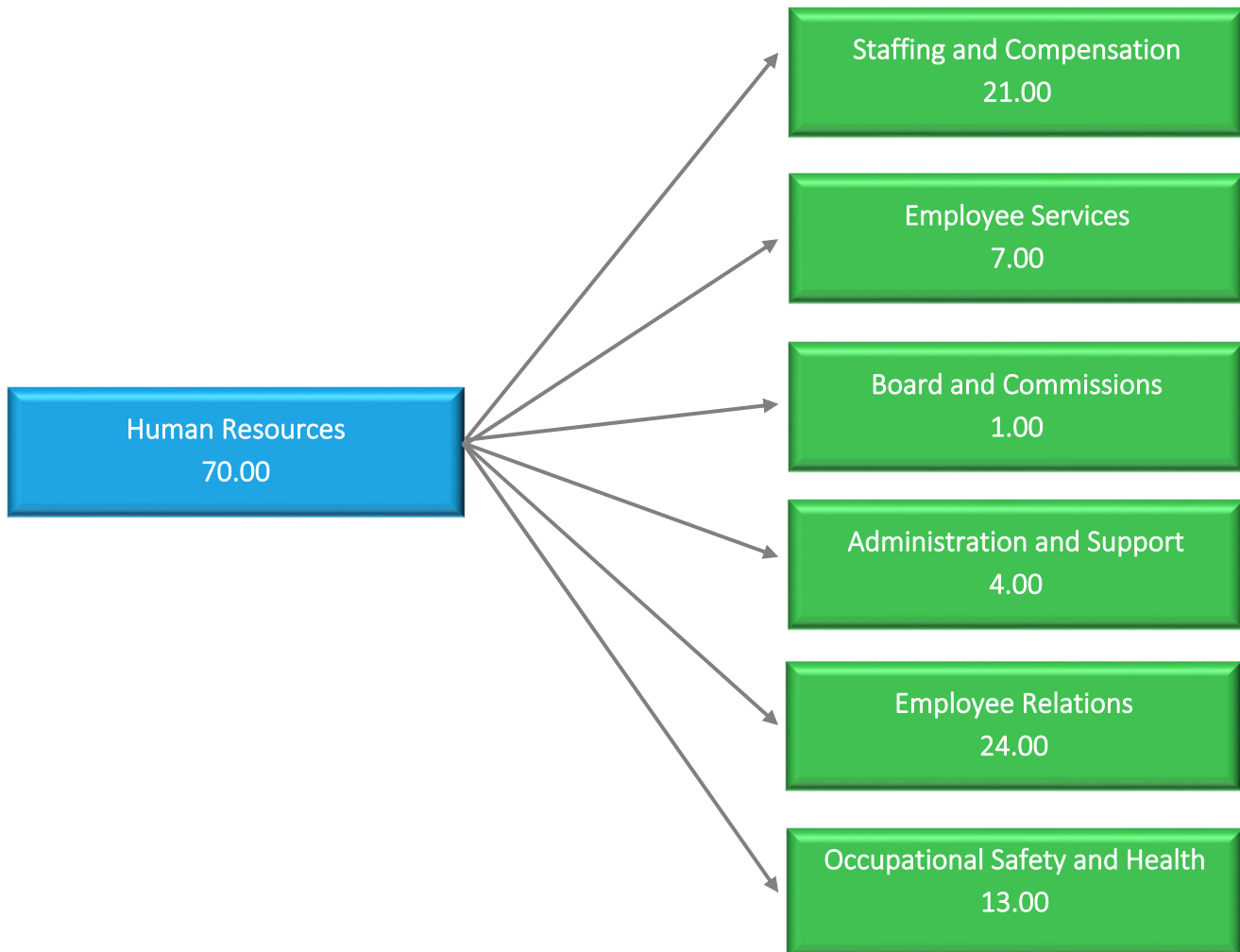
→ **Employee Safety and Wellness**

- Hillard Heintze, a security risk management firm, conducted an independent investigation in response to the May 31, 2019 tragedy. In response to the report recommendations, the City has moved towards centralization of employee relations to ensure more consistency in the handling of employee concerns.
- A Threat Assessment Team (TAT) has been formalized through City policy. TAT will review and make recommendations related to employee issues to ensure appropriate immediate response.
- Mental health needs of the workforce are increasingly becoming a core focus. The tragedy of May 31, 2019, the COVID-19 pandemic and the resulting increase in family issues, and the national narrative regarding public safety have resulted in increased usage of the City's Employee Assistance Program (EAP).
- Industrial hygiene assessments of worksites addressing asbestos, lead, indoor air quality (mold and allergens), infectious bacteria, and viral pathogens have increased. As facility infrastructure continues to age, these assessments will continue to increase.
- Emergency Action Planning continues to be a priority, and the Department continues to partner with the Department of Emergency Management and Infrastructure Protection, the Fire Department, and other departments/offices to identify resources to prepare the workforce to respond accordingly. Activities include annual review of facility emergency plans and protocols, worksite safety assessments, engaging with site and department leaders, documenting plans, and training all affected workforce annually as required by regulatory code.

Major Budget Changes

	Change	Impact
↑	<p>Positions Increase: Human Resources Business Partners (Employee Relations)</p> <p>3.00 FTE</p> <p>\$258,623</p>	<p>This budget includes a position increase for three Human Resources Business Partners within the Employee Relations division. These positions will further centralize employee relations functions within City departments and ensure policies and procedures are implemented consistently. Additionally, these positions will assist the threat assessment team to centralize workplace violence prevention and provide training to supervisors to understand and detect early warning signs. These positions will be integral in maintaining critical service levels for City employees.</p>
↑	<p>Position Increase: Account Clerk III (Employee Relations)</p> <p>1.0 FTE</p> <p>\$60,067</p>	<p>This budget includes a position increase for an Account Clerk III. This position will provide support to the leave and absence management program on the Employee Relations team. This position will play an integral role in centralization efforts to establish consistency in the handling of employee concerns and the overall tracking and reporting of Family and Medical Leave Act (FMLA) cases. The number of FMLA cases have risen in recent years. This position will help ensure that City departments remain consistent in following all laws and best practices regarding FMLA cases.</p>
↑	<p>OHS Software</p> <p>\$60,000</p>	<p>This budget includes funding for the Department's UL Solutions' Occupational Health Medical Record system (Pure OHS). The Pure OHS software impacts the City-wide tracking of cases and provides better efficiency in OSHA compliance. This system was implemented in 2020 to replace an older system. This funding provides the annual cost to utilize the software.</p>
↑	<p>Recruitment and Career Fair Costs</p> <p>\$45,000</p>	<p>This budget includes funding for increased recruitment efforts and career fair costs. These tools and platforms will help the Department source and engage candidates for City jobs. These initiatives are important for pipeline building and creating relationships with qualified candidates. Recruitment efforts remain a top priority of both the Human Resources Department and City leadership to make effective and accelerated efforts to fill City vacancies.</p>
↑	<p>Centralize Job Advertising</p> <p>\$32,000</p>	<p>This budget includes funding that allows the Human Resources Department to centralize job advertising on external websites for all City job vacancies. This centralization assists Human Resources in their efforts to recruit a diverse and high-performing workforce. Additionally, these enhanced efforts will help the City fill long-time vacancies.</p> <p>Previously, individual City departments were responsible for posting job vacancies on external websites. The centralization of ads allows for better oversight from Human Resources and ensures a more consistent plan in the advertisement of City positions.</p>

Department Organization Chart



City Of Virginia Beach, Virginia
Human Resources - Departmental Resource Summary

	FY 2021-22 Actual	FY 2022-23 Amended	FY 2023-24 Adopted	Variance from FY 2023
Program Summary				
<u>FD100: General Fund</u>				
<u>Expenditures</u>				
Human Rights Commission	70,022	86,555	86,865	310
Special Benefits	(491,280)	-	-	-
Training, Learning, and Development	564,008	805,787	844,508	38,721
Police Services	83,381	-	-	-
Member Communications	183,946	78,149	-	(78,149)
General Operating Expenses	4,880,240	6,158,917	6,768,564	609,647
Total Expenditures	5,290,317	7,129,408	7,699,936	570,528
<u>Revenue</u>				
Charges for Services	-657	-	-	-
Miscellaneous Revenue	-	253	253	-
From the Use of Money and Property	-	1,200	1,200	-
Transfer In	62,900	91,900	91,900	-
Total Revenues	62,243	93,353	93,353	-
General City Support	5,228,074	7,036,055	7,606,583	570,528

	FY 2021-22 Actual	FY 2022-23 Amended	FY 2023-24 Adopted	Variance from FY 2023
<u>FD100: General Fund</u>				
<u>Position Summary</u>				
Human Rights Commission	1.00	1.00	1.00	-
Training, Learning, and Development	7.00	7.00	7.00	-
Police Services	1.00	-	-	-
Member Communications	1.00	1.00	-	(1.00)
General Operations	53.00	57.00	62.00	5.00
Total Positions	63.00	66.00	70.00	4.00

HUMAN SERVICES



The mission of the Department of Human Services is to provide Virginia Beach citizens the opportunity to achieve the highest level of self-sufficiency, safety, and quality of life possible through an array of coordinated services delivered in a climate of dignity, respect, and accountability.

Department Overview

The Department of Human Services is comprised of the following service areas:

Administration

Provides leadership and support to all divisions. This division consists of the Department Director, Medical Director, and Deputy Directors and includes the Continuous Quality Improvement, Business Administration, and Personnel functions.

Social Services

Assists residents in meeting their fundamental needs during times of temporary economic and social crisis through the provision of:

- Child and adult protection services to safeguard vulnerable residents from neglect and abuse
- Child welfare services such as adoption and foster care
- Employment services and supports including training and placement assistance
- Family support services with the goal of keeping families together or quickly reunifying them
- Federal benefit programs including Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance to Needy Families (TANF), Day Care Assistance, Long-term Care, and Medicaid eligibility

The Children's Services Act (CSA) team works with at-risk youth and their families to assess their strengths and needs to identify and provide services that are child-centered, family-focused, and community-based.

The Community Corrections and Pre-Trial program works with the local judicial system to find alternatives to incarceration and reduce recidivism for eligible adults convicted of non-violent crimes.

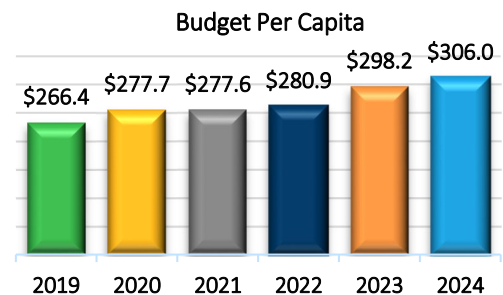
The Juvenile Detention Center provides temporary and safe custody of juveniles that have criminal charges and requires a restricted environment for their own protection or the protection of the public.

Behavioral Health and Developmental Services (Community Services Board-CSB)

Behavioral Health provides services and referrals to prevent, treat, and support recovery for individuals experiencing mental health conditions, substance use disorders, or co-occurring disorders. Developmental Services provides service coordination and skill building to those with a primary diagnosis of developmental disability with the goal of achieving the highest level of independence possible.

Programs include, but are not limited to:

- Case management services that are client-centered, promote recovery and resiliency, and are provided in the least restrictive settings to keep individuals in their communities whenever possible and appropriate
- Day support and psycho-social rehabilitation services for adults with serious mental illnesses and/or intellectual disabilities



- Discharge assistance planning for individuals returning to the community from state hospitals or jail incarcerations
- Assertive Community Treatment (ACT) which consists of an interdisciplinary team that provides comprehensive services to include medication management, case management, counseling, and skill-building in the community
- Emergency Services 24-hour response to behavioral health emergencies
- 24-hr group home residential settings for individuals with intellectual disabilities
- 24-hr intermediate Care Facilities that house and support individuals with both intellectual disabilities and significant physical health conditions
- Jail diversion and treatment partnerships with the Police and Sheriff's Office
- The Community Corrections and Pre-Trial program works with the local judicial system to find alternatives to incarceration and reduce recidivism for eligible adults convicted of non-violent crimes.
- Outpatient services for children and adults that include primary care health screenings
- Outreach and assistance to adults with serious mental illnesses and/or substance use disorder who are experiencing or are at risk for homelessness
- Supportive in-home services for adults with developmental or intellectual disabilities customized to the needs of the individual to promote independence and maintain community housing
- Prevention and education services in schools and throughout the community
- Residential Crisis stabilization for individuals experiencing an emergent behavioral health crisis
- Mobile Crisis Response and Community Stabilization for crisis de-escalation and warm handoff to longer term community-based services as needed
- Supervised and supported employment opportunities
- Support to pregnant women struggling with substance use disorders

Key Performance Measures

The table below illustrates how the Department has been performing on their departmental performance metrics:

Departmental Performance Metrics	FY 2020	FY 2021	FY 2022	FY 2023 PROJ	FY 2024 PROJ
Clients with developmental disabilities in residential services	39	44	36	40	40
Individuals admitted to Pathways to Recovery Center	606	525	0*	50**	200**
Individuals served with Behavioral Health Emergency Services	3,245	5,791	5,163	5,200	5,200
Cases opened to TANF by year-end	800	613	533	500	500
Number of Child Protective Service complaints assessed	1,350	1,391	1,400	1,500	1,500
Number of juvenile offenders detained in temporary and safe custody	564	265	296	368	360
Number of Mobile Co-responder Team (MCRT) crisis calls for service	614	498	402	450	500

* Pathways closed temporarily 11/24/21.

** Depending on reopening date and operating at 50% capacity.

In 2022, the City contracted with ETC Institute to undergo a Resident Satisfaction Survey. The Survey included standardized questions used in communities across the country, to allow Virginia Beach to benchmark the city against average ratings in other communities, and it also included questions developed specifically for Virginia Beach to gain insights on issues that impact the city. The survey results compare Virginia Beach to the Atlantic Region and National average. Services provided by Human Services with regards to mental health services for children and adults, behavioral health services and benefits administration all result in a better quality of life which resonates with residents as shown by the result of the resident satisfaction survey in the table below. Virginia Beach residents rank the city much higher than other cities in the Atlantic region or even nationally.

Resident Satisfaction Results	Virginia Beach	Atlantic Region	National Average
Percent of citizens satisfied with the overall quality of services provided by the City	75.3%	53.6%	50.5%
Percent who view the City as a place to live	89.7%	60.0%	49.7%
Percent who view the City as a place to raise children	84.1%	69.1%	62.4%

For Human Services specific satisfaction survey rating, 53% of Virginia Beach residents rated the overall quality of services provided by the City e.g., adult services, family services, juvenile services, public assistance as good/excellent in the recently conducted survey. While residents seem to be relatively happy with the overall quality of services provided by the city for services offered by Human Services, residents indicate they would like the City Council to continue to focus on the overall quality of its public assistance, adult, family and juvenile services, with 45.8% of residents saying it should be a high priority for the City over the next two years.

Trends & Issues

→ SNAP and Medicaid Benefits

The Department of Human Services must comply with the timeliness requirements to meet State and Federal mandates. In Virginia Beach, applications received in the Supplemental Nutrition Assistance Program (SNAP) averaged 1,621 in 2022. For Medicaid, applications received averaged about 1,128 in 2022.

To assist families during the Public Health Emergency (PHE), SNAP provided emergency benefits each month on or around the 15 to eligible households. The extra SNAP benefits have been received monthly since the onset of the PHE in March 2020 and will be ending on March 1, 2023. It is expected that the department will have increased calls and office visits when these additional SNAP benefits end. The Division is currently working on a plan to inform clients about other local resources and to be prepared when these benefits are stopped. It is expected that the department will continue to see an upward spike in households applying for SNAP and other low-income programs.

In the Medicaid program, the Department of Health and Human Services and the Virginia Department of Social Services (VDSS) made provisions in the policy to prevent agencies from taking any negative actions to close or reduce Medicaid coverage due to the public health emergency. Annual renewals for the Medicaid program have been suspended and this is expected to end in April 2023. The Division will have to resume annual renewals for the 24,000 overdue Medicaid renewals starting in April and will have 14 months to complete the process.

SNAP and Medicaid Recipients by Fiscal Year	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23 (EST)	FY 2023-24 (EST)
SNAP	38,458	42,339	34,741	35,000	35,000
Medicaid	81,001	87,104	92,268	93,000	93,000

→ Child Welfare Trends

Child Protective Services (CPS) validated referrals have remained consistent over the past two years. The CPS referrals are increasingly complex and high risk due to caretaker substance use issues and the behavioral health needs of adults and children. The in-home CPS unit that is responsible for providing case management services for high-risk CPS families average 98 open family services cases per month. The Foster care unit consistently provides foster care services for 168 children under the age of eighteen.

→ Child and Youth Behavioral Health Division Trends

The Child and Youth Behavioral Health Division (CYBH) has been working with the Virginia Beach City Public Schools to enhance service delivery. CYBH designated a School Liaison position to help facilitate coordination of services with the school system. Also, CYBH is launching a new Rapid Response program with the schools. This program will provide behavioral health screening, assessment, and linkage to services for elementary aged youth identified by the schools as having a possible behavioral health need. Clinical staff will work with the youth and family to identify the best resources to meet behavioral health needs. The program is scheduled to begin in early February 2023.

In addition, the Child and Youth Behavioral Health Division is expanding its Parent Child Interaction Therapy (PCIT) service. PCIT is a strong evidenced-based treatment that works with youth ages 2-7 and their caregivers to help reduce behavioral outbursts and teach caregivers how to build positive relationships with their child and set appropriate limits. Approval has been given to remodel a suite in Pembroke 6 to create two PCIT observation rooms. This expansion will allow additional staff to be trained in PCIT with the goal of doubling the number of families receiving the service within the next two fiscal years.

The Early Intervention/Infant Program serves children from birth to age three who have developmental delays, atypical behavior, and/or a disabling condition that is likely to result in a delay in their development. Children referred receive eligibility determination at no charge. Eligible children receive assessment, service coordination, speech, physical, and/or occupational therapy, educational services, in addition to various other needed supports. The program also offers limited center-based classes that focus on boosting development, make classroom-style instruction familiar, promote socialization, and empower caregivers with various support tools and techniques.

→ Adult and Aging Trends

Adult Protective Services (APS) has had an increase in the number of reports as well as an increase in the complexity of the casework. Cases often involve more than one type of abuse and are occurring in adults with complex mental health and/or developmental disabilities. Investigators often collaborate with other Departmental and city staff to include the Behavioral Health Division and Developmental Disabilities and the City Attorney's office, to address the growing needs of Human Services' clients.

The following data is compiled from the Commonwealth's case management system:

- 2019: 1,246 reports were received for investigation (this number reflects a partial year due to the change in the case management system)
- 2020: 2,001 reports were received for investigation
- 2021: 2,283 reports were received for investigation
- 2022: 2,117 reports were received for investigation

The Adult and Aging Division continues to see an increase in the complexity of protective services investigations and the needs for our older and disabled adults. In addition to the investigative practices, services are provided such as Medicaid home-based care services, screenings for facility placements, in-service trainings for our community partners and the monitoring of clients in our Guardianship Program.

→ Day Support Services

Due to the COVID-19 pandemic and safety protocols, the Beach House (BH) Day Program continues to operate at a reduced capacity of no more than 30 clients onsite per day. The Beach House is planning to increase the daily census once staffing can support additional clients on site. Currently, Beach House has redeployed staff to assist BH Case Management due to significant staffing shortages.

SkillQuest day program has fully reopened following the temporary closure due to the COVID-19 pandemic. The program is back to 100% capacity serving approximately 96 total participants. Staffing is an active challenge as recruiting has become difficult for front-line positions.

→ 24-hour Residential Services

There are five Developmental Services Group Homes with the capacity to serve five individuals in each home. The homes provide 24-7 care to individuals primarily diagnosed with a developmental disability who have a Medicaid Community Living Waiver. The homes must maintain minimum staff-to-resident ratio of 1:4 or 2:5 during all waking hours and 1:5 during overnight hours. There are also three Intermediate Care Facilities with the capacity to serve 42 individuals. Due to a significant staffing shortage, the programs have had to pause admission until enough staff can be hired to ensure the safety of any new residents and maintain regulatory ratios. Leadership is actively assessing resources and assessing strategies to support ongoing operations considering the ongoing workforce shortages.

→ Telehealth Services

Behavioral Health and Developmental Services (BHDS) continues to offer a combination of in-person and telehealth services. Although telehealth was initiated due to the pandemic, it continues to offer flexibility and mobile accessibility to meet the needs of individuals served, especially those with transportation barriers. Availability of new devices has been a significant challenge and the department continues to work with IT to order new devices to meet needs related to laptops and wireless services.

→ Pathways Center

Human Services continues to face significant staffing shortages in several areas. Pathways Center was impacted by the lack of adequate nursing coverage and was required to close in November 2021. Subsequently, the Pathways Psychiatrist tendered resignation effective February 28, 2022, creating a challenging shortage of both nursing and medical coverage. This is an important crisis program that provides stabilization and detoxification services in our community. Recruitment efforts continue with the goal of reopening in the summer of 2023.

→ Crisis Service Expansion

Virginia Beach was one of the first localities in the state to successfully launch MARCUS Alert responses. Citizens are now able to dial 988 during a behavioral health emergency and receive a behavioral health response. This response could vary depending on the level of need from a telephonic assessment and referral to a team of crisis clinicians responding on site to a Co-Response of both police and Emergency Service Clinicians. Human Services continues to collaborate with the Regional Crisis Call Center to enhance the crisis service continuum.

To further enhance the crisis service continuum, the General Assembly allocated funds to support mobile crisis services as part of Virginia System Transformation Excellence and Performance (STEP-VA). Virginia Beach was selected, and state funded as one of three regional hubs within Region 5 to provide mobile crisis services for children and adults. The Virginia Beach Hub will serve Virginia Beach, Norfolk, and the Eastern Shore. The Adult Hub started in January 2022 with three of the four positions being temporarily filled by Pathways Center clinicians, making it possible for adult services to begin. The Youth Hub successfully hired 3 of 4 positions during 2022 and began taking youth crisis dispatches in October. The recruitment efforts remain ongoing for this initiative.

→ **Virginia System Transformation Excellence and Performance (STEP-VA) Adjustments**

The remaining three STEPS were recently rolled out for psychiatric rehabilitation services, care coordination, and specific case management services. Recent state funding was received as follows and the programs will continue to work on the operational implementation of the new steps.

The most recent STEPs that were funded in Virginia Beach include:

- \$54,750 for psychiatric rehabilitation services which will not include any additional FTEs, but will allow for the funding of program enhancements,
- \$155,304 care coordination which will support two new FTEs for care coordination activities in Same Day Access, and
- \$79,462 for case management which will support one new FTE in Child and Youth Behavioral Health (CYBH) case management

→ **Pembroke 6 Expansion**





Behavioral Health needs across the nation and Virginia Beach has been exacerbated by the pandemic. Virginia Beach has been awarded state funds for additional FTEs for the expansion of services including mental health treatment, substance use treatment, crisis intervention, permanent supportive housing, forensic discharge planning, overdose prevention, and more. It is anticipated that additional state funding will be allocated in the upcoming years to continue service expansion. While additional FTEs are necessary to meet the increased demand for service delivery, it is also essential that there be an expansion of office space for the staff to work, meet with clients, and deliver in person services. Human Services has obtained a lease for the fifth floor of the Pembroke 6 office building, thus allowing for the additional space necessary to meet the increasing mental health needs in the City and achieve integration of services in one location.

The addition of the fifth floor provides the necessary space for expansion of services in the areas of crises services, adult outpatient services, and permanent supportive housing. Space will be designed in such a way that there will be long-term flexibility to adapt to the ever-changing field of behavioral health care. Service co-location will allow for individuals to receive crisis services, outpatient counseling, peer services, rapid case management, medication services, and supportive housing resources at the same building where they receive their Same Day Access assessment.

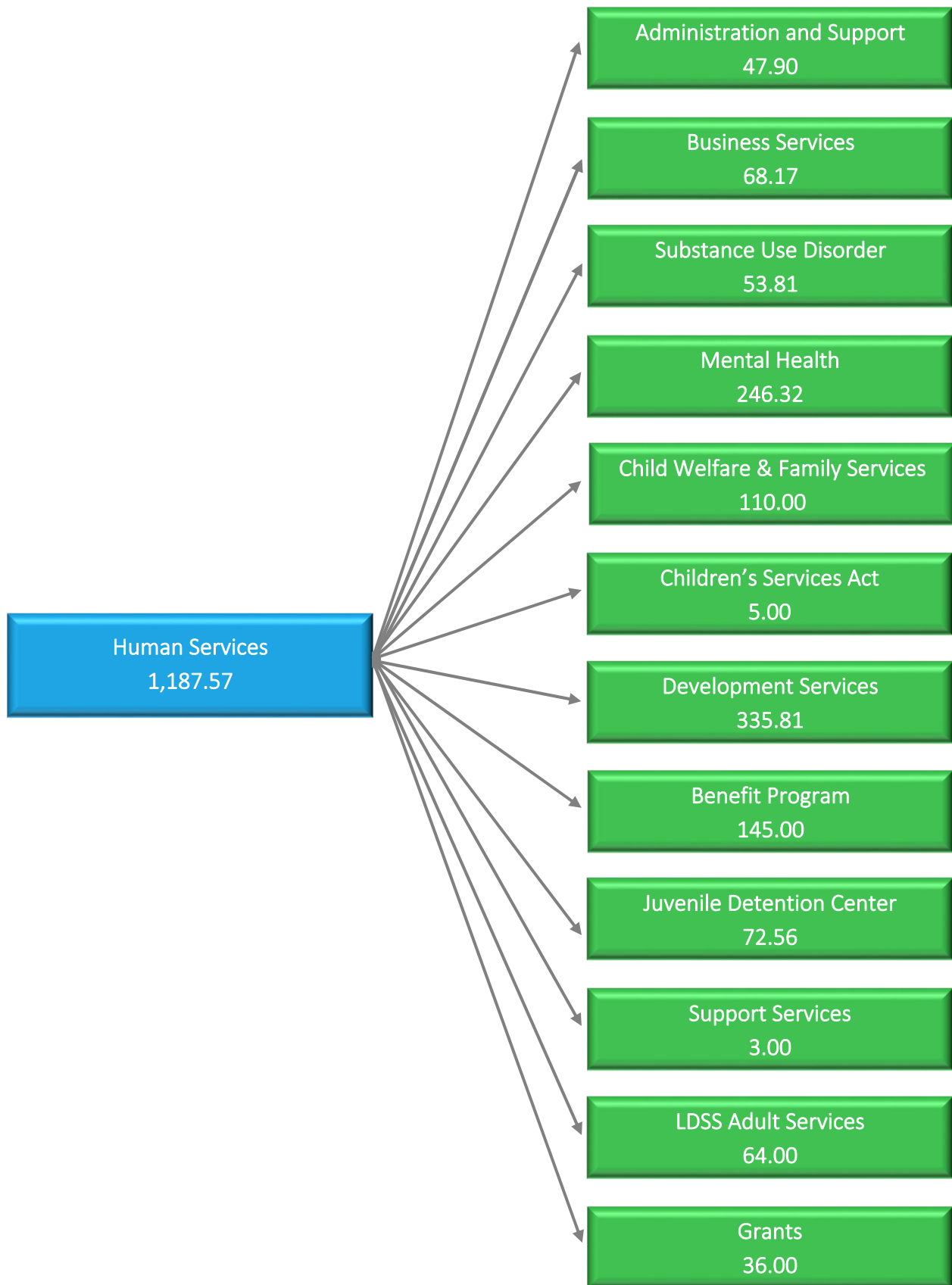
→ **Adult Correctional Services Relocation**

The Adult Correctional Services Team has received authorization to relocate from Building 29 at the Municipal Center into vacant office space at the VB Courthouse (Building 10B) adjacent to the Community Corrections and Pretrial Offices. The relocation to Building 10B will enhance collaboration with Community Corrections and Pretrial and court stakeholders, increase efficiencies by eliminating travel time to the court, and increase security and accessibility for both clients and staff. The goal is to complete the transition in March 2023.

Major Budget Changes

	Change	Impact
	Shift Differential	In FY 2023-24, Virginia Beach Municipal city code will be changed to enable Human Services to offer shift differential to its staff working the second and third shifts in the department's 24-hour programs. Human Services operates in an industry that has come to expect shift differential pay for working evenings, nights, and weekends. Changing the current city code that restricts shift differential eligibility will better serve the department and act as incentive for employees to fill the less desirable shifts and reduce the department's reliance on contracted manpower to fill gaps.
	Software Costs Increase \$265,093	In FY 2023-24, Human Services IT software costs was increased by \$265,093 to cover the cost of purchasing of new software licenses and inflation driven annual IT costs escalation. The funds will go towards the purchase of: <ul style="list-style-type: none"> • Seven APS (Adult Protective Services) Hotline licenses, • Two Emergency Services licenses, and • Three Switchboard licenses
	Position Adjustments (4) FTEs	In FY 2022-23, Human Services transferred out 13 FTEs to various city departments at the request of city administration and added four grant positions for a net loss of nine FTEs, from the FY2022-23 adopted budget. Five of the FTEs transferred out were taken from the department's Pathways Center vacancies. This budget restores the five Nurses/Clinicians positions taken from the Pathway Center to Human Services in support of its re-opening in the summer of 2023. It had to shut its doors to the public in November 2021 due to staff shortages. The center is crucial for mental health treatment as it is one of the two Crisis Stabilization Units in the region with the department ramping up its effort to get the center operational again as soon as possible. According to the department, restoration of the five positions will help to prevent a delay in the re-opening of the center. Restoration of the five Pathway Center vacancies reduces Human Services total FTE net loss to four FTEs.
	During FY 2023-24 budget reconciliation, City Council approved the conversion of ten part-time positions to five full time positions	To improve efficiencies and ensure critical services are being provided by the department of Human Services, a recommendation to convert ten part-time positions to five full-time positions was approved. The change is revenue and FTE neutral without any changes to the department's FY 2023-24 budget and FTE count. The services provided by the converted positions are either mandated or serve vulnerable population within the city. The converted positions will significantly improve staff workloads, quality of delivery, and overall ability to provide necessary services.

Department Organization Chart



City Of Virginia Beach, Virginia
Human Services - Departmental Resource Summary

	FY 2021-22 Actual	FY 2022-23 Amended	FY 2023-24 Adopted	Variance from FY 2023
<u>Program Summary</u>				
<u>FD100: General Fund</u>				
<u>Expenditures</u>				
Benefits Administration	8,429,449	1,399,888	2,095,379	695,491
Employment Services	4,057,566	4,606,262	4,948,465	342,203
Adult Services	2,737,616	3,110,331	3,392,156	281,825
Benefits Fraud Investigation	346,400	376,360	414,521	38,161
Adult Mobile Crisis	69,256	366,813	329,843	(36,970)
Program Support	152,068	27,231	20,784	(6,447)
Sheriff's Workforce	1,175	-	-	-
Reimbursement	793,182	945,082	1,022,919	77,837
Continuous Quality Improvement	3,016,545	3,120,196	3,181,164	60,968
Personnel	713,146	3,209,622	813,041	(2,396,581)
Transportation	973,033	1,366,963	1,447,345	80,382
Facilities and Fleet Management	658,430	707,501	797,276	89,775
Payroll	227,617	271,947	291,015	19,068
Senior Adult Services	2,778	4,398	4,500	102
Adult Outpatient Services	5,910,919	7,278,321	8,707,472	1,429,151
Community Rehabilitation	1,077,674	1,522,141	1,547,502	25,361
Emergency Services	1,341,357	1,678,265	1,793,149	114,884
Child and Youth Services	14,126,298	16,501,105	13,655,543	(2,845,562)
Permanent Supportive Housing	917,349	2,244,413	2,037,105	(207,308)
Crisis Management	800,243	934,844	1,155,883	221,039
Residential Services	1,959,571	2,304,503	2,364,981	60,478
Projects for Assistance in Transition from Homelessness (PATH)	176,128	265,216	295,300	30,084
Program of Assertive Community Treatment (PACT)	1,188,854	1,772,792	1,829,196	56,404
Complex Care Fund	66,192	56,000	56,000	-
Office of Consumer and Family Affairs	116,233	165,605	191,011	25,406
Case Management	5,666,611	6,913,049	6,950,127	37,078
SkillQuest	2,537,310	3,019,247	3,042,187	22,940
Respite Care Program	394,149	437,584	459,116	21,532
Infant Program	2,532,908	2,914,523	3,100,537	186,014
Supportive Living	2,611,192	2,846,337	2,837,109	(9,228)
Skilled Nursing	18,382	-	-	-

City Of Virginia Beach, Virginia
Human Services - Departmental Resource Summary

	FY 2021-22	FY 2022-23	FY 2023-24	Variance
	Actual	Amended	Adopted	from FY 2023
Family Support	38,915	38,783	38,783	-
Group Homes	2,671,698	3,015,031	2,785,136	(229,895)
Medically Assisted Treatment	507,286	510,000	476,767	(33,233)
Pathways Center	1,800,188	3,318,967	3,341,290	22,323
Adult Day Treatment Services	98,894	5,686	6,557	871
Prevention	599,364	677,405	666,101	(11,304)
Adult Correctional Services	904,669	1,159,261	1,196,715	37,454
HIV Prevention	98,728	94,635	100,149	5,514
Project Link	172,580	201,369	328,826	127,457
Regional Opioid Recovery	-	89,772	175,740	85,968
MARCUS Alert	127,747	582,187	620,213	38,026
Administration	2,716,169	4,242,589	4,090,416	(152,173)
Foster Care Program	37,544	-	3,002,139	3,002,139
Adoption	5,926,229	5,052,292	5,834,773	782,481
Intermediate Care Facilities	8,433,344	11,281,870	11,215,628	(66,242)
General Operating Expenses	26,462,723	32,124,023	34,054,719	1,930,696
Total Expenditures	114,215,708	132,760,409	136,714,578	3,954,169
Revenue				
Charges for Services	24,241,235	26,661,620	26,690,153	28,533
Permits, Fees, and Regulatory Licenses	202,580	119,340	119,340	-
Miscellaneous Revenue	2,388,329	89,859	161,510	71,651
Revenue from the Commonwealth	37,011,968	38,722,237	39,249,764	527,527
Revenue from the Federal Government	22,031,531	23,954,974	23,899,799	(55,175)
Specific Fund Reserves	-	250,000	250,000	-
Transfer In	170,715	250,000	250,000	-
Total Revenues	86,046,357	90,048,030	90,620,566	572,536
General City Support	28,169,351	42,712,379	46,094,012	3,381,633

FD270: Consolidated Grants Special Revenue Fund

Expenditures

Sheriff's Workforce	203,126	957,574	1,006,604	49,030
Infant Program	60,809	-	-	-
General Operating Expenses	2,307,915	2,012,568	2,041,354	28,786

City Of Virginia Beach, Virginia
Human Services - Departmental Resource Summary

	FY 2021-22 Actual	FY 2022-23 Amended	FY 2023-24 Adopted	Variance from FY 2023
Total Expenditures	2,571,850	2,970,142	3,047,957	77,815
Revenue				
Charges for Services	11,451	40,000	40,000	-
Miscellaneous Revenue	1,434,237	-	-	-
Revenue from the Commonwealth	1,113,877	2,300,380	2,378,195	77,815
Revenue from the Federal Government	132,580	-	-	-
Transfer In	587,053	629,762	629,762	-
Total Revenues	3,279,197	2,970,142	3,047,957	77,815
General City Support	-707,347	-	-	-

FD817: Social Services Gift Fund

Expenditures

Holiday Project	-	15,350	15,350	-
Pennies for Prescriptions	-	23,760	23,760	-
Domestic Violence Assistance	154	7,600	7,600	-
Memories and Educational Milestones	-	-	-	-
Total Expenditures	154	46,710	46,710	-

Revenue

Miscellaneous Revenue	5,422	-	-	-
Specific Fund Reserves	-	46,710	46,710	-
Total Revenues	5,422	46,710	46,710	-
General City Support	-5,268	-	-	-

	FY 2021-22 Actual	FY 2022-23 Amended	FY 2023-24 Adopted	Variance from FY 2023
<u>FD100: General Fund</u>				
<u>Position Summary</u>				
Employment Services	53.00	52.00	52.00	-
Adult Services	31.00	31.00	31.00	-
Benefits Fraud Investigation	5.00	5.00	5.00	-
Adult Mobile Crisis	4.00	3.00	4.00	1.00

City Of Virginia Beach, Virginia
Human Services - Departmental Resource Summary

	FY 2021-22	FY 2022-23	FY 2023-24	Variance
	Actual	Amended	Adopted	from FY 2023
Program Support	4.00	-	-	-
Reimbursement	12.00	13.00	13.00	-
Continuous Quality Improvement	24.90	24.90	20.90	(4.00)
Personnel	14.00	12.00	12.00	-
Transportation	29.67	25.67	26.17	0.50
Facilities and Fleet Management	11.00	12.00	12.00	-
Payroll	4.00	5.00	5.00	-
Adult Outpatient Services	66.12	68.06	69.06	1.00
Community Rehabilitation	16.00	16.00	16.00	-
Emergency Services	19.63	19.63	18.63	(1.00)
Child and Youth Services	145.25	149.25	149.25	-
Permanent Supportive Housing	2.00	8.00	8.00	-
Crisis Management	10.50	11.25	11.25	-
Residential Services	15.38	16.13	16.13	-
Projects for Assistance in Transition from Homelessness (PATH)	2.75	3.00	3.00	-
Program of Assertive Community Treatment (PACT)	16.00	16.00	16.00	-
Office of Consumer and Family Affairs	2.00	2.00	2.00	-
Case Management	72.75	72.00	73.00	1.00
SkillQuest	40.15	40.15	36.65	(3.50)
Respite Care Program	5.50	5.50	5.50	-
Infant Program	23.50	23.50	25.50	2.00
Supportive Living	43.20	43.20	41.45	(1.75)
Group Homes	39.51	39.51	33.80	(5.71)
Pathways Center	30.12	27.81	31.81	4.00
Prevention	6.00	6.00	6.00	-
Adult Correctional Services	9.75	13.00	13.00	-
HIV Prevention	1.00	1.00	1.00	-
Project Link	2.63	2.00	2.00	-
MARCUS Alert	-	5.00	5.00	-
Administration	9.63	15.00	15.00	-
Intermediate Care Facilities	124.95	125.45	125.00	(0.45)
General Operations	242.56	234.56	246.47	11.91
General Fund Positions	1,139.45	1,146.57	1,151.57	5.00

City Of Virginia Beach, Virginia
Human Services - Departmental Resource Summary

	FY 2021-22	FY 2022-23	FY 2023-24	Variance
FD270: Consolidated Grants Special Revenue Fund	Actual	Amended	Adopted	from FY 2023
<u>Position Summary</u>				
Sheriff's Workforce	-	12.00	12.00	-
General Operations	-	24.00	24.00	-
Consolidated Grants Special Revenue Fund Positions	-	36.00	36.00	1.00
Total Positions	1,139.45	1,182.57	1,187.57	5.00

INFORMATION TECHNOLOGY



Information Technology (IT) is an organization committed to proactively delivering a dynamic and evolving set of core services and innovative technologies that the city and its constituents demand. IT achieves and maintains high standards in the following areas: business and IT alignment; information accessibility; openness and transparency; civic participation; operational efficiency; quality workforce; and IT security.

Department Overview

IT provides a technology foundation supporting all city departments and agencies. Service delivery is based on three fundamental pillars: (1) Run, (2) Grow, (3) Transform. The Run pillar is for maintaining applications and infrastructure components by performing repairs and day-to-day activities. The Grow pillar is for replacement of outdated hardware and the patching of software applications or operating systems. The Transform pillar is for new product or system acquisition and implementation. The department's services are built upon the following operational areas:

Applications Support

Analyzes, develops, tests, integrates, manages, and supports organizational mission critical business systems and applications.

Business Center and Mail Services

Responsible for departmental purchasing, human resources, payroll, accounts payable, reception, central support, print shop billing, telecommunication billing, and organization-wide mail delivery.

Center for Geospatial Information Services (GIS)

Provides GIS based mapping and GIS web services for public safety and other city and school agencies. GIS also maintains maps and databases, support functions, and components including GIS data elements.

Systems Support / Infrastructure and Operations

Provides organizational computer, server, radio, and network design; engineering; maintenance; repair; and support services.

Telecommunications

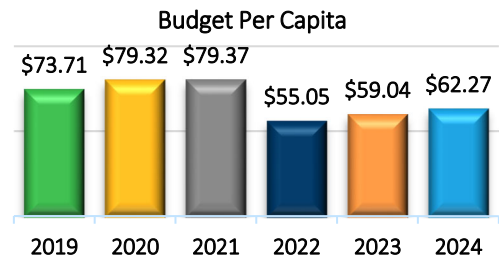
Provides telephone, network and radio maintenance, support, contract administration, cable management, billing, dial tone provision, service coordination, and configuration changes.

Technology Services

Provides technology project portfolio management, customer support, information security and privacy, and account management services.

IT Security

Provides protection for all city electronic data and the information technology infrastructure within the city through information security training, and by employing administrative, technical, and physical controls.



Note: The decrease in FY 2021-22 is due to the elimination of the Subscriptions Internal Service Fund as well as the relocation of all enterprise-wide software subscriptions to Non-Departmental.

Data & Information Management

Enables city businesses to share, manage, and reuse information created in different solutions and stored in different repositories. Delivers Business Analytics and Intelligence capabilities that foster business innovation and improved service delivery.

Strategy & Architecture

Establishes and maintains the current and future technical architecture needed to support the City's strategic objectives; this includes facilitating and documenting the IT Strategic Plan, coordinating business, technology and information architecture functions, and facilitating the IT innovation process.

Key Performance Measures

The table below illustrates how the Department has been performing on their departmental performance metrics:

Departmental Performance Metrics	FY 2020	FY 2021	FY 2022	FY 2023 EST	FY 2024 PROJ
Percent of availability of municipal center based WAN	99.3%	99.9%	99.8%	99.8%	99.8%
Percent of trouble calls resolved as very satisfied	86.0%	87.0%	88.9%	89.1%	89.2%
Percent of all computers under 5 years of age at the end of the fiscal year	61%	73%	85.6%	61.9%	43.4%
Computer devices supported	6,144	7,336	6,945	6,945	6,945
Service tickets closed	99.5%	95.8%	99.8%	98.8%	99%
Buildings with free WiFi	116	118	131	135	140
Free WiFi access points	628	774	780	850	925

In 2022, the City contracted with ETC Institute to undergo a Resident Satisfaction Survey. The survey included standardized questions used in communities across the country, to allow Virginia Beach to benchmark the city against average ratings in other communities, and it also included questions developed specifically for Virginia Beach to gain insights on issues that impact the city. The following table provides how Virginia Beach compares to the Atlantic Region and the National average for a few of the survey findings.

Resident Satisfaction Results	Virginia Beach	Atlantic Region	National Average
Overall quality of customer service you receive from City employees	88.6%	38%	40.6%
Usefulness of the City's website	59%	45.5%	43.4%
Availability of information about local government services and activities	52%	52.5%	47.5%
Opportunities for resident participation in City policy development and decision making	32.9%	38.2%	34.2%

Trends & Issues

Smart City Evolution Continues as the City Strives for Digital Equality

- The City of Virginia Beach has long recognized that smart technology adoption is a differentiating factor that will enable efficient service delivery for its citizens and is a competitive factor in attracting businesses, visitors, and employees. Types of smart technologies include advanced data analytics, machine learning, artificial intelligence, automated applications, and connected Internet of Things (IoT) devices. As the organization continues to evolve as a smart city, IT will use these technologies to improve traffic flow, manage energy consumption, predict weather impacts, and increase public safety effectiveness. Adapting to change is inherent in this evolution to 'Smart City' technology. IT is prepared for and has embraced smart technology through key strategic investments. In FY 2023-24, Digital Equity will continue to be a foundational component of the Smart City strategy and technology implementation plans. Virginia Beach's citizens and workforce are the motivating factor behind every decision and, as such, IT must continuously evaluate the needs of citizens and the workforce as the department works to define, recommend, and implement each initiative. Secure access and the effective use of deployed technology is vital to building an inclusive community. IT has worked to enhance the productivity of City employees through the department's Data Academy, a data analytics upskilling program. This program trains employees to use PowerBI, the City's program of choice for business analytics, and since 2018, over 300 members from 26 departments have completed the course and more than 250 have earned their certification. Through the work of the Data Academy, IT is preparing employees for the future of work in the City and greater independence from IT for their data and analytics needs.

Data Center Relocation/Colocation for Resilience, Disaster Recovery, and Business Continuity

- IT continues its accelerated approach to relocate the City's data center, and the project is being executed as planned. The newly visioned data center will modernize the way in which IT stores, manages, and recovers important City data and information. Data center resilience will be realized with the ability of having a collocated data center from which to operate should a natural, technological, or man-made disaster occur. Data migration to the data center is in production, is currently in progress and projected to be completed by July 2023. IT will continue to make the needed strategic investments to complete these objectives and optimize the organization's performance and preparedness for such events. With security and resilience being top priorities, IT continues to align its data security, particularly Public Safety, and all citizens' data with compliance standards to ensure the City's data and information remains secure while utilizing a cost-effective approach given the challenging times.

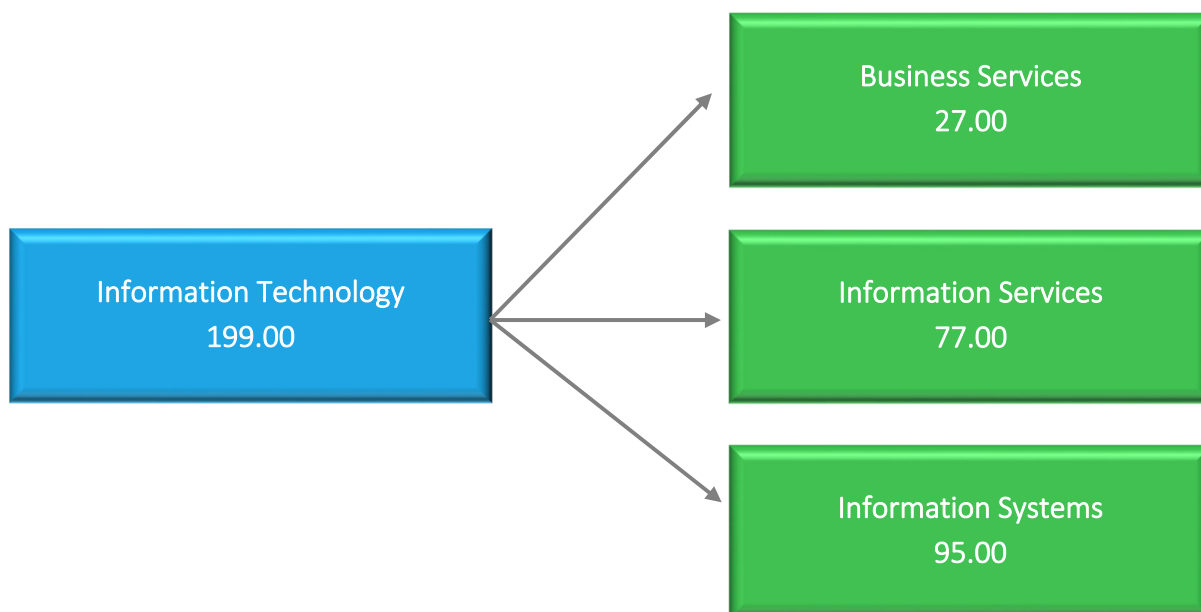
Growing Complexity with a Personalized User Experience

- As IT needs are becoming more specialized, some departments need an increased level of support, communication, and coordination. As a result, IT is realigning the department to optimize service delivery, deploying, and supporting new technology teams for Emergency Communications and Citizen (ECCS), Planning, Department of Emergency Management, and Public Works departments to better manage the line of business technology applications and services used to meet their customer needs. Future assessments are underway for enhancing support for Libraries and Public Utilities.

Major Budget Changes

	Change	Impact
↑	<p>Emergency Management Systems Analyst</p> <p>\$92,968</p> <p>1.0 FTE</p>	<p>The Department of Emergency Management currently has seven major IT projects with long-term future time commitment and anticipates a number of other IT projects to come online in the near future. Some of the primary projects this FTE will manage include implementation of an enterprise-wide security and crisis management software solution, EOC technology revamp, Rave Panic Button management, and Municipal Center Watch Center Support. This position will support Emergency Management and other public safety departments within the department of IT. Locating this FTE in IT will provide greater redundancy and efficiency of service.</p>

Department Organization Chart



City of Virginia Beach, Virginia
Information Technology- Departmental Resource Summary

	FY 2021-22 Actual	FY 2022-23 Amended	FY 2023-24 Adopted	Variance from FY 2023
<u>Program Summary</u>				
<u>FD100: General Fund</u>				
<u>Expenditures</u>				
Data and Information Management	1,363,219	1,341,948	3,066,272	1,724,324
Center For GIS	1,497,617	1,603,463	1,608,149	4,686
IT Security	722,478	804,398	890,851	86,453
Strategy and Architecture	3,758,781	4,368,157	2,165,092	(2,203,065)
Mail Service	205,787	297,285	200,885	(96,400)
Applications Support	7,975,200	8,220,876	8,699,002	478,126
Business Center	1,717,469	1,945,095	2,571,604	626,509
Technology and Support	8,557,082	6,254,339	6,119,862	(134,477)
Computer Replacements	390	-	-	-
General Operating Expenses	22,744	37,280	-	(37,280)
Total Expenditures	25,820,767	24,872,841	25,321,717	448,876
<u>Revenue</u>				
Charges for Services	2,493	-	-	-
Transfer In	56,838	56,838	57,083	245
Total Revenues	59,331	56,838	57,083	245
General City Support	25,761,435	24,816,003	25,264,634	448,631
<u>FD604: Subscriptions Internal Service Fund</u>				
<u>Expenditures</u>				
General Operating Expenses	87,975	-	-	-
Total Expenditures	87,975	-	-	-
<u>Revenue</u>				
Charges for Services	936,698	-	-	-
Total Revenues	936,698	-	-	-
General City Support	-848,723	-	-	-
<u>FD605: Telecommunications Internal Service Fund</u>				
<u>Expenditures</u>				
Business Center	95	-	-	-
Information Technology General Government Capital Project (GGCP)	1,100,000	-	-	-
General Operating Expenses	2,530,406	3,145,710	3,217,146	71,436
Total Expenditures	3,630,501	3,145,710	3,217,146	71,436
<u>Revenue</u>				
Charges for Services	3,055,373	3,130,710	3,202,146	71,436
From the Use of Money and Property	11,686	15,000	15,000	-
Total Revenues	3,067,059	3,145,710	3,217,146	71,436
General City Support	563,441	-	-	-

City of Virginia Beach, Virginia
Information Technology- Departmental Resource Summary

	FY 2021-22	FY 2022-23	FY 2023-24	Variance
	Actual	Amended	Adopted	from FY 2023
<u>Program Summary</u>				
<u>FD100: General Fund</u>				
<u>Position Summary</u>				
Data and Information Management	9.00	9.00	21.00	12.00
Center For GIS	14.00	14.00	14.00	-
IT Security	4.00	4.00	5.00	1.00
Strategy and Architecture	31.00	32.00	15.00	(17.00)
Mail Service	3.00	3.00	3.00	-
Applications Support	55.00	65.00	66.00	1.00
Business Center	18.00	19.00	24.00	5.00
Technology and Support	46.00	43.00	42.00	(1.00)
General Fund Positions	180.00	189.00	190.00	1.00
<u>FD605: Telecommunications Internal Service Fund</u>				
<u>Position Summary</u>				
General Operations	9.00	9.00	9.00	-
Telecommunications Internal Service Fund Positions	9.00	9.00	9.00	-
Total Positions	189.00	198.00	199.00	1.00

LIBRARY

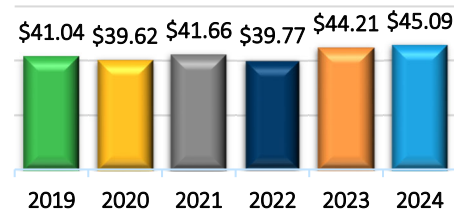


The mission of the Virginia Beach Public Libraries is to provide diverse opportunities for learning and gathering that promote personal fulfillment, self-reliance and a sense of community; provide free and convenient access to accurate and current information and materials; and to promote reading as a critical life skill and an enjoyable activity for the entire Virginia Beach community.

Department Overview

Virginia Beach Public Libraries (VBPL) provides free and equitable access to print and digital materials, as well as technology such as computers, Wi-Fi hotspots, coding toys, and more. Thousands of classes and programs each year are provided to meet the needs and interests of residents of all ages. Library services are available at 10 branch locations, delivered through community outreach to schools and other partner sites, and online. While VBPL collects a small amount of fees and state aid, most of its funding is provided by general city support. Department highlights include:

Budget Per Capita



Joint-Use Library

This library is the result of a joint partnership between Tidewater Community College and the City of Virginia Beach and is open to students, faculty, and the public. Because of its affiliation with Tidewater Community College, it has extended hours of operation.

Wahab Public Law Library

Wahab Public Law Library (WPLL) ensures free access to information about the law. Knowledgeable staff provide reference and research assistance for residents, law professionals, government agency staff and students.

Digital Library Services

Residents with an internet connection have around-the-clock access to digital and streaming media such as e-books, audiobooks, research databases, music, movies, magazines and more, even when library buildings are closed.

Programming and Community Outreach

The Programming and Community Outreach (PCO) Team travels to preschools, childcare centers, Title I Schools, Head Start programs, at-risk neighborhoods, after-school programs, and senior centers throughout the city. The Department's fleet of vehicles, including a bookmobile and cargo vans, reaches community members of all ages who otherwise might not be able to visit the library. The PCO vehicles provide access to books, materials, technology, and electronic databases to support educational, informational, and recreational needs of community members of all ages.

Accessible Resources and Services (formerly titled Special Services)

This is a sub-regional library of the National Library Service for the Blind and Print-Disabled. This service loans braille, recorded, and large print materials and equipment to registered customers and provides information services for individuals with disabilities.

Key Performance Measures

The table below illustrates how the Department has been performing on their departmental performance metrics:

Departmental Performance Metrics	FY 2020	FY 2021	FY 2022	FY 2023 EST	FY 2024 PROJ
Number of outreach events	1,900	331	467	1,900	1,360
Total items circulated	2,400,000	1,636,018	1,781,783	1,900,000	2,200,000
Total items downloaded	350,000	582,794	419,242	550,000	604,000
Volunteer hours	18,000	2,020	9,145	20,000	23,000
Early literacy programs offered	2,700	344	1,123	1,200	1,300
Children's programs offered	5,100	757	1,561	2,000	2,500
Teen programs offered	500	243	280	350	400
Total number of library visits	1,500,000	350,993	760,064	1,000,000	1,080,000
Active Customers	63,314	42,158	55,118	65,000	68,000
Virtual Visits (Website)	2,637,922	1,384,901	1,109,463	2,100,000	2,300,000

In 2022, the City contracted with ETC Institute to undergo a Resident Satisfaction Survey. The survey included standardized questions used in communities across the country, to allow Virginia Beach to benchmark the city against average ratings in other communities, and it also included questions developed specifically for Virginia Beach to gain insights on issues that impact the city. The following table provides how Virginia Beach compares to the Atlantic Region and the National average for a few of the survey findings.

Resident Satisfaction Results	Virginia Beach	Atlantic Region	National Average
Overall quality of the City's Library services	89.1%	71.9%	65.6%
Overall quality of customer service from City employees	73.0%	38.0%	40.6%

Trends & Issues




→ Renovations and Customer Service

To be more accessible to customers throughout the library system and provide more shared public spaces, VBPL has added new service desks and provided additional spaces for community members to gather to interact, share ideas, and work collaboratively in improved meeting rooms, program rooms, and study rooms through capital improvement projects. VBPL has also increased operating hours for facilities and drive ups by an additional 33 hours per week. To improve access, Libraries is in the process of moving the Accessible Resources and Services (formerly titled Special Services) to the more centrally located Meyera E. Oberndorf Central Library. In addition, in FY 2023-24, the Central Library will offer Sunday hours for the first time since 2020.

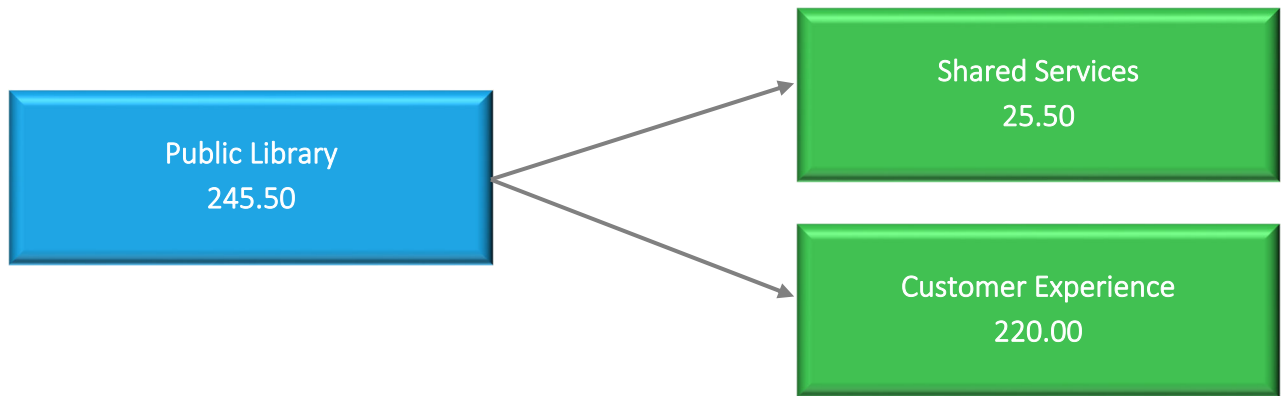
→ Emerging Technology

VBPL continues to offer a wide range of technology opportunities for take home experiences, training, and hands-on experience using innovative and emerging technology. Circulating technology combines the opportunity to use resources in the library and take home items for personal use and exploration including: Wi-Fi hotspots for children needing access to the internet for online learning, coding for all ages, and programs, gadgets, and learning experiences; Apple digital media stations; providing technology for service at a distance from materials and programming to technology for digital content and remote service provision in real time and recorded for asynchronous learning and entertainment; additional digital and virtual services with online library card sign-up, educational and entertainment media, online meetings, and 24/7 holds pick-up and browsing collections. Libraries Meeting Space Technology Modernization project, funded through the American Rescue Plan Act, provides technology equipment for the Library's revenue generating meeting room spaces, the ability to collaborate using screen sharing in the study rooms, functionality to use study rooms to participate in online meetings, and the ability to use Folio & Libris rooms at the Central library location in multiple configurations while limiting the distraction of sound coming from a neighboring room.

Major Budget Changes

	Change	Impact
	Elimination of Overdue Fines \$108,000	In order to ensure fair and equitable access to Library facilities and increase patronage, Virginia Beach Public Libraries will eliminate overdue fines for everyone starting in FY 2023-24. This follows a national trend among public libraries which seeks to lower barriers to access libraries, particularly in lower income communities. The change eliminates \$108,000 in department-specific revenue. The loss of this revenue does not negatively impact services, as an increase in other General Fund support is provided.
	Restoration of Sunday Hours for the Central Library 4.0 FTEs \$191,507	The FY 2023-24 budget includes four additional FTEs, which will allow the Meyera E. Oberndorf Central Library to re-open on Sundays. This returns the Central Library to its pre-pandemic hours and provides greater access to members of the community not available to visit the library Monday through Saturday.
	Law Library Fund Increase in General Fund Support \$100,000	The Wahab Public Law Library is funded through a civil court filing fee. Due to a long-term decline in cases and a sharp decline during the pandemic, the Law Library Fund is not generating sufficient revenue. In FY 2023-24, the General Fund will provide a one-time level of support totaling \$100,000 to support the Law Library until court revenues rebound. Should they not recover, a future policy decision will need to be made regarding the services provided and long-term sustainability of the fund.

Department Organization Chart



City of Virginia Beach, Virginia
Libraries- Departmental Resource Summary

	FY 2021-22 Actual	FY 2022-23 Amended	FY 2023-24 Adopted	Variance from FY 2023
<u>Program Summary</u>				
<u>FD100: General Fund</u>				
<u>Expenditures</u>				
Friends of VBPL	25	-	-	-
Adult Services	9,736	-	-	-
Records Management	(1,238)	-	-	-
Youth and Family Service	1,521,950	1,438,548	1,445,324	6,776
Administration	378	-	-	-
General Operating Expenses	16,127,975	18,498,863	18,807,169	308,306
Total Expenditures	17,658,825	19,937,411	20,252,492	315,081
<u>Revenue</u>				
Charges for Services	40,526	87,140	87,140	-
Permits, Fees, and Regulatory Licenses	166,822	256,635	148,635	(108,000)
Miscellaneous Revenue	4	-	-	-
Revenue from the Commonwealth	254,644	254,827	289,176	34,349
Revenue from the Federal Government	2,434	-	-	-
Total Revenues	464,430	598,602	524,951	(73,651)
General City Support	17,194,395	19,338,809	19,727,541	388,732
<u>FD222: Law Library Special Revenue Fund</u>				
<u>Expenditures</u>				
General Operating Expenses	252,898	263,715	235,598	(28,117)
Total Expenditures	252,898	263,715	235,598	(28,117)
<u>Revenue</u>				
Charges for Services	164,039	257,422	169,305	(88,117)
Permits, Fees, and Regulatory Licenses	1	-	-	-
From the Use of Money and Property	118	6,293	6,293	-
Other Financing Sources	138	-	-	-
Transfer In	-	-	60,000	60,000
Total Revenues	164,295	263,715	235,598	(28,117)
General City Support	88,603	-	-	-

City of Virginia Beach, Virginia
Libraries- Departmental Resource Summary

FD818: Virginia Beach Library Gift Fund

Expenditures

Foundation for VBPL	1,670	-	-	-
Friends of VBPL	47,838	112,000	112,000	-
Automotive Services	252	-	-	-
General Operating Expenses	24,807	-	-	-
Total Expenditures	74,567	112,000	112,000	-

Revenue

Miscellaneous Revenue	51,515	112,000	112,000	-
Total Revenues	51,515	112,000	112,000	-
General City Support	23,052	-	-	-

FY 2021-22	FY 2022-23	FY 2023-24	Variance
Actual	Amended	Adopted	from FY 2023

FD100: General Fund

Position Summary

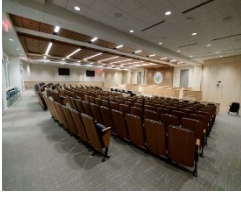
Youth and Family Service	16.00	17.00	17.00	-
General Operations	223.00	222.00	226.00	4.00
General Fund Positions	239.00	239.00	243.00	4.00

FD222: Law Library Special Revenue Fund

Position Summary

General Operations	2.50	2.50	2.50	-
Law Library Special Revenue Fund Positions	2.50	2.50	2.50	-
Total Positions	241.50	241.50	245.50	4.00

MUNICIPAL COUNCIL

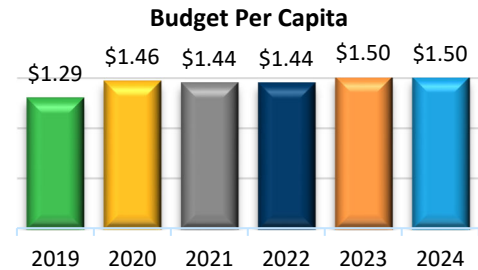


Our city organization exists to enhance the economic, educational, social, and physical quality of the community while providing municipal services effectively, efficiently, and equitably with quality education for life-long learning.

Department Overview

The Municipal Council establishes the City's goals (both long-term and short-term) and policies, interprets, and represents the community's needs, and promotes the economic, social, educational, and physical quality of the City.

In 2022, the City contracted with ETC Institute to undergo a Resident Satisfaction Survey. The survey included standardized questions used in communities across the country, to allow Virginia Beach to benchmark the city against average ratings in other communities, and it also included questions developed specifically for Virginia Beach to gain insights on issues that impact the city. The following table provides how Virginia Beach compares to the Atlantic Region and the National average for a few of the survey findings.



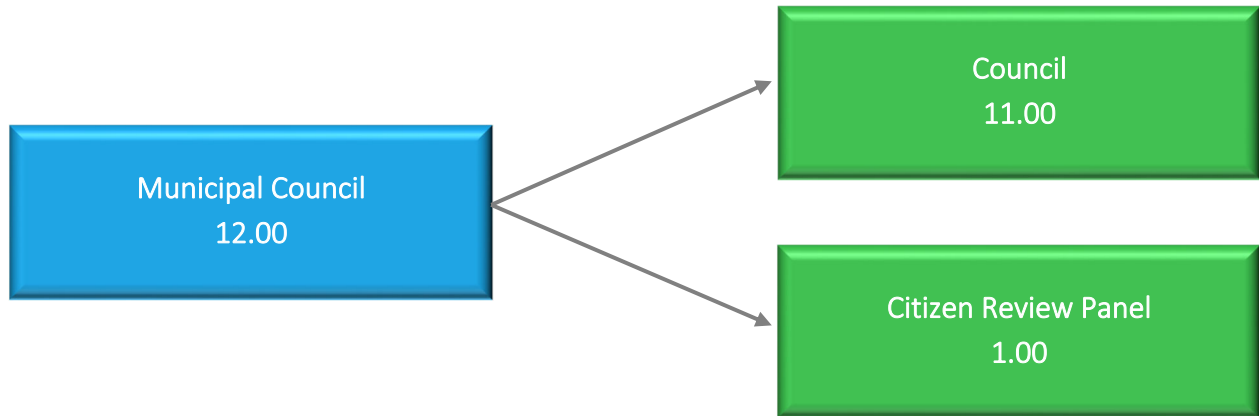
Resident Satisfaction Results	Virginia Beach	Atlantic Region	National Average
Overall image of the City	80.2%	67.3%	55%
Perception of the City as a good place to live	89.7%	60%	49.7%
Perception of the City as a good place to raise children	84.1%	69.1%	62.4%
Perception of the City as a good place to retire	65.6%	56.1%	51.7%
Efforts to ensure the community is prepared for emergencies/disasters	70.1%	42.9%	43.4%
The City as a place one would recommend family and friends to visit	81.2%	62.3%	58%
Overall quality of parks and recreation programs and facilities	88.6%	50%	50.6%
Percent of residents who feel safe in the City	80.1%	71.1%	68%

The City Manager's Adopted Budget for FY 2023-24 includes funding that targets each of these priorities:

Major Budget Changes

	Change	Impact
↔	Citizen Review Board 1.0 FTE	In November 2021 the Council voted to establish a Citizen Review Board to replace the Independent Review Panel and gave the Citizen Review Panel subpoena authority. In the FY 2022-23 adopted budget funding was included for the citizen review board for contractual services. Due to uncertainty regarding the organizational structure of the panel, the FTE was converted to contracted manpower during reconciliation. The adopted FY 2023-24 budget realigns that funding to establish 1.0 FTE.
↑	Ignite Series \$3,000	The City will allocate an additional \$3,000 for the provision and administration of the Ignite Series, a curated set of virtual webinars designed to help local small business owners stay financially resilient in the aftermath of the COVID-19 pandemic. This one-time increase will bring the total allocation for this purpose to \$6,000 in FY 2023-24.

Department Organization Chart



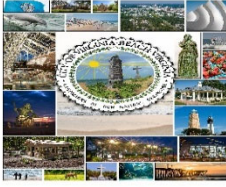
City Of Virginia Beach, Virginia
City Council - Departmental Resource Summary

	FY 2021-22 Actual	FY 2022-23 Amended	FY 2023-24 Adopted	Variance from FY 2023
Program Summary				
FD100: General Fund				
Expenditures				
Citizen Review Panel	-	110,288	110,416	128
General Operating Expenses	579,085	572,664	576,773	4,109
Total Expenditures	579,085	682,952	687,189	4,237

Revenue				
Total Revenues	-	-	-	-
General City Support	579,085	682,952	687,189	4,237

	FY 2021-22 Actual	FY 2022-23 Amended	FY 2023-24 Adopted	Variance from FY 2023
FD100: General Fund				
Position Summary				
Citizen Review Panel	-	-	1.00	1.00
General Operations	11.00	11.00	11.00	-
Total Positions	11.00	11.00	12.00	1.00

NON-DEPARTMENTAL



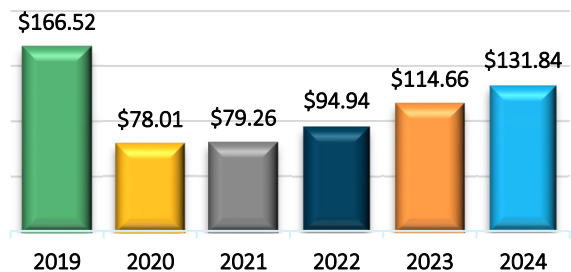
The Non-Departmental section of the budget serves as an umbrella for appropriations that are citywide in nature and as such, are not contained in an operational department.

Department Overview

Organizational Grants and Community Organizational Grants (COG)

Organizational Grants provide funds to non-profit organizations, regional colleges, and governmental agencies such as Hampton Roads Transit (HRT) that support City Council goals and complement city services. COG provides an opportunity to encourage non-profit agencies to provide services that affect the welfare of residents of Virginia Beach by providing a system to award monetary grants to qualified non-profit organizations. City Council has appointed members to serve on the COG Review and Allocation Committee to review applications and make recommendations for all grant requests filed under the COG program. Financial and service delivery reports are required from those agencies receiving grant funding.

Budget Per Capita



In FY 2019-20, a large portion of what was previously budgeted in Non-Department began to be budgeted in the Special Financing Districts/Funds Department. This is reflected by the decrease in the budget per capita graph. The FY 2021-22 amount includes the transfer of all enterprise-wide subscriptions. The FY 2022-23 amount includes the city's payment to Hampton Roads Transit. The FY 2023-24 amount includes the cost of administering the State Vehicle Registration Withholding Program (STOP)

Local Vehicle Registration

The State Department of Motor Vehicles (DMV) and the City Treasurer's Office joint initiative – the State Vehicle Registration withholding Program (STOP) is utilized to recoup unpaid city taxes from residents. Through this program delinquent taxpayers are prohibited from registering their vehicles until payment is made to the City Treasurer's Office for unpaid/delinquent taxes along with a DMV processing fee of \$25. The City Treasurer's Office remits the processing fees to DMV.

Independent Financial Services

Provides funding for the city's annual external audit.

Employee Special Benefits

Provides employee service awards, tuition reimbursement, the Employee Assistance Program (EAP), the employer's share of health and dental insurance for eligible retirees, as well as line-of-duty payments to local public safety officers or their beneficiaries.

Benefits Administration

Provides the city's portion of funding for the staff and operations of the Consolidated City/School Employee Benefits Office, which oversees the administration of the health insurance contract and the Employee Wellness Program.

Revenue Reimbursement

Provides real estate tax relief to certain private properties from which the city derives the primary benefit. Real estate tax relief and water/sewer line fee cost reductions are available to the elderly and disabled and other persons who have financial limitations and meet the criteria of the program.

Citywide Leases

Provides the necessary leases for office space, contracts for building security, provides facilities management of the Municipal Center buildings, rental space, and parking.

Software Agreements and Computer Replacements

Provides funding for the City's enterprise-wide software contracts such as Microsoft and ESRI GIS, as well as a cyclical computer replacement program.

Key Performance Measures

The table below illustrates how the Department has been performing on departmental performance metrics:

Departmental Performance Metrics	FY 2020	FY 2021	FY 2022	FY 2023 EST	FY 2024 PROJ
Number of regional organizations funded	27	30	30	36	35
Number of community organizations funded	14	14	14	18	18
Number of participants in veterans tax relief	2,120	2,666	3,305	4,106	5,118

In 2022, the City contracted with ETC Institute to undergo a Resident Satisfaction Survey. The survey included standardized questions used in communities across the country, to allow Virginia Beach to benchmark the city against average ratings in other communities, and it also included questions developed specifically for Virginia Beach to gain insights on issues that impact the city. The survey result compares Virginia Beach to the Atlantic Region and National average. Major initiatives within Non-departmental that affects how taxes are deployed for the benefit of residents include the regional grants, COG and veterans tax relief. Comparing the result from the survey, the city scored higher than the Atlantic Region and Nationally on how well residents are satisfied with the overall value they get from their tax dollars. This affirms the city's diligence in directing resident's tax dollars to support organizations that are clearly making a difference and helping out vulnerable residents.

Resident Satisfaction Results	Virginia Beach	Atlantic Region	National Average
Percent of residents satisfied with the overall value received for their City tax dollars and fees	52.8%	33.8%	33.8%

Trends & Issues

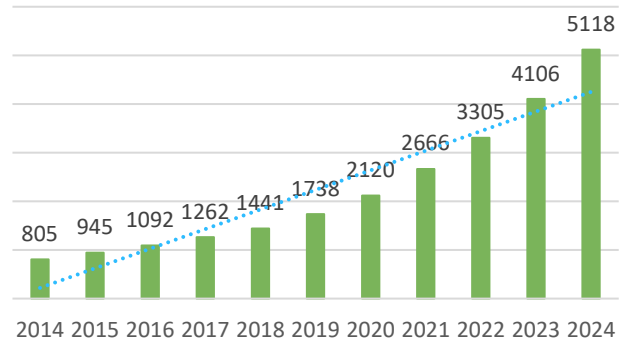
→ State Vehicle Registration Withholding Program (STOP)

The cost and associated revenues for the State Vehicle Registration withholding Program (STOP), which is administered by the State Department of Motor Vehicles (DMV) and the City Treasurer's Office used to be included in the budget of the department of Finance. Through this program delinquent taxpayers are prohibited from registering their vehicles until payment is made to the City Treasurer's Office for unpaid/delinquent taxes along with a DMV processing fee of \$25. The City Treasurer's Office then remits the processing fee to the DMV. By including this item in the Department of Finance's budget, the scope of services as well as cost for department operations are over-stated. Beginning in FY 2023-24 this budget line item was moved to the Non-Departmental section, which is the most appropriate place for the costs and associated revenues of the STOP program.

→ Veterans Tax Relief

The Commonwealth of Virginia exempts from taxation the real property, including the joint real property of husband and wife, of any veteran who has been rated by the U. S. Department of Veterans Affairs or its successor agency pursuant to federal law to have a 100% service-connected permanent and total disability, and who occupies the real property as his or her principal place of residence. Program participation in the Veterans Real Estate Tax Relief Program has risen by 4,418 individuals since 2013. In addition to the Veterans' Tax Relief program, the City of Virginia Beach offers tax exemptions to qualifying seniors.

Veterans' Tax Relief Participants



→ Community Organization Grant (COG) Program

The COG Program allocates funding to organizations that complement city services by providing the city's citizens with food, shelter, medical care, legal assistance, etc. The COG Review and Allocation Committee, appointed by City Council, reviews grant applications, interviews qualified applicants, and recommends the allocation of funds. This fund has historically been capped at \$1.1 per capita but in FY 2023-24 the total for amount available for COG is increased by \$202,543 to \$707,960.. The application period for the upcoming fiscal year will now begin after adoption of the budget by City Council. The application process will also move to an online portal to make it easier for applicants to submit their application packets and for committee members to review submitted documents. Listed here are the organizations that received funding in FY 2022-23.

Community Organization		FY 2022-23
Armed Services YMCA of Hampton Roads		40,000
Boys and Girls Clubs of Southeast Virginia		25,000
Chesapeake Care, Inc.		10,000
Children's Health Investment Program of South Hampton Roads		10,000
Endependence Center, Inc.		25,000
Equi-Kids Therapeutic Riding Program		5,000
Foodbank of Southeastern Virginia and the Eastern Shore		30,000
Hampton Roads Community Action Program, Inc.		15,000
Judeo-Christian Outreach Center		75,000
Mother Seton House, Inc.		25,000
PIN Ministry		25,417
PrimePlus Seniors Centers		10,000
Senior Services of Southeastern Virginia		75,000
StandUp for Kids – Hampton Roads		40,000
St Mary's Home for Disabled Children		10,000
Together We Can Foundation		20,000
United Way of South Hampton Roads		15,000
Virginia Beach Community Development Corporation		50,000
Total		\$505,417




Reserve for Contingencies by Fund

Fund and Purpose		Amount
General Fund (100)		
	Regular	1,500,000
	Compensation	25,000,000
	Attrition	(10,000,000)
	Fuel & Energy	1,470,554
	Health Insurance	1,500,000
	Placemaking Signage	150,000
Flood Protection Referendum Fund (150)		
	Reserve for future Debt Service	30,750,997
Agriculture Reserve Program (221)		
	Compensation	16,371
Open Space and Parks SRF (223)		
	Compensation	16,127
	Regular	2,509,094
Parks and Recreation SRF (224)		
	Compensation	505,049
	Regular	186,914
Tourism Advertising Program (240)		
	Compensation	37,820
Tourism Investment Program (241)		
	Eastern Sports Management	750,000
	Compensation	175,425
CBD South TIF SRF (250)		
	Future – Debt	4,423,659
	Cityview Payment	1,000,000
Sandbridge SSD (252)		
	Future Beach Replenishment	285,732
Federal Section 8 Program SRF (260)		
	Compensation	61,763
State Rental Assistance Program SRF (261)		
	Compensation	3,410
Consolidated Grants SRF (270)		
	Compensation	4,954

Federal Housing Assistance Grant SRF (272)		
	Compensation	2,616
Community Development Grant SRF (273)		
	Compensation	59,163
Old Donation Dredging SSD SRF (310)		
	Future CIP	83,449
Bayville Creek Dredging SSD SRF (311)		
	Future CIP	79,000
Chesapeake Colony Dredging SSD SRF (313)		
	Future CIP	231,025
Gills Cove Dredging SSD SRF (315)		
	Future CIP	15,919
Hurds Cove Dredging SSD SRF (316)		
	Future CIP	246,905
Schilling Point Dredging SSD SRF (317)		
	Future CIP	43,916
Water and Sewer Enterprise Fund (510)		
	Regular	1,096,097
	Fuel/Energy	650,000
	Compensation	1,631,713
	Rolling Stock	400,000
Storm Water Utility Enterprise Fund (520)		
	Compensation	138,966
Waste Management Enterprise Fund (530)		
	Compensation	336,520
Parking Enterprise Fund (540)		
	Compensation	17,818
City Garage ISF (600)		
	Compensation	240,462
Risk Management ISF (602)		
	Compensation	9,486
Landscaping ISF (603)		
	Compensation	131,363
Telecommunications ISF (605)		
	Compensation	32,623
Total		\$65,794,910

Major Budget Changes

	Change	Impact
↑	State Vehicle Registration withholding Program (STOP) \$650,000 (revenues)	Non-Departmental's FY 2023-24 budget now includes all the costs and associated revenues from the State Vehicle Registration withholding Program (STOP). This program was previously reflected in the Department of Finance's budget. Moving the payment to Non-Departmental ensures that Finance department's scope of services and operating budget are not overstated. Non-Departmental is home to other budget items that are citywide in nature.
↑	Hampton Roads Transit \$531,124	Hampton Roads Transit's (HRT) FY 2023-24 proposed local Transportation Service Plan (TSP) for Virginia Beach includes service adjustments that increases the base revenue hours for the city by 1,585 revenue hours. HRT notes that the recommended service adjustments are aligned with its 10-year Transit Strategic Plan. Increase in the City's base revenue hours coupled with inflation driven cost escalation for the Transit organization is responsible for the additional \$531,124 in General Fund support to the HRT in the FY 2023-24 budget.
↑	Genetec Camera Maintenance Fund and Funding Reallocation (Subscriptions) \$17,007	The city utilizes Genetec Cameras for building and site security across a variety of City Departments. This will cover the maintenance costs for all city Genetec cameras and the installation of 45 new cameras in FY 2023-24. IT will be working with Budget and Management Services to consolidate the costs associated with Gentec Cameras within the IT Budget likely to be implemented in FY 2024-25.
↑	GIS Maintenance and Improvements (Subscriptions) \$94,605	The City is working to continue to improve its GIS capabilities. The adjustments include increasing creator licenses from 56 to 500 for department users (primarily Fire, Police, Public Utilities, and Public Works) to input value added data points, maintaining StormSense sensors, and resolutions improvements for EagleView aerial views for rural and urban areas.
↑	Old Dominion University (ODU) Institute of Data Science at Town Center (Regional Grants) \$70,000	ODU is creating a new Institute of Data Science at Town Center (the "Institute") in collaboration with Thomas Jefferson National Accelerator Laboratory (JLab) and NASA Langley Research Center. City Council approved an ongoing incentive grant for ODU for the "Institute" by Council action in FY 2022-23 to help offset the real estate taxes for the new center.
↑	During FY 2023-24 budget reconciliation, City Council provided a one-time contribution to various non-profit organizations within the city (Regional Grants) \$630,000	<ul style="list-style-type: none"> • \$20,000 to Men of Faith's 1Died4all basketball camp. • \$50,000 to SonRise Christian Music Festival to be held in September 2023 at the 24th Street Stage at the Oceanfront. • \$75,000 to the Center for Global Diplomacy for workforce development training, exercise and wellness coaching, senior citizen workshops, and food packaging and distribution. • \$25,000 to the Great Neck Athletic Association's youth tackle football program. • \$75,000 to the Philippine Cultural Center of Virginia to fund audio-visual and HVAC upgrades to their facilities. • \$75,000 to Kempsville PONY Baseball, a historic youth baseball organization. • \$25,000 to Kings Grant Lynnhaven Recreation Association.

		<ul style="list-style-type: none"> • \$150,000 to Parks and Recreation Foundation for fundraising efforts related to park and playground enhancements within the Bay Colony and Seatack communities. • \$25,000 to Families of Autistic Children in Tidewater (FACT) to assist in their capital campaign to fund a state-of-the-art Autism Resource Center facility that will provide social and recreational programs to benefit autistic individuals and their families in Hampton Roads. • \$50,000 to the LAMBS foundation to support their coordination of the Juneteenth festival to be held in June of 2024. • \$10,000 to the Hospice House of Hampton Roads, the first free standing inpatient hospice facility in Hampton Roads. • \$30,000 to African American Cultural Center bringing the total city contribution to the organization to \$80,000 in FY 2023-24. • \$10,000 to the UP-Center's Cohen Military Family Clinic serving the region's 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. • \$10,000 to New Oak Grove Baptist Church for its Summer Reading Academy, a free, three-week proactive reading program for students in grades K-5 provided in partnership with the Virginia Beach City Public Schools.
	<p>During FY 2023-24 budget reconciliation, City Council increased the City's contribution to the Community Organization Grant (COG) program.</p> <p>(Regional Grants)</p> <p>\$152,960</p>	<p>The increase in the Community Organization Grant (COG) budget by \$152,960 will bring total city contribution to the COG program to a total of \$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 non-profit organizations to benefit from the program.</p>
	<p>During FY 2023-24 budget reconciliation, City Council specified reporting requirements for all outside entities receiving regional grants.</p> <p>(Regional Grants)</p>	<p>All outside entities receiving regional grants will be required to report to City Council on the use of the funds from the City, including reviewed financials and the impact of the programs supported by City funding by the end of FY 2023-24. The request will be included in the 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. In addition, any special events/festivals to be held utilizing City funds must follow city's established procedures and processes for special event permitting.</p>
	<p>During FY 2023-24 budget reconciliation, City Council established a dedicated reserve within the General Fund for Placemaking Signage</p> <p>(General Fund Reserve)</p> <p>\$150,000</p>	<p>City Council established a dedicated reserve within the General Fund in the amount of \$150,000. The 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.</p>

City Of Virginia Beach, Virginia
Non-Departmental Resource Summary

	FY 2021-22 Actual	FY 2022-23 Amended	FY 2023-24 Adopted	Variance from FY 2023
<u>Program Summary</u>				
<u>FD100: General Fund</u>				
<u>Expenditures</u>				
Pandemic	95,382	-	-	-
Eggleston	25,000	25,000	25,000	-
Friendship Village	220,000	-	-	-
Virginia Wesleyan	-	450,000	450,000	-
Lynnhaven River Now	181,839	181,839	181,839	-
Tidewater Community College	6,000	6,000	6,000	-
Eastern Virginia Medical School	459,539	459,539	459,539	-
Hampton Roads Planning District Commission	477,052	477,052	503,831	26,779
Virginia Dare Soil and Water Conservation District	8,000	8,000	8,000	-
USO Wounded Warrior Week	-	20,000	20,000	-
Virginia Beach SPCA	30,000	30,000	30,000	-
Hampton Roads Economic Development Alliance	530,969	459,470	459,470	-
Students on the Swim	-	20,000	20,000	-
Virginia Arts Festival	350,000	350,000	350,000	-
Hampton Roads Military and Federal Facilities Alliance	226,322	229,735	229,014	(721)
Square One	53,000	53,000	53,000	-
Virginia Symphony	25,000	25,000	25,000	-
Virginians for High Speed Rail	10,000	10,000	10,000	-
Navy League	-	21,250	21,250	-
Elizabeth River Project	-	20,000	20,000	-
Virginia Center for Inclusive Communities	2,000	2,000	2,000	-
Southeast 4-H	10,000	10,000	10,000	-
Court Appointed Special Advocates	48,000	48,000	48,000	-
American Red Cross	20,000	20,000	20,000	-
Achievable Dream	2,500	3,000	3,000	-
Hampton Roads Workforce Council	706,436	114,878	114,418	(460)
Hampton Roads Chamber	10,000	10,000	10,000	-
Sister Cities	49,500	49,500	49,500	-
Sister Cities Dues	1,380	1,380	1,380	-
Stop Inc.	13,700	13,700	13,700	-
Together We Can	-	1,500	1,500	-

City Of Virginia Beach, Virginia
Non-Departmental Resource Summary

	FY 2021-22	FY 2022-23	FY 2023-24	Variance
	Actual	Amended	Adopted	from FY 2023
Museum of Contemporary Arts-Education Grant	435,000	135,000	135,000	-
African American Cultural Center	50,000	50,000	80,000	30,000
Opportunity Grants	15,000	15,000	-	(15,000)
Hampton Roads Pride	10,000	10,000	10,000	-
Hampton Roads Transit	-	6,932,712	7,463,836	531,124
Old Dominion University	-	70,000	70,000	-
Men of Faith	-	-	20,000	20,000
Philippine Cultural Center of Virginia	-	-	75,000	75,000
Kempsville Pony Baseball	-	-	75,000	75,000
Kings Grant Recreation Association	-	-	25,000	25,000
Parks and Recreation Foundation	-	-	150,000	150,000
Families of Autistic Children of Tidewater	-	-	25,000	25,000
The Lambs Foundation	-	-	50,000	50,000
Hospice House of HR	-	-	10,000	10,000
UP Center's Cohen Military Family Clinic	-	-	10,000	10,000
New Oak Grove Baptist Church	-	-	10,000	10,000
Special Benefits	7,186,342	7,500,518	7,641,502	140,984
Benefits Administration	794,414	735,538	735,538	-
Employment Services	500,000	784,000	500,000	(284,000)
Local Vehicle Registration Program	-	-	1,610,000	1,610,000
Community Organization Grant	486,944	505,417	707,960	202,543
Center for Global Diplomacy	-	-	75,000	75,000
SonRise Music Festival	-	50,000	50,000	-
Urban Renewal Center	-	50,000	-	(50,000)
Great Neck Athletic Association	-	8,646	25,000	16,354
Leases	5,491,865	3,365,000	3,780,869	415,869
Transgender Assistance Program of VA	-	5,000	-	(5,000)
Vehicle Replacements	2,689,304	6,000,000	6,000,000	-
Computer Replacements	978,390	1,766,444	3,087,214	1,320,770
Independent Financial Services	176,160	179,655	188,638	8,983
Subscriptions	5,260,071	7,288,156	9,805,644	2,517,488
Revenue Reimbursements	10,558,172	12,391,265	13,474,044	1,082,779
Total Expenditures	38,193,280	50,962,194	59,035,685	8,073,491

City Of Virginia Beach, Virginia
Non-Departmental Resource Summary

	FY 2021-22	FY 2022-23	FY 2023-24	Variance
<u>Revenue</u>	Actual	Amended	Adopted	from FY 2023
Charges for Services	40,735	-	1,610,000	1,610,000
Permits, Fees, and Regulatory Licenses	97,224	125,000	125,000	-
Miscellaneous Revenue	1,573,947	500,000	500,000	-
From the Use of Money and Property	3,926,222	28,500	28,500	-
Revenue from the Commonwealth	9,386,658	-	-	-
Transfer In	24,276	-	-	-
Total Revenues	15,049,063	653,500	2,263,500	1,610,000
General City Support	23,144,218	50,308,694	56,772,185	6,463,491

FD241: Tourism Investment Program Special Revenue Fund

<u>Expenditures</u>				
Hampton Roads Transit	-	1,323,888	1,205,648	(118,240)
Total Expenditures	-	1,323,888	1,205,648	(118,240)

<u>Revenue</u>				
Hotel Room Tax	919,173	-	-	-
Cigarette Tax	43,676	-	-	-
Amusement Tax	467,693	-	-	-
Restaurant Meal Tax	933,501	-	-	-
Total Revenues	2,364,043	-	-	-
General City Support	-2,364,043	1,323,888	1,205,648	(118,240)

OFFICE OF PERFORMANCE AND ACCOUNTABILITY

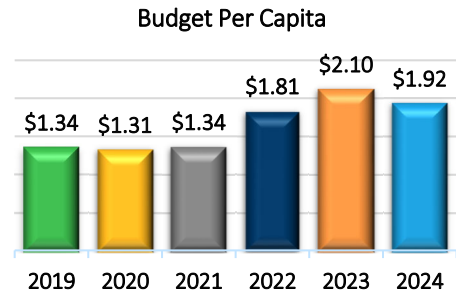


The mission of the Office of Performance and Accountability is to be a trusted resource driving progress and results.

Department Overview

The three primary programs the Office of Performance and Accountability (OPA) leads help the City efficiently manage operations, evaluate performance, and identify areas for improvement:

- VBStrategy: VBStrategy is the robust management of Virginia Beach's Strategic Plan, which is a collaborative effort that is led by City Council's vision and leadership. The Strategic Plan translates vision and goals into an actionable strategy across five key focus areas.
- VBStat: VBStat provides intentional focus on performance for areas of current organizational priorities and needs. VBStat subscribes to the following tenets: accurate and timely intelligence shared by all; deployment of effective tactics and strategies; utilization of data to rapidly deploy resources; and relentlessly following-up and routinely assessing.
- VBPerformance: VBPerformance is the deliberate management and coordination of departmental strategy and performance through Departmental Performance Plans, performance management, and process improvement.



Key Performance Measures

The table below illustrates how the Department has been performing on their departmental performance metrics:

Departmental Performance Metrics	FY 2020	FY 2021	FY 2022	FY 2023 EST	FY 2024 PROJ
Total number of employees participating in one of the OPA academies or workshops	236	116	150	80	150
Number of VBStat programs	N/A	N/A	6	6	4
Cost savings recognized by Innovation Academy/ Process Improvement graduates	\$129,069	\$199,219	\$707,651	\$25,000	\$75,000
Percentage of departments reporting to the City Manager that have Departmental Performance Plans	N/A	N/A	100%	100%	100%
Number of performance measures reported in the Strategic Plan Performance Report	N/A	N/A	46	46	50

In 2022, the City contracted with ETC Institute to undergo a Resident Satisfaction Survey. The survey included standardized questions used in communities across the country, to allow Virginia Beach to benchmark the city against average ratings in other communities, and it also included questions developed specifically for Virginia Beach to gain insights on issues that impact the city. The following table provides how Virginia Beach compares to the Atlantic Region and the National average for a few of the survey findings.

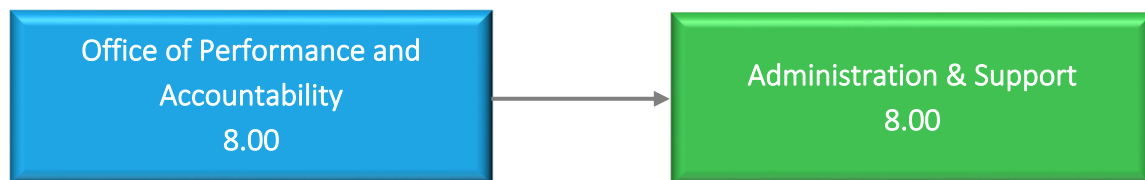
Resident Satisfaction Results	Virginia Beach	Atlantic Region	National Average
Overall quality of City services	75.3%	53.6%	50.5%
Overall quality of City customer service	73.0%	38.0%	40.6%
How well the City is managing growth	31.6%	34.6%	39.7%
Overall image of the City	80.2%	67.3%	55.0%

Trends & Issues

→ Organizational Change

In FY 2023-24, the Office of Performance and Accountability continues to refine the three programs launched in FY 2021-22 that provides focus on performance management, strategic planning, and process improvement. This includes enhancing the performance measures tracked in the various programs, refining the development process for Departmental Performance Plans, and reimagining training on process improvement, data analytics, and strategic planning.

Department Organization Chart



City Of Virginia Beach, Virginia
Office of Performance and Accountability - Departmental Resource Summary

	FY 2021-22 Actual	FY 2022-23 Amended	FY 2023-24 Adopted	Variance from FY 2023
Program Summary				
<u>FD100: General Fund</u>				
<u>Expenditures</u>				
General Operating Expenses	751,306	965,770	875,119	(90,651)
Total Expenditures	751,306	965,770	875,119	(90,651)
<u>Revenue</u>				
Total Revenues	-	-	-	-
General City Support	751,306	965,770	875,119	(90,651)

	FY 2021-22 Actual	FY 2022-23 Amended	FY 2023-24 Adopted	Variance from FY 2023
<u>FD100: General Fund</u>				
<u>Position Summary</u>				
General Operations	8.00	8.00	8.00	-
Total Positions	8.00	8.00	8.00	-

PARKS AND RECREATION



The mission of the Department of Parks and Recreation is to exceed community expectations in an inclusive, innovative, and sustainable manner.

Department Overview

Funding for the department comes primarily through user fees, dedicated referendum funding from the real estate tax, and a transfer from Schools (for maintaining landscaping and site infrastructure of school facilities). The core services provided by Parks and Recreation are divided into four broad areas:

Administration and Business Services

This division is responsible for budgeting, finance, human resources, marketing, resource development, sponsorships, partnerships, information technology systems management for all divisions, department performance plans and strategic initiatives, customer service initiatives, emergency operations and safety and security.

Planning, Design, and Development

This division manages the construction and replacement of parks, playgrounds, and recreation facilities. This division is also responsible for the management of the City's Open Space Program, implementation of the Virginia Beach Active Transportation Plan, and the development and implementation of the department's Capital Improvement Program.

Programming and Operations

This division's responsibility includes all indoor and outdoor recreation and park operations and programs, operation of the seven community recreation centers, management of childcare and the Out-of-School Time programs, youth and community engagement, lease management for the golf course and various outsourced facilities lease, athletics, therapeutic recreation, and inclusion services to accommodate those with varying abilities.

Park and Landscape Services

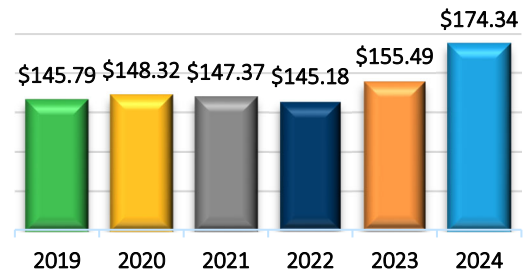
This division operates and maintains all City parks and provides landscape maintenance for all public landscape infrastructure on City roadways, public buildings including the Municipal Center complex, the Oceanfront, Town Center, public spaces, parks, and school sites. This division also provides disaster response support and manages the urban forestry program.

Key Performance Measures

The table below illustrates how the Department has been performing on their departmental performance metrics:

Departmental Performance Metrics	FY 2020	FY 2021	FY 2022	FY 2023 EST	FY 2024 PROJ
Number of days in average mowing cycle for divided roadways	18	20.25	21.6	18	18
Miles of bikeways, trails, and wide sidewalks	309	309	309	311	312
Percent of residents within a 10-minute walk to a park	68%	63%	63%	63%	70%
Number of unique recreation center members	70,260	27,757	83,105	55,000	83,000

Per Capita Expenditures



In 2022, the City contracted with ETC Institute to undergo a Resident Satisfaction Survey. The survey included standardized questions used in communities across the country, to allow Virginia Beach to benchmark the city against average ratings in other communities, and it also included questions developed specifically for Virginia Beach to gain insights on issues that impact the city. The following table provides how Virginia Beach compares to the Atlantic Region and the National average for a few of the survey findings.

Resident Satisfaction Results	Virginia Beach	Atlantic Region	National Average
Residents who feel “very safe” or “safe” in City parks	71.5%	60.6%	56.0%
Overall quality of parks and recreation programs and facilities – excellent or good rating	88.6%	50.0%	50.6%
Physical condition of City parks, trails, or other outdoor facilities– excellent or good rating	88.4%	68.6%	67.3%

Trends and Issues

→ Department Programs and Services

While department’s earned revenues continue to rebound due to marketing efforts and growing public interest, they have not yet returned to pre-COVID levels. Combined with increased park usage and demand for services, as well as significant increased operational costs, this continues to put pressure on the department’s ability to maintain existing services. Additionally, both full and part time staffing challenges in some areas of operation as well as the inability to retain contracted services such as sports officials continues to result in service impacts such as decreased mow cycles, reduced youth athletic league offerings, and facility amenity closures. Hiring levels continue to improve as well as earned revenues, and it is anticipated these will stabilize by the end of FY 2023-24.

→ Recreation Center Maintenance

During the pandemic, reductions to the contribution to the Recreation Capital Improvement Program from the fund balance of the Parks and Recreation Special Revenue Fund were made due to reduced revenues within the Fund, meaning that less fund balance was available to use as a means of financing for the CIP. This funding was restored to the historical \$2 million per year in FY 2022-23; however, increased repair needs and repair costs are impacting the department’s ability to complete routine maintenance and equipment replacement. Additionally, three of the centers are reaching 30+ years in age and maintenance is becoming more costly. There is \$10 million programmed within Capital Improvement Project 100661, “Recreation Center Modernization,” to begin planning for the renovation/replacement of the recreation centers. Any debt associated with this project will be paid by the Special Revenue Fund.

To ensure the long-term sustainability of the Fund, annual reviews of department fees and other dedicated revenue sources will need to occur. The last rate study conducted by the Department of Parks and Recreation was conducted in 2017. It will be necessary to ensure that a new rate study is conducted in order to ensure the department’s fees remain competitive, especially following the impacts of the COVID-19 pandemic, during which planned increases to fees were postponed or cancelled.






→ **Staffing Challenges**

In FY 2021-22, wages were increased for Activity Center Aide, Assistant Leader, and Leader positions associated with the department's Out-of-School Time program to assist with recruitment and to maintain operations. In FY 2022-23, all positions were moved to a minimum of \$15 per hour. The new rates have greatly improved both hiring and retention levels, although challenges still persist in a couple areas of part time staffing operations, such as athletics and aquatics/lifeguards. Staffing challenges of contractors, such as sports officials, continues to negatively impact sports leagues.

→ **Inflation and Compensation**

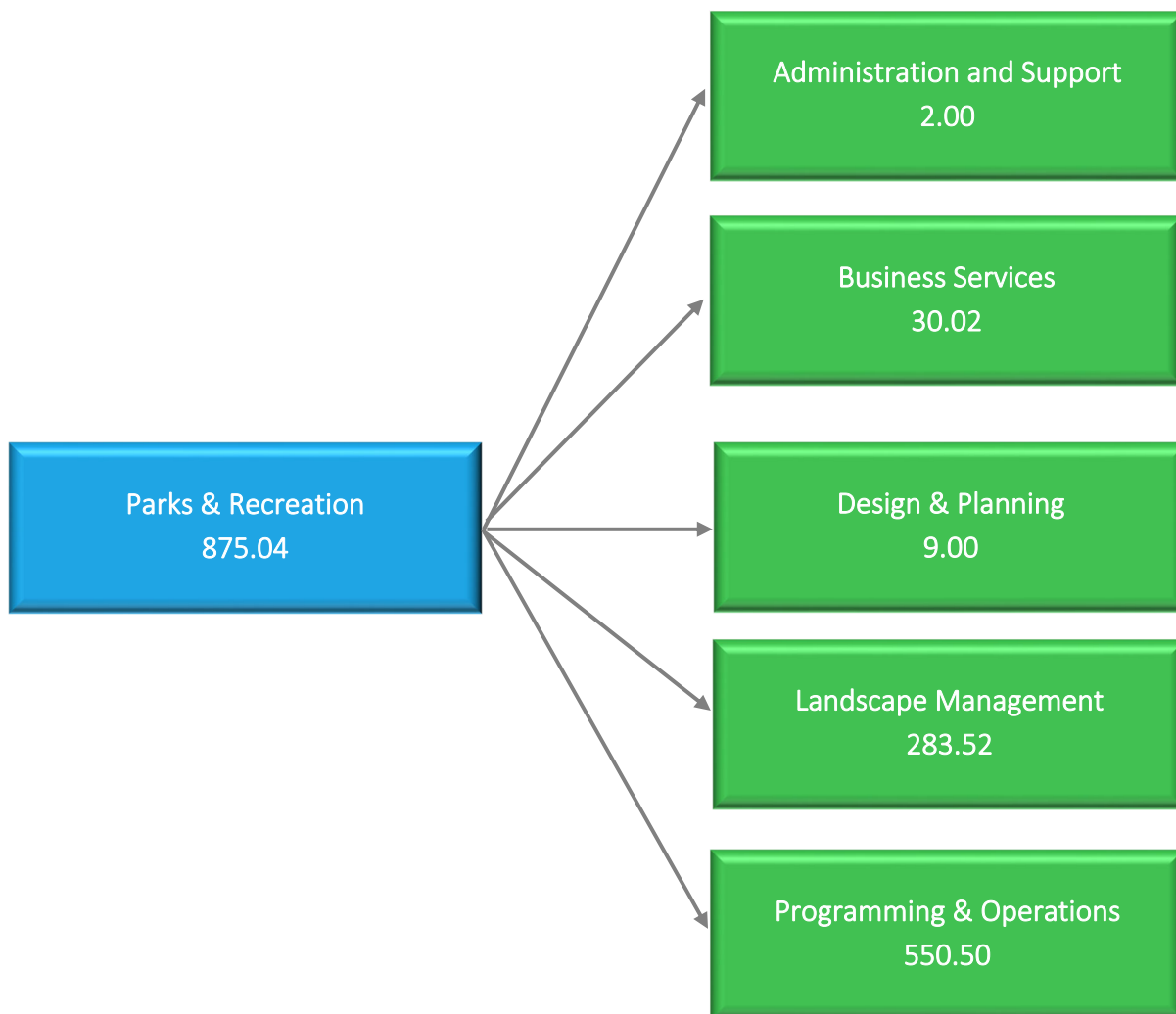
The impacts of inflation and pay increases in the department of Parks and recreation are putting a further strain on resources. The minimum wage increases have directly impacted much of the department's part-time staff, and the step plan implemented by the City in FY 2022-23 has further increased wages throughout the department. This is especially true for divisions within the Special Revenue Fund, as these positions are directly supported by user fees and dedicated revenue sources, such as the City's real estate tax.

Major Budget Changes

	Change	Impact
	Homeless Encampment Cleanup \$250,000	Parks and Recreation's FY 2023-24 budget includes \$250,000 to fund the contractual removal of all trash and to provide for the safe removal of chemicals or other hazardous materials at homeless encampments across the City.
	Annualization of Parks After Dark Program \$444,455	<p>In February 2023, City Council approved an ordinance establishing the Parks After Dark pilot program. This new program is expected to run three nights per week (Thursday, Friday, and Saturdays) from 7pm – 11pm, beginning June 8, 2023, and is expected to run for 12 weeks through Aug. 26, 2023, with the exception of the week of July 4th.</p> <p>The department's FY 2023-24 budget includes the annualization of these costs associated with the program, as well as funding to support the newly created positions for Parks After Dark. In total, this program has 5.93 dedicated FTEs.</p>
	Restructure of Parks and Recreation General Fund Budget \$12,451,193 (net) 315.72 FTEs	<p>Historically, many programs within the department of Parks and Recreation have been funded through a transfer from the General Fund to the Parks and Recreation Special Revenue Fund. Some of the programs funded by this program include Park Services, Out-of-School Time, the Youth Opportunities Office, Inclusion Services, and Therapeutic Recreation, among other various programs.</p> <p>Beginning in FY 2023-24, rather than funding these programs through a transfer, Parks and Recreation will have an increased General Fund budget. This will ensure that funds generated by the department through Recreation Center fees and real estate dedication are able to be reinvested into programming, operations, and maintenance for the City's seven recreation centers.</p> <p>This transition will have no operational impact on the Department of Parks and Recreation and simply retains the funds in the General Fund that would have otherwise been transferred to the Parks and Recreation Special Revenue Fund.</p>
	Fee Increases \$147,061	<p>Parks and Recreation's FY 2023-24 budget includes fee increases to several of the department's programs and services, including a \$1 increase to the resident membership fee for recreation centers.</p> <p>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 additional debt associated with the maintenance and modernization of the City's recreation centers.</p>
	Fil-Fest USA Mt. Trashmore Park Rental \$5,000	During Reconciliation, City Council provided \$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.

	Change	Impact
↔	Mitigation of Invasive Vegetation	During Reconciliation, City Council instructed Parks and Recreation to develop a plan to address invasive vegetation, specifically 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.

Department Organization Chart



City of Virginia Beach, Virginia
Parks and Recreation- Departmental Resource Summary

	FY 2021-22 Actual	FY 2022-23 Amended	FY 2023-24 Adopted	Variance from FY 2023
<u>Program Summary</u>				
<u>FD100: General Fund</u>				
<u>Expenditures</u>				
Business Center	-	-	185,400	185,400
Early Childhood	-	-	1,714,007	1,714,007
Recreation Centers	64	-	-	-
Inclusion Services	-	-	1,008,557	1,008,557
Asset Management	2,817,053	2,869,916	2,860,280	(9,636)
Maintenance Management	7,452,462	8,746,246	9,609,259	863,013
Life Cycle Management	2,798,239	3,414,109	3,327,149	(86,960)
Sports Management	-	-	1,733,996	1,733,996
Automotive Services	490	-	-	-
Out-of-School Time	-	-	9,087,723	9,087,723
Therapeutic	-	-	770,673	770,673
Youth Opportunities	-	-	800,187	800,187
Outdoor and Special Events	-	-	685,986	685,986
Parks and Natural Areas	-	-	1,100,916	1,100,916
Park Services	389	-	1,644,664	1,644,664
Special Zones Management	1,334,247	1,622,073	2,249,506	627,433
Member Services	2,502	-	-	-
Recreation Services	474	-	-	-
Parks After Dark	-	-	444,455	444,455
General Operating Expenses	1,812	33,451	5,000	(28,451)
Total Expenditures	14,407,733	16,685,795	37,227,758	20,541,963
<u>Revenue</u>				
Charges for Services	26,633	26,595	5,939,114	5,912,519
Permits, Fees, and Regulatory Licenses	-	-	44,500	44,500
Miscellaneous Revenue	3,459	-	-	-
From the Use of Money and Property	-	-	1,373,580	1,373,580
Revenue from the Commonwealth	5,769,878	5,764,743	6,165,901	401,158
Transfer In	762,275	829,339	876,035	46,696
Total Revenues	6,562,245	6,620,677	14,399,130	7,778,453
General City Support	7,845,488	10,065,118	22,828,628	12,763,510

City of Virginia Beach, Virginia
Parks and Recreation- Departmental Resource Summary

FD223: Open Space and Parks Special Revenue Fund

Expenditures

Asset Management	-	-	-	-
Park Services	141,850	239,647	281,401	41,754
Open Space Planning	184,273	191,376	236,937	45,561
Parks and Recreation General Government Capital Project (GGCP)	2,000,000	3,500,000	2,500,000	(1,000,000)
General Operating Expenses	2,130,562	3,218,705	4,345,883	1,127,178
Total Expenditures	4,456,685	7,149,728	7,364,220	214,492

Revenue

Restaurant Meal Tax	6,849,498	-	-	-
Total Revenues	6,849,498	-	-	-
General City Support	(2,392,812)	7,149,728	7,364,220	214,492

FD224: Parks And Recreation Special Revenue Fund

Expenditures

Business Center	842,964	1,189,350	785,873	(403,477)
Employment Services	606,758	634,222	1,114,576	480,354
Early Childhood	1,139,957	1,416,206	-	(1,416,206)
Marketing	761,011	983,189	1,012,738	29,549
Special Events	566	-	-	-
Planning	593,095	744,024	901,853	157,829
Recreation Centers	942,539	197,625	210,979	13,354
Training, Learning, and Development	110	-	-	-
Inclusion Services	719,429	871,844	-	(871,844)
Asset Management	474	-	-	-
Maintenance Management	491	-	-	-
Life Cycle Management	156	-	-	-
Sports Management	1,135,424	1,559,425	4,671	(1,554,754)
Strategic Initiatives Unit	-	-	256,281	256,281
Out-of-School Time	5,788,129	7,817,450	-	(7,817,450)
Therapeutic	497,320	594,212	-	(594,212)
Youth Opportunities	917,499	798,353	-	(798,353)
Information Technology Program	576,404	694,407	841,117	146,710
Personnel	27	-	-	-
Administration	328,741	467,274	467,119	(155)
Operations	430	-	-	-

City of Virginia Beach, Virginia
Parks and Recreation- Departmental Resource Summary

Outdoor and Special Events	539,191	605,866	4,306	(601,560)
Parks and Natural Areas	914,799	1,033,671	2,951	(1,030,720)
Park Services	1,426,125	1,469,746	-	(1,469,746)
Special Zones Management	474,739	589,375	-	(589,375)
Schools' Landscaping	395	-	-	-
Member Services	2,294,381	2,998,281	3,051,759	53,478
Recreation Services	3,532,561	4,968,561	5,661,621	693,060
Aquatics	3,166,599	4,204,701	4,494,310	289,609
Fitness	1,807,256	1,906,755	1,812,930	(93,825)
Parks and Recreation General Government Capital Project (GGCP)	172,000	1,197,000	197,000	(1,000,000)
Parks and Recreation Dedicated General Government Capital Project	1,000,000	-	1,000,000	1,000,000
General Operating Expenses	4,021,756	5,797,364	6,479,080	681,716
Total Expenditures	34,201,326	42,738,901	28,299,162	(14,439,739)

Revenue

Charges for Services	10,108,119	12,641,547	6,384,915	(6,256,632)
Permits, Fees, and Regulatory Licenses	59,961	39,500	375	(39,125)
Miscellaneous Revenue	2,925	-	-	-
Real Estate	18,265,855	-	-	-
From the Use of Money and Property	1,775,285	1,474,388	321,770	(1,152,618)
Revenue from the Commonwealth	14,564	11,000	-	(11,000)
Specific Fund Reserves	-	1,000,000	-	(1,000,000)
Transfer In	7,195,107	7,233,440	-	(7,233,440)
Total Revenues	37,421,815	22,399,875	6,707,060	(15,692,815)
General City Support	(3,220,490)	20,339,026	21,592,102	1,253,076

FD241: Tourism Investment Program Special Revenue Fund

Expenditures

Special Zones Management	943,043	999,689	1,029,680	29,991
Total Expenditures	943,043	999,689	1,029,680	29,991

Revenue

Amusement Tax	1,405,731	-	-	-
Total Revenues	1,405,731	-	-	-
General City Support	(462,689)	999,689	1,029,680	29,991

City of Virginia Beach, Virginia
Parks and Recreation- Departmental Resource Summary

FD251: Town Center Special Service District Fund

Expenditures

Special Zones Management	53,391	132,990	132,990	-
Total Expenditures	53,391	132,990	132,990	-

Revenue

Real Estate	79,380	-	-	-
Total Revenues	79,380	-	-	-
General City Support	(25,989)	132,990	132,990	-

FD603: Landscaping Internal Service Fund

Expenditures

Schools' Landscaping	3,953,530	5,030,546	5,444,060	413,514
Total Expenditures	3,953,530	5,030,546	5,444,060	413,514

Revenue

Charges for Services	4,618,749	5,030,546	5,444,060	413,514
From the Use of Money and Property	11,832	-	-	-
Total Revenues	4,630,581	5,030,546	5,444,060	413,514
General City Support	(677,051)	-	-	-

FD801: City Beautification Fund

Expenditures

Asset Management	60,914	-	100,000	100,000
Park Services	966	-	-	-
General Operating Expenses	-	100,000	-	(100,000)
Total Expenditures	61,880	100,000	100,000	-

Revenue

Charges for Services	58,726	100,000	100,000	-
Total Revenues	58,726	100,000	100,000	-
General City Support	3,155	-	-	-

City of Virginia Beach, Virginia
Parks and Recreation- Departmental Resource Summary

FD814: Parks And Recreation Gift Fund

Expenditures

Outdoor and Special Events	11,723	-	-	-
General Operating Expenses	-	55,000	55,000	-
Total Expenditures	11,723	55,000	55,000	-

Revenue

Miscellaneous Revenue	4,048	55,000	55,000	-
From the Use of Money and Property	945	-	-	-
Total Revenues	4,993	55,000	55,000	-
General City Support	6,730	-	-	-

	FY 2021-22	FY 2022-23	FY 2023-24	Variance
	Actual	Amended	Adopted	from FY 2023

FD100: General Fund

Position Summary

Early Childhood	-	-	30.59	30.59
Inclusion Services	-	-	16.62	16.62
Asset Management	24.00	24.00	24.00	-
Maintenance Management	80.00	80.00	80.00	-
Life Cycle Management	38.00	38.00	38.00	-
Sports Management	-	-	22.92	22.92
Out-of-School Time	-	-	168.62	168.62
Therapeutic	-	-	13.18	13.18
Youth Opportunities	-	-	8.10	8.10
Outdoor and Special Events	-	-	8.06	8.06
Parks and Natural Areas	-	-	14.51	14.51
Park Services	-	-	26.12	26.12
Special Zones Management	24.00	24.00	31.00	7.00
Parks After Dark	-	5.93	5.93	-
General Fund Positions	166.00	171.93	487.65	315.72

FD223: Open Space and Parks Special Revenue Fund

Position Summary

Park Services	4.40	4.40	4.40	-
Open Space Planning	2.00	2.00	2.00	-
Open Space and Parks Special Revenue Fund Positions	6.40	6.40	6.40	-

City of Virginia Beach, Virginia
Parks and Recreation- Departmental Resource Summary

FD224: Parks And Recreation Special Revenue Fund

Position Summary

Business Center	8.00	10.00	5.00	(5.00)
Employment Services	9.02	9.02	13.02	4.00
Early Childhood	30.59	30.59	-	(30.59)
Marketing	7.00	7.00	7.00	-
Planning	7.00	7.00	8.00	1.00
Inclusion Services	15.87	16.62	-	(16.62)
Sports Management	22.92	22.92	-	(22.92)
Strategic Initiatives Unit	-	-	3.00	3.00
Out-of-School Time	172.37	173.12	-	(173.12)
Therapeutic	12.18	12.18	-	(12.18)
Youth Opportunities	8.10	8.10	-	(8.10)
Information Technology Program	4.00	4.00	4.00	-
Administration	4.00	3.00	3.00	-
Outdoor and Special Events	5.84	8.06	-	(8.06)
Parks and Natural Areas	18.44	17.22	-	(17.22)
Park Services	27.12	26.12	-	(26.12)
Special Zones Management	7.00	7.00	-	(7.00)
Member Services	50.65	51.65	50.65	(1.00)
Recreation Services	66.33	87.22	89.93	2.71
Aquatics	84.64	86.64	87.14	0.50
Fitness	52.14	27.25	26.25	(1.00)
General Operations	3.50	2.00	4.00	2.00
Parks And Recreation Special Revenue Fund Positions	616.71	616.71	300.99	(315.72)

FD241: Tourism Investment Program Special Revenue Fund

Position Summary

Special Zones Management	12.00	12.00	12.00	-
Tourism Investment Program Special Revenue Fund Positions	12.00	12.00	12.00	-

FD603: Landscaping Internal Service Fund

Position Summary

Schools' Landscaping	68.00	68.00	68.00	-
Landscaping Internal Service Fund Positions	68.00	68.00	68.00	-
Total Positions	869.11	875.04	875.04	-

PLANNING AND COMMUNITY DEVELOPMENT



The mission of the Planning and Community Development Department is to provide superior, rewarding, and responsive customer service by meeting or exceeding customers' expectations; protect and preserve the safety and welfare of citizens and visitors through upholding codes, policies, and regulations; and collaborate as well as communicate with all stakeholders in all facets and functions of community design and development.

Department Overview

Planning Services

Includes the Director's Office, which offers development liaison services and executive leadership to the Planning Department, as well as the Management and Support Division, which provides budget, human resource, financial, technical, customer service, and administrative support.

Planning Administration

Provides staff support for land use and planning items considered by the City Council, Planning Commission, Wetlands Board, Chesapeake Bay Preservation Area Board (CBPA), Historic Preservation Commission, and Historical Review Board. Planning Administration works with applicants on each phase of the process to ensure land use compliance with ordinances and adopted plans and policies. Expertise is also provided during the management and review of non-discretionary land use development proposals such as waterfront permits and administrative CBPA variances.

Zoning Administration

Responsible for the interpretation and enforcement of the City's Zoning Ordinance and provides staff support for the Board of Zoning Appeals. Zoning staff are also responsible for the implementation and enforcement of the City Council adopted regulations governing Short-Term Rentals. Inspections staff are also assigned to the Resort Management Office to assist in focused code enforcement in the Resort area.

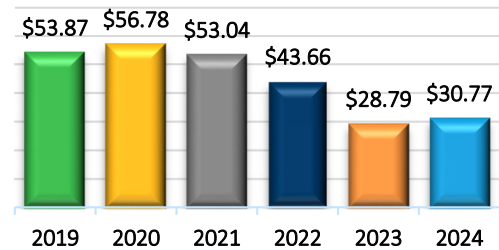
Development Services

Coordinates the review and approval of subdivision plats and development plans to ensure engineering compliance with ordinances, standards, specifications, and City Council requirements. Development projects can be either public or private and include plans for commercial sites, subdivision construction, and CBPA single family sites. This unit administers development sureties and coordinates review and recordation of legal documents and agreements designed to ensure construction of requirements established during the plan review and approval process.

Permits and Inspections

Administers the Uniform Statewide Building Code and associated laws and ordinances by issuing permits for and performing inspections of building construction, plumbing, electrical, and mechanical systems installation and alteration. Administers the Department of Environmental Quality Stormwater and Erosion and Sediment Control regulations as applicable to private development and franchise utilities. Starting in FY 2023-24, the Permits and Inspections Division will also coordinate all right-of-way issues.

Budget Per Capita



Note: The decrease in FY 2021-22 is the result of the transfer of portions of the SGA Office and the entire Parking Management Office from Planning to Economic Development. The decrease in FY 2022-23 is the result of HRT moving to Non-Departmental.

Long Range Planning

Includes Comprehensive Planning, Strategic Growth Areas (SGAs), and Transportation Planning. Comprehensive Planning provides medium- and long-term planning policy analysis and recommendations. Comprehensive Planning ensures that plans are inclusive of long-range plans such as the Strategic Growth Area plans. Transportation Planning coordinates short and long-range multi-modal transportation issues (pedestrians, bicycles, vehicles, and public transit). Transportation Planning serves as the City's liaison with Hampton Roads Transit (HRT), which provides mass transit and paratransit services to residents and visitors and actively participates in the Transportation District Commission of Hampton Roads and the Hampton Roads Transportation Planning Organization, reviewing and making recommendations on all regional transportation planning programs, projects, and initiatives.

Key Performance Measures

The table below illustrates how the Department has been performing on their departmental performance metrics:

Departmental Performance Metrics	FY 2020	FY 2021	FY 2022	FY 2023 EST	FY 2024 PROJ
Number of inspections	86,880	75,866	75,174	76,000	76,000
Permits issued	29,959	34,424	35,005	36,000	36,000
Zoning inspections	3,546	3,742	2,837	2,000	2,000
Zoning permits issued	2,874	2,166	3,631	4,000	4,200
Cases heard by the Board of Zoning Appeals	90	154	83	80	90
Plans reviewed in the Development Services Center	2,840	2,760	2,727	2,750	2,800
Applications heard by the Planning Commission and City Council	132/108	358/307	190/184	215/187	200/185
Applications heard by the Wetlands Board	139	63	66	48	70
Applications heard by the Chesapeake Bay Preservation Board	73	86	85	85	85
Joint Waterfront Review permit applications	277	255	334	250	275
Number of small cell towers received *	71	46	18	20	20
Number of Short-Term Rental applications	16	94	1,146	500	750

*In 2020 the Planning Department stopped requiring building permits for changing antennas on existing towers. As a result, the number of permits decreased in the following years.

In 2022, the City contracted with ETC Institute to undergo a Resident Satisfaction Survey. The survey included standardized questions used in communities across the country, to allow Virginia Beach to benchmark the city against average ratings in other communities, and it also included questions developed specifically for Virginia Beach to gain insights on issues that impact the city. The following table provides how Virginia Beach compares to the Atlantic Region and the National average for a few of the survey findings.

Resident Satisfaction Results	Virginia Beach	Atlantic Region	National Average
Overall quality of customer service received from City employees	73.0%	38.0%	40.6%
Adequacy of transit services offered	35.9%	44.7%	37.8%
Effectiveness of City communications with the public	49.9%	48.3%	38.2%
Availability of information about local government services and activities	52.0%	52.5%	47.5%

Trends & Issues

→ Implementation of Revised Stormwater Management Regulations

City Council approved changes to the stormwater management regulations and ordinances in March 2022. Staff is continuing work to implement these changes and refine requirements to maintain resiliency while streamlining review of development plans. Additional updates will be coordinated with a special task force as recommended by the Process Improvement Steering Committee.

→ VBSStat Implementation

Significant gaps have been found in the reporting functions and automation of the Accela software. The Accela software provides a platform for citizens for permitting, licensing, code enforcement, and service request management. Planning continues to work with the Information Technology (IT) Department to implement the federated technology model which dedicated additional positions from Planning and IT to support data reporting and tracking through Accela. This information is provided to the City Manager and Management Leadership Team (MLT) measures to make strategic decisions regarding the operations of the Planning Department.

→ Comprehensive Plan Update

The update of the Comprehensive Plan was placed on hold due to the COVID-19 pandemic. With the ability to have public meetings safely expanding, Planning will continue to obtain public input on the Comprehensive Plan to provide updates to the Planning Commission. An update to the plan will begin in the Fall of 2023 and be completed in the Spring of 2024.

→ Short-Term Rental Enforcement

Short-Term Rental (STR) Enforcement will continue to be a high priority this year with regulations and processes set in place. With the positions and funding provided by City Council, Planning is working on transitioning from a reactive model of enforcement to a proactive model. Enforcement will prioritize those STRs with active complaints, followed by those that have not submitted applications for a STR permit.


→ Staffing

The Planning Department had been negatively impacted by the national workforce shortage and is proactively taking creative measure to mitigate that impact. Those increased measures are starting to show signs of some positive results in filling departmental vacancies.

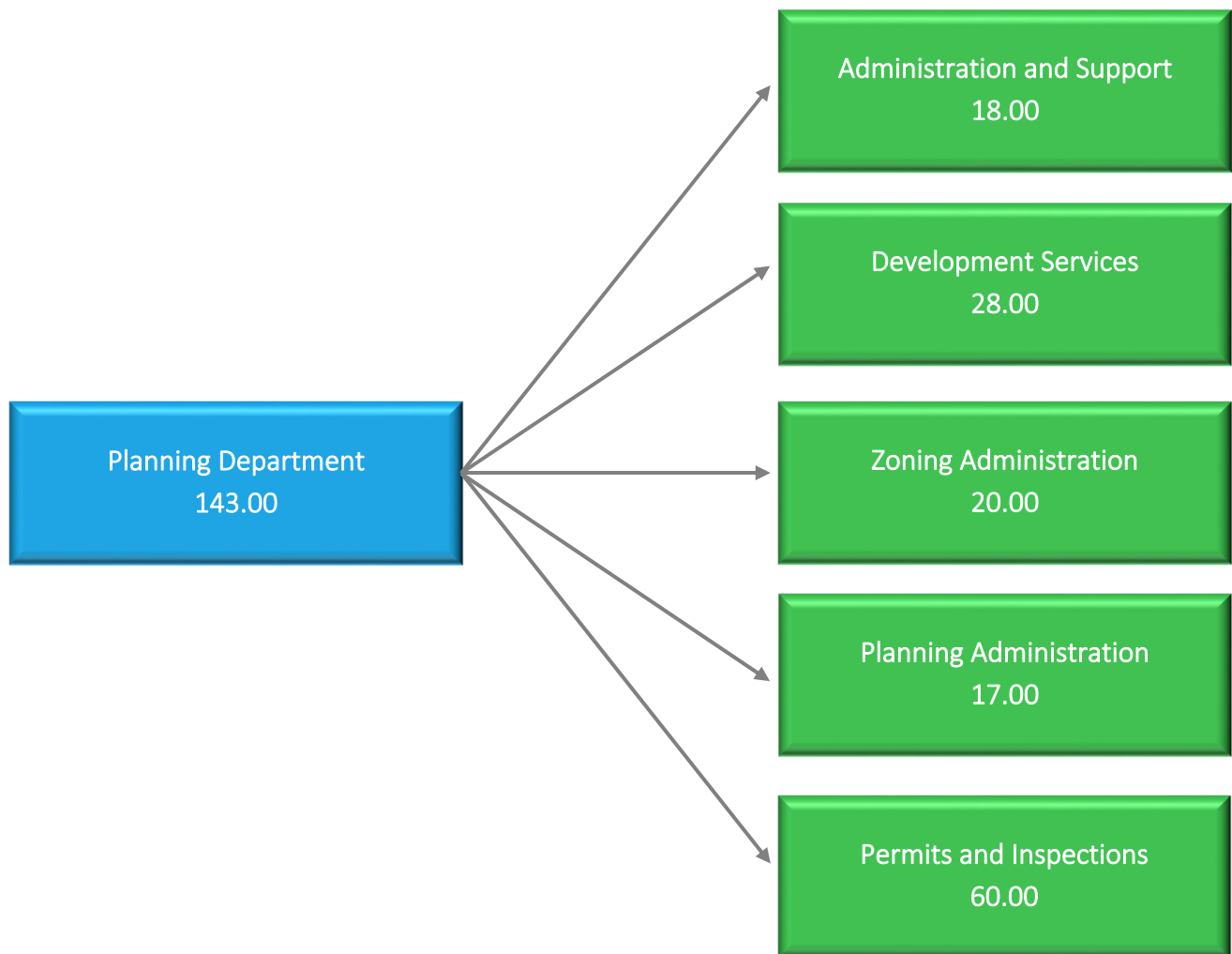
→ Permit Issuance

Current industry predictions have construction levels staying relatively flat for 2023 with a predicted slight uptick at the end of the year. Material prices are starting to stabilize, but inflation, interest rates, supply chain issues and labor shortages are currently difficult to predict. Workload metrics associated with the processing of permits is anticipated to remain in line or slightly decline compared to previous years.

Major Budget Changes

Change		Impact
	Right-of-Way Office 1.00 FTE \$103,186	Establishment of a Right-of-Way Office within the Planning Department. One Right-of-Way Coordinator position has been approved to start the consolidation process of Public Works and Planning Department staff working with Right-of-Way issues. More staff and operating expenses could be added in the future if additional tasks are identified and workload increases.

Department Organization Chart



City Of Virginia Beach, Virginia
Planning - Departmental Resource Summary

	FY 2021-22 Actual	FY 2022-23 Amended	FY 2023-24 Adopted	Variance from FY 2023
<u>Program Summary</u>				
<u>FD100: General Fund</u>				
<u>Expenditures</u>				
Chesapeake Bay	10,916	5,500	13,100	7,600
Wetlands	8,761	8,900	15,600	6,700
Mass Transit	6,047,039	-	-	-
Zoning Administration	1,446,951	-	-	-
Public Utilities Program	353,529	379,738	380,719	981
Information Technology General Government Capital Project (GGCP)	250,000	-	-	-
General Operating Expenses	10,248,656	13,537,248	13,645,633	108,385
Total Expenditures	18,365,851	13,931,386	14,055,052	123,666
<u>Revenue</u>				
Charges for Services	333,443	293,234	293,234	-
Permits, Fees, and Regulatory Licenses	4,785,751	5,878,834	5,878,834	-
From the Use of Money and Property	3,184	12,040	12,040	-
Transfer In	495,853	497,445	533,413	35,968
Total Revenues	5,618,231	6,681,553	6,717,521	35,968
General City Support	12,747,621	7,249,833	7,337,531	87,698
<u>FD241: Tourism Investment Program Special Revenue Fund</u>				
<u>Expenditures</u>				
General Operating Expenses	1,249,288	-	-	-
Total Expenditures	1,249,288	-	-	-
<u>Revenue</u>				
Hotel Room Tax	1,026,248	-	-	-
Cigarette Tax	196,429	-	-	-
Restaurant Meal Tax	-	-	-	-
Total Revenues	1,222,677	-	-	-
General City Support	26,611	-	-	-

City Of Virginia Beach, Virginia
Planning - Departmental Resource Summary

	FY 2021-22 Actual	FY 2022-23 Amended	FY 2023-24 Adopted	Variance from FY 2023
FD540: Parking Enterprise Fund				
<u>Expenditures</u>				
Retiree Health Insurance	5,374	-	-	-
General Operating Expenses	1,269,626	-	-	-
Total Expenditures	1,274,999	-	-	-
<u>Revenue</u>				
Charges for Services	1,660	-	-	-
Permits, Fees, and Regulatory Licenses	34	-	-	-
Fines and Forfeitures	97,462	-	-	-
Miscellaneous Revenue	5,151	-	-	-
From the Use of Money and Property	11,689	-	-	-
Total Revenues	115,997	-	-	-
General City Support	1,159,003	-	-	-

	FY 2021-22 Actual	FY 2022-23 Amended	FY 2023-24 Adopted	Variance from FY 2023
FD100: General Fund				
<u>Position Summary</u>				
Zoning Administration	17.00	-	-	-
Public Utilities Program	3.00	3.00	3.00	-
General Operations	112.00	139.00	140.00	1.00
Total Positions	132.00	142.00	143.00	1.00

POLICE



The Mission of the Virginia Beach Police Department (VBPD) is to remain committed to providing a safe community and improving the quality of life for all people. This is accomplished by delivering quality police services and enforcing laws with equity and impartiality. In partnership with the community, the Department reduces crime through public education, prevention, and awareness. In meeting this objective, the Police Department demands of its officers the highest professional standards and dedication to core values.

Department Overview

The Police Department's core areas of operations are:

Administration

Administration includes the Chief's Office, Professional Standards, Public Information Office, and volunteer Police Chaplains.

Uniform Patrol

This bureau of the Operations Division includes basic patrol, initial response to criminal incidents, calls for service, traffic control, and enforcement.

Special Operations

This bureau of the Operations Division supports department-wide operations with various highly trained specialty tactical units including S.W.A.T., crisis negotiators, K-9 unit, helicopter unit, dive team, marine patrol, bomb squad, selective enforcement team, motorcycle unit, traffic safety unit, fatal crash team, hit and run team, mounted patrol, and motor carrier safety unit.

Detective Bureau

This bureau of the Investigative Division investigates most crimes in the city including homicides, rapes, robberies, assaults, domestic violence, burglaries, larcenies, auto thefts, identity theft, embezzlements, and other property crimes. It includes a Forensics Unit to provide various technical services needed for investigations.

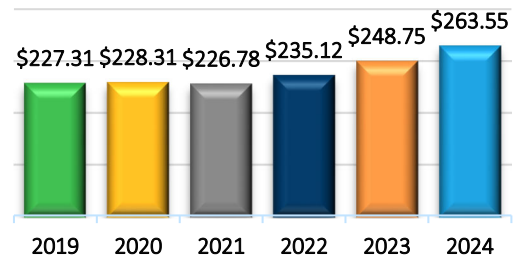
Special Investigations

This bureau of the Investigative Division has several units conducting investigations of various types of criminal activity including the Criminal Intelligence Unit (including gangs), Narcotics Unit, Vice Squad, Diversion Unit related to investigations involving pharmaceutical drugs, and Computer Crimes Unit.

Support Division

Staffed by mostly civilians, this division is responsible for maintaining police records; property and evidence storage; uniform and supply issue; department payroll; entering data such as protective orders and other warrants into local, state, and national systems; conducting criminal history checks; administering the "PHOTOSafe" red light camera, "Stop Arm" school bus camera, and false alarm programs; and coordinating departmental purchasing and budgeting

Budget Per Capita



Key Performance Measures

The table below illustrates how the Department has been performing on their departmental performance metrics:

Departmental Performance Metrics	FY 2020	FY 2021	FY 2022	FY 2023 EST	FY 2024 PROJ
Clearance rate of Part 1 Violent Crimes	73%	77%	73%	73%	73%
Clearance rate of Part 1 Property Crimes	27%	18.80%	18%	18%	18%
Number of emergency calls for service	8,957	11,109	12,302	12,302	12,302
Average response time to emergency calls	6.8	6.9	6.9	6.9	6.9
Number of fatal crashes	20	28	22	22	22
Resident positive response to Police efforts to collaborate with the public to address concerns	-	-	-	63.7%	63.7%
Police relationship with the Community	-	-	-	73.6%	73.6%

In 2022, the City contracted with ETC Institute to undergo a Resident Satisfaction Survey. The survey included standardized questions used in communities across the country, to allow Virginia Beach to benchmark the city against average ratings in other communities, and it also included questions developed specifically for Virginia Beach to gain insights on issues that impact the city. The following table provides how Virginia Beach compares to the Atlantic Region and the National average for a few of the survey findings.

Resident Satisfaction Results	Virginia Beach	Atlantic Region	National Average
Overall quality of police services	79.5%	62.5%	54.6%
The City's overall efforts to prevent crime	65.9%	57.8%	50.4%
Animal Control Services	68.3%	61.3%	50.4%
Response time for police services	70.7%	70.2%	57.6%
Enforcement of local traffic laws	56.5%	61%	50.6%

Trends & Issues

→ Police Executive Research Forum Policy Examination

In partnership with the Police Executive Research Forum (PERF), the VBPD is looking to improve service delivery through strong national leadership, public debate of police and criminal justice issues, and research and policy development. This partnership will be focusing on the analysis of the use of force, vehicle pursuit, Police K9, and body worn camera policies.

→ Recruitment and Staffing Efforts

Staffing challenges within the VBPD have impacted daily operations. To ensure the VBPD carries out the work required, a focus has been placed on accountability, transparency, and community policing. An independent consulting firm will be analyzing how the VBPD is structured, existing staffing schedules, supervisory oversight, and manpower allocations. If improvements in recruiting and retention occur, an increase to the authorized force will need to be revisited. In FY 2021-22, the VBPD established the Cadet Program which added 6.7 FTEs which offers an opportunity to prepare for the Police Academy for potential recruits who would be too young to join the department.

→ **Off-Duty Detail Research Project**

VBPD has identified a trend where some police officers are working more hours off-duty than on-duty. While efforts have been made to regulate the number of off-duty hours an employee can work in a two-week period, there are several concerns that still prevail. Increased leave use reduces the department's on-duty strength. Also, there are reports of fatigue-related performance failures and there is a greater potential for off-duty injury and equipment damage. Therefore, the Planning and Research Section will be examining the current off-duty work demands for the agency, the resources required, and the existing oversight. The goal will be to balance off-duty employment with department operational needs, responsibilities, and service demands.



→ **Officer Wellness**






Law enforcement officers are experiencing higher levels of stress which negatively affects their mental and physical wellness. The department's health and wellbeing remain a high priority. As a critical piece to the VBPD's success, access to a wide variety of services and resources is being provided to ensure physical, emotional, and mental health. Examples include enhanced Peer Support resources, utilization of the Lighthouse App, on-sight availability of professional counselors, and implementation of the Park Bench Program.

→ **Real Time Crime Center**

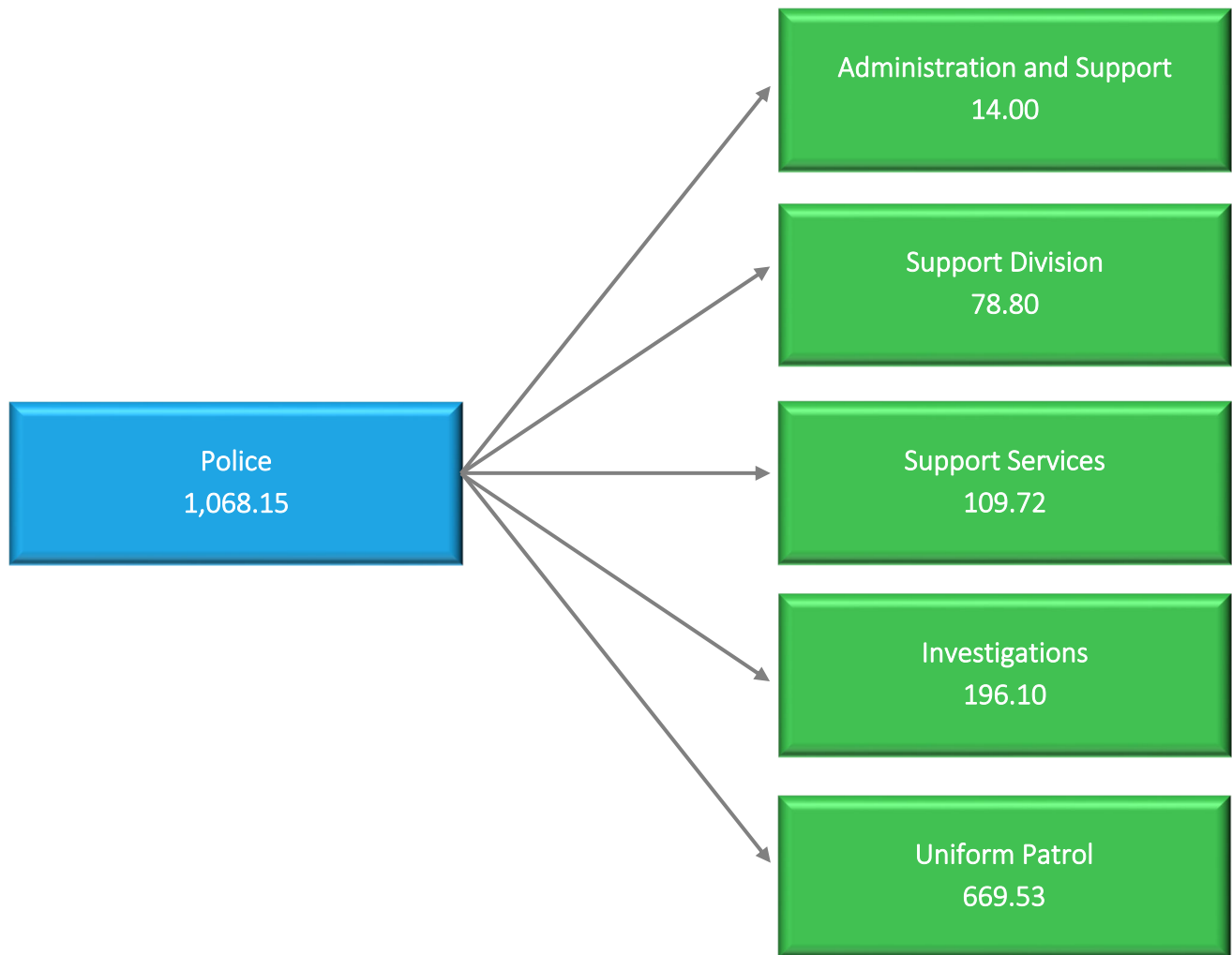
The buildout of the Real Time Crime Center within the new Police Headquarters facility will be completed and staffed in 2023. When staffed, this 24-hour monitoring and analysis center will greatly enhance the Department's rapid response capability and allow for the integration of real time data inputs from multiple sources such as ShotSpotter, BrassTrax/NIBN, Automated License Plate Readers, the citywide camera system, and social network analysis.

Major Budget Changes

	Change	Impact
	Axon Contract \$1,332,820	The Axon camera program has been phasing in the Body Worn Cameras since FY 2017-18. During the phase-in process the initial costs were funded in the IT CIP for year one then would move to Police Department Operating Budget once they were established. This is the final funding move to complete the full implementation of the Body Worn Camera cost into the Police Operating Budget. This also adds the in-car cameras as an addendum to the existing body worn camera program mid-year in FY 2022-23. The negotiated contract tied to the existing contract and FY 2023-24 will be the first full fiscal year of this increased cost.
	Sworn FTEs 11 FTEs \$592,360	The Police Department internally reclassified 11 sworn FTEs to stand up the Real Time Crime Center set to open in FY 2023-24. Due to a high number of vacancies in sworn staff, the Police Department reclassified sworn staff into civilian jobs. Over the last fiscal year, VBPD has recruited and filled many sworn positions. The Police have adjusted their training academy and have been recruiting from other localities which has started to improve retention. The additional FTEs bring the total sworn complement up to 801 and will provide the Police Department capacity to seek out the best talent. As the VBPD continues to improve their vacancy rate, it is possible that additional FTEs could be needed in the future to return to authorized pre-pandemic strength.

	Change	Impact
	<p>Conversion of Public Safety Investigators from Contractual Part-time to City Part-Time</p> <p>(\$12,617)</p> <p>2.3 FTEs</p>	<p>In 2019, a pilot program was implemented to hire sworn retirees with investigative experience through contracted manpower. The three positions assist with daily operations in the property and evidence warehouse and two positions managing the crash desk. Analysis has demonstrated that it will be cost savings to convert these positions to part-time city employees. Doing so will not only save money but will provide continuity to these positions.</p>
	<p>E-ticketing</p> <p>\$607,553</p>	<p>In FY 2022-23, e-ticketing was established for the Police Department, to improve efficiency and timeliness by replacing the previous manual process for writing tickets. The first year of implementation cost was in FY 2022-23 and funded through IT Capital Improvement Project 100113, "Enterprise Public Safety Systems." Now that the system is set up, the annual operating expenditures associated with contract are to be paid for within the Police Department Operating Budget.</p>
	<p>Freedom Of Information Act Staff</p> <p>2.0 FTEs</p> <p>\$115,552</p>	<p>The FOIA unit in the Police Department has experienced increases in FOIA requests due to fluctuations in State law. This combined with the Police Department internal restructuring to have all background checks, previously accomplished through sworn staff, to also be handle by this unit has cause an almost doubling in total workload. The addition of two Administrative Technicians will allow the Police Department to manage this increase in workload, while allowing for a more consistent and timely process. Accomplishing this work through non-Sworn staff, will allow filled officer positions to remain in the field.</p>
	<p>Forensic Mobile Device Technicians</p> <p>2.0 FTEs</p> <p>\$141,752</p>	<p>The tasks required to examine mobile devices for evidentiary purposes has increased both in terms of volume of devices and expertise. Rapid technological advancement requires continuous training and specializations which necessitates dedicated staff to managing this evidence properly. These additional Forensic Specialist I's will primarily assist the Detectives Bureau and the Special Investigations Unit. The additional staff will allow the Police Department to me the amount of staff time required to process all the evidence that is being received.</p>
	<p>Gunshot Detection System</p> <p>\$439,000</p>	<p>The Police Department has been implementing gunshot detection systems in strategic locations throughout the City. The final two square miles are going live in March 2023 for a total of six square miles throughout the city. This program was set up through Capital Improvement Program project 100580, "Gunshot Detection System."</p>

Department Organization Chart



City of Virginia Beach, Virginia
Police- Departmental Resource Summary

	FY 2021-22 Actual	FY 2022-23 Amended	FY 2023-24 Adopted	Variance from FY 2023
<u>Program Summary</u>				
<u>FD100: General Fund</u>				
<u>Expenditures</u>				
Animal Control	3,840,732	3,921,453	4,002,082	80,629
Community Engagement	309,449	-	-	-
Forensic Services	-	1,636,291	1,647,642	11,351
Technology & Special Projects	-	2,136,277	4,537,054	2,400,777
False Alarms	114,937	153,291	34,225	(119,066)
Training, Learning, and Development	5,414,496	5,588,653	5,761,620	172,967
Helicopter Unit	754,484	728,801	761,702	32,901
K9 Unit	2,270,261	2,354,287	2,415,692	61,405
Marine Patrol	1,141,423	1,199,292	1,336,361	137,069
Mounted Patrol	1,220,958	1,297,205	1,308,691	11,486
Redlight Camera	1,000,662	1,185,181	1,186,545	1,364
School Resource Officer	2,742,573	2,926,144	2,964,055	37,911
Special Investigations	5,910,203	6,973,602	7,199,046	225,444
Commercial Extraditions	208,558	407,156	403,914	(3,242)
General Operating Expenses	84,139,450	87,294,137	89,005,045	1,710,908
Total Expenditures	109,068,185	117,801,770	122,563,672	4,761,902
<u>Revenue</u>				
Charges for Services	251,963	237,400	240,250	2,850
Permits, Fees, and Regulatory Licenses	2,685,098	2,670,100	2,653,900	(16,200)
Miscellaneous Revenue	216,213	300,000	250,000	(50,000)
From the Use of Money and Property	-	10,300	7,500	(2,800)
Revenue from the Commonwealth	151,518	350,000	350,000	-
Revenue from the Federal Government	165,967	153,100	165,000	11,900
Total Revenues	3,470,759	3,720,900	3,666,650	(54,250)
General City Support	105,597,426	114,080,870	118,897,022	4,816,152

City of Virginia Beach, Virginia
Police- Departmental Resource Summary

	FY 2021-22 Actual	FY 2022-23 Amended	FY 2023-24 Adopted	Variance from FY 2023
<u>FD100: General Fund</u>				
<u>Position Summary</u>				
Animal Control	48.50	48.50	48.50	-
Forensic Services	-	19.00	19.00	-
Technology & Special Projects	-	4.00	4.00	-
False Alarms	1.75	2.55	-	(2.55)
Training, Learning, and Development	32.72	43.42	45.42	2.00
Helicopter Unit	5.00	6.00	6.00	-
K9 Unit	15.00	17.00	16.00	(1.00)
Marine Patrol	10.46	10.46	10.46	-
Mounted Patrol	11.00	12.00	11.00	(1.00)
Redlight Camera	4.00	4.00	4.00	-
School Resource Officer	27.00	30.00	30.00	-
Special Investigations	50.00	61.00	61.00	-
General Operations	843.37	792.97	812.77	19.80
Total Positions	1,048.80	1,050.90	1,068.15	17.25

PUBLIC EDUCATION



The mission of Virginia Beach City Public Schools (VBCPS), in partnership with the entire community, will empower every student to become a life-long learner who is a responsible, productive, and engaged citizen within the global community.

Department Overview

Virginia Beach City Public Schools is the largest school division in the region, consisting of 55 elementary schools, 15 middle schools, 11 high schools, one charter school, and a number of secondary/post-secondary specialty centers.

The overarching goals in the Schools' Strategic Framework, called *Compass to 2025*, are Educational Excellence; Student Well-Being; Student Ownership of Learning; An Exemplary, Diversified Workforce; Mutually Supportive Partnerships; and Organizational Effectiveness and Efficiency. Goals for the strategic framework have been expanded to allow for a substantial emphasis on equity and student ownership of learning, along with mental, physical, and digital wellness.

Academics are at the core of Virginia Beach City Public Schools, with a goal of having each student achieve their full academic potential by the time they graduate. Students are challenged to learn to communicate in foreign languages; explore and value the fine and practical arts; and understand the interrelationships of the countries and cultures of the world.

From early childhood through high school, VBCPS provides challenging instruction in language arts, math, science, and social studies; including advanced academic programs, honors classes in high school, and enrichment programs. Fine and performing arts, physical education, career and technical education, and world languages are integral parts of each child's education, from elementary through high school.

On February 7, 2023, the School Board of the City of Virginia Beach Superintendent of VBCPS presented the proposed Estimate of Needs (SEON). The budget including General funds, Categorical Grants, and other funds, totals \$1.14 billion and includes several initiatives as outlined on the following pages. On March 7, 2023, the School Board adopted the FY 2023-24 budget.

The Schools' Approved Budget provides essentials for students and employees, along with resources and compensation to address several prevailing budget challenges. The City provides an appropriation for VBCPS in excess of the Commonwealth of Virginia Standards of Quality (SOQ) required local effort. The contribution provided by the City through the Revenue Sharing Formula in FY 2023-24 exceeds the projected minimum SOQ required match by \$317,607,323 based on revised State SOQ budget.

Key Performance Measures

The table below illustrates how the school division has been performing on each of their performance metrics:

Departmental Performance Metrics	FY 2020	FY 2021	FY 2022	FY 2023 EST	FY 2024 PROJ
Student enrollment	66,816	63,836	63,698	63,598	64,034
Per pupil expenditure	\$12,260	\$14,069	\$15,020	\$17,029	\$17,012
On-time graduation rate	94.2%	94.9%	94.9%	N/A	N/A

In 2022, the City contracted with ETC Institute to undergo a Resident Satisfaction Survey. The survey included standardized questions used in communities across the country, to allow Virginia Beach to benchmark the city against average ratings in other communities, and it also included questions developed specifically for Virginia Beach to gain insights on issues that impact the city. The following table provides how Virginia Beach compares to the Atlantic Region and the National average for a few of the survey findings.

Resident Satisfaction Results	Virginia Beach	Atlantic Region	National Average
Overall quality of public schools	71.1%	47.6%	23.5%
Perception As a place to raise children	84.1%	69.1%	15.0%

Trends and Issues

→ Employee Compensation and Workforce Challenges

The effects of the global pandemic have lessened; however, the impact on the workforce continues to linger. Since the pandemic, remote work and other career opportunities have resulted in employees, particularly teachers, making life-changing decisions about their careers. This coupled with the already short supply of newly trained teachers, continues to be a staffing challenge. Over the past four years, the division's average retention rate for teachers was over 91.0%. This year, the retention rate dropped to 87.0%.

In support of Goal Four of the Strategic Framework Compass to 2025, VBCPS is focused on placing a priority on recruiting, hiring, supporting, and retaining high-quality staff in all positions. One of the top strategies aimed at addressing this goal is to provide a competitive compensation and benefits plan for employees. While VBCPS ranks first in the Hampton Roads region for entry-level teacher compensation, the division continues to lag in several other compensation milestones as well as benefits.

Staffing VBCPS schools for the opening of the 2022-23 school year was a tremendous accomplishment in today's market. As more and more teachers decide to leave education, the ability to award early commitment signing incentives and letters of intent has proven to be instrumental in ensuring the division is at the forefront of hiring teachers in an extremely competitive arena. This past year, VBCPS made some progress to address below-market educational allowances. To increase the recruitment and retention of bus drivers, the division reclassified this position to a highly competitive pay grade, compensated bus driver trainees at \$21.00 per hour, and offered trainees health benefits as part of the program. For the 2023 benefit year, employees will see a 40.0% to 50.0% decrease in the amount paid for health care premium costs which will help to improve a competitive position in the market.

As VBCPS works to ensure they are meeting the minimum wage benchmarks outlined each year by the Commonwealth of Virginia, the goal is to ensure employees are making a minimum of \$15.00 per hour by the year 2026, if not sooner. The minimum wage changes over the next three years will significantly impact the Unified Experience-base Step Pay Scale. Many employers in the Commonwealth have already moved to a \$15.00 minimum hourly rate, affecting the ability to hire positions such as custodians, cafeteria assistants, bus assistants, as well as others. The division worked with a consultant to conduct a compensation study of jobs on the Unified Experience-base Step Pay Scale as well as review the competitiveness of the Instructional Experience-base Step Pay Scale. Recommendations from this study were presented to the School Board in December 2022 and funding has been allocated in this Adopted Budget to fully fund the recommendations for the Unified Experience-base Pay Scale. Additionally, a substantial amount of funding is dedicated to phase-in the recommendations for the Instructional Experience-base Step Pay Scale to make step scales more consistent throughout the structure.

→ Employee Benefits

VBCPS's health issuance plan has experienced a better than average trend (below the national median of 6.0%) during the five-year period ending in 2021. VBCPS did see an increase in the trend during the 2021 plan year due to the return of care deferred during the pandemic. The favorable experience has been influenced by multiple factors, including plan design changes, increased education and employee communication, implementation of online tools, a partnership with the Sentara Quality Care Network, and employee wellness program. As a result, the health fund balance has grown for several years. Current indicators suggest that the national trend for health care costs is rising, with key drivers that include growth in specialty pharmacy, the national behavioral health crisis, and an increased prevalence of high-cost claimants. The 2022 year-to-date data for the VBCPS plan indicates a lower-than-average trend, but due to the seasonality of claims the plan is expected to normalize to the average healthcare cost trend of 6.0% per annum during the five-year period ending June of 2028. VBCPS will continue to monitor healthcare trends, future employer contributions, and the impact these will have on the fund balance. The Benefits Executive Committee (a group of leadership members from the city and school) along with Mercer, VBCPS health and benefits consulting firm, will continue to closely monitor health plan utilization data, market trends, workplace priorities, and federal/state legislation that may impact cost and influence budget strategy. The existence of the health fund balance provides an important tool to not only allow for short-term plan subsidization but also to serve as a valuable risk management mechanism to ensure financial plan stability for VBCPS. Deployment of the health fund balance will be thoughtful, purposeful, and forward-looking as VBCPS aim to optimize the value and effectiveness of employee benefits program.

→ School Safety

It is proven that education in a safe and secure environment facilitates effective learning. School safety and the security of the children is a priority that is routinely analyzed and enhanced at every opportunity. This past year, the Office of Security and Emergency Management (OSEM) initiated the armed security officer program. This program allows former law enforcement officers that qualify by the state and internal standards to carry a firearm while working in a security capacity. OSEM is currently working with the Department of Human Resources and building principals to provide an armed security officer at each secondary school. Additionally, OSEM hired an emergency manager to better align VBCPS on emergency response, preparation, and prevention. This individual is dedicated to the overall emergency management posture of the schools as it relates to city and state expectations. VBCPS is proactive and progressive regarding school safety measures by employing advanced security initiatives including:

- Coordinate safety and security training for administrators, staff, and students in the interest of emergency preparedness within training and best practices that are developed in-house and learned from across the country.
- Improve communication during an emergency and enhance technology with surveillance cameras, visitor identification systems, and electronic door locking mechanisms.
- Perform comprehensive safety audits and work with all VBCPS departments to enhance policies and protocols that relate to safety and security to include updates to the Emergency Response Plan.
- Facilitate the activation of emergency shelters and act as liaison with the City, Virginia Center for School Safety, and the American Red Cross during significant critical incidents and emergencies.
- Provide leadership to school security officers who monitor VBCPS school and auxiliary buildings.

→ Technology

VBCPS maintains one of the largest and most complex technology infrastructures in Hampton Roads. With 92 large offices throughout the city, VBCPS has one of the largest fiber networks in eastern Virginia providing a redundant, high-capacity infrastructure that stretches over 160 miles throughout Virginia Beach. The division supports over 120,000 computers, 1,600 network switches and 4,500 interactive panels in classrooms. This technical infrastructure is necessary to provide the array of services available to VBCPS students and families.

The division's current strategic framework, Compass to 2025, took effect July 1, 2020. One of the strategies linked to the overarching goal of Student Ownership of Learning is to expand upon the effective and efficient use of technology to meet students' individual needs and provide them with the tools for accessing, creating, and sharing knowledge. Today, these technology tools come in many forms. The division's 1:1 technology initiative provides Chromebooks to every student in the division from which to access and create digital content which furthers knowledge and understanding. Additionally, the division has allocated one-time funding from multiple sources to replace broken and aging whiteboards with standalone interactive displays to further support transformational learning experiences for all students. This project will make it possible for students and staff to take advantage of enhanced features available in these interactive flat panel systems while alleviating the costly maintenance needs of the projector-based systems. Finally, the division has invested in a variety of software that helps students perform at the highest levels possible by adapting to students' needs and input.

Technology proved to be instrumental during the COVID-19 pandemic and has provided a resource for students to succeed in the classroom. As a result of federal dollars released through the Coronavirus Aid, Relief, and Economic Security (CARES) Act, VBCPS has purchased items such as laptops and essential computer peripherals for teachers; laptop cases; additional outdoor wireless connectivity at schools; Chromebooks; iPads; an internet filtering and classroom management software solution; and assistive technology for students with special needs. Additionally, VBCPS has been able to address barriers to internet access by purchasing hotspots and providing monthly internet subsidies for low-income families.

→ State and Federal Mandates

VBCPS must comply with state and federal mandates that significantly impact division-wide needs and priorities. Mandates are not always funded and can pose a financial burden on localities and school divisions. These mandates range from new reporting requirements to new policies and procedures, to unfunded equipment requirements. VBCPS is opposed to any new state mandates requiring local school divisions to assume additional responsibilities or provide additional services without the state's share of funding such mandates.

→ VBCPS Achievements and Initiatives

- For the 14th consecutive year, VBCPS has continued to maintain record levels with respect to the On-Time Graduation (OTG) rate, which stands at 94.9% for the 2022 cohort year, and a low dropout rate of 2.9%. VBCPS also outperformed Virginia's rates of 92.1% for OTG and 5.2% for dropouts.
- Another indicator of the remarkable success of the school community is the Virginia Department of Education pass rates from the Standards of Learning Assessments for 2021-2022. Even under the extraordinary circumstances of the past several years, VBCPS remains accredited and students in VBCPS outperformed all local districts in reading, writing, math and science. VBCPS also outperformed seven other comparable divisions in Virginia in reading and mathematics for the first time in recent history, demonstrating that teachers, staff, students, and families remained engaged and focused on their education and well-being.
- VBCPS was also awarded the School Division of Innovation designation for efforts aimed at providing students more rigorous, relevant, and real-world learning opportunities that help them demonstrate life and career-ready skills and result in an actionable plan after graduation.

- Academic and Career Planning is now mapped from elementary school through graduation. This highlights that VBCPS is intentional about when and how youngest students begin to be aware of careers and how their educational choices shape their opportunities.
- VBCPS believes that providing work-based learning (WBL) experiences for all students is a necessary part of preparing them to go out into the world. This is demonstrated through work to expand the robust WBL models at the Entrepreneurship and Business Academy, Advanced Technology Center, and Technical and Career Education Center (CTE) to all high schools. It is also supported by the hiring of a fulltime Work Based Learning Specialist in the fall of 2021 and the development of systems to scale models at the three sites mentioned.
- The Nursing Schools Almanac ranked the Virginia Beach School of Practical Nursing program as the top licensed practical nursing program in the state in 2021. The program was also ranked No. 1 by Practical Nursing and Nursing Process.
- Since the industry credential program began in 2002, over 140,000 industry credentials have been earned by VBCPS students. Each year, students have access to over 100 different credentials that link to career fields. Even during years with interrupted learning, students have earned more than 10,000 credentials annually as a validation of their career readiness—and we expect that to continue.
- VBCPS recently collaborated with Newport News Shipbuilding to create the Apprentice X program. This program offers 39.5 credits via distance learning from the Apprentice School. This is just the latest example in the continual expansion of dual enrollment in CTE, which currently includes Virginia Teachers for Tomorrow, Early Childhood Education at the Tech Center, Welding, CISCO, Network Administration, Veterinary Assisting, Hotel Management, EMT, and the entire associates degree in Business offered at the Entrepreneurship and Business Academy at Kempsville High School.

→ **Grant Funding**

The Coronavirus Aid, Relief, and Economic Security (CARES) Act and Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act Elementary and Secondary School Emergency Relief (ESSER) funds were intended to address the impact of COVID-19 on schools and help school districts safely reopen schools and measure and effectively address learning loss. American Rescue Plan (ARP) Act ESSER funding provided direct aid to also assist in safely reopening schools, as well as sustain the safe operation of schools and address the impact of COVID-19. School divisions must use 20.0% of their ARP ESSER allocations to address learning loss. From providing personal protective equipment (PPE), Chromebooks for students during remote learning, tutors for after-school programs, and HVAC related work, the common goal is to mitigate the impact and transmission of COVID-19 while keeping students engaged in learning. VBCPS recognizes the federal pandemic grants will come to an end and will continue to work diligently to make forecasts and projections that result in sustainable budgets.

→ **Capital Improvement Program (CIP) and School Modernization**

In addition to the operating budget, VBCPS recognizes the need for ongoing capital improvements across the division—another part of VBCPS' commitment to ensure that every student and every staff member is in an environment that is healthy, safe, and conducive for teaching and learning. The Capital Improvement Program (CIP) funds the maintenance of nearly 11 million square feet of space by investing in existing infrastructure through projects such as reroofing, HVAC improvements, and outdated playground equipment replacement. The CIP also funds the school division's modernization/replacement program. While a tremendous amount has been accomplished over the last 20 years in the modernization program, there is much left to do. The next three school replacement projects prioritized in the modernization/replacement program are estimated to have an average age of 75 years when replaced, with the next schools prioritized in the program estimated to have an average age of 116 years when replaced. As aging buildings result in increased maintenance costs, staff has worked diligently to create a strategic document that deals with both maintenance needs and new construction needs.

Despite increased budget costs, the Adopted CIP fully funds the Princess Anne High School and the B.F. Williams/Bayside 6th Grade Campus replacement projects within the six-year program. The Adopted CIP also increases funding for the replacement of Bayside High School. The completion of the classroom addition at Lynnhaven Middle School is also approaching, with a fall 2023 opening that will support An Achievable Dream Academy’s secondary school program.

VBCPS FY 2023-24 Budget Highlights

The FY 2023-24 Operating Budget for Schools includes increased revenue, primarily at the local level. From the Commonwealth, VBCPS has adopted funding of \$452 million in revenue to support their operational needs. The General Assembly will adopt its final changes to the biennial budget by June of 2023.

Also, a large contributing factor for the Schools’ substantial budget is the City’s continued support of VBCPS through the Revenue Sharing Formula (RSF). Based on FY 2023-24 revenue estimates provided through the Five-Year Forecast, VBCPS’ share of local revenues is \$512.9 million, a \$28.3 million increase from the prior year.

Through the use of these combined resources, VBCPS has developed an Operating Budget with an emphasis on staffing and compensation needs. Similar to the City, VBCPS is facing staffing shortages and the School Board has made addressing this issue a top priority.

The Board was presented with the findings of a 2022 compensation study conducted in partnership with The Segal Group, that, in order to meet the Board’s compensation philosophy goals, an increase is needed for employee salaries across multiple positions. This Adopted Budget allows for a unified and instructional pay scales. The structure is to increase employee retention by ensuring steady salary growth over time. The SEON fully funds the compensation study recommendations for the unified scale at just over \$15 million. The Adopted budget takes a significant step forward with the instructional scale as well, fully funding Option 2 from the study at \$26.4 million and allocating additional funds to the instructional scale.

Also included within the baseline operations of VBCPS, is a transfer of pay-as-you-go funding of \$2 million to the CIP.

City/School Revenue Sharing Formula (RSF)

The City Council first adopted a City/School Revenue Sharing Policy in 1997 to establish a procedure for allocating local tax revenues between the City and School division. This Policy seeks to provide a balance between the funding requirements for School and City programming by incorporating a diverse stream of revenues that mitigates dramatic changes in the economy. It also recognizes decisions by the City Council to dedicate some of these same revenues to City and School priorities outside of the formula.

It has been updated many times over the years. The formula was last modified in FY 2019-20 in preparation for the FY 2020-21 Budget. If no other action is taken by the City Council and the School Board, this Policy shall remain effective until June 30, 2024, at which time it will be reviewed and considered for reauthorization.






School divisions in Virginia do not have taxing authority and are fiscally dependent on the local government. As such, local contributions calculated using the RSF continue to be the most substantial source of revenue for VBCPS. From the local appropriation received, funds are first distributed to debt service and Pay-As-You-Go (PAYGO) for the CIP.

The Revenue Sharing Formula is calculated as follows:

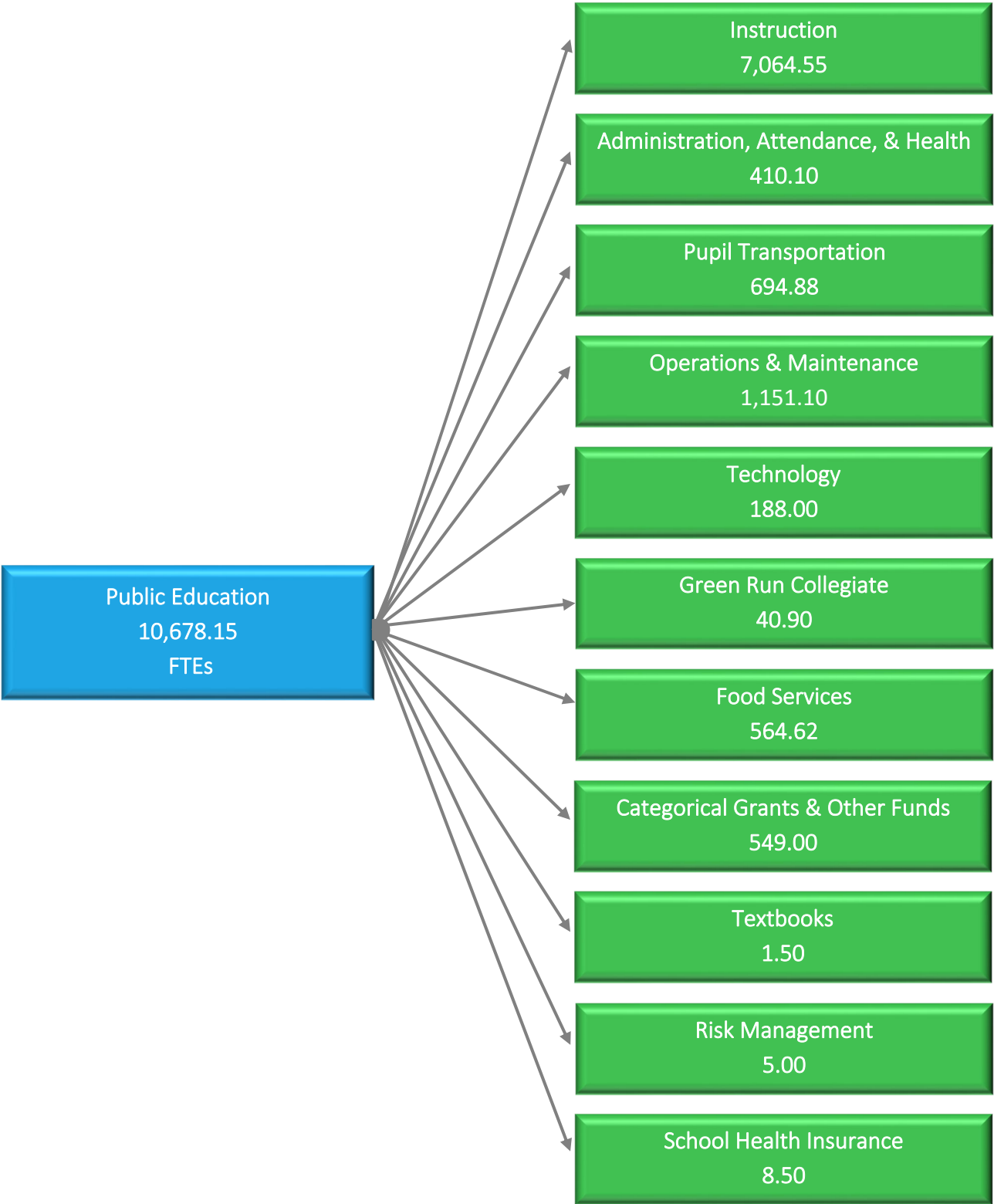
- Compile the base for the computation to include all local, non-dedicated, General Fund tax revenues consistent with the current formula
- Multiply the General Fund formula revenues by 46.75%
- Provide this amount to the Schools as the City’s contribution

A full accounting of this formula can be found in the appendix section of this document.

Major Budget Changes

	Change	Impact
	Increase in State Revenue + \$31,040,116	State revenue for FY 2023-24 increased by \$27.0 million, compared to the FY 2022-23 budget. The FY 2023-24 total is \$447,977,199 and equates to a 4.2% increase. During reconciliation there was an increase in estimated State revenue to the School Operating Budget with additional amount of \$4,017,393, that is closely in line with the budget as proposed by the House of Delegates.
	Increase in City Support Through the Revenue Sharing Formula +\$28,383,572	School Operating fund local revenue generated through the Revenue Sharing Formula totals \$512,950,115 an increase of nearly \$28.8 million, or 5.1%, over the FY 2022-23 Adopted amount of \$484,566,543.
	Decrease in the use of School Reserve (reversion) Revenue -\$333,591	VBCPS will use \$333,591 of School Reserve (reversion) revenue to balance the FY 2023-24 School Operating budget. The School Reserve revenue amount represents a decrease of \$333,591 below the previous fiscal year when VBCPS used \$667K of this one-time funding source to balance the School Operating budget.
	Compensation Increase +\$48,000,000	The Adopted Budget fully funds the compensation study recommendations for the unified scale at just over \$15 million, as well as fully funding Option 2 from the study at \$26.4 million and allocating additional funds to the instructional scale.
	Increase in Personnel +19.80 Net	Increase in Personnel with a net change of 19.8 FTEs. Fund 115-School Operating incurred a decrease of 32.8 FTEs in Instruction, an increase of 5.2 FTEs for Administration, Attendance and Health, and an increase of 15.0 FTEs for Operations and Maintenance. Fund 201 – Green Run Collegiate increased by 0.40 positions. Fund 213 – Cafeteria increased by 35.0 FTEs and the Grant Fund lost 3.00 FTEs.

Department Organization Chart



City of Virginia Beach, Virginia
Public Education- Departmental Resource Summary

	FY 2021-22	FY 2022-23	FY 2023-24	Variance
	Actual	Amended	Adopted	from FY 2023
<u>Program Summary</u>				
<u>FD115: School Operating Fund</u>				
<u>Expenditures</u>				
Instruction	588,002,769	623,887,924	668,345,302	44,457,378
Administration, Attendance, and Health	36,895,804	45,019,908	45,028,190	8,282
Pupil Transportation	51,761,406	45,535,562	50,857,111	5,321,549
Operations and Maintenance	98,337,762	102,501,651	110,978,337	8,476,686
Technology	37,778,015	39,746,302	40,800,576	1,054,274
Debt Service	45,696,047	50,133,654	50,071,611	(62,043)
Transfer to Other Funds	13,631,568	15,275,827	14,665,512	(610,315)
Pay-As-You-Go	-	1,000,000	2,000,000	1,000,000
Total Expenditures	872,103,371	923,100,828	982,746,639	59,645,811
<u>Revenue</u>				
Charges for Services	689,566	-	-	-
Miscellaneous Revenue	3,125,841	3,918,341	3,968,341	50,000
From the Use of Money and Property	241,643	-	-	-
Revenue from the Commonwealth	395,068,002	420,954,476	451,994,592	31,040,116
Revenue from the Federal Government	17,115,879	13,500,000	13,500,000	-
Other Financing Sources	690,227	-	-	-
Transfer In	446,491,611	484,728,011	513,283,706	28,555,695
Total Revenues	863,422,769	923,100,828	982,746,639	59,645,811
General City Support	(8,680,602)	-	-	-
<u>FD201: Green Run Collegiate Charter School Operating Fund</u>				
<u>Expenditures</u>				
Instruction	3,512,380	4,002,964	4,002,964	-
Pupil Transportation	256,228	321,578	321,578	-
Technology	24,640	39,387	39,387	-
Total Expenditures	3,793,248	4,363,929	4,363,929	-
<u>Revenue</u>				
Transfer In	3,784,392	4,363,929	4,363,929	-
Total Revenues	3,784,392	4,363,929	4,363,929	-
General City Support	(8,856)	-	-	-

City of Virginia Beach, Virginia
Public Education- Departmental Resource Summary

FD203: School Instructional Technology Special Revenue Fund

Expenditures

Technology	2,471	560,840	560,840	-
Total Expenditures	2,471	560,840	560,840	-

Revenue

From the Use of Money and Property	76,009	-	-	-
Specific Fund Reserves	-	560,840	560,840	-
Total Revenues	76,009	560,840	560,840	-
General City Support	(73,538)	-	-	-

FD204: School Athletics Special Revenue Fund

Expenditures

Instruction	5,811,138	5,478,274	5,771,170	292,896
Total Expenditures	5,811,138	5,478,274	5,771,170	292,896

Revenue

Charges for Services	-	65,000	65,000	-
Miscellaneous Revenue	473,955	434,000	489,000	55,000
From the Use of Money and Property	15,426	5,000	5,000	-
Transfer In	5,577,878	4,974,274	5,212,170	237,896
Total Revenues	6,067,259	5,478,274	5,771,170	292,896
General City Support	256,121	-	-	-

FD210: School Equipment Replacement Special Revenue Fund

Expenditures

Instruction	-	372,300	-	(372,300)
Technology	256,424	-	327,651	327,651
Total Expenditures	256,424	372,300	327,651	(44,649)

Revenue

From the Use of Money and Property	3,882	-	-	-
Specific Fund Reserves	-	372,300	327,651	(44,649)
Total Revenues	3,882	372,300	327,651	(44,649)
General City Support	252,542	-	-	-

FD211: School Vending Operations Special Revenue Fund

Expenditures

Instruction	58,660	69,000	130,000	61,000
Total Expenditures	58,660	69,000	130,000	61,000

City of Virginia Beach, Virginia
Public Education- Departmental Resource Summary

Revenue

Charges for Services	122,436	63,000	124,000	61,000
From the Use of Money and Property	2,032	-	-	-
Specific Fund Reserves	-	6,000	6,000	-
Total Revenues	124,468	69,000	130,000	61,000
General City Support	(65,808)	-	-	-

FD212: School Communication Tower Technology Special Revenue Fund

Expenditures

Technology	-	800,000	800,000	-
Total Expenditures	-	800,000	800,000	-

Revenue

From the Use of Money and Property	673,323	516,000	516,000	-
Specific Fund Reserves	-	284,000	284,000	-
Total Revenues	673,323	800,000	800,000	-
General City Support	(673,323)	-	-	-

FD213: School Cafeterias Special Revenue Fund

Expenditures

Technology	148,857	251,568	327,856	76,288
Food Services	34,242,955	38,508,087	47,372,363	8,864,276
Total Expenditures	34,391,811	38,759,655	47,700,219	8,940,564

Revenue

Charges for Services	678,179	12,464,445	13,050,890	586,445
Miscellaneous Revenue	884,412	-	650,000	650,000
From the Use of Money and Property	42,682	75,000	75,000	-
Revenue from the Commonwealth	636,965	550,000	605,000	55,000
Revenue from the Federal Government	42,436,113	23,923,701	26,417,376	2,493,675
Specific Fund Reserves	-	1,746,509	6,901,953	5,155,444
Total Revenues	44,678,352	38,759,655	47,700,219	8,940,564
General City Support	(10,286,540)	-	-	-

FD214: School Grants Special Revenue Fund

Expenditures

Instruction	65,424,956	98,884,569	97,337,023	(1,547,546)
Administration, Attendance, and Health	3,312,168	26,150,917	2,617,406	(23,533,511)
Pupil Transportation	1,409,194	1,449,255	1,476,985	27,730
Operations and Maintenance	9,319,427	26,333,335	24,236,187	(2,097,148)
Technology	19,026,145	27,739,251	15,990,389	(11,748,862)
Food Services	3,187,981	12,986	753,550	740,564
Total Expenditures	101,679,871	180,570,313	142,411,540	(38,158,773)

City of Virginia Beach, Virginia
Public Education- Departmental Resource Summary

Revenue

Miscellaneous Revenue	422,362	7,602,630	2,817,629	(4,785,001)
Revenue from the Commonwealth	11,908,631	21,664,476	29,694,877	8,030,401
Revenue from the Federal Government	85,424,665	144,929,183	104,809,621	(40,119,562)
Transfer In	4,869,945	6,374,024	5,089,413	(1,284,611)
Total Revenues	102,625,603	180,570,313	142,411,540	(38,158,773)

FD215: School Textbooks Special Revenue Fund

Expenditures

Instruction	1,414,603	5,942,736	5,546,333	(396,403)
Operations and Maintenance	33,467	36,311	36,790	479
Technology	3,733,987	920,185	1,017,615	97,430
Total Expenditures	5,182,057	6,899,232	6,600,738	(298,494)

Revenue

Miscellaneous Revenue	29,904	27,000	27,000	-
From the Use of Money and Property	23,898	29,483	29,483	-
Revenue from the Commonwealth	4,043,646	4,983,453	4,972,218	(11,235)
Specific Fund Reserves	-	1,859,296	1,572,037	(287,259)
Total Revenues	4,097,449	6,899,232	6,600,738	(298,494)
General City Support	1,084,608	-	-	-

FD650: School Risk Management Internal Service Fund

Expenditures

Administration, Attendance, and Health	10,886,389	15,272,955	15,247,955	(25,000)
Technology	16,077	107,003	132,003	25,000
Total Expenditures	10,902,466	15,379,958	15,379,958	-

Revenue

Charges for Services	6,805,724	15,379,958	8,995,919	(6,384,039)
Miscellaneous Revenue	639,688	-	-	-
From the Use of Money and Property	84,537	-	-	-
Specific Fund Reserves	-	-	6,384,039	6,384,039
Total Revenues	7,529,950	15,379,958	15,379,958	-
General City Support	3,372,516	-	-	-

FD651: School Flexible Benefits Forfeiture Internal Service Fund

Expenditures

Administration, Attendance, and Health	-	100,000	206,000	106,000
Total Expenditures	-	100,000	206,000	106,000

City of Virginia Beach, Virginia
Public Education- Departmental Resource Summary

Revenue

Charges for Services	243,789	-	-	-
From the Use of Money and Property	4,608	-	-	-
Specific Fund Reserves	-	100,000	206,000	106,000
Total Revenues	248,397	100,000	206,000	106,000
General City Support	(248,397)	-	-	-

FD652: School Health Insurance Internal Service Fund

Expenditures

Administration, Attendance, and Health	154,670,425	184,984,518	196,510,293	11,525,775
Total Expenditures	154,670,425	184,984,518	196,510,293	11,525,775

Revenue

Charges for Services	153,774,396	184,984,518	176,510,293	(8,474,225)
Specific Fund Reserves	-	-	20,000,000	20,000,000
Total Revenues	153,774,396	184,984,518	196,510,293	11,525,775
General City Support	(896,029)	-	-	-

	FY 2021-22 Actual	FY 2022-23 Amended	FY 2023-24 Adopted	Variance from FY 2023
<u>FD115: School Operating Fund</u>				
<u>Position Summary</u>				
General Operations	9,473.53	9,521.23	9,508.63	-12.60
School Operating Fund Positions	9,473.53	9,521.23	9,508.63	-12.60

FD201: Green Run Collegiate Charter School Operating Fund

Position Summary

General Operations	39.20	40.50	40.90	0.40
Green Run Collegiate Charter School Operating Fund P	39.20	40.50	40.90	0.40

FD213: School Cafeterias Special Revenue Fund

Position Summary

General Operations	536.64	529.62	564.62	35.00
School Cafeterias Special Revenue Fund Positions	536.64	529.62	564.62	35.00

FD214: School Grants Special Revenue Fund

Position Summary

General Operations	516.50	552.00	549.00	-3.00
School Grants Special Revenue Fund Positions	516.50	552.00	549.00	-3.00

City of Virginia Beach, Virginia
Public Education- Departmental Resource Summary

FD215: School Textbooks Special Revenue Fund

Position Summary

General Operations	1.50	1.50	1.50	-
School Textbooks Special Revenue Fund Positions	1.50	1.50	1.50	-

FD650: School Risk Management Internal Service Fund

Position Summary

General Operations	5.00	5.00	5.00	-
School Risk Management Internal Service Fund Positio	5.00	5.00	5.00	-

FD652: School Health Insurance Internal Service Fund

Position Summary

General Operations	8.50	8.50	8.50	0.00
School Health Insurance Internal Service Fund Position	8.50	8.50	8.50	0.00
Total Positions	10,580.87	10,658.35	10,678.15	19.80

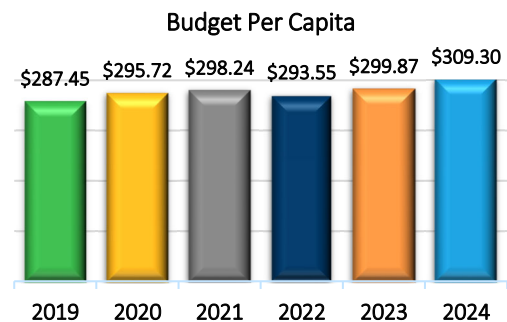
PUBLIC UTILITIES



The mission of the Department of Public Utilities is to provide public water, including water for fire protection, and public sanitary sewer service to the urban areas of Virginia Beach. The goals of this department include: 1) to operate as a revenue-supported enterprise; 2) to provide quality public water and sanitary sewer service at reasonable costs; 3) to plan, build, operate, and maintain facilities that meet community needs, environmental responsibilities, and regulatory requirements; and 4) to develop an environment that fosters innovation and adaptability to meeting the needs of customers.

Department Overview

The Department of Public Utilities provides water and sanitary sewer services to the residents of Virginia Beach. The water distribution system is part of the utility infrastructure that receives potable water from Norfolk's Moore's Bridges Water Treatment Facility and delivers it to customers. The system also provides water for fire protection through fire hydrants installed throughout the pipe network. The sanitary sewer system is the part of the utility infrastructure that carries wastewater from individual properties to one of two Hampton Roads Sanitation District sewer treatment plants in the city.



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. The combined Public Utilities and Public Works City Services Bill includes charges for water supply, service availability, utility tax, sanitary sewer service, as well as the stormwater and solid waste collection fees for Public Works. The Water and Sewer Enterprise Fund issues debt through revenue bond sales and maintains a strong AAA bond rating.

The core services provided by Public Utilities are divided into the following areas:

Engineering and Capital Construction

Includes the review, development, and implementation (project management and construction inspection) of the capital improvement program for the water and sanitary sewer systems; coordination of departmental efforts to reduce/eliminate sanitary sewer overflows to comply with the Clean Water Act and other requirements of the U.S. Environmental Protection Agency and the Virginia Department of Environmental Quality's 2007 Hampton Roads Regional consent order; assessment of the city's water supply needs; operation and maintenance of the Lake Gaston and Stumpy Lake supply projects; and provision of engineering technical support in other areas such as water quality, groundwater monitoring, map maintenance, record keeping, and regional water and sanitary sewer issues.

Operations and Maintenance

Includes provision of continuous 24-hour-per-day water supply services and the sanitary sewer service collection system to meet customer demands; monitoring, maintenance, and repair of the city’s water distribution and sanitary sewer collection system including: eight treated and two raw water pump stations, 12 water storage facilities, 412 sanitary sewer pump stations, 8,908 public fire hydrants, and other components of the utility systems such as mains and laterals; protection of the utility systems by location of facilities in accordance with the Underground Utility Damage Prevention Act; compliance with the Safe Drinking Water Act by collecting and analyzing water samples on a monthly, quarterly, semi-annual, and annual basis; and flushing water distribution lines to maintain water quality.

Business Operations

Includes management of the department’s customer call center that answers calls and web service requests about water, sewer, stormwater and waste collection services and billing; customer transactions for 134,665 accounts (i.e. account initiation, billings, payment arrangements, revenue collection); sending paper and electronic bill statements and delinquent notices annually for water, sewer, stormwater and waste collection services; revenue collections exceeding \$199 million annually for four services; completing field service orders to initiate and discontinue water service; ensures the fiscal intergrity and budgetary self-sufficiency of the water and sewer utility enterprise fund, including compliance with the requirements of the Master Bond Resolution; administration of the Norfolk Water Services Contract; and production of various public education and awareness programs including water conservation, the Fats, Oils, and Grease (FOG) Program, and backflow prevention.

Technical Services

Includes oversight and coordination of all technical resources and application support needs within Public Utilities. This division supports the mission through strategic planning and implementation of technology to streamline business processes and improve efficiency. This requires effective collaboration with all stakeholders and coordination of support resources.

Key Performance Measures

In 2022, the City contracted with ETC Institute to undergo a Resident Satisfaction Survey. The survey included standardized questions used in communities across the country, to allow Virginia Beach to benchmark the city against average ratings in other communities, and it also included questions developed specifically for Virginia Beach to gain insights on issues that impact the city. The following table provides how Virginia Beach compares to the Atlantic Region and the National average for a few of the survey findings.

Resident Satisfaction Results	Virginia Beach	Atlantic Region	National Average
Overall quality of sanitary sewer services	77.1%	58.8%	54.8%
Overall quality of tap water	76.1%	62.9%	60.2%
Confidence and trust that tap water is safe	75.1%	N/A	N/A

The table below illustrates how the Department has been performing on their departmental performance metrics:

Departmental Performance Metrics	FY 2020	FY 2021	FY 2022	FY 2023 EST	FY 2024 PROJ
Number of sewer stoppages	3,200	1,799	1,670	1,700	1,700
Number of sewer overflows	3	1	2	3	3
Number of Fats, Oils, and Grease (FOG) program inspections	299	765	1,136	1,200	1,200
Number of fire hydrants serviced*	528	78	39	900	900
Water meter reading error rate per 1,000 readings	2.66	2.51	2.23	2	2
Number of water meter readings**	1,554,782	1,558,902	1,077,145	1,080,500	1,080,500
Number of water meters replaced*	7,536	7,552	5,417	5,000	5,000

* Due to staffing shortages during COVID-19, the department had to shift from maintenance work to emergency repair/response work exclusively.

** FY 2021-22 was low based on YTD progress – the meter contractor was backlogged due to staffing and the department had to estimate some readings to assist with realigning the read cycle where it should be and ensure 12 billings in a year for each customer.

Trends and Issues

→ Economic Trends

As an enterprise operation, the Water and Sewer Fund must align operating expenses to meet anticipated revenues. The department's estimated revenues from current rates would be expected to decline for several reasons, including (a) consumers are using less water due to higher efficiency appliances and smaller households, (b) a national trend to reduce individual consumption and increased focus on conservation, and (c) the growth in new accounts is minimal. Rate increases are necessary to maintain current levels of service in addition to meeting regulatory requirements and mandates imposed by the state and federal governments for infrastructure upgrades and replacement.

→ Cost of Services

In addition to economic trends affecting revenues, the department experienced expenditure increases that had some significant impacts. The expenditure increase reflected in the department's FY 2023-24 budget reflects (a) higher personnel costs to support recent changes in the city's compensation plan of approximately \$2 million, (b) compliance with the EPA's revised Lead and Copper Rule estimated cost of \$1.6 million annually, and (c) higher operating and maintenance costs due to supply issues and inflationary pressures continuing from the recent pandemic (vehicle replacements, fuel, energy cost increases, etc.) 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.

→ EPA's Lead and Copper Rule

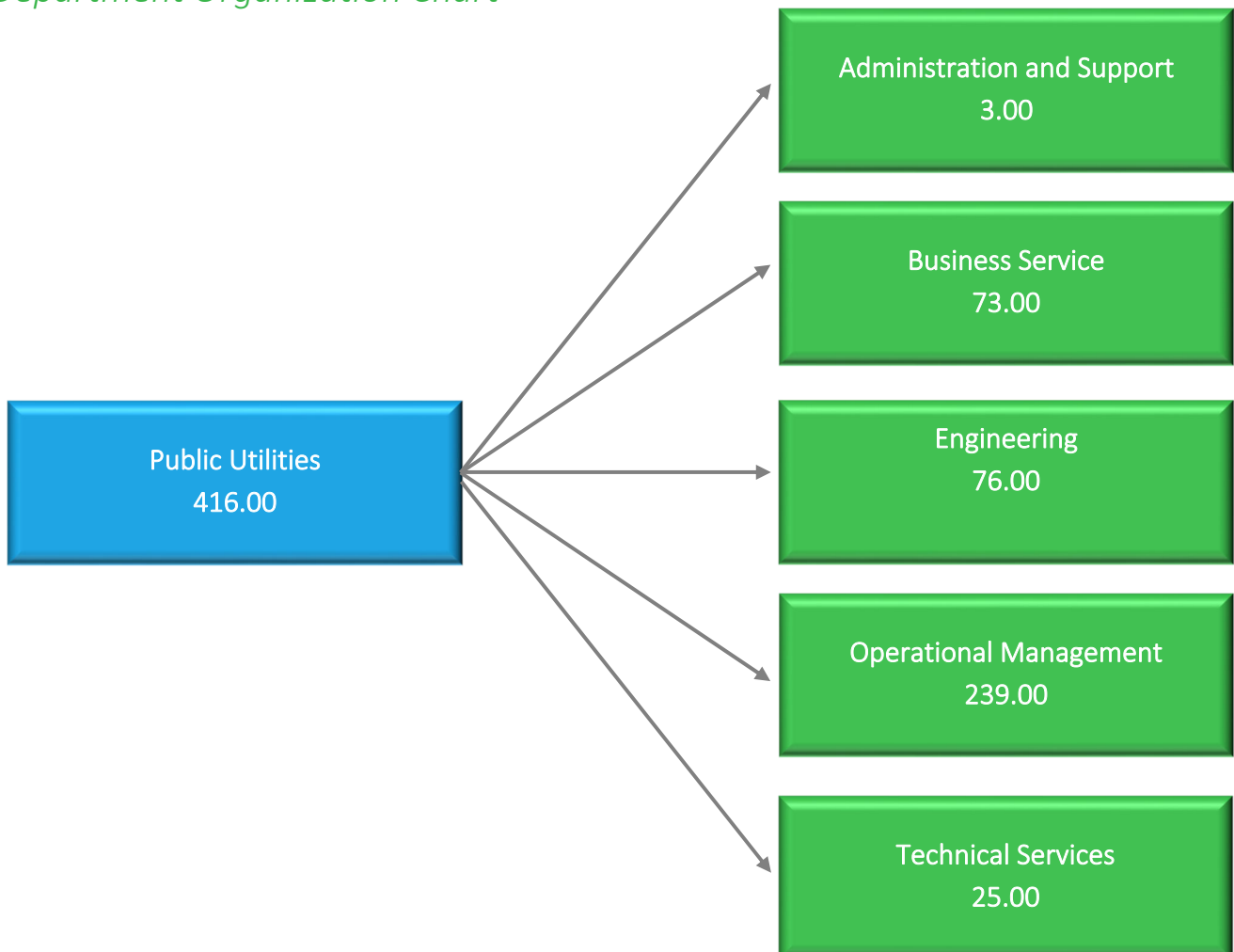
The Environmental Protection Agency's (EPA) Lead and Copper Rule was established in 1991 to protect communities from the risks of lead exposure. The rule was updated in December 2020 and was modified to better protect children at elementary schools and childcare facilities, strengthen various testing protocols, and to hasten the process of identifying and removing lead service lines. Virginia Beach's water has always remained in full compliance with EPA standards since the start of its lead sampling program in 1992. The city meets or exceeds all drinking water quality standards because of its high-quality water sources, excellent water treatment and distribution system management, and ongoing investment in infrastructure.

Major Budget Changes

	Change	Impact												
↔	Utility Account Representative I - Conversion of Contracted Manpower 1.00 FTE \$0	Public Utilities provides account management services for stormwater charges on behalf of Public Works. This permanent position would help reduce the need for ongoing training due to turnover. The position is fully reimbursed by Public Works/Stormwater Fund.												
↑	Water Commodity Rate 0.0 FTE \$3,335,411	<p>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.</p> <p>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.</p> <p>Five-year phased fee increase schedule:</p> <table><tr><td></td><td>FY 2023-24</td><td>FY 2024-25</td><td>FY 2025-26</td><td>FY 2026-27</td><td>FY 2027-28</td></tr><tr><td>Fee</td><td>\$5.20</td><td>\$5.74</td><td>\$6.23</td><td>\$6.54</td><td>\$6.87</td></tr></table>		FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	Fee	\$5.20	\$5.74	\$6.23	\$6.54	\$6.87
	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28									
Fee	\$5.20	\$5.74	\$6.23	\$6.54	\$6.87									
↑	Sanitary Sewer Charge 0.0 FTE \$1,482,231	<p>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.</p> <p>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.</p> <table><tr><td></td><td>FY 2023-24</td><td>FY 2024-25</td><td>FY 2025-26</td><td>FY 2026-27</td><td>FY 2027-28</td></tr><tr><td>Fee</td><td>\$31.58</td><td>\$32.37</td><td>\$33.18</td><td>\$33.18</td><td>\$33.81</td></tr></table>		FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	Fee	\$31.58	\$32.37	\$33.18	\$33.18	\$33.81
	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28									
Fee	\$31.58	\$32.37	\$33.18	\$33.18	\$33.81									
↑	Increase Water Service Availability Charge 0.0 FTE \$1,104,050	<p>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.</p> <p>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.</p> <table><tr><td></td><td>FY 2023-24</td><td>FY 2024-25</td><td>FY 2025-26</td><td>FY 2026-27</td><td>FY 2027-28</td></tr><tr><td>Fee</td><td>\$5.00</td><td>\$5.53</td><td>\$6.00</td><td>\$6.30</td><td>\$6.61</td></tr></table>		FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	Fee	\$5.00	\$5.53	\$6.00	\$6.30	\$6.61
	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28									
Fee	\$5.00	\$5.53	\$6.00	\$6.30	\$6.61									

	Change	Impact
↑	Increase Capital Recovery Fees 0.0 FTE \$250,000	<p>The city currently charges new customers a one-time charge as a means to recover (in whole or part) the costs associated with expanding and/or providing system capacity in order to provide service to future users of the system.</p> <p>Under this method, the fees are established to reflect the equity, or prior investment, of existing customers in the system. Each new customer is charged a water and/or sewer connection fee, known as the “water capital recovery fee” and the “sewer capital recovery fee,” respectively.</p>
↑	Increase Water Meter Installation Fees 0.0 FTE \$30,000	<p>The FY 2023-24 budget includes increase to the water meter installation fees as follow:</p> <p>5/8-inch and 3/4-inch meter only to \$592 from \$363</p> <p>5/8-inch and 3/4-inch meter and tap to \$1,014 from \$493</p> <p>1-inch meter only to \$672 from \$449</p> <p>1-inch meter and tap to \$1,094 from \$579</p>

Department Organization Chart



City of Virginia Beach, Virginia
Public Utilities- Departmental Resource Summary

	FY 2021-22	FY 2022-23	FY 2023-24	Variance
	Actual	Amended	Adopted	from FY 2023
<u>Program Summary</u>				
<u>FD510: Water And Sewer Enterprise Fund</u>				
<u>Expenditures</u>				
Retiree Health Insurance	319,147	550,500	325,000	(225,500)
Sewer Collection	5,595,632	7,310,493	6,606,220	(704,273)
Water Distribution	4,389,361	5,144,014	5,608,810	464,796
Transportation Program and Project Management	548	-	-	-
Meter Operations	4,306,831	5,398,218	5,488,267	90,049
Customer Service	7,105,366	9,694,568	10,298,908	604,340
Pump Stations	6,953,119	7,985,099	9,197,566	1,212,467
Regulatory Management Operations and Maintenance	2,520,726	4,091,795	6,290,000	2,198,205
Lake Gaston Program	1,380,161	3,085,358	3,203,050	117,692
Water Services	5,073,500	5,190,191	5,397,798	207,607
Business Center	716,845	-	-	-
Building Maintenance	155,000	152,500	152,500	-
Electrical Support	1,581,082	2,032,384	2,741,821	709,437
Water Assistance	170,715	250,000	250,000	-
Water Services Contract	26,315,593	28,497,604	26,869,534	(1,628,070)
Right-of-Way	4,000,000	4,000,000	4,000,000	-
Direct Costs	141,396	141,396	141,396	-
Indirect Costs	3,928,883	4,047,475	4,047,475	-
Office Rent	127,660	127,660	127,660	-
Landscape Services	498,064	522,079	540,975	18,896
Treasurer Support	327,331	339,271	362,985	23,714
Occupational Health	21,000	50,000	50,000	-
Development Services Center	353,529	355,121	391,089	35,968
Youth Opportunities	151	-	-	-
Administration	12,868,881	16,881,117	17,896,620	1,015,503
Operations	74,200	-	-	-
Water Utility General Government Capital Project (GGCP)	8,196,019	3,444,622	3,650,465	205,843
Sewer Utility General Government Capital Project (GGCP)	18,119,934	3,579,271	5,199,535	1,620,264
General Operating Expenses	13,661,427	23,685,456	22,462,579	(1,222,877)
Total Expenditures	128,902,100	136,556,192	141,300,253	4,744,061

City of Virginia Beach, Virginia
Public Utilities- Departmental Resource Summary

Revenue

Charges for Services	128,356,562	129,858,905	135,311,910	5,453,005
Permits, Fees, and Regulatory Licenses	5,315	8,265	6,205	(2,060)
Miscellaneous Revenue	640,107	235,981	130,917	(105,064)
From the Use of Money and Property	846,418	1,646,615	442,222	(1,204,393)
Other Financing Sources	3,764,902	2,680,133	3,185,673	505,540
Transfer In	1,832,634	2,126,293	2,223,326	97,033
Total Revenues	135,445,938	136,556,192	141,300,253	4,744,061
General City Support	-6,543,838	-	-	-

	FY 2021-22	FY 2022-23	FY 2023-24	Variance
	Actual	Amended	Adopted	from FY 2023
<u>FD510: Water And Sewer Enterprise Fund</u>				
<u>Position Summary</u>				
Sewer Collection	64.00	56.00	55.00	(1.00)
Water Distribution	46.00	46.00	45.00	(1.00)
Meter Operations	27.00	28.00	28.00	-
Customer Service	72.00	72.00	73.00	1.00
Pump Stations	51.00	58.00	58.00	-
Electrical Support	19.00	19.00	27.00	8.00
Administration	136.00	136.00	130.00	(6.00)
Total Positions	415.00	415.00	416.00	1.00

PUBLIC WORKS

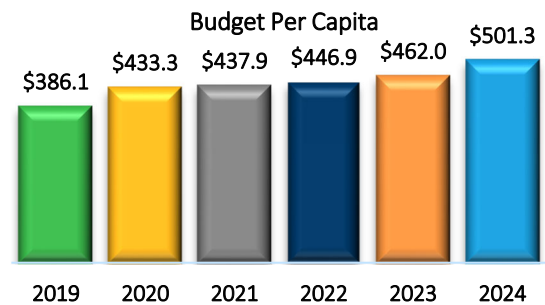


The mission of the skilled and professional people of the Department of Public Works is to provide total life cycle management of the public infrastructure and key essential services. We succeed through the proper management of programs and resources to enhance the health, safety, and welfare of the residents, businesses, and visitors of the City of Virginia Beach.

Department Overview

Public Works Business Center

The Public Works Business Center delivers centralized oversight and management for the administrative, financial, budgetary, information technology support, customer relations, human resources, administrative/data/statistical analysis, payroll, and purchasing functions. The Business Center also oversees the Contracts Division which provides support services for Public Works service and construction contracts, contract changes for standalone and Annual Services Contracts for construction and design projects, contract payment applications from contractors and consultants and assisting the City's Purchasing Division on solicitations for construction and design contracts.



The increase in the FY 2019-20 budget is a result of reorganization in the Stormwater Function and a real estate tax increase of 1.5¢ to support Stormwater operations.

Public Works Engineering

The Public Works Engineering Group is comprised of seven divisions: Coastal Engineering, Construction/Surveys/QA-QC, Engineering Support, Stormwater Engineering Center, Stormwater Regulatory, Traffic Engineering, and Transportation Engineering. The group provides a variety of services including: the planning, design and construction of City infrastructure including beach replenishments, roadways, stormwater, sidewalks, streetscapes and parks and recreation amenities. Additionally, the group is responsible for securing and managing the City's Municipal Separate Storm Sewer System (MS4) permit; the Virginia Stormwater Management Program (VSMP) regulatory agent for most City administered projects; applying for and receiving State and Federal grant funding; and ensuring roadways are safe for the motoring public.

Public Works Facilities

The Public Works Facilities Group consists of three divisions: Facilities Design and Construction, Building Maintenance, and Energy Management. Their work encompasses City owned properties and provides efficient facilities planning, programming, and management within the City's Buildings and Assets Capital Improvement Program (CIP); professional architectural and engineering design and project management services; quality building maintenance and janitorial services; and energy monitoring, billing, and conservation.

Public Works Fleet Management

Public Works Fleet Management manages the full life cycle of all City owned or leased, licensed and unlicensed motor vehicles and on/off-road equipment. The vehicle and equipment life cycle includes acquisition, maintenance, repair, and disposal. Public Works Fleet Management also manages the City's fuel resources, fuel facilities and storage tanks; provides service at satellite locations at the City's Operations facility, the City Landfill and Resource Recovery Center, and Waste Management Collections facility; provides 24-hour wrecker/tow service and manages the Motor Pool rental fleet.

Public Works Operations Management

Public Works Operations is responsible for maintaining the constructed public infrastructure located within the public rights-of-way. Staff receives, records, investigates, and resolves reports of deficiencies that require maintenance, repair, and restoration. Asset management methods are used to determine necessary maintenance cycles, identify required engineering needs, and develop solutions to support the life cycle of the public infrastructure. The group is comprised of three divisions: Stormwater Operations, Streets & Traffic Operations, and Operations Management. The Operations Group also provides support for over 100 special events annually and works closely with the Department of Emergency Management, State, and Federal agencies during emergency events (response, recovery, and reimbursement).

Public Works Real Estate

Public Works Real Estate is responsible for land acquisition for all City agencies (including the City's Base Realignment and Closure (BRAC) program and all City infrastructure improvement projects), maintaining a list of real estate property owned by the City with the assistance of GIS, handling citizen requests for encroachments onto City property and Rights of Way, easements, unauthorized encroachments, sale of excess City property, and the lease of property by the City or to outside organizations.

Public Works Waste Management Group

Department of Public Works Waste Management provides reliable and environmentally friendly solutions for the management of household waste and recycling for the residents of Virginia Beach. Waste Management provides weekly residential refuse and yard debris collection, biweekly collection of recyclables, on-call collection of household bulky items, and yard debris container rental. Waste Management operates a full-service landfill and two recycling convenience centers. Waste Management also provides education and outreach programs for its residents and serves City Council initiatives through the VB Clean Community Commission.

Key Performance Measures

The tables below illustrate how the Department has been performing on their departmental performance metrics:

Departmental Performance Metrics	FY 2020	FY 2021	FY 2022	FY 2023 EST	FY 2024 PROJ
Fuel Usage - Gallons of Diesel	1,048,474	1,020,447	1,021,702	1,001,268	1,022,972
Fuel Usage - Gallons of Unleaded	1,228,425	1,158,962	1,223,686	1,251,830	1,215,726
Miles Driven	16,625,153	14,261,423	16,044,780	16,365,676	16,345,203
Cubic yards of debris removed during stormwater pipe cleaning	N/A	1,290	1,053	2,553	4,110
Linear feet of stormwater pipe cleaned	N/A	118,886	379,218	646,941	938,064*
Linear feet of stormwater pipe inspected by CCTV	N/A	8,444	45,522	71,522	107,283
Number of landfill visits by Virginia Beach residents	194,894	211,810	202,332	207,390	204,107

Departmental Performance Metrics	FY 2020	FY 2021	FY 2022	FY 2023 EST	FY 2024 PROJ
Tons of bulky items collected (including tires and on demand pick-up)	6,618	7,405	6,141	6,430	6,301
Tons of household hazardous waste and recyclable materials processed by the Landfill's Resource Recovery Center	3,483	3,039	3,571	3,357	3,333
Tons of household waste collected (via weekly curbside collection)	116,202	134,596	127,397	128,745	131,320
Tons of waste deposited in the Landfill	19,492	19,547	20,413	19,801	19,757
Tons of recycling collected via bi-weekly curbside collections	28,413	29,343	22,031	23,298	25,771
Tons of recycling collected via the Landfill & RRC & West Neck Recycling Center	Unavailable	433	369	452	418
Tons of yard waste collected (weekly curbside collection)	Unavailable	15,119	12,528	16,906	14,851

***As a result of the addition of vacuum trucks and staff in FY 2021-22**

In 2022, the City contracted with ETC Institute to undergo a Resident Satisfaction Survey. The survey included standardized questions used in communities across the country, to allow Virginia Beach to benchmark the city against average ratings in other communities, and it also included questions developed specifically for Virginia Beach to gain insights on issues that impact the city. The following table provides how Virginia Beach compares to the Atlantic Region and the National average for a few of the survey findings.

Resident Satisfaction Results	Virginia Beach	Atlantic Region	National Average
Bulky items pick-up and removal services	72.9%	43.8%	47.3%
City waste disposal and recycling centers	66.5%	42.9%	46.2%
Residential yard waste/leaf/brush collection services	65.8%	59.7%	54.6%
Residential curbside recycling services	70.7%	65.3%	56.6%
Residential trash/garbage collection services	76.2%	76.8%	68.6%
Conditions of streets in your neighborhood	64.9%	55.6%	50.6%
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 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%
Stormwater management and flood control on neighborhood streets	35.6%	N/A	N/A
Overall management of public stormwater runoff/drainage/flood control	44.2%	N/A	N/A
The City's overall effort to protect natural resources and the environment	61.7%	N/A	N/A
Condition and maintenance of Virginia Beach beaches	82.8%	N/A	N/A
Services offered at the City landfill	70.8%	N/A	N/A

Trends & Issues

→ **Inflation & Supply Chain Disruptions**

The Department of Public Works continues to experience the impact of both inflation and significant supply chain disruptions. These have affected not only vital projects and construction within the City, but many other aspects of operations including the cost of maintenance and repair of City infrastructure, vehicle availability and maintenance, and fuel costs. While inflation is expected to decline through FY 2023-24, it is anticipated that inflation will remain above pre-pandemic levels. As identified in the previous year, these challenges have at times disrupted the competitive bidding process due to a lack of source materials, magnified bids for construction services, may cause re-prioritization of project funding, and delays or potential non-completion of projects.

→ **Recruitment & Retention**

As anticipated, the Department of Public Works continues to face recruitment and retention challenges. A variety of factors play into these challenges including salaries (lagging behind the private sector), skill and talent shortages, transfers to other City departments or other municipalities due to position classifications, or opportunity as well as retirements. This challenge is not limited to professional positions in the Engineering and Real Estate Groups but has also been observed in the Building Maintenance trades as well as operators and mechanics in Fleet Management, Operations, and Waste Management. The Flood Protection Program highlights this challenge in a new way due to the City's commitment regarding projects and schedules associated with the \$567.5 million Referendum. This continued understaffing and inability to fill vacancies increases the workload for existing employees, delays facility and infrastructure maintenance, and requires a heavier reliance on contract and temporary workforces which affect employee morale, efficiency, and quality of work.

→ **Stormwater ERU Rate Freeze**

In FY 2019-20, City Council adopted an ERU fee increase of 3.5¢ annually through FY 2024-25 to support stormwater initiatives in the Operating Budget and Capital Investment Projects. The Stormwater ERU rate increase was delayed in FY 2020-21 and FY 2021-22 because of the impact COVID-19 had on citizens. Due to the passage of the Bond Referendum for the Flood Protection Program, and at the direction of City Council, the ERU rate was frozen at 49.3¢ through FY 2028-29. The Stormwater ERU supports maintenance and operation of existing infrastructure like pump stations, ditches, lakes, and stormwater pipes and the freeze maintains pre-FY 2021-22 rates to support maintenance, repairs, and replacement of existing aging infrastructure for approximately nine years. Coupled with the impacts of inflation on the cost of goods and labor, the revenue generated from the frozen ERU fee may not be sufficient to maintain levels of service. FY 2023-24 revenues are anticipated to cover operational needs in FY 2023-24; however, future expenditures are projected to outpace revenue. For this reason, the current rate freeze may need to be revisited as a policy decision prior to FY 2028-29.

→ **Waste Management Enterprise Fund & Monthly Fee Rate**

The City's Waste Management Group continues to provide high quality collection, disposal, and recycling services to the citizens of Virginia Beach at competitive costs. The sustainability of the enterprise fund (the financial management plan to provide the funding for operational and capital expenditures and to maintain adequate operating reserves) is critical. The monthly fee collected from residents who get 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, administration of the household hazardous waste collection program; 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 have increased and is likely to continue increasing over the next several years as SPSA makes safety improvements and plans for proposed regional landfill expansion. The Waste Management Enterprise Fund has been able to absorb tipping fee increases in previous years but needs to identify a sustainable method for funding either by increasing the fee or reducing services. This budget includes a \$2.50 monthly fee increase. This is the first increase since FY 2019-20 and is critical to maintain current levels of service. If approved, this rate adjustment will allow waste collection to maintain current services; however, this rate increase is not likely to support future cost increases related to recycling services, future SPSA increases. A future policy decision will be necessary to ensure the sustainability and financing of these operations in future budgets.

→ **Technology Implementations & Improvements**

The Department of Public Works identified a need to implement new and improved existing technology to manage projects, schedule and complete maintenance on City buildings and infrastructure, assist in strategic and long-term planning, make data driven decisions, and better serve our internal and external customers. A Memorandum of Agreement was executed in August 2022 between the Department of Public Works and the Department of Information Technology to create a federated IT model (also known as the Public Works Tech Team) which is anticipated to be fully staffed in 2023. This twelve-member team will be a dedicated IT support for Public Works comprised of four IT System Analysts, two Public Works Technology Services Managers, and six Public Works Business Applications Specialists led by an IT Systems Analyst III in partnership with the Public Works Business Manager. Priorities include implementation of new technology and improvement of existing technology in all seven Public Works Groups. These various technologies will have a tremendous impact on how the department operates and plans but will take time to implement and collect information and data to a point where it can be properly applied and utilized.

→ **Special Event Planning**





As the economy recovers and rebounds from the pandemic, there is optimism that the tourism and hospitality industry in Virginia Beach will also recover to pre-pandemic levels. An encouraging sign is the return of many special events and the addition of new events. Public Works currently supports these activities in a variety of ways by utilizing existing staff and resources whose primary job is to maintain the existing City infrastructure. This strategy may not be sustainable depending on the needs of the City's existing aging infrastructure and event needs and schedules. Public Works is investigating solutions to support these events and not pull resources away from other operational needs.

→ **Major Initiatives**


The breadth of focus within the Department of Public Works is vast and involves major initiatives across all aspects of the City. The Department strives to be nimble and flexible when reacting to changing priorities which can be difficult given the long-term planning and funding involved in many of these initiatives and projects.

Major Budget Changes - General Fund

	Change	Impact
↑	Masterworks Implementation 0.0 FTE \$635,000	The implementation of Masterworks will improve processes and technology with a cohesive and integrated program and projects management hosted software as a service "SaaS" solution. The solution will support the Department of Public Works' requirements for a program tracking, management, and serve as a reporting tool; it will facilitate the management and maintenance of the Capital Improvement Program (CIP) and non-CIP projects and sub-projects.
↑	LED and Street Light Maintenance Program 2.0 FTE \$0	The Public Works FY 2023-24 budget includes the addition of two Electrician positions to provide the necessary maintenance and support needed to keep the new and expanding LED and Street Lights of the City in good working order. This was an area that Virginia Beach residents scored lower when compared to other regions of the country in the most recent Citizen Satisfaction Survey.
↑	SWEC Flood Protection Extension Agent Program 1.00 \$107,895	The Stormwater Engineering Center (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). The Public Works FY 2023-24 budget includes the addition of one Engineer III position to serve as a Flood Protection Extension Agent. 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. Implementation of the proposed Flood Protection Extension Agent program would better enable the SWEC to address flooding concerns on personal property from concerned citizens and business owners.
↑	Street Maintenance Additional Resources 1.00 FTE \$0	The Public Works FY 2023-24 budget includes the addition of one Planner Estimator II to provide concrete infrastructure support. This position will be responsible for overseeing the contractor's work who will perform maintenance, replacement and/or upgrades to 50 ADA ramps and 6,000 Sq Yards of sidewalk annually. The Planner Estimator II position will identify and support applicable state and federal mandates as related to Virginia Department of Transportation (VDOT), Department of Justice (DOJ), and Americans with Disabilities Act (ADA) guidelines for safe sidewalk, curb and gutter, and ADA compliant handicap ramps.
↑	Additional Support for Stormwater Maintenance Program 2.00 FTE \$0	The Public Works FY 2023-24 budget includes the addition of one Engineer IV and one Construction Inspector I position to support the Stormwater Maintenance CIP Program.
↑	Facilities Equipment 0.0 FTE \$0	The Public Works FY 2023-24 budget includes one-time funds for three heavy equipment machines for its Facilities Maintenance Division to include compact crawler articulation lift, towable articulating boom lift, and towable hydro jetter.

	Change	Impact
	Additional resources for Construction Bureau 1.0 FTE \$125,051	The Public Works FY 2023-24 budget includes the addition of one Construction Inspector. The position will be responsible for both the constructed quality of Capital Project delivery and for ensuring appropriate spending of Capital Construction Outlay on construction projects.
	Contracts Engineering Technician 1.0 FTE \$0	The Public Works FY 2023-24 budget includes the addition of one Engineering Technician position to the Contracts Division to replace a position previously reclassified to a Contracts Specialist to assist with workloads during the addition of new procurement duties. The Engineering Technician is necessary to help with front-end reviews and audits to maintain compliance.
	Engineering Technician 1.0 FTE \$0	The Public Works FY 2023-24 budget includes the addition of one Engineering Technician position to the Stormwater Operations Engineering and Construction Bureau to assist with the increased number of projects associated with the Federal dredging and rehabilitation work under the American Recovery Plan Act (ARPA). This position will also assist with capital projects in the Southern part of the City.
	Pilot Program to Install Portable Bathrooms 0.0 FTE \$20,000	Establishment of a pilot program to install and maintain two portable bathrooms (one of which will be ADA compliant) in the parking lot at Fentress Avenue and Oceanfront Avenue. The portable bathrooms will serve beachgoers in the western part of the Bayfront. This item was added through the Budget Reconciliation Process.

Major Budget Changes Waste Management – Enterprise Fund

	Change	Impact
	Waste Management Monthly Collection Fee 0.0 FTE \$3,723,180	<p>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, 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.</p> <p>The Public Works FY 2023-24 budget includes an increase to the waste collection fee of \$2.50 per month 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, vehicle replacement, etc. In future budgets, the rate will need to be reassessed to ensure the fee collected adequately supports all operations of the enterprise fund.</p>

Major Budget Changes Fleet Services – Internal Services Fund

	Change	Impact
↑	<p>Mechanic II</p> <p>3.00 FTE</p> <p>\$192,386</p>	<p>The Fleet Management Division will develop an apprenticeship program to assist in filling critical vacancies in automotive technicians. The goal of these positions will be to accomplish tasks such as oil changes and annual inspections. Fleet Management plans to start a quick lane in the parts division. The quick lane service will provide preventative maintenance and light repairs with no appointment requirement. This will improve overall service delivery of the division, which in turn improves service delivery of all city departments that use fleet services (Police, Fire, Public Utilities, etc.)</p>

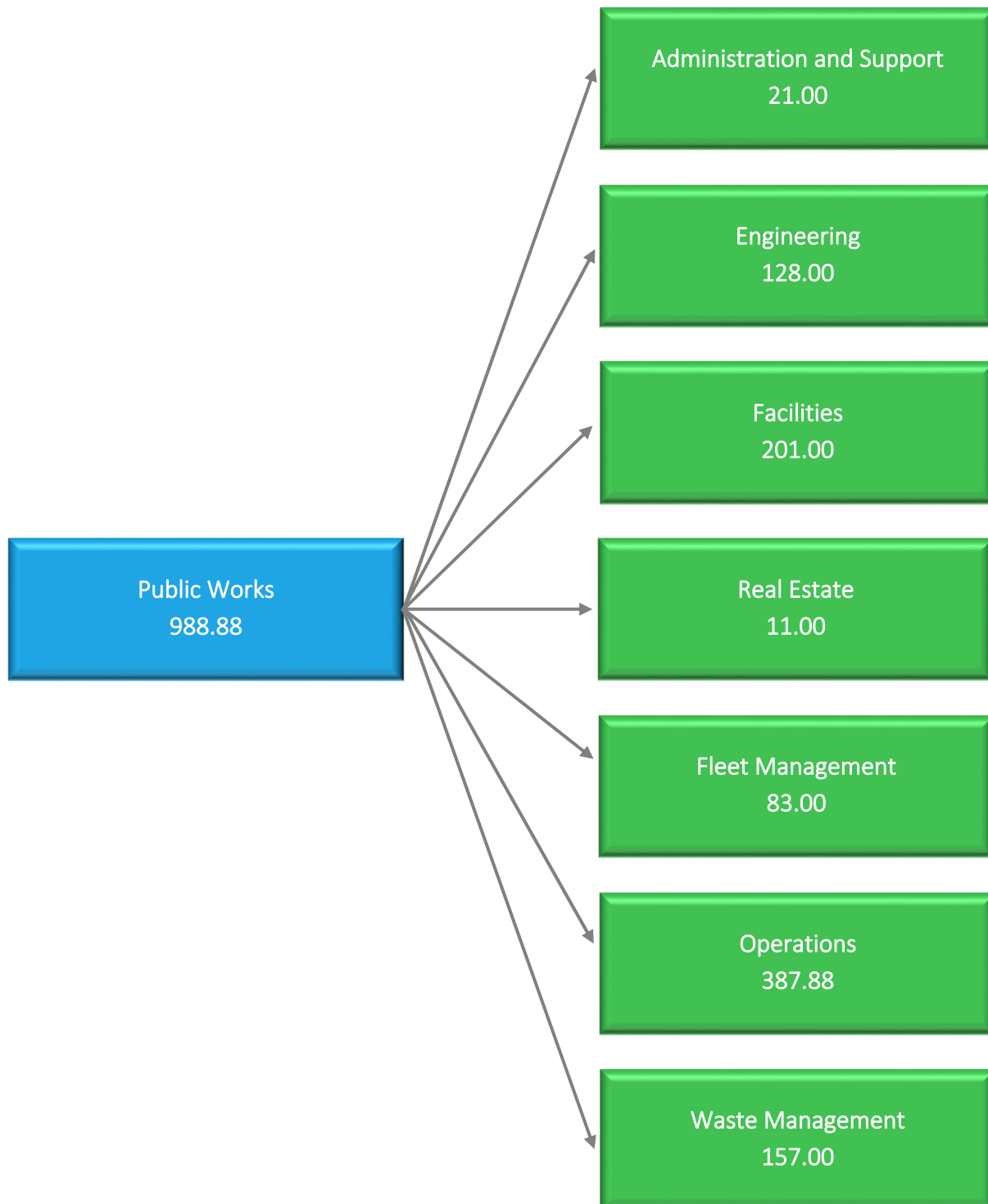
Major Budget Changes Fuels – Internal Services Fund

	Change	Impact
↑	<p>Seatack Fuel Station</p> <p>0.0 FTE</p> <p>\$150,336</p>	<p>The Public Works FY 2023-24 budget includes funds for the addition of a fuel station to the Fire Station #12 Seatack location. This fuel site will provide diesel fuel for an area of the City that currently does not have one. City agencies in this area are currently buying diesel fuel from independent stations, utilizing a city credit card and paying a higher price for fuel.</p>

Major Budget Changes Sandbridge Special Service District

	Change	Impact
↑	<p>Vehicle Replacement</p> <p>0.0 FTE</p> <p>\$250,000</p>	<p>The Public Works FY 2023-24 budget includes one-time funds for a tractor replacement for Sandbridge Beach Maintenance unit.</p>

Department Organization Chart



City Of Virginia Beach, Virginia
Public Works - Departmental Resource Summary

	FY 2021-22	FY 2022-23	FY 2023-24	Variance
	Actual	Amended	Adopted	from FY 2023
<u>Program Summary</u>				
<u>FD100: General Fund</u>				
<u>Expenditures</u>				
Surveys	1,243,698	1,449,119	1,472,514	23,395
Stormwater Engineering Center	3,316,843	4,366,731	4,496,457	129,726
Transportation Program and Project Management	1,511,093	1,670,081	1,675,467	5,386
Management Services	1,865,629	1,977,174	2,429,276	452,102
Coastal Program and Project Management	677,662	736,712	879,571	142,859
Facilities Design and Construction	778,294	865,977	887,779	21,802
Street Lights	-	510,000	510,000	-
Contracts	40,110	562,565	707,000	144,435
Business Center	7,128,225	8,480,666	9,179,490	698,824
Energy Management	222,788	263,729	264,420	691
Building Maintenance	7,483,196	10,271,668	9,448,547	(823,121)
Environmental Management	25,772	261,002	341,396	80,394
Program Support	2,865,454	3,326,794	3,355,167	28,373
Street Maintenance	17,665,993	18,163,836	19,967,017	1,803,181
Dredge Maintenance	1,805,150	2,069,776	2,155,046	85,270
Mosquito Control	2,089,211	2,531,099	2,662,621	131,522
Traffic Management	7,233,681	7,588,079	9,411,203	1,823,124
Bridge Maintenance	480,404	756,644	746,326	(10,318)
Beach Operations	371,881	429,652	452,485	22,833
Waste Disposal	11	-	-	-
Electrical Support	1,738,352	2,166,372	2,260,925	94,553
Infrastructure Support	656,435	923,237	941,431	18,194
General Maintenance	3,905,895	3,905,483	3,957,655	52,172
Custodial Services	4,418,488	4,849,763	4,894,029	44,266
Resort Building Maintenance	505,526	529,447	532,921	3,474
Recreation Centers	300	-	-	-
Inspections	1,075	-	-	-
Street Sweeping	868,769	2,981,605	2,994,000	12,395
Engineering	1,838,884	2,360,993	2,589,068	228,075
Surface Water Compliance	1,899,996	2,463,653	2,628,613	164,960
Facilities Services	353,649	1,642,610	1,795,736	153,126
Heat and Air Conditioning Support	2,151,633	2,400,939	2,415,131	14,192
Technology and Support	1,348,590	2,499,760	2,424,315	(75,445)
Leases	-	-	-	-
Automotive Services	684	-	-	-
Infant Program	3,270	-	-	-
Operations	1,919,066	2,519,934	3,465,419	945,485
Vehicle Replacements	337,052	-	-	-
General Operating Expenses	2,588,138	1,831,086	2,482,589	651,503
Total Expenditures	81,340,899	97,356,186	104,423,611	7,067,425

City Of Virginia Beach, Virginia
Public Works - Departmental Resource Summary

	FY 2021-22 Actual	FY 2022-23 Amended	FY 2023-24 Adopted	Variance from FY 2023
Revenue				
Charges for Services	77,400	512,040	512,040	-
Permits, Fees, and Regulatory Licenses	76,712	10,000	10,000	-
Miscellaneous Revenue	12,588	202,000	202,000	-
Revenue from the Commonwealth	46,683,560	46,642,014	49,798,743	3,156,729
Transfer In	2,448,241	2,565,021	2,565,021	-
Total Revenues	49,298,501	49,931,075	53,087,804	3,156,729
General City Support	32,042,398	47,425,111	51,335,807	3,910,696

FD224: Parks And Recreation Special Revenue Fund

Expenditures

Building Maintenance	3,704	-	-	-
Recreation Centers	3,119,234	3,396,634	4,074,518	677,884
Heat and Air Conditioning Support	689	-	-	-
General Operating Expenses	-	-	-	-
Total Expenditures	3,123,627	3,396,634	4,074,518	677,884

Revenue

Real Estate	3,200,393	-	-	-
Total Revenues	3,200,393	-	-	-
General City Support	(76,766)	3,396,634	4,074,518	677,884

FD241: Tourism Investment Program Special Revenue Fund

Expenditures

Building Maintenance	1,040	-	-	-
Recycling	70,566	105,060	105,060	-
Program Support	61	-	-	-
Beach Operations	2,427,019	3,117,806	3,223,639	105,833
Resort Building Maintenance	465,055	780,896	1,285,129	504,233
Operations	100	-	-	-
General Operating Expenses	-	-	150,320	150,320
Total Expenditures	2,963,840	4,003,762	4,764,148	760,386

Revenue

Hotel Room Tax	6,557,771	-	-	-
Restaurant Meal Tax	-	-	-	-
Total Revenues	6,557,771	-	-	-
General City Support	(3,593,931)	4,003,762	4,764,148	760,386

FD252: Sandbridge Special Service District Fund

Expenditures

Beach Operations	307,774	457,675	720,259	262,584
General Operating Expenses	-	-	-	-
Total Expenditures	307,774	457,675	720,259	262,584

City Of Virginia Beach, Virginia
Public Works - Departmental Resource Summary

	FY 2021-22 Actual	FY 2022-23 Amended	FY 2023-24 Adopted	Variance from FY 2023
Revenue				
Hotel Room Tax	355,504	-	-	-
Real Estate	-	-	-	-
Total Revenues	355,504	-	-	-
General City Support	(47,730)	457,675	720,259	262,584

FD270: Consolidated Grants Special Revenue Fund

Expenditures				
General Operating Expenses	130,677	20,000	20,000	-
Total Expenditures	130,677	20,000	20,000	-

Revenue				
Revenue from the Federal Government	19,515	20,000	20,000	-
Total Revenues	19,515	20,000	20,000	-
General City Support	111,162	-	-	-

FD520: Storm Water Utility Enterprise Fund

Expenditures				
Retiree Health Insurance	75,998	73,333	73,333	-
Stormwater Engineering Center	-	-	-	-
Contracts	24,663	-	-	-
Program Support	355	-	-	-
Mosquito Control	16,675	-	-	-
Traffic Management	374	-	-	-
Inspections	1,985,411	1,423,211	1,545,956	122,745
Street Sweeping	108	-	-	-
Engineering	244	-	-	-
Technology and Support	53,691	53,691	53,691	-
Direct Costs	53,691	53,691	53,691	-
Indirect Costs	1,499,728	1,499,728	1,499,728	-
Landscape Services	62,661	115,760	115,760	-
Occupational Health	10,650	10,650	10,650	-
Regualtions	142,324	142,324	142,324	-
Billing Systems	911,378	1,040,391	1,065,522	25,131
Account Management	165,622	205,319	238,379	33,060
Operations	13,041,758	13,859,998	14,619,358	759,360
Parks and Recreation General Government Capital Project (GGCP)	7,307,000	-	-	-
Stormwater General Government Capital Project (GGCP)	18,464,685	19,334,063	17,138,220	(2,195,843)
General Operating Expenses	3,994,392	9,950,248	9,966,597	16,349
Total Expenditures	47,811,409	47,762,407	46,523,210	(1,239,197)

Revenue				
Charges for Services	45,986,834	45,919,210	45,919,210	-
Miscellaneous Revenue	3,392	60,600	4,000	(56,600)
From the Use of Money and Property	500,049	1,515,000	600,000	(915,000)

City Of Virginia Beach, Virginia
Public Works - Departmental Resource Summary

	FY 2021-22 Actual	FY 2022-23 Amended	FY 2023-24 Adopted	Variance from FY 2023
Revenue from the Federal Government	-	267,597	-	(267,597)
Specific Fund Reserves	-	-	-	-
Total Revenues	46,490,274	47,762,407	46,523,210	(1,239,197)
General City Support	1,321,135	-	-	-

FD530: Waste Management Enterprise Fund

Expenditures

Retiree Health Insurance	120,522	173,929	173,929	-
Waste Collections	17,994,982	17,192,707	18,031,443	838,736
Yard Debris	924,628	1,756,891	2,063,355	306,464
Recycling	4,545,801	4,890,050	5,092,080	202,030
Program Support	930,538	1,383,054	1,435,789	52,735
Waste Disposal	11,864,908	12,067,000	13,061,399	994,399
Direct Costs	-	208,191	202,135	(6,056)
Indirect Costs	-	1,898,418	1,918,068	19,650
Occupational Health	-	19,650	19,650	-
General Operating Expenses	2,763,237	1,282,051	1,255,945	(26,106)
Total Expenditures	39,144,617	40,871,941	43,253,793	2,381,852

Revenue

Charges for Services	37,509,041	38,083,027	41,806,207	3,723,180
Permits, Fees, and Regulatory Licenses	123,842	125,000	125,000	-
Miscellaneous Revenue	734,403	712,286	712,286	-
From the Use of Money and Property	43,538	275,000	275,000	-
Revenue from the Commonwealth	58,254	40,000	40,000	-
Other Financing Sources	(1,425)	-	-	-
Specific Fund Reserves	-	1,636,628	295,300	(1,341,328)
Total Revenues	38,467,654	40,871,941	43,253,793	2,381,852
General City Support	676,963	-	-	-

FD600: City Garage Internal Service Fund

Expenditures

Motor Pool	86,697	163,391	185,025	21,634
Automotive Services	14,143,567	14,825,573	16,684,263	1,858,690
General Operating Expenses	(95,767)	142,940	-	(142,940)
Total Expenditures	14,134,497	15,131,904	16,869,288	1,737,384

Revenue

Charges for Services	15,409,882	14,897,648	16,486,902	1,589,254
Miscellaneous Revenue	176,760	120,000	150,000	30,000
From the Use of Money and Property	44,768	25,000	40,000	15,000
Specific Fund Reserves	-	89,256	192,386	103,130
Total Revenues	15,631,410	15,131,904	16,869,288	1,737,384
General City Support	(1,496,913)	-	-	-

City Of Virginia Beach, Virginia
Public Works - Departmental Resource Summary

	FY 2021-22 Actual	FY 2022-23 Amended	FY 2023-24 Adopted	Variance from FY 2023
<u>FD601: Fuels Internal Service Fund</u>				
<u>Expenditures</u>				
Automotive Services	3,177	-	-	-
General Operating Expenses	5,776,482	7,831,421	8,367,672	536,251
Total Expenditures	5,779,659	7,831,421	8,367,672	536,251
<u>Revenue</u>				
Charges for Services	7,157,007	7,775,612	8,161,527	385,915
From the Use of Money and Property	10,193	55,809	55,809	-
Specific Fund Reserves	-	-	150,336	150,336
Total Revenues	7,167,200	7,831,421	8,367,672	536,251
General City Support	(1,387,541)	-	-	-

	FY 2021-22 Actual	FY 2022-23 Amended	FY 2023-24 Adopted	Variance from FY 2023
<u>FD100: General Fund</u>				
<u>Position Summary</u>				
Surveys	16.00	16.00	16.00	-
Stormwater Engineering Center	29.00	32.00	33.00	1.00
Transportation Program and Project Management	12.00	12.00	12.00	-
Management Services	16.00	15.00	16.00	1.00
Coastal Program and Project Management	5.00	5.00	5.00	-
Facilities Design and Construction	7.00	7.00	7.00	-
Contracts	7.00	8.00	9.00	1.00
Business Center	9.00	9.00	9.00	-
Energy Management	2.00	2.00	2.00	-
Building Maintenance	16.00	16.00	16.00	-
Environmental Management	2.00	1.00	1.00	-
Program Support	34.00	34.88	34.88	-
Street Maintenance	56.00	58.00	58.00	-
Dredge Maintenance	22.00	23.00	24.00	1.00
Mosquito Control	33.00	30.00	30.00	-
Traffic Management	55.88	55.00	57.00	2.00
Bridge Maintenance	7.00	7.00	7.00	-
Beach Operations	4.00	4.00	4.00	-
Electrical Support	23.00	22.00	22.00	-
Infrastructure Support	9.00	9.00	9.00	-
General Maintenance	45.00	45.00	45.00	-
Custodial Services	56.00	56.00	56.00	-
Resort Building Maintenance	3.00	3.00	3.00	-
Street Sweeping	3.00	3.00	3.00	-
Engineering	20.00	22.00	24.00	2.00
Surface Water Compliance	15.00	15.00	15.00	-
Facilities Services	-	14.00	14.00	-
Heat and Air Conditioning Support	24.00	24.00	24.00	-

City Of Virginia Beach, Virginia
Public Works - Departmental Resource Summary

	FY 2021-22 Actual	FY 2022-23 Amended	FY 2023-24 Adopted	Variance from FY 2023
Technology and Support	12.00	12.00	12.00	-
Operations	32.00	34.00	35.00	1.00
General Operations	32.00	14.00	14.00	-
General Fund Positions	606.88	607.88	616.88	9.00
<u>FD224: Parks And Recreation Special Revenue Fund</u>				
<u>Position Summary</u>				
Recreation Centers	4.00	4.00	4.00	-
Parks And Recreation Special Revenue Fund Positions	4.00	4.00	4.00	-
<u>FD241: Tourism Investment Program Special Revenue Fund</u>				
<u>Position Summary</u>				
Beach Operations	18.00	18.00	18.00	-
Resort Building Maintenance	8.00	8.00	8.00	-
Tourism Investment Program Special Revenue Fund Positions	26.00	26.00	26.00	-
<u>FD252: Sandbridge Special Service District Fund</u>				
<u>Position Summary</u>				
Beach Operations	4.00	4.00	4.00	-
Sandbridge Special Service District Fund Positions	4.00	4.00	4.00	-
<u>FD520: Storm Water Utility Enterprise Fund</u>				
<u>Position Summary</u>				
Inspections	91.00	17.00	17.00	-
Operations	-	81.00	81.00	-
General Operations	8.00	-	-	-
Storm Water Utility Enterprise Fund Positions	99.00	98.00	98.00	-
<u>FD530: Waste Management Enterprise Fund</u>				
<u>Position Summary</u>				
Waste Collections	124.00	124.00	124.00	-
Yard Debris	5.00	5.00	5.00	-
Recycling	3.00	3.00	3.00	-
Program Support	14.00	14.00	15.00	1.00
Waste Disposal	10.00	10.00	10.00	-
General Operations	1.00	1.00	-	(1.00)
Waste Management Enterprise Fund Positions	157.00	157.00	157.00	-
<u>FD600: City Garage Internal Service Fund</u>				
<u>Position Summary</u>				
Automotive Services	79.00	80.00	83.00	3.00
General Operations	2.00	-	-	-
City Garage Internal Service Fund Positions	81.00	80.00	83.00	3.00
Total Positions	977.88	976.88	988.88	12.00

SHERIFF'S OFFICE



The mission of the Sheriff's Office is to provide for the public safety of the citizens of Virginia Beach through the efficient and professional operations of the Sheriff's Office as provided for in the Constitution and the Code of Virginia.

Department Overview

The Virginia Beach Sheriff's Office (VBSO) is funded through a combination of local, Commonwealth, and federal revenues. Funds from the Commonwealth are based on requirements stipulated in the Code of Virginia and appropriations made by the General Assembly and are distributed by the Compensation Board of the Commonwealth of Virginia. Local funds provided by the City are for Central Booking, Workforce Services, employee salary enhancements, and overall jail support. Federal revenues are tied to the number of Federal inmates housed in the facility. The services provided by the Sheriff's Office are divided into two primary divisions:

Budget Per Capita



The Administrative Division

- Administration - Provides personnel, training, financial administration, accreditation, and compliance for the VBSO, as well as program development.
- Court Support - Provides security and order in the various courts for Virginia Beach and processes and serves civil documents.

The Operations Division

- Correctional Operations - Provides for the care and custody of persons placed in the Correctional Center. The functions include safety and security, providing food and medical care during incarceration, and offering access to educational and work opportunities.
- Central Booking - Processes all offenders for all law enforcement agencies utilizing the Correctional Center. This involves fingerprinting and photographing. This is a contract first approved in 1991 between the City and Sheriff's Office and is 100% locally funded.
- Inmate Services - Provides additional services to inmates financed by inmate fees. These services include GED classes, substance abuse counseling, and provision of Alcoholics and Narcotics Anonymous Programs.
- Workforce Services - Utilizes inmate labor to provide various services to the community at little cost, while providing inmates with the opportunity to learn a skill and self-development.

Key Performance Measures

The table below illustrates how the Department has been performing on their departmental performance metrics:

Departmental Performance Metrics	FY 2020	FY 2021	FY 2022	FY 2023 EST	FY 2024 PROJ
Civil documents served	130,000	105,335	115,000	115,000	115,000
Arrestees processed	14,187	18,728	20,000	20,000	20,000
Number of courtrooms secured	23	23	23	23	23
Average daily jail population	1,253	1,120	1,150	1,150	1,150
Inmates over the Department of Corrections certified capacity	364	364	261	261	261

In 2022, the City contracted with ETC Institute to undergo a Resident Satisfaction Survey. The survey included standardized questions used in communities across the country, to allow Virginia Beach to benchmark the city against average ratings in other communities, and it also included questions developed specifically for Virginia Beach to gain insights on issues that impact the city. The following table provides how Virginia Beach compares to the Atlantic Region and the National average for a few of the survey findings.

Resident Satisfaction Results	Virginia Beach	Atlantic Region	National Average
The City's overall efforts to prevent crime	65.9%	57.8%	50.4%
Feeling of safety in your neighborhood during the day	91.0%	81.6%	9.4%
Feeling of safety in the City overall	80.1%	71.1%	9%
Feeling of safety in your neighborhood at night	71.2%	70.1%	1.0%

Trends & Issues

→ Inmates Medical Care

Traditional medical care for inmates is the single largest expense in the Virginia Beach Sheriff's Office (VBSO) Operating Budget. The inflationary economy has resulted in higher costs for offsite medical services, personal protective equipment, other medical supplies, and routine testing. As a result of the pandemic, the VBSO has adapted its facility and many services normally provided in the Correctional Center have been subject to the changing conditions. This contract will only continue increasing in the current economy.

→ Aging Facility

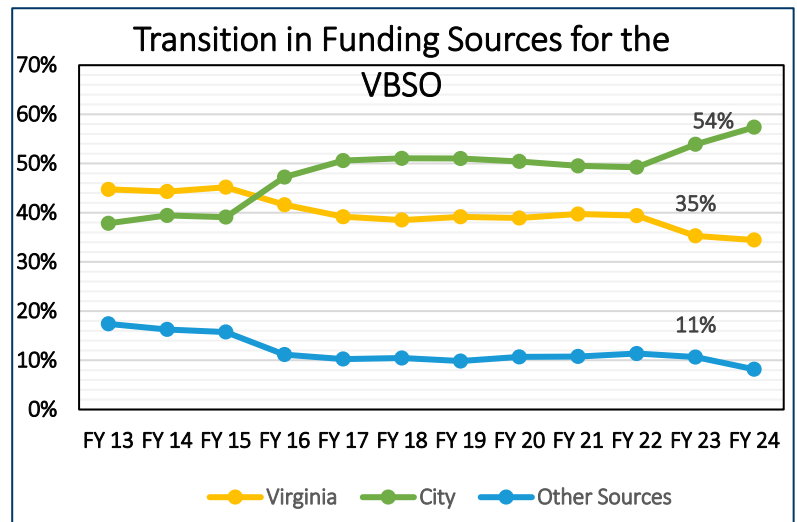
One of the buildings in the Virginia Beach Correctional Center is nearly 17 years old with much of its original equipment still in use. It is not likely that this equipment will last much longer, having been subject to constant repairs. In the past few years, the VBSO has had to repurpose unused appropriations in their budget to replace equipment through mid-year Council approved adjustments, such as for a shelving system in their property storage room and for pieces of kitchen appliances.

VBSO will explore whether contracting with a vendor to provide installation and maintenance of kitchen equipment is feasible. VBSO has replaced the commercial washers/dryers that were 17 years old and past their useful lives.

Due to the rising costs associated with the pandemic, the VBSO does not have available capacity in their budget or sufficient reserves to fund full-scale replacement of this facility. However, included in Capital Improvement Program, is funding for a correctional center rehabilitation project within project 100535 with programmed funding beginning in FY 2027-28.

→ Sources of Financing for Local Jails


Over the past decade, there has been a transition in the primary funding source for the VBSO. At the start of the decade, the Commonwealth of Virginia was the largest source of VBSO revenue. Today, transfer of funds from the City General Fund is the biggest contributor to the VBSO. While the relationship of City to Commonwealth funds has generally been consistent over the last few fiscal years, it is expected that the City's overall share of the VBSO funding sources will continue to rise as the limited inflow of additional revenue from the Commonwealth is unable to keep pace with the needs of the office.



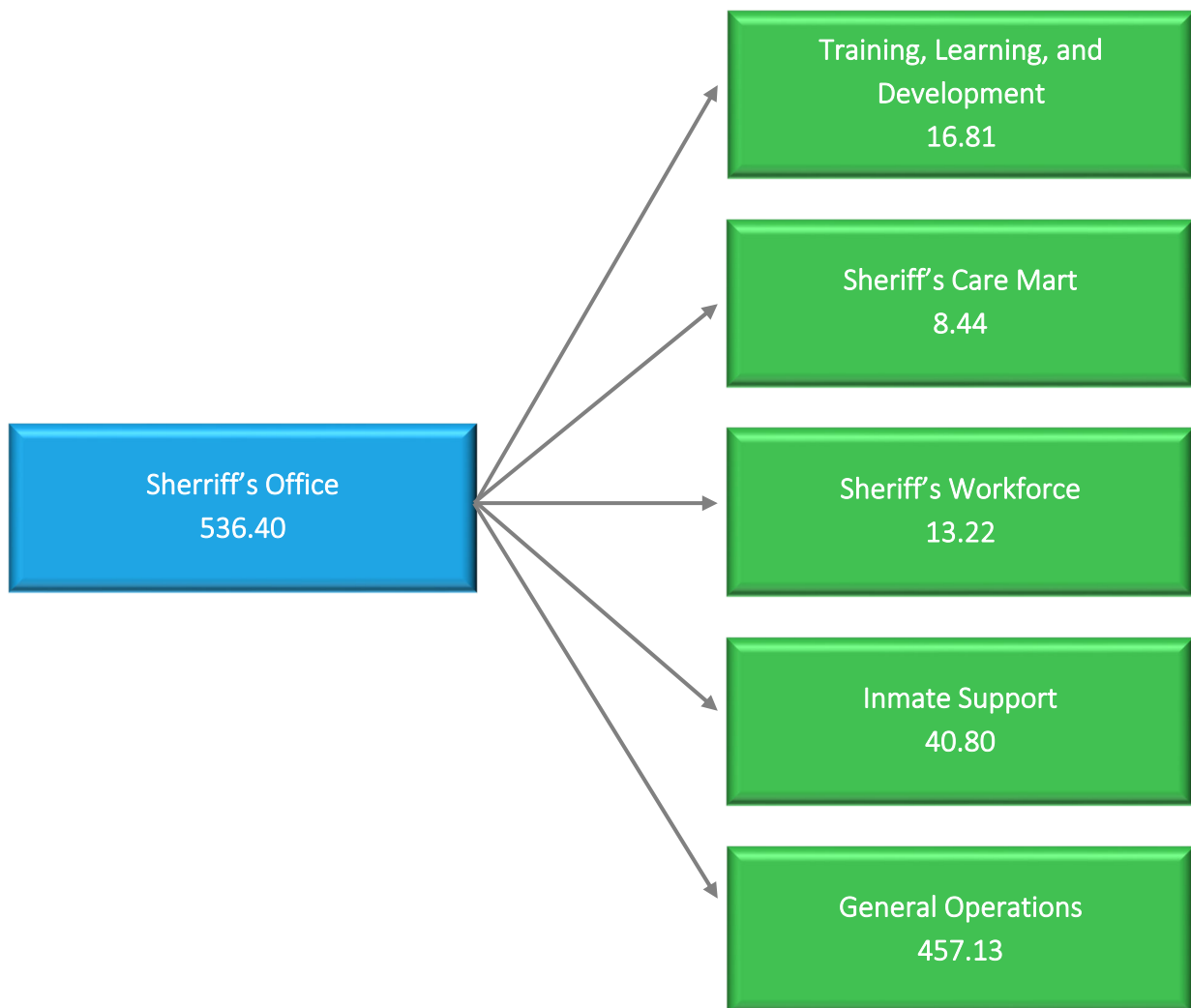
The FY 2023-24 budget of the Commonwealth may provide additional funds to the office. However, at the time of the proposed budget, the State budget has not yet been adopted by the General Assembly.

Major Budget Changes

	Change	Impact
↑	Restoration of Centralized Booking 22.0 FTEs \$1,998,596	Due to funding limitations, the General Fund was required to transfer additional funds to VBSO for the restoration of Central Booking. Without this, VBSO's Special Revenue Fund would not have had adequate resources to fund staff for this necessary program.
↑	Jail Infrastructure Security & Maintenance 0.0 FTEs \$206,000	Recent projects at the jail include the replacement of the master control center, RFID security access, and laundry equipment. This budget increase is for the ongoing maintenance of these items that VBSO is now responsible for. The RFID system has an annual lease cost, the master control center equipment has an annual cost, and the laundry equipment has an annual maintenance plan.
↑	Investigator 0.41 FTEs \$96,587	This budget includes the conversion of part-time investigators to full-time. The Investigator position coordinates with all Volunteer/Contract liaisons regarding their required CJS training for access to the facility, maintains background investigations databases, corresponds with Volunteer/Contract liaisons regarding applications, security clearances and facility entry approvals. The Investigator completes background investigations for sworn and non-sworn applicants, contract worker/volunteer annual renewal – process over 225 renewal applications. Duties include quality checks to make sure the ID cards are accurate and is updated in our database, pull ID cards, and change access when an individual's access to the facility is revoked. This position is also responsible for Fit Test Machine – service and calibrate annually by submitting it to TSI.
↓	Reduction in Charges for Services 0.0 FTEs (\$1,000,000)	Revenue estimates from charges for services were reduced a total of \$1 million from FY 2022-23 to FY 2023-24. This is the result of fewer court proceedings. This revenue source may rebound in future years, but in order to keep the VBSO fully funded, the General Fund transfer to the Department has increased in FY 2023-24.
↑	IT Business Manager \$0.00	This budget includes the conversion of a sworn full-time vacant position into an IT Manager position in FY 2022-23. This position is tasked with project management and application support responsibilities to ensure the timely completion of tasks and the accomplishment of defined goals and objectives. The IT Business Manager coordinates with department leadership and the Department of IT to define management tools, dashboards, and reporting requirements to assess productivity and efficiency, as well as assist management in making data-driven decisions. Duties also include identifying opportunities to improve process efficiency and productivity using technology and develop long-term departmental technology strategy in conjunction with departmental leadership and IT.

	<p>Inmate Health Service Coordinator</p> <p>\$0.00</p>	<p>This budget includes the conversion of a sworn full-time vacant position into an Inmate Health Service Coordinator position. This position would provide daily communication with the contracted medical provider's Health Services Administrator, Director of Nursing, Medical Director, and any other staff members needed to ensure that the constitutional standard of care is being provided to all inmates in custody and care of the Sheriff's Office. The Inmate Health Service Coordinator would be responsible for communicating with the corporate office of the contracted medical provider to ensure correct staffing of medical positions and continuity of care concerns are addressed.</p>
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Department Organization Chart



City Of Virginia Beach, Virginia
Sheriff - Departmental Resource Summary

	FY 2021-22 Actual	FY 2022-23 Amended	FY 2023-24 Adopted	Variance from FY 2023
Program Summary				
<u>FD233: Sheriff's Office Special Revenue Fund</u>				
<u>Expenditures</u>				
Training, Learning, and Development	1,750,701	2,131,727	2,505,541	373,814
Sheriff's Care Mart	588,205	491,812	540,584	48,772
Sheriff's Workforce	1,401,186	1,350,426	1,651,531	301,105
Inmate Support	3,077,157	3,207,895	3,323,861	115,966
General Operating Expenses	49,253,127	50,527,384	54,963,737	4,436,353
Total Expenditures	56,070,376	57,709,244	62,985,254	5,276,010

<u>Revenue</u>				
Charges for Services	4,406,497	5,976,608	4,976,608	(1,000,000)
Permits, Fees, and Regulatory Licenses	2,099	4,000	4,000	-
Miscellaneous Revenue	3,936	3,000	3,000	-
From the Use of Money and Property	6,350	14,000	14,000	-
Revenue from the Commonwealth	20,394,388	21,206,207	21,706,135	499,928
Revenue from the Federal Government	28,047	150,000	150,000	-
Transfer In	28,705,942	30,355,429	36,131,511	5,776,082
Total Revenues	53,547,260	57,709,244	62,985,254	5,276,010
General City Support	2,523,116	-	-	-

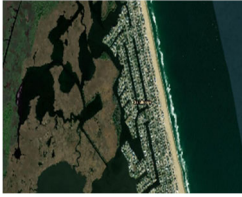
FD270: Consolidated Grants Special Revenue Fund

<u>Expenditures</u>				
General Operating Expenses	43,198	-	-	-
Total Expenditures	43,198	-	-	-
<u>Revenue</u>				
Revenue from the Federal Government	51,292	-	-	-
Total Revenues	51,292	-	-	-
General City Support	-8,094	-	-	-

City Of Virginia Beach, Virginia
Sheriff - Departmental Resource Summary

	FY 2021-22 Actual	FY 2022-23 Amended	FY 2023-24 Adopted	Variance from FY 2023
<u>FD233: Sheriff's Office Special Revenue Fund</u>				
<u>Position Summary</u>				
Training, Learning, and Development	14.00	16.81	16.81	-
Sheriff's Care Mart	9.24	8.44	8.44	-
Sheriff's Workforce	12.00	13.22	13.22	-
Inmate Support	41.22	40.80	40.80	-
General Operations	459.53	456.72	457.13	0.41
Total Positions	535.99	535.99	536.40	0.41

SPECIAL FINANCING DISTRICTS AND FUNDS

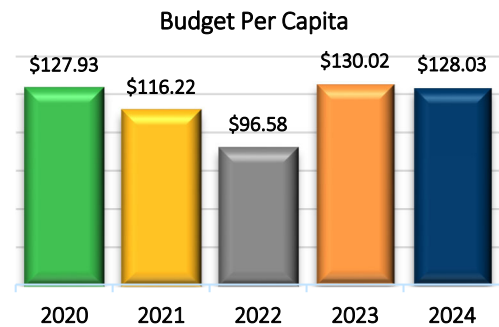


Special Financing Districts and Funds are the omnibus home for City activities with a dedicated funding source. These districts or funds are not managed by one single City department and therefore are not fully reflected elsewhere within the departmental section of this budget document. The entities contained within the Special Financing Districts category are enumerated, with brief descriptions of each, below.

Overview

Tourism Investment Program (TIP) Fund

The TIP Fund was created by City Council in May 2011 as a merger of two existing City funds: The Tourism Growth and Improvement Fund (originally established in FY 1993-94) and the Major Projects Fund (originally established in FY 2001-02). The TIP Fund was designed to carry-out the functions of both funds, which are to develop opportunities for strategic tourism related growth and economic development as well as to pay for debt and operating expenditures created by these activities. The Special Financing District (SFD) and Funds contain the TIP Fund's appropriations for debt service, reserve for contingencies, and transfers to other funds. The operating expenditures paid for through the TIP Fund can be found in the appropriate departmental budget section for each activity.



In FY 2023-24, Town Center Special Service District (SSD) was moved from Special Financing Districts and Funds to the Department of Economic Development

Sandbridge Special Service District (SSD) Special Revenue Fund

The Sandbridge SSD was created by Council action on November 1, 1994, and can be found in Chapter 35.1 of the City Code of Ordinances. The purpose of the Sandbridge SSD is to fund operating expenditures related to beach cleaning, which can be found in the Public Works section, and to provide pay-as-you-go financing to the Coastal Section of the Capital Improvement Program (CIP) for Sandbridge related projects such as "Sandbridge Beach Access Improvements II" and "Sandbridge Beach Restoration III & IV." The Special Financing District contains the SSD's transfer to other funds, which relates to CIP financing. The Sandbridge SSD is funded through the dedication of 6.5% of the total 9.5% Hotel Tax levied in Sandbridge, a \$1 flat rate per night room charge, and through a real estate surcharge of 1¢ on properties within the district. The Real Estate tax rate can be found in Section 4 of the City's real estate tax ordinance, which can be found in the ordinance section of this document.

Central Business District-South Tax Increment Financing (TIF) Fund

The Central Business District (Town Center) TIF was created by Council action on November 23, 1999. The TIF was created pursuant to powers established by the General Assembly through Section 58.1-3245.2 of the Code of Virginia. The primary purpose of the Town Center TIF is to pay for the debt service to support economic development projects located in Town Center. The Special Financing District contains the TIF's debt service, reserve for contingencies, and transfers to other funds.

The Town Center TIF is funded through real estate taxes generated from assessed values that are in excess of base real estate values on properties within the district. The base real estate value of the Town Center TIF is \$151.8 million. All revenue generated from growth above this assessed value is retained by the fund for the aforementioned purposes.

Neighborhood Dredge Special Service Districts (SSD)

Neighborhood dredging SSDs may be created by City Council upon the City’s receipt of a signed petition from 80% or more of the residents of a neighborhood with waterfront property that commits property owners to an additional real estate tax surcharge for dredging activities performed by the City. Such dredging occurs in partnership between the City and the property owners, with the City willing to contribute to the costs of dredging in community channels. Each SSD is created through a separate Council action; has its own tax rate (which can be found in Section 8 of the City’s real estate tax ordinance in the ordinance section of this document); and has its own CIP project in the Coastal Section of the CIP. The Special Financing District and Funds contains each of the eight Neighborhood dredging SSD funds, which includes reserve for contingencies and transfers to other funds used to support the matching share required within each neighborhood’s CIP project. These SSDs are all term-limited and have future expiration dates once completion of three dredge cycles occurs.

The eight Neighborhood Dredge SSDs, and their real estate tax rates, are as follows:


→ Old Donation Creek Area	18.4¢	→ Harbour Point	12.0¢
→ Bayville Creek	47.2¢	→ Gills Cove	6.3¢
→ Shadowlawn Area	15.94¢	→ Hurd’s Cove	43.8¢
→ Chesapeake Colony	29.13¢	→ Schilling Point	40.4¢

Key Performance Measures

In 2022, the City contracted with ETC Institute to undergo a Resident Satisfaction Survey. The Survey included standardized questions used in communities across the country, to allow Virginia Beach to benchmark the city against average ratings in other communities, and it also included questions developed specifically for Virginia Beach to gain insights on issues that impact the city. The survey results compare Virginia Beach to the Atlantic Region and National average. The Special Financing Districts include funds that support tourism growth, economic development projects located in the city’s town center, maintenance of the Sandbridge beach and neighborhood dredging projects that enhance the livability of communities around the city. Virginia Beach residents recognize the value received from these funds by their satisfaction ratings in the just concluded residents’ satisfaction survey in the table below. Residents scored Virginia Beach higher than the Atlantic region and nationally as a place to live, visit, raise children and retire.

Resident Satisfaction Results	Virginia Beach	Atlantic Region	National Average
Percent who view the City as a place to live	89.7%	60.0%	49.7%
Percent who view the City as a place you would recommend family and friends to visit	81.2%	62.3%	58.0%
Percent who view the City as a place to raise children	84.1%	69.1%	62.4%
Percent who view the City as a place to retire	65.6%	56.1%	51.7%

Major Budget Changes

	Change	Impact
	<p>During the FY 2023-24 budget reconciliation, City Council approved a 1¢ reduction in the Sandbridge Real Estate Tax.</p> <p>(Sandbridge Special Services District)</p> <p>\$172,973</p>	<p>The approved 1¢ reduction in the Sandbridge Real Estate Tax will decrease the FY 2023-24 Real Estate Tax revenue within the Sandbridge Special Services District (SSD) Fund by \$172,973. The reduction in revenue will be offset through an equivalent reduction in the Sandbridge SSD's reserve for contingencies.</p> <p>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, the 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.</p>

VOTER REGISTRATION & ELECTIONS

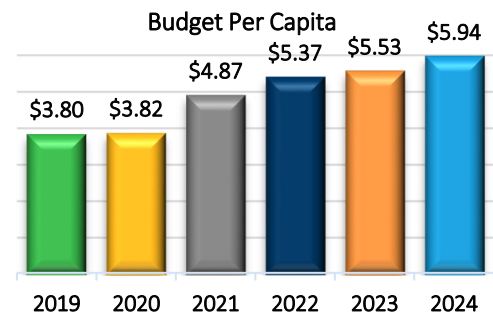


The mission of the Voter Registration & Elections Office is to serve the City of Virginia Beach by providing each citizen the opportunity to exercise their right to vote in a fair, accessible, and transparent manner.

Department Overview

The Voter Registration & Elections Office maintains the current registration and elections process for Virginia Beach voters and supports 109 precincts by:

- Complying with mandatory state and federal standards.
- Providing each citizen of Virginia Beach, the opportunity to exercise their right to vote in accordance with the Constitutions of the United States and the Commonwealth of Virginia and the Code of Virginia.
- Providing convenient ways for citizens to register to vote and update their voter registration record.
- Handling mail registration sites at the U.S. Post Office, City schools, and City recreation centers. Voter Registration and Elections also handles in-person registration at all public libraries, Department of Human Services, Offices of the City Treasurer, Commissioner of Revenue, Clerk of the Circuit Court, Sheriff's Office, and Virginia Beach Department of Motor Vehicles Offices (in conjunction with DMV transactions). Online Voter Registration is available at the Department of Elections website, www.vote.virginia.gov.
- Maintaining and checking the campaign financial reports of all local candidates.



Key Performance Measures

The table below illustrates how the Department has been performing on their departmental performance metrics:

Departmental Performance Metrics	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024 PROJ
Number of registered voters	303,560	323,743	322,004	332,007	327,007
Number of registered voters served by each registrar	25,297	26,979	24,770	25,539	23,358
Percent of residents voting in a local election	70%	45%	49%	45%	80%
Absentee voters by mail and in person	131,227	66,000	55,609	60,000	145,000

In 2022, the City contracted with ETC Institute to undergo a Resident Satisfaction Survey. The survey included standardized questions used in communities across the country, to allow Virginia Beach to benchmark the city against average ratings in other communities, and it also included questions developed specifically for Virginia Beach to gain insights on issues that impact the city. The following table provides how Virginia Beach compares to the Atlantic Region and the National average for a few of the survey findings.

Resident Satisfaction Results	Virginia Beach	Atlantic Region	National Average
Overall quality of customer service you receive from City employees	73.0%	38.0%	40.6%
Overall quality of services provided by the City	71.1%	47.8%	50.5%
Effectiveness of City communication with the public	49.9%	48.3%	38.2%
Availability of information about local government services and activities	52.0%	52.5%	47.5%

Trends and Issues

- Early voting laws adopted by the Commonwealth are expected to increase the early voter turnout rate leading up to election day. These changes will increase operation within Voter Registration & Elections as staff will be required to process absentee in-person voters and vote by-mail ballots.
- Voter Registration and Elections continues to work with Facilities Management to find a suitable location for office and warehouse operations. The increase in non-traditional voting, such as curbside voting, early in-person and by-mail, has created a need for a more easily accessible space.
- The newly redistricted House and Senate Districts will be used by the City in the November 2023 election. To ensure that voters are informed of changes, the Office will enlist the assistance of the Communications Office to conduct a voter engagement effort in the early summer.
- On October 1, 2022, same day voter registration was implemented. The time to process the voter registration and provisional ballot is approximately 8-10 minutes. This process required additional overtime for staff to process the applications and apply them to Virginia's election and registration information system (VERIS) in a timely manner following an election. This process is completed to ensure the most up to date information and preventing an opportunity for a voter to cast more than one ballot.
- Over the past few years, Freedom of Information Act (FOIA) requests within the Office have greatly increased. In 2019, the Office had 29 requests. In 2022, there were 115 requests. The increase in requests adds to the office's workload, as FOIA responses must be completed in a timely manner.

Major Budget Changes

	Change	Impact
↑	<p>Position Increase: Senior Registrar</p> <p>1.0 FTE</p> <p>\$70,458</p>	<p>This budget includes a position increase for a Senior Registrar. This position will assist with general operations within the office, mainly associated with voting and voter registration. The workload of Voter Registration and Elections has increased over the years. Additional requirements per transaction and the coordination of mail-in and in-person absentee votes have specifically increased the workload of the office. This position increase will alleviate stress on current staff and provide the best customer service possible to the citizens of Virginia Beach. In addition, this position puts the Office's ratio of voters to registrars in line with other large cities in the Commonwealth.</p>
↑	<p>Electronic Pollbooks Software</p> <p>\$240,944</p>	<p>This budget includes funding for the City's use of its electronic pollbooks. Purchased last year, the electronic pollbooks increase accuracy and productivity not only on election day, but for early voting sites, as well. The initial purchase, as well as software maintenance costs associated with the City's electronic pollbooks were previously covered by the Information Technology (IT) CIP. Prior to utilization of the current contract, the City purchased and installed the pollbook software. At the end of useful life, the devices were replaced. Through the new lease contract, the vendor provides those services and troubleshoots technical issues, creating a more efficient process.</p>

Department Organization Chart



City Of Virginia Beach, Virginia
Voter Registration and Elections - Departmental Resource Summary

	FY 2021-22 Actual	FY 2022-23 Amended	FY 2023-24 Adopted	Variance from FY 2023
Program Summary				
<u>FD100: General Fund</u>				
<u>Expenditures</u>				
General Operating Expenses	2,460,308	2,520,397	2,714,569	194,172
Total Expenditures	2,460,308	2,520,397	2,714,569	194,172
<u>Revenue</u>				
Miscellaneous Revenue	602,039	-	-	-
Revenue from the Commonwealth	124,002	76,954	162,497	85,543
Total Revenues	726,041	76,954	162,497	85,543
General City Support	1,734,267	2,443,443	2,552,072	108,629

	FY 2021-22 Actual	FY 2022-23 Amended	FY 2023-24 Adopted	Variance from FY 2023
<u>FD100: General Fund</u>				
<u>Position Summary</u>				
General Operations	13.00	13.00	14.00	1.00
Total Positions	13.00	13.00	14.00	1.00

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DEBT SERVICE

Debt Service Overview

Bonds, which once issued result in debt service payments, are appropriated for three major purposes: general government, schools, and utilities (including water, sewer, and stormwater). To guide future capital improvement program development and address long-term debt management issues, City Council uses debt indicators as well as the following guidelines listed below:

- 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 debt structure of the government will be managed in a manner that results in minimal deviation from the indicators listed in this policy.
- 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.

Legal Debt Limit

Commonwealth of Virginia statute imposes on cities a legal debt margin for general government debt; a limit of 10% of the assessed value of real property. Revenue bonds, issued by the City's Enterprise funds for utility capital improvements, are not subject to the limit. For FY 2023-24, the City's assessed value of real property is estimated at \$76.3 billion. By the end of the fiscal year, the City's projected debt amount will be 1.4% of the total assessed value.

Debt Indicators

The City is undertaking a historic amount of capital investment for City projects. The City's Financial Advisor, Davenport & Company, LLC, worked alongside City personnel to review the City's overall financing strategies, plans and policies, with specific focus on tax-supported debt (i.e., Charter Bonds, Public Facility Revenue Bonds, and Referendum-Authorized Flood Mitigation Charter Bonds) and the resulting effect on the City's credit standing and debt capacity. The City's Financial Advisor recommended some changes to responsibly modernize the City's debt policies.

In 1992, the City established a debt policy based on four major debt indicators in order to maintain 'best-practice' financial management and minimize the overall debt burden. These metrics are: Net Debt Per Capita, Net Debt to Per Capita Income, Net Debt to Assessed Real Estate Value, and Debt Service to General Government Expenditures. Only two of the debt metrics have been updated since the initial policy was adopted: Debt Service to General Government Expenditures was modified in 2006, and Net Debt per Capita was modified in 2016. The three national Credit Rating Agencies periodically review and update the criteria they use to rate local governments. Two of the current debt indicators are no longer used by the Rating Agencies: Net Debt per Capita and Net Debt to Per Capita Income.

The City’s Financial Advisor recommended that the City update and enhance its existing debt-related financial policy to bring it in line with current national credit rating practices. Specifically, the advisor recommended removing Net Debt Per Capita and Net Debt to Per Capita Income. The advisors also suggested adding a ratio for Fixed Costs to General Government Expenditures and Ten-Year Payout metric. The Rating Agencies place an increasing amount of emphasis on total liabilities (i.e., fixed costs of a local government). As such, they incorporate long-term debt, leases, annual pension costs and other OPEB (“Other Post-Employment Benefits”) costs in their review of a local government’s credit rating. The Fixed Cost policy addresses this broad focus on fixed costs of a local government. The addition of a Ten-Year Payout ratio ensures that the principal amount of tax-supported debt is paid down in a responsible manner.

The Rating Agencies continue to place a heavy emphasis on Net Debt vs. Assessed Real Estate Value and Debt Service vs. Government Expenditures and thus these policies were recommended to remain in place with the Debt Service vs. Government Expenditures remaining unchanged and the Debt to Assessed Value limitation lowered.

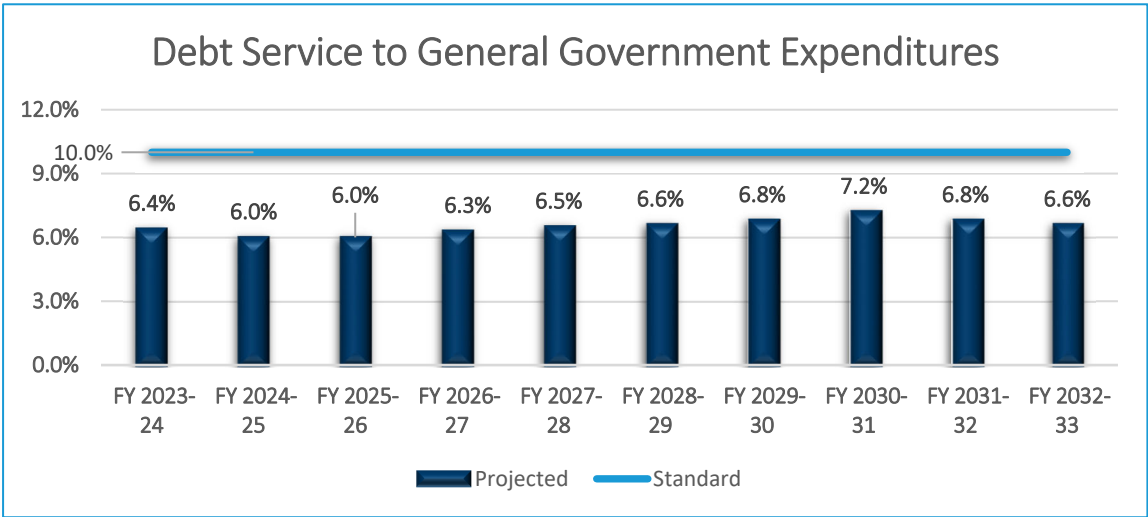
On February 7, 2023 City Council adopted a resolution to update the debt policies based on the advisor’s recommendations. To help manage debt, it is important to have a policy with guidelines and restrictions that control the amount and type of debt issued. A debt management policy improves the quality of decisions, provides justification for the structure of debt issuance, identifies policy goals, and demonstrates a commitment to long-term financial planning, including a multi-year capital improvement plan (CIP). Adherence to debt management policies signal to rating agencies and the capital markets that a municipality is well managed and should meet its fiscal obligations in a timely manner.

As used in this policy, the term “tax-supported debt” refers to debt obligations of the City other than the Agriculture Reserve Program and the revenue bonds associated with the City’s enterprise utility systems, namely the bonds associated with Storm Water and Water and Sewer. However, the debt service calculation does include the annual interest payments on Agricultural Reserve Program Installment Contracts.

The four major debt indicators to be used to evaluate the City’s financial condition are defined below. 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.

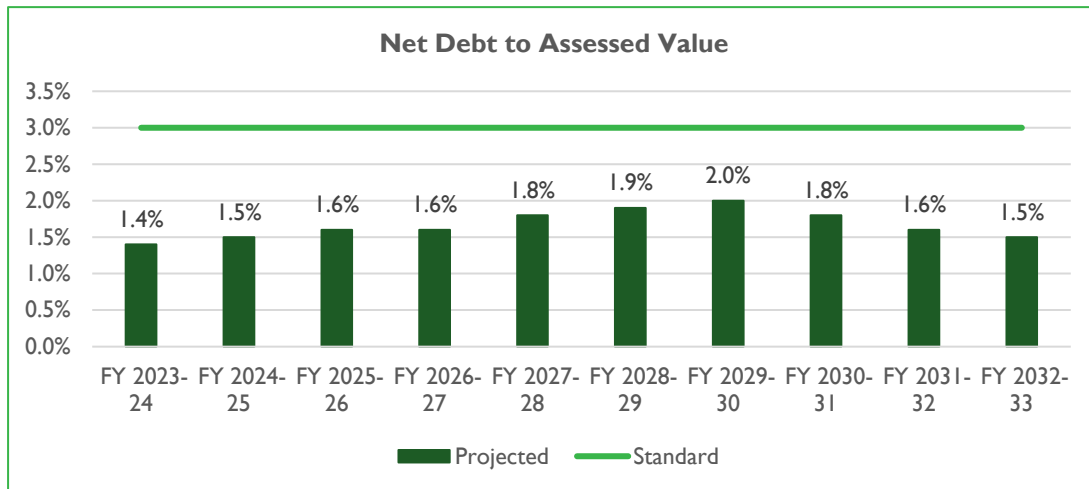
→ **Ratio of General Government Debt Service to General Government Expenditures**

Per the City Policy, the Ratio of General Government Debt Service to the General Government Expenditures may not exceed 10%. This indicator measures the percentage of the general operating expenditures, which must be used for debt service (i.e., principal and interest payments on existing debt). Increasing debt service reduces expenditure flexibility by adding to the City’s debt-related obligations. The City’s budget is assumed to grow 3% annually for forecasting this metric.



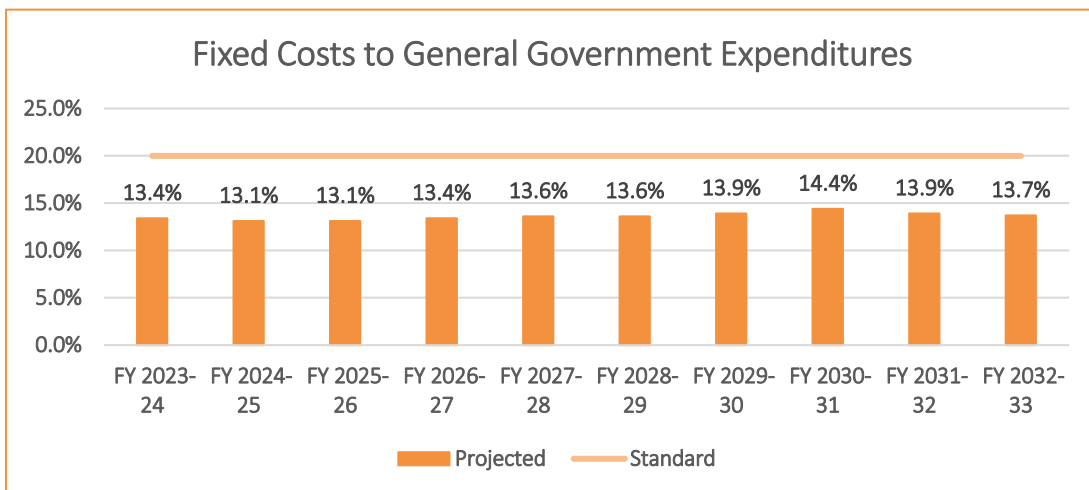
→ **Ratio of General Government Net Debt to Assessed Value of Real Property**

The Ratio of General Government Net Debt to Assessed Value of Real Property may not exceed 3.0% This indicator measures the amount of tax-supported general obligation debt as a percentage of the City's assessed valuation of real property, using the Land Book. An increase in this indicator can mean that the City's ability to repay the debt is diminishing. Or, it could mean that the City has intentionally increased its debt burden. A diminished ability to repay debt may result in difficulty in obtaining additional capital funds, a higher interest rate when borrowing, or difficulty in repaying existing debt. A reasonable level of debt burden is expected to meet the needs of a well-managed city. The Virginia State Constitution Art VII, § 10(A) and State Code § 15.2-2634 places a legal limit of 10% for tax supported debt. Real estate data is from the City Real Estate Assessor, and future estimates assume a 3.0% increase in assessments annually.

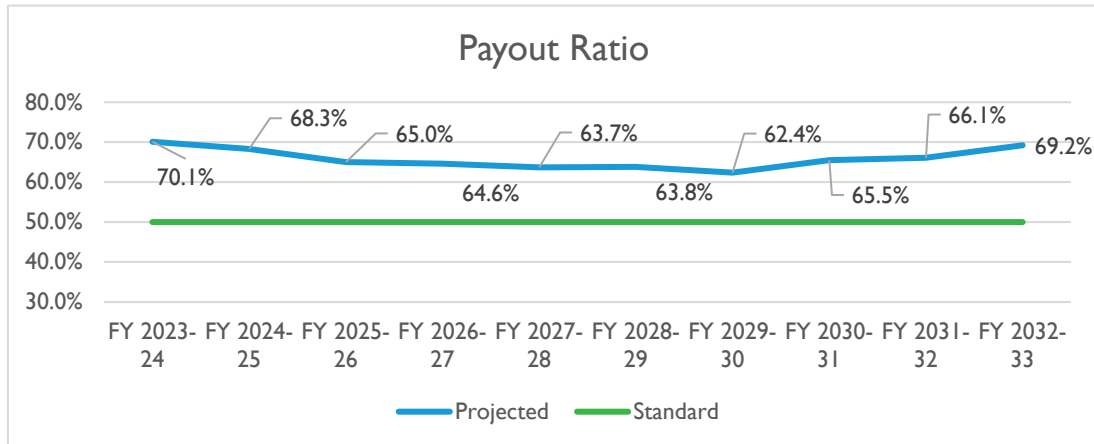


→ **Fixed Costs to General Government Expenditures**

This indicator measures the percentage of tax supported debt and leases plus annual pension and OPEB (Other Post-Employment Benefits) costs. Annual OPEB costs include group life insurance, Line of Duty Act Program contributions related to public safety officers, Virginia Local Disability Program contributions, and Health Insurance Credit Program (school employees). Increasing fixed costs reduces expenditure flexibility for other operating needs. This metric was adopted by City Council in February 2023. The Ratio of Fixed Costs to General Government Expenditures may not exceed 20%.



- **10-Year Payout Ratio** – This indicator measures the amount of tax-supported principal repaid over the following ten fiscal years via a ratio that divides the amount of tax-supported principal repaid over the following ten fiscal years divided by total tax support principle outstanding. By using rapid debt retirement, the City is minimizing its borrowing costs/interest paid on outstanding debt. This metric was adopted by City Council in February 2023. The Ratio of 10-Year Payout shall remain above 50%.



Debt Service by Purpose

The table below provides a comparison of the budgeted debt service costs by functional area for FY 2023-24. The amounts shown for “Utilities” includes water, sewer, and stormwater utility fund debt. The amount shown for “General Government” includes all other City debt including debt for the Agricultural Reserve Program.

Purpose	FY 2022-23	FY 2023-24	% Change
Schools	50,133,654	50,071,611	-0.1%
General Government	112,350,741	114,451,464	1.9%
Utilities	28,941,585	28,762,400	-0.6%
Total	\$191,425,890	\$193,285,475	1.0%

Debt Service by Fund

The following table lists the total budgeted debt service for each fund.

Fund	FY 2022-23	FY 2023-24	% Change
General Fund	59,311,299	59,311,299	0.0%
School Operating Fund	50,133,654	50,071,611	-0.1%
Parks and Recreation SRF	3,844,489	3,716,702	-3.3%
Tourism Investment Program	26,670,471	37,113,682	39.2%
Agricultural Reserve Program	11,456,521	6,901,670	-39.8%
Central Business District South TIF	8,168,173	4,932,676	-39.6%
Open Space SRF	2,215,081	1,820,662	-17.8%
Water and Sewer Enterprise Fund	19,130,303	18,934,769	-1.0%
Parking Enterprise Fund	684,707	654,773	-4.4%
Stormwater Utility Enterprise Fund	9,811,282	9,827,631	0.2%
Total	\$191,425,980	\$193,285,475	1.0%

General Obligation Debt

The following tables show the projected debt over the next six-year period. The City of Virginia Beach issues General Obligation Bonds for construction of schools, roadways, buildings, and other capital needs of the city. Payment of the bonds are backed by the full faith and credit of the City and paid from property taxes and other general revenues. The amounts below represent the outstanding balance of the City's general obligation debt.

Projection of Outstanding General Obligation Debt (Charter Bonds)

	Issue Amt.	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
General Obligation Bonds							
Beginning General Obligation Debt		508,818,472	455,669,234	402,434,117	352,263,014	306,387,348	264,527,629
Less: Principal Retirement		53,149,239	53,235,117	50,171,103	45,875,666	41,859,719	37,683,814
Ending General Obligation Debt		455,669,233	402,434,117	352,263,014	306,387,348	264,527,629	226,843,815
Spring 2024 Issue	130,000,000	130,000,000	130,000,000	123,500,000	117,000,000	110,500,000	104,000,000
Less: Principal Retirement		-	6,500,000	6,500,000	6,500,000	6,500,000	6,500,000
Ending General Obligation Debt		130,000,000	123,500,000	117,000,000	110,500,000	104,000,000	97,500,000
Spring 2026 Issue	130,000,000	-	-	130,000,000	130,000,000	123,500,000	117,000,000
Less: Principal Retirement		-	-	-	6,500,000	6,500,000	6,500,000
Ending General Obligation Debt		-	-	130,000,000	123,500,000	117,000,000	110,500,000
Spring 2028 Issue	130,000,000		-	-	-	130,000,000	130,000,000
Less: Principal Retirement			-	-	-	-	6,500,000
Ending General Obligation Debt		-	-	-	-	130,000,000	123,500,000
Spring 2030 Issue	111,972,004			-	-	-	-
Less: Principal Retirement				-	-	-	-
Ending General Obligation Debt		-	-	-	-	-	-
Spring 2032 Issue	36,467,026				-	-	-
Less: Principal Retirement						-	-
Ending General Obligation Debt					-	-	-
Total-Outstanding Gen Obligation Debt		585,669,233	525,934,117	599,263,014	540,387,348	615,527,629	558,343,815

Public Facility Bonds & Other Debt

Leases and Other Debt are comprised of long-term financing from Lease-Purchases, Certificates of Participation, and Public Facility Bonds. A Lease-Purchase is a contractual agreement whereby the City acquires equipment or real property through a lease from a vendor, leasing company, or another governmental entity. Certificates of Participation and Public Facility Revenue Bonds are subject to the annual appropriation of funds.

Projection of Outstanding Debt Public Facility Bonds and Lease Debt

	Issue Amt.	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Leases and Other Debt							
Beginning Outstanding Debt		293,820,000	252,665,000	222,190,000	198,120,000	175,040,000	152,335,000
Less: Principal Retirement		41,155,000	30,475,000	24,070,000	23,080,000	22,705,000	16,175,000
Ending Outstanding Debt		252,665,000	222,190,000	198,120,000	175,040,000	152,335,000	136,160,000
Fall 2023 Issue	120,000,000	120,000,000	120,000,000	114,000,000	108,000,000	102,000,000	96,000,000
Less: Principal Retirement		-	6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
Ending Outstanding Debt		120,000,000	114,000,000	108,000,000	102,000,000	96,000,000	90,000,000
Spring 2025 Issue	160,000,000	-	160,000,000	160,000,000	152,000,000	144,000,000	136,000,000
Less: Principal Retirement			-	8,000,000	8,000,000	8,000,000	8,000,000
Ending Outstanding Debt		-	160,000,000	152,000,000	144,000,000	136,000,000	128,000,000
Spring 2027 Issue	160,000,000	-	-	-	160,000,000	160,000,000	152,000,000
Less: Principal Retirement			-	-	-	8,000,000	8,000,000
Ending Outstanding Debt		-	-	-	160,000,000	152,000,000	144,000,000
Spring 2029 Issue	184,473,342				-	-	-
Less: Principal Retirement						-	-
Ending Outstanding Debt					-	-	-
Spring 2031 Issue	15,808,526						
Less: Principal Retirement							
Ending Outstanding Debt							
Total-Outstanding Leases & Other Debt		372,665,000	496,190,000	458,120,000	581,040,000	536,335,000	498,160,000

Agricultural Reserve Program

The Agricultural Reserve Program (ARP) provides funding for the city to buy development rights from rural landowners. The goal of the program is to preserve and protect approximately 20,000 acres of farm and forested lands in the southern part of the city. The city has purchased zero-coupon U.S. Treasury Separate Trading of Registered Interest and Principal of Securities (STRIPS) to fund the cost of acquisition of the development rights. Property owners receive interest payments for 25 years, and at the end of the 25-year period, they receive a lump sum principal payment, and in return, they forego their right for development permanently. Additional information on the ARP is in the Agriculture department section of this document. ARP debt is regarded as self-supporting, and as such this debt is not included in the net debt calculation.

Projection of Outstanding Agricultural Reserve Program Debt

	Issue Amt.	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
Agricultural Reserve Program							
Beginning Outstanding Debt		42,841,213	41,806,852	39,363,993	37,197,235	33,552,846	31,538,911
Less: Principal Retirement		1,034,361	2,442,859	2,166,758	3,644,389	2,013,935	1,079,365
Ending Outstanding Debt		41,806,852	39,363,993	37,197,235	33,552,846	31,538,911	30,459,546
FY 2024 Installment Purchase	-		-	-	-	-	-
Less: Principal Retirement			-	-	-	-	-
Ending Outstanding Debt			-	-	-	-	-
FY 2025 Installment Purchase	-			-	-	-	-
Less: Principal Retirement				-	-	-	-
Ending Outstanding Debt				-	-	-	-
FY 2026 Installment Purchase	-				-	-	-
Less: Principal Retirement					-	-	-
Ending Outstanding Debt					-	-	-
FY 2027 Installment Purchase	-					-	-
Less: Principal Retirement						-	-
Ending Outstanding Debt						-	-
FY 2028 Installment Purchase	-						-
Less: Principal Retirement							-
Ending Outstanding Debt							-
Total-Outstanding Leases & Other Debt		41,806,852	39,363,993	37,197,235	33,552,846	31,538,911	30,459,546

Computation of Charter Bonding Limits

The City Charter allows Virginia Beach to increase its long-term general obligation debt by \$10 million each year. As part of the Capital Improvement Program, City Council adopts an ordinance to authorize the issuance of General Obligation Bonds (Charter Bonds) equal to the amount of principal retired in a calendar year in addition to the \$10 million as allowed by the City Charter. The table below shows the projected amounts of charter bond authorizations over the next six years as programmed in the CIP. The amount for calendar year 2023 is used for FY 2023-24 bond authorization and the same calendar year to fiscal year relationship is used for each subsequent year.

Computation of Bonding Limits								
CALENDAR YEAR RETIREMENT		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Total
		2023	2024	2025	2026	2027	2028	
		FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	
Additional Annual Bonding Limits		10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	60,000,000
Add:								
Calendar Year Principal Retirement		52,460,057	53,216,108	49,592,365	50,218,290	42,137,782	37,672,207	285,296,809
<u>New Bond Issues</u>		<u>Amount</u>						
2021 Bonds (Spring 2024)	130,000,000	-	6,500,000	6,500,000	6,500,000	6,500,000	6,500,000	32,500,000
2022 Bonds (Spring 2025)	-	-	-	-	-	-	-	-
2023 Bonds (Spring 2026)	130,000,000	-	-	-	6,500,000	6,500,000	6,500,000	19,500,000
2024 Bonds (Spring 2027)	-	-	-	-	-	-	-	-
2025 Bonds (Spring 2028)	130,000,000						6,500,000	6,500,000
Total Estimated Principal Retirement		52,460,057	59,716,108	56,092,365	63,218,290	55,137,782	57,172,207	343,796,809
Total Bonding Limits		62,460,057	69,716,108	66,092,365	73,218,290	65,137,782	67,172,207	403,796,809
Charter Bonds Allocated		66,098,668	69,238,767	61,677,664	78,270,594	60,689,004	53,917,963	389,892,660
Total Annual Unallocated Bond Authority		(3,638,611)	477,341	4,414,701	(5,052,304)	4,448,778	13,254,244	-
Prior Year Unallocated Bond Authority		10,512,686	-	-	-	-	-	10,512,686
Cumulative Unallocated Bond Authority		6,874,075	7,351,416	11,766,117	6,713,813	11,162,591	24,416,835	

Notes: Retirement of bonded debt assumes the issuance of bonds with 20-year, level principal retirement with principal payments beginning one year from the date of issue. Annual bond limits are calculated on a calendar year basis. The fiscal year identified in the heading represents the period in which they are traditionally appropriated. The Charter Bond capacity in the out years is retained for future City Council action.

Computation of Charter Bond Limits- Flood Protection

In the General Election held on November 2, 2021, a referendum for \$567.7 million in General Obligation Bonds for design and construction of twenty-one stormwater flood mitigation projects within 10-years for Phase 1 of a multi-phase flood protection program was approved by voters by a wide margin with 72.7% of ballots (110,834) cast voting “yes” versus 27.3% (41,669) voting “no.” As a result, the city can more aggressively address recurrent neighborhood flooding by providing appropriations to previously unfunded, or underfunded projects. This referendum is the first successful referendum since 1988, when voters approved the financing of the Lake Gaston Water Supply Pipeline. The referendum was approved by City Council to be included in its own lock box, separated from General Government charter bond authority. The following calculation displays the bonding capacity of the referendum fund. Currently, no additional bonds beyond the initial \$567.5 million are programmed in the CIP. As the Flood Protection Program continues, this capacity will be used for future projects or maintenance needs.

		Computation of Referendum Bonding Limits						
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	
CALENDAR YEAR RETIREMENT		2023	2024	2025	2026	2027	2028	
		FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	Total
<u>New Bond Issues</u>		<u>Amount</u>						
First Sale - Spring 2024	137,273,027	-	6,863,651	6,863,651	6,863,651	6,863,651	6,863,651	34,318,255
Second Sale -Spring 2026	80,294,308	-	-	-	4,014,715	4,014,715	4,014,715	12,044,145
Third Sale-Spring 2028	234,114,860	-	-	-	-	-	11,705,743	11,705,743
Fourth Sale-Spring 2030	115,817,805	-	-	-	-	-	-	-
Total Estimated Principal Retirement		-	6,863,651	6,863,651	10,878,366	10,878,366	22,584,109	58,068,143
Total Bonding Limits		-	6,863,651	6,863,651	10,878,366	10,878,366	22,584,109	58,068,143
Charter Bonds Allocated		-	-	-	-	-	-	-
Total Annual Unallocated Bond Authority		-	6,863,651	6,863,651	10,878,366	10,878,366	22,584,109	58,068,143
Prior Year Unallocated Bond Authority		-	-	-	-	-	-	-
Cumulative Unallocated Bond Authority		-	6,863,651	13,727,302	24,605,668	35,484,034	58,068,143	

Notes: Retirement of bonded debt assumes the issuance of bonds with 20-year, level principal retirement with principal payments beginning one year from the date of issue. Annual bond limits are calculated on a calendar year basis. The fiscal year identified in the heading represents the period in which they are traditionally appropriated. The Charter Bond capacity in the out years is retained for future City Council action.

**AN ORDINANCE MAKING APPROPRIATIONS FOR THE FISCAL YEAR
BEGINNING JULY 1, 2023 AND ENDING JUNE 30, 2024 FOR
OPERATIONS**

WHEREAS, the City Manager has heretofore submitted an Annual Budget for the City for the fiscal year beginning July 1, 2023, and ending June 30, 2024, and it is necessary to appropriate sufficient funds to cover said budget.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA THAT:

Sec. 1. The amounts named aggregating \$3,480,472,315 consisting of \$668,045,496 in inter-fund transfers, \$266,328,271 for internal service funds, and \$2,546,098,548 operations, are hereby appropriated subject to the conditions hereinafter set forth for the use of departments, and designated funds of the City government, and for the purposes hereinafter mentioned, as set forth in the Annual Operating Budget, which is hereby incorporated by reference, for the fiscal year beginning July 1, 2022~~3~~ and ending June 30, 2023~~4~~ (hereinafter, the "Fiscal Year"), a summary of which is attached to this ordinance as "Attachment A – Appropriations." The City Council elects to fund the Virginia Beach City Public Schools by lump sum appropriation.

Sec. 2. In accordance with Section 5.04 of the City Charter, Estimated Revenue in Support of Appropriations is set forth in said Annual Operating Budget, with a summary of Estimated Revenue in Support of Appropriations attached to this ordinance as "Attachment B – Revenues."

Sec. 3. With the exception of the funds under the control of the School Board, specifically the funds numbered 115, 135, 201, 202, 203, 204, 210, 211, 212, 213, 214, 215, 650, 651, 652, 750, 751, and 752 (hereinafter referred to as "School Board Funds"), the total number of full-time permanent positions shall be the maximum number of positions authorized for the various departments of the City during the Fiscal Year, except for changes or additions authorized by the Council or as hereinafter provided. The City Manager may from time to time increase or decrease the number of part-time or temporary positions provided the aggregate amount expended for such services shall not exceed the respective appropriations made therefore. The City Manager is further authorized to make such rearrangements of positions within and between the departments as may best meet the needs and interests of the City, including changes necessary to implement the employee transition program.

Sec. 4. To improve the effectiveness and efficiencies of the government in service delivery, the City Council hereby authorizes the City Manager or his designee to transfer appropriated funds and existing positions throughout the Fiscal Year as may be necessary to implement organizational adjustments that have been authorized by the City Council. Unless otherwise directed by the City Council, such organizational adjustments shall be implemented on such date or dates as the City Manager determines, in his discretion, to be necessary to guarantee a smooth and orderly transition of existing organizational functions. The City Manager shall make a report each year to the City Council identifying the status and progress of any such organizational adjustments.

Sec. 5. All current and delinquent collections of local taxes shall be credited to the General Fund, Special Service District Funds, Tax Increment Financing Fund or any fund to which City Council has, by ordinance, dedicated a tax levy.

Sec. 6. All balances of the appropriations payable out of each fund of the City Treasury at the close of the Fiscal Year, unless otherwise provided for, are hereby declared to be lapsed into the fund balance of the respective funds, except all appropriations to School Board Funds derived from local public sources, which shall lapse and revert to the Fund Balance of the General Fund, and may be used for the payment of the appropriations that may be made in the appropriation ordinance for the fiscal year beginning July 1, 2022~~3~~. Prior to the expenditure of any sums that have lapsed to the fund balance of any fund, an appropriation by the City Council shall be required.

Sec. 7. All balances of appropriations in each fund which support authorized obligations or are encumbered at the close of the business for the Fiscal Year, are hereby declared to be re-appropriated into the fiscal year beginning July 1, 20223, and estimated revenues adjusted accordingly.

Sec. 8. All balances of appropriations and position authorizations attributable to grants or other similar funding mechanism from state or federal sources and trust or gift funds, whose period of expenditure extends beyond the fiscal year ending on June 30, 20223, are hereby declared to be re-appropriated and re-authorized into the Fiscal Year, and estimated revenues adjusted accordingly. The close-out of any grant or similar funding mechanism shall account for all expenditures in such grant, and provided there is any remaining balance in the grant, the portion of the balance attributable to local sources shall revert to the General Fund, special revenue fund, or enterprise fund that provided the local contribution.

Sec. 9. No department or agency for which appropriations are made under the provisions of this ordinance shall exceed the amount of such appropriations except with the consent and approval of the City Council first being obtained. It is expressly provided that the restrictions with respect to the expenditure of the funds appropriated shall apply only to the totals for each Appropriation Unit included in this ordinance and does not apply to Inter-fund Transfers.

Sec. 10. The City Manager or the Director of Budget and Management Services is hereby authorized to approve transfers of appropriations in an amount up to ~~\$100,000~~ \$250,000 between any Appropriation Units included in this ordinance through the accrual period. The City Manager shall make a monthly report to the City Council of all transfers between \$25,000 and ~~\$100,000~~ \$250,000. In addition, the City Manager may transfer, in amounts necessary, appropriations from all Reserves for Contingencies except Reserve for Contingencies – Regular, within the intent of the Reserve as approved by City Council.

Sec. 11. The City Manager or the Director of Budget and Management Services is hereby authorized to establish and administer budgeting within Appropriation Units consistent with best management practices, reporting requirements, and the programs and services adopted by the City Council. Consistent with best management practices, the City utilizes a modified accrual system of accounting. Revenues are considered available when collectible either during the current period or after the end of the current period, but in time to pay year-end liabilities. Expenditures are recognized when a transaction or event is expected to draw upon current spendable resources rather than future resources. In practical effect, the modified accrual system allows a window of 45 days wherein the City may accrue back to the immediately preceding fiscal year revenues and expenditures. The City Manager or the Director of Budget and Management Services is further authorized to establish administrative directives to provide additional management oversight and control to ensure the integrity of the City's budget.

Sec. 12. The City Manager or the Director of Budget and Management Services is hereby authorized to change the Estimated Revenues included in this ordinance to reflect expected collections. If the Estimated Revenue in support of an Operating Appropriation Unit declines, the City Manager or the Director of Budget and Management Services is hereby authorized to reduce, subject to any other provision of law, those appropriations to equal the decline in Estimated Revenue. The City Manager shall give prior notice to the City Council of any reduction to total appropriations exceeding ~~\$100,000~~ \$250,000. The notice to City Council shall identify the basis and amount of the appropriation reduction and the Appropriation Units affected. The accounting records of the City will be maintained in a manner that the total of Estimated Revenue is equal to the total of the Appropriation Units for each of the City's funds. The City Manager or the Director of Budget and Management Services is hereby authorized to transfer any excess appropriations to the Reserve for Contingencies after all anticipated expenditures for which those funds were appropriated have been incurred. Nothing in this section shall be construed as authorizing any reduction to be made in the amount appropriated in this ordinance for the payment of interest or principal on the bonded debt of the City Government.

Sec. 13. The Department of Economic Development is hereby authorized to pay an amount up to \$1,000,000 from their FY 20223-234 Operating Budget to the City of Virginia Beach Development Authority, for the purpose of pursuing, implementing, and furthering initiatives recommended by the Bio-medical Task Force. The Department of

Economic Development is hereby authorized to pay an amount up to \$100,000 from their FY 2022-23 Operating Budget to the City of Virginia Beach Development Authority, for the purpose of implementing a District Improvement Plan (DIP). A five-year extension of the agreement with the Central Business District Association is hereby authorized provided such an agreement shall relate only to the expenditure of special service district funds within the Town Center SSD.

Sec. 14. Allowances made from the appropriations made in this ordinance by any or all of the City departments, bureaus, or agencies, to any of their officers and employees for expenses on account of the use by such officers and employees of their personal automobiles in the discharge of their official duties shall follow the Internal Revenue Service standard mileage rates used to calculate the deductible costs of operating an automobile for business, charitable, medical or moving purposes.

Sec. 15. In the event of an emergency and under emergency circumstances wherein the City Council cannot reasonably hold a meeting, the City Manager is authorized to transfer and expend appropriated sums from any budget account to ensure that the emergency is handled as efficiently and expeditiously as possible. Immediately following the expenditure of funds under this provision, and as soon as the City Council can reasonably meet under the existing circumstances, the City Manager shall notify the City Council of the reason for such action, how funds were expended, and present to the City Council for adoption an emergency appropriations ordinance that sets forth what measures are required to ensure that funds are forthwith restored to the appropriate accounts and that the budget is balanced at the end of the fiscal year in which the emergency expenditures occurred.

An emergency is defined for the purposes of this provision as an event that could not have been reasonably foreseen at the time of the adoption of the budget, and in which (i) an immediate threat to the public health, safety or welfare is involved, such as clean-up after a hurricane, and/or (ii) immediate action is required to protect or preserve public properties.

Sec. 16. All travel expense accounts shall be submitted on forms approved by the Director of Finance and according to regulations approved by the City Council. Each account shall show the dates expenses were incurred or paid; number of miles traveled; method of travel; hotel expenses; meals; and incidental expenses. The Director of Finance is specifically directed to withhold the issuance of checks in the event expense accounts are submitted for "lump-sum" amounts.

~~**Sec. 17.** The General Fund includes a compensation reserve totaling \$32,827,489 for pay increases for City employees. The direction and intent of these funds is to implement a hybrid pay plan system that includes a step pay plan for public safety and a portion of the general workforce and to increase minimum wage citywide to \$15 per hour. The goal is to provide every full-time and part-time City employee a minimum 5% compensation increase. These compensation reserves are to be allocated as necessary between Departments and funds to adjust salaries and prevent adjustments from negatively impacting the delivery of services. A salary increase totaling 5% on the pay date containing July 1, 2023 is hereby provided to both part-time and full-time City employees. Salary increases for full-time sworn City employees on a step plan are to receive a 2% general increase and a 3% step increase. Non-sworn employees are to receive a 5% salary increase through an adjustment to the pay plan classifications by an increase of one pay range. Notwithstanding the preceding sentence, the step plan implemented in the FY 2022-23 fiscal year for certain non-sworn employees shall remain in place.~~

Sec 18. A salary increase totaling 5% on the pay date containing July 1, 2023 is hereby provided to both part-time and full-time appointees within Constitutional Offices. Salary increases for full-time sworn appointees on a step plan are to receive a 2% general increase and a 3% step increase. ~~Employees on an administrative plan are to receive a 2% general increase and a 3% merit increase.~~ Non-sworn appointees are to receive a 5% salary increase through an adjustment to the pay plan classifications by an increase of one pay range. Notwithstanding the preceding sentence, the step plan implemented in the FY 2022-23 fiscal year for certain non-sworn employees shall remain in place.

Sec. 19 A salary increase of 5% on the pay date containing July 1, 2023 is hereby provided for the five Constitutional Officers.

~~**Sec. 20.** All or portions of the salary increase authorized by section 17 and section 18 of this ordinance is contingent upon a satisfactory performance evaluation for the time period of 2022-2023 or 2021-2022 if the evaluation is not due prior to July 1, 2023. Probationary employees with a satisfactory interim or annual evaluation or for probationary employees whose interim evaluation is not due prior to July 1, 2023, employees with no discipline shall be deemed to have satisfactory performance for the purpose of the merit increase.~~

~~**Sec. 18.** An amount equivalent to 4.1 cents real estate tax, which is \$27,996,608, is hereby placed in a "lockbox" to be use solely for the servicing of debt associated with the 2021 Flood Protection Bond Referendum.~~

Sec. 1921 An amount of up to ~~\$8,000,000~~ \$10,000,000 in attrition savings is hereby used to balance the Fiscal Year ~~2022-23~~ 2023-24 Operating Budget. To accomplish this purpose, the City Manager or his designee is hereby authorized to transfer savings in salary or fringe benefit accounts among General Fund supported departments up to ~~\$8,000,000~~ \$10,000,000, notwithstanding other budgetary controls outlined in this ordinance. Of this amount, \$500,000 is designated for contractual services to provide full-time sworn law enforcement officers in the Virginia Beach Police Department, uniformed employees in the Departments of Fire and Emergency Medical Services, and Emergency Communications and Citizen Services 911 Telecommunicators access to a team of licensed mental health professionals to coordinate support services.

~~**Sec. 20 22.**~~ To ensure proper allocation of health insurance, the City Manager is hereby authorized to transfer health insurance between departments and funds, in any amount notwithstanding other budgetary controls outlined in the ordinance up to the total amount budgeted for health insurance, to ensure health insurance cost align with actual expenditure.

Sec. 213. In Fiscal Year ~~2022-23~~ 2023-24, to further improve the effectiveness and efficiency of the government in service delivery, the City Council hereby authorizes the City Manager to implement any organizational adjustments not otherwise set out within this budget document that may be necessary to carry out the following initiatives:

- a. The departments throughout the City to improve existing technology services and applications and to streamline the implementation of technology applications.
- b. The City Council to secure administrative and clerical staff support and executive assistance.
- ~~c. The City's Automotive Services Division of the Department of Public Works to review the provision of storeroom services, including but not limited to, parts and supplies for the City's fleet assets. This may include the sale or conveyance of City inventory and assets.~~
- ~~d. The Convention and Visitors Bureau, to provide the Resort Management Office with staff support to improve customer service and streamline service delivery with the public and business community.~~

Adjustments in furtherance of this Section 280 may include the transfer of appropriated funds and existing positions, notwithstanding the departmental or appropriation unit placement of such appropriations and positions within this document. Any adjustments made for these purposes shall not be subject to the limits set forth in Section 10 of this ordinance. The City Manager shall make a report within ten days of any adjustments that are made as a result of the authority granted by this section.

~~**Sec. 22.** In order to comply with governmental accounting guidelines, \$2,211,066 in appropriations is hereby transferred from the General Debt Fund to the Agriculture Reserve Program (ARP). The FY 2021-22 budget included appropriations in the General Debt fund to make payment on ARP principal. The first purchases made through the ARP occurred in FY 1996-97. The 25-year term on these initial purchases became due in FY 2021-22. This transfer will allow for the payment to be made from the correct fund. The effective date of Section 21 is May 10, 2022.~~

Sec. 23. The City of Virginia Beach hosts hundreds of special events annually, which draw participants and spectators who raise contributions to support nonprofit organizations or contribute to the local economy and often provide additional revenue to the City and the community. Many special events require some form of city services, such as

road closures, traffic control, security, contingencies for emergency services, utility connections, and clean-up resulting in operational costs to city departments. To support and encourage expansion of special event activities in the City, RES-03612, adopted May 14, 2013, is hereby rescinded, effective immediately. Henceforth, the recoupment of special events fees shall be within the discretion of the City Manager. The City will provide safety standards and support service requirements for permitted special events without charging a fee or recouping any expenses related to the special events.

Sec. 24. ~~The appropriations herein include an amount equal to \$1 per capita for the Hampton Roads Economic Development Alliance (HREDA). Notwithstanding the appropriation, the execution of any agreement with HREDA is expressly conditioned upon formal approval of such agreement by the City Council.~~

Sec. 24. The FY 2023-24 Operating Budget reorganized the department of Parks and Recreation between the General Fund and Parks and Recreation Special Revenue Fund in the total amount of \$19,256,204 and 315.72 FTEs. The City Manager or his designee is hereby authorized to make adjustments to this allocation and FTEs to ensure the proper alignment of resources within the department between the two funds notwithstanding other budgetary controls outlined in this ordinance so long as the changes do not place an additional burden on the General Fund.

Sec. 25. Violation of this ordinance may result in disciplinary action by the City Manager against the person or persons responsible for the management of the Appropriation Unit in which the violation occurred.

Sec. 26. ~~With the exception of Section 21,~~ This ordinance shall be effective on July 1, 2023.

Sec. 27. If any part of this ordinance is for any reason declared to be unconstitutional or invalid, such decision shall not affect the validity of the remaining parts of this ordinance.

Requires an affirmative vote by a majority of all of the members of City Council.

Adopted by the Council of the City of Virginia Beach, Virginia, on the 9th day of May, 2023.

Note: Sections 17,18, and 20 of this ordinance were modified on June 6, 2023 from the original version approved by City Council on May 9, 2023 and are reflected as adopted in June 2023.

**City of Virginia Beach, Virginia
FY 2023-24 Budget Ordinance
Attachment A**

FY 2023-24

Adopted

FD100 General Fund

Agriculture	1,028,782
Board of Equalization	2,774
Budget and Management Services	1,440,815
Circuit Court	1,527,838
City Attorney	5,580,657
City Auditor	1,044,762
City Clerk	665,964
City Manager	3,439,541
City Real Estate Assessor	3,479,593
City Treasurer	7,938,987
Clerk of the Circuit Court	4,969,858
Commisioner of the Revenue	6,265,317
Commonwealth's Attorney	12,278,995
Communications Office	2,844,730
Community Organization Grants	707,960
Computer Replacements	3,087,214
Convention And Visitors Bureau	11,094,014
Cultural Affairs and Historic Houses	3,429,248
Debt Service	59,311,299
Economic Development	6,129,469
Emergency Communications and Citizen Services	12,041,822
Emergency Management	1,673,251
Emergency Medical Services	22,025,307
Employee Services	8,877,040
Finance	6,360,146
Fire	70,568,170
General District Court	531,845
Health Department	3,913,005
Housing And Neighborhood Preservation	7,588,004
Human Resources	7,699,936
Human Services	136,714,578
Independent Financial Services	188,638
Information Technology	25,321,717
Juvenile and Domestic Relations District Court	217,841
Juvenile Probation	1,475,707

Leases	3,780,869
Library	20,252,492
Magistrates	48,573
Municipal Council	687,189
Office of Performance and Accountability	875,119
Parks And Recreation	37,227,758
Planning	14,055,052
Police	122,563,672
Public Works	104,423,611
Regional Participation	11,504,277
Reserve for Contingencies	19,620,554
Revenue Reimbursements	15,084,044
Subscriptions	9,805,644
Transfer to Other Funds	590,194,246
Vehicle Replacements	6,000,000
Virginia Aquarium	16,021,491
Voter Registration and Elections	2,714,569
General Fund Appropriation Totals	<u>1,416,323,984</u>

FD115 School Operating Fund

Debt Service	50,071,611
Public Education	916,009,516
Transfer to Other Funds	16,665,512
School Operating Fund Appropriation Totals	<u>982,746,639</u>

FD150 Flood Protection Referendum

Reserve for Contingencies	30,750,997
Transfer to Other Funds	1,000,000
Flood Protection Referendum Appropriation Totals	<u>31,750,997</u>

FD190 General Debt Fund

Transfer to Other Funds	1,478,174
General Debt Fund Appropriation Totals	<u>1,478,174</u>

FD201 Green Run Collegiate Charter School Operating Fund

Public Education	4,363,929
Green Run Collegiate Charter School Operating Fund Appropriation Totals	<u>4,363,929</u>

FD203 School Instructional Technology Special Revenue Fund

Public Education	560,840
School Instructional Technology Special Revenue Fund Appropriation Totals	<u>560,840</u>

FD204 School Athletics Special Revenue Fund

Public Education	5,771,170
School Athletics Special Revenue Fund Appropriation Totals	5,771,170

FD210 School Equipment Replacement Special Revenue Fund

Public Education	327,651
School Equipment Replacement Special Revenue Fund Appropriation Totals	327,651

FD211 School Vending Operations Special Revenue Fund

Public Education	130,000
School Vending Operations Special Revenue Fund Appropriation Totals	130,000

FD212 School Communication Tower Technology Special Revenue Fund

Public Education	800,000
School Communication Tower Technology Special Revenue Fund Appropriation Totals	800,000

FD213 School Cafeterias Special Revenue Fund

Public Education	47,700,219
School Cafeterias Special Revenue Fund Appropriation Totals	47,700,219

FD214 School Grants Special Revenue Fund

Public Education	142,411,540
School Grants Special Revenue Fund Appropriation Totals	142,411,540

FD215 School Textbooks Special Revenue Fund

Public Education	6,600,738
School Textbooks Special Revenue Fund Appropriation Totals	6,600,738

FD220 School Reserve Special Revenue Fund

Transfer to Other Funds	333,591
School Reserve Special Revenue Fund Appropriation Totals	333,591

FD221 Agriculture Reserve Program Special Revenue Fund

Agriculture	678,791
Debt Service	6,469,524
Reserve for Contingencies	16,371
Transfer to Other Funds	990,000
Agriculture Reserve Program Special Revenue Fund Appropriation Totals	8,154,686

FD222 Law Library Special Revenue Fund

Library	235,598
Law Library Special Revenue Fund Appropriation Totals	235,598

FD223 Open Space and Parks Special Revenue Fund

Debt Service	1,820,662
Parks And Recreation	518,337
Reserve for Contingencies	2,525,221
Transfer to Other Funds	2,500,000
Open Space and Parks Special Revenue Fund Appropriation Totals	7,364,220

FD224 Parks And Recreation Special Revenue Fund

Debt Service	3,716,702
Parks And Recreation	22,315,947
Public Works	4,074,518
Reserve for Contingencies	691,963
Transfer to Other Funds	1,574,550
Parks And Recreation Special Revenue Fund Appropriation Totals	32,373,680

FD230 Commonwealth's Attorney Forfeited Assets Special Revenue Fund

Commonwealth's Attorney	100,000
Commonwealth's Attorney Forfeited Assets Special Revenue Fund Appropriation Totals	100,000

FD233 Sheriff's Office Special Revenue Fund

Sheriff and Corrections	62,973,654
Transfer to Other Funds	11,600
Sheriff's Office Special Revenue Fund Appropriation Totals	62,985,254

FD240 Tourism Advertising Program Special Revenue Fund

Convention And Visitors Bureau	16,016,930
Reserve for Contingencies	37,820
Transfer to Other Funds	57,083
Tourism Advertising Program Special Revenue Fund Appropriation Totals	16,111,833

FD241 Tourism Investment Program Special Revenue Fund

Convention And Visitors Bureau	11,796,784
Cultural Affairs and Historic Houses	520,500
Debt Service	37,113,682
Parks And Recreation	1,029,680
Public Works	4,613,828
Regional Participation	1,205,648
Reserve for Contingencies	925,425

Transfer to Other Funds	3,968,170
Tourism Investment Program Special Revenue Fund Appropriation Totals	<u>61,173,717</u>

FD250 Central Business District South Tax Increment Financing Fund

Debt Service	4,932,676
Reserve for Contingencies	5,423,659
Transfer to Other Funds	150,000
Central Business District South Tax Increment Financing Fund Appropriation Totals	<u>10,506,335</u>

FD251 Town Center Special Service District Fund

Economic Development	3,082,730
Parks And Recreation	132,990
Transfer to Other Funds	645,976
Town Center Special Service District Fund Appropriation Totals	<u>3,861,696</u>

FD252 Sandbridge Special Service District Fund

Public Works	720,259
Reserve for Contingencies	285,732
Transfer to Other Funds	4,676,341
Sandbridge Special Service District Fund Appropriation Totals	<u>5,682,332</u>

FD260 Federal Section 8 Program Special Revenue Fund

Housing And Neighborhood Preservation	27,136,331
Reserve for Contingencies	61,763
Federal Section 8 Program Special Revenue Fund Appropriation Totals	<u>27,198,094</u>

FD261 State Rental Assistance Program Special Revenue Fund

Housing And Neighborhood Preservation	1,241,338
Reserve for Contingencies	3,410
State Rental Assistance Program Special Revenue Fund Appropriation Totals	<u>1,244,748</u>

FD270 Consolidated Grants Special Revenue Fund

Commonwealth's Attorney	637,528
Emergency Communications and Citizen Services	4,000
Emergency Medical Services	375,000
Fire	2,209,718
Housing And Neighborhood Preservation	3,280,101
Human Services	3,047,957
Public Works	20,000
Reserve for Contingencies	4,955
Transfer to Other Funds	300,000

Consolidated Grants Special Revenue Fund Appropriation Totals	9,879,259
<u>FD272 Federal Housing Assistance Grant Special Revenue Fund</u>	
Housing And Neighborhood Preservation	1,231,533
Reserve for Contingencies	2,616
Federal Housing Assistance Grant Special Revenue Fund Appropriation Totals	1,234,149
<u>FD273 Community Development Grant Special Revenue Fund</u>	
Housing And Neighborhood Preservation	2,474,318
Reserve for Contingencies	59,163
Transfer to Other Funds	95,163
Community Development Grant Special Revenue Fund Appropriation Totals	2,628,644
<u>FD310 Old Donation Creek Dredging Special Service District Fund</u>	
Reserve for Contingencies	83,449
Old Donation Creek Dredging Special Service District Fund Appropriation Totals	83,449
<u>FD311 Bayville Creek Dredging Special Service District Fund</u>	
Reserve for Contingencies	79,000
Bayville Creek Dredging Special Service District Fund Appropriation Totals	79,000
<u>FD312 Shadowlawn Dredging Special Service District Fund</u>	
Transfer to Other Funds	209,000
Shadowlawn Dredging Special Service District Fund Appropriation Totals	209,000
<u>FD313 Chesopeian Colony Dredging Special Service District Fund</u>	
Reserve for Contingencies	231,025
Chesopeian Colony Dredging Special Service District Fund Appropriation Totals	231,025
<u>FD314 Harbour Point Dredging Special Service District Fund</u>	
Transfer to Other Funds	108,000
Harbour Point Dredging Special Service District Fund Appropriation Totals	108,000
<u>FD315 Gills Cove Dredging Special Service District Fund</u>	
Reserve for Contingencies	15,919
Gills Cove Dredging Special Service District Fund Appropriation Totals	15,919
<u>FD316 Hurds Cove Dredging Special Service District Fund</u>	
Reserve for Contingencies	246,905
Hurds Cove Dredging Special Service District Fund Appropriation Totals	246,905

FD317 Schilling Point Dredging Special Service District Fund

Reserve for Contingencies	43,916
Schilling Point Dredging Special Service District Fund Appropriation Totals	<u>43,916</u>

FD510 Water And Sewer Enterprise Fund

Debt Service	18,934,769
Public Utilities	99,923,594
Reserve for Contingencies	3,777,810
Transfer to Other Funds	18,664,080
Water And Sewer Enterprise Fund Appropriation Totals	<u>141,300,253</u>

FD520 Storm Water Utility Enterprise Fund

Debt Service	9,827,631
Public Works	16,238,648
Reserve for Contingencies	138,966
Transfer to Other Funds	20,317,965
Storm Water Utility Enterprise Fund Appropriation Totals	<u>46,523,210</u>

FD530 Waste Management Enterprise Fund

Public Works	39,857,995
Reserve for Contingencies	336,520
Transfer to Other Funds	3,059,278
Waste Management Enterprise Fund Appropriation Totals	<u>43,253,793</u>

FD540 Parking Enterprise Fund

Debt Service	654,773
Economic Development	4,500,828
Reserve for Contingencies	17,818
Transfer to Other Funds	1,046,767
Parking Enterprise Fund Appropriation Totals	<u>6,220,186</u>

FD600 City Garage Internal Service Fund

Public Works	16,628,826
Reserve for Contingencies	240,462
City Garage Internal Service Fund Appropriation Totals	<u>16,869,288</u>

FD601 Fuels Internal Service Fund

Public Works	8,367,672
Fuels Internal Service Fund Appropriation Totals	<u>8,367,672</u>

FD602 Risk Management Internal Service Fund

Finance	20,324,368
Reserve for Contingencies	9,486
Risk Management Internal Service Fund Appropriation Totals	<u>20,333,854</u>

FD603 Landscaping Internal Service Fund

Parks And Recreation	5,312,697
Reserve for Contingencies	131,363
Landscaping Internal Service Fund Appropriation Totals	<u>5,444,060</u>

FD605 Telecommunications Internal Service Fund

Information Technology	3,184,523
Reserve for Contingencies	32,623
Telecommunications Internal Service Fund Appropriation Totals	<u>3,217,146</u>

FD650 School Risk Management Internal Service Fund

Public Education	15,379,958
School Risk Management Internal Service Fund Appropriation Totals	<u>15,379,958</u>

FD651 School Flexible Benefits Forfeiture Internal Service Fund

Public Education	206,000
School Flexible Benefits Forfeiture Internal Service Fund Appropriation Totals	<u>206,000</u>

FD652 School Health Insurance Internal Service Fund

Public Education	196,510,293
School Health Insurance Internal Service Fund Appropriation Totals	<u>196,510,293</u>

FD801 City Beautification Fund

Parks And Recreation	100,000
City Beautification Fund Appropriation Totals	<u>100,000</u>

FD814 Parks And Recreation Gift Fund

Parks And Recreation	55,000
Parks And Recreation Gift Fund Appropriation Totals	<u>55,000</u>

FD817 Social Services Gift Fund

Human Services	46,710
Social Services Gift Fund Appropriation Totals	<u>46,710</u>

FD818 Virginia Beach Library Gift Fund

Library	112,000
Virginia Beach Library Gift Fund Appropriation Totals	<u>112,000</u>

FD400 General Government Capital Projects Fund

Pay-As-You-Go Capital Projects	52,897,141
General Government Capital Projects Fund Appropriation Totals	52,897,141

FD410 Water and Sewer Capital Projects Fund

Pay-As-You-Go Capital Projects	8,600,000
Water and Sewer Capital Projects Fund Appropriation Totals	8,600,000

FD420 Stormwater Capital Projects Fund

Pay-As-You-Go Capital Projects	18,984,820
Stormwater Capital Projects Fund Appropriation Totals	18,984,820

FD430 Flood Protection Capital Projects Fund

Pay-As-You-Go Capital Projects	1,000,000
Flood Protection Capital Projects Fund Appropriation Totals	1,000,000

FD480 Schools Capital Projects Fund

Pay-As-You-Go Capital Projects	2,000,000
Schools Capital Projects Fund Appropriation Totals	2,000,000

Total Appropriations	3,480,472,315
Less Internal Services Funds	266,328,271
Less Interfund Transfers	668,045,496
Net Budget Appropriations	2,546,098,548

**City of Virginia Beach, Virginia
FY 2023-24 Budget Ordinance
Attachment B**

	FY 2023-24 Adopted
<u>FD100 General Fund</u>	
Charges for Services	52,705,150
Utility Taxes	43,125,249
Permits, Fees, and Regulatory Licenses	9,453,844
Fines and Forfeitures	1,497,541
Miscellaneous Revenue	5,685,004
Personal Property	208,222,299
General Sales Tax	91,916,310
Hotel Room Tax	11,245,386
Business License	58,742,554
Real Estate	669,607,745
Cigarette Tax	7,260,669
Other Taxes	15,914,203
From the Use of Money and Property	8,529,849
Automobile License	10,769,956
Restaurant Meal Tax	58,729,025
Revenue from the Commonwealth	121,377,504
Specific Fund Reserves	1,734,776
Transfer In	15,254,360
Revenue from the Federal Government	24,552,560
FD100 Revenue Total	<u>1,416,323,984</u>
<u>FD115 School Operating Fund</u>	
Miscellaneous Revenue	3,968,341
Revenue from the Commonwealth	451,994,592
Transfer In	513,283,706
Revenue from the Federal Government	13,500,000
FD115 Revenue Total	<u>982,746,639</u>
<u>FD150 Flood Protection Referendum</u>	
Real Estate	31,750,997
FD150 Revenue Total	<u>31,750,997</u>
<u>FD190 General Debt Fund</u>	
Specific Fund Reserves	1,478,174
FD190 Revenue Total	<u>1,478,174</u>
<u>FD201 Green Run Collegiate Charter School Operating Fund</u>	
Transfer In	4,363,929
FD201 Revenue Total	<u>4,363,929</u>
<u>FD203 School Instructional Technology Special Revenue Fund</u>	
Specific Fund Reserves	560,840
FD203 Revenue Total	<u>560,840</u>
<u>FD204 School Athletics Special Revenue Fund</u>	
Charges for Services	65,000
Miscellaneous Revenue	489,000

From the Use of Money and Property	5,000	
Transfer In	5,212,170	
FD204 Revenue Total	5,771,170	
<u>FD210 School Equipment Replacement Special Revenue Fund</u>		
Specific Fund Reserves	327,651	
FD210 Revenue Total	327,651	
<u>FD211 School Vending Operations Special Revenue Fund</u>		
Charges for Services	124,000	
Specific Fund Reserves	6,000	
FD211 Revenue Total	130,000	
<u>FD212 School Communication Tower Technology Special Revenue Fund</u>		
From the Use of Money and Property	516,000	
Specific Fund Reserves	284,000	
FD212 Revenue Total	800,000	
<u>FD213 School Cafeterias Special Revenue Fund</u>		
Charges for Services	13,050,890	
Miscellaneous Revenue	650,000	
From the Use of Money and Property	75,000	
Revenue from the Commonwealth	605,000	
Specific Fund Reserves	6,901,953	
Revenue from the Federal Government	26,417,376	
FD213 Revenue Total	47,700,219	
<u>FD214 School Grants Special Revenue Fund</u>		
Miscellaneous Revenue	2,817,629	
Revenue from the Commonwealth	29,694,877	
Transfer In	5,089,413	
Revenue from the Federal Government	104,809,621	
FD214 Revenue Total	142,411,540	
<u>FD215 School Textbooks Special Revenue Fund</u>		
Miscellaneous Revenue	27,000	
From the Use of Money and Property	29,483	
Revenue from the Commonwealth	4,972,218	
Specific Fund Reserves	1,572,037	
FD215 Revenue Total	6,600,738	
<u>FD220 School Reserve Special Revenue Fund</u>		
Specific Fund Reserves	333,591	
FD220 Revenue Total	333,591	
<u>FD221 Agriculture Reserve Program Special Revenue Fund</u>		
Real Estate	6,645,558	
From the Use of Money and Property	30,954	
Transfer In	1,478,174	
FD221 Revenue Total	8,154,686	
<u>FD222 Law Library Special Revenue Fund</u>		
Charges for Services	169,305	
From the Use of Money and Property	6,293	
Transfer In	60,000	
FD222 Revenue Total	235,598	

FD223 Open Space and Parks Special Revenue Fund

Restaurant Meal Tax	7,364,220
FD223 Revenue Total	7,364,220

FD224 Parks And Recreation Special Revenue Fund

Charges for Services	6,384,915
Permits, Fees, and Regulatory Licenses	375
Real Estate	25,666,620
From the Use of Money and Property	321,770
FD224 Revenue Total	32,373,680

FD230 Commonwealth's Attorney Forfeited Assets Special Revenue Fund

Specific Fund Reserves	100,000
FD230 Revenue Total	100,000

FD233 Sheriff's Office Special Revenue Fund

Charges for Services	4,976,608
Permits, Fees, and Regulatory Licenses	4,000
Miscellaneous Revenue	3,000
From the Use of Money and Property	14,000
Revenue from the Commonwealth	21,706,135
Transfer In	36,131,511
Revenue from the Federal Government	150,000
FD233 Revenue Total	62,985,254

FD240 Tourism Advertising Program Special Revenue Fund

Charges for Services	4,000
Hotel Room Tax	7,629,721
From the Use of Money and Property	49,100
Restaurant Meal Tax	8,368,432
Specific Fund Reserves	60,580
FD240 Revenue Total	16,111,833

FD241 Tourism Investment Program Special Revenue Fund

Permits, Fees, and Regulatory Licenses	1,778
Hotel Room Tax	26,091,535
Cigarette Tax	518,619
Amusement Tax	7,780,275
From the Use of Money and Property	891,250
Restaurant Meal Tax	17,741,076
Specific Fund Reserves	8,149,184
FD241 Revenue Total	61,173,717

FD250 Central Business District South Tax Increment Financing Fund

Hotel Room Tax	500,000
Real Estate	10,004,335
From the Use of Money and Property	2,000
FD250 Revenue Total	10,506,335

FD251 Town Center Special Service District Fund

Charges for Services	194,300
Real Estate	2,370,626
From the Use of Money and Property	365,500
Specific Fund Reserves	781,270

Transfer In	150,000
FD251 Revenue Total	3,861,696
<u>FD252 Sandbridge Special Service District Fund</u>	
Hotel Room Tax	5,506,543
Real Estate	172,772
From the Use of Money and Property	3,017
FD252 Revenue Total	5,682,332
<u>FD260 Federal Section 8 Program Special Revenue Fund</u>	
Charges for Services	2,606,322
Specific Fund Reserves	180,860
Transfer In	76,000
Revenue from the Federal Government	24,334,912
FD260 Revenue Total	27,198,094
<u>FD261 State Rental Assistance Program Special Revenue Fund</u>	
Revenue from the Commonwealth	1,244,748
FD261 Revenue Total	1,244,748
<u>FD270 Consolidated Grants Special Revenue Fund</u>	
Charges for Services	40,000
Revenue from the Commonwealth	4,765,000
Transfer In	629,762
Revenue from the Federal Government	4,444,497
FD270 Revenue Total	9,879,259
<u>FD272 Federal Housing Assistance Grant Special Revenue Fund</u>	
Other Financing Sources	60,000
Revenue from the Federal Government	1,174,149
FD272 Revenue Total	1,234,149
<u>FD273 Community Development Grant Special Revenue Fund</u>	
Transfer In	539,184
Other Financing Sources	75,000
Revenue from the Federal Government	2,014,460
FD273 Revenue Total	2,628,644
<u>FD310 Old Donation Creek Dredging Special Service District Fund</u>	
Real Estate	83,449
FD310 Revenue Total	83,449
<u>FD311 Bayville Creek Dredging Special Service District Fund</u>	
Real Estate	79,000
FD311 Revenue Total	79,000
<u>FD312 Shadowlawn Dredging Special Service District Fund</u>	
Real Estate	37,119
Specific Fund Reserves	171,881
FD312 Revenue Total	209,000
<u>FD313 Chesapeake Colony Dredging Special Service District Fund</u>	
Real Estate	231,025
FD313 Revenue Total	231,025
<u>FD314 Harbour Point Dredging Special Service District Fund</u>	
Real Estate	31,424
Specific Fund Reserves	76,576

	FD314 Revenue Total	108,000
<u>FD315 Gills Cove Dredging Special Service District Fund</u>		
Real Estate		15,919
	FD315 Revenue Total	15,919
<u>FD316 Hurds Cove Dredging Special Service District Fund</u>		
Real Estate		246,905
	FD316 Revenue Total	246,905
<u>FD317 Schilling Point Dredging Special Service District Fund</u>		
Real Estate		43,916
	FD317 Revenue Total	43,916
<u>FD510 Water And Sewer Enterprise Fund</u>		
Charges for Services		135,311,910
Permits, Fees, and Regulatory Licenses		6,205
Miscellaneous Revenue		130,917
From the Use of Money and Property		442,222
Transfer In		2,223,326
Other Financing Sources		3,185,673
	FD510 Revenue Total	141,300,253
<u>FD520 Storm Water Utility Enterprise Fund</u>		
Charges for Services		45,919,210
Miscellaneous Revenue		4,000
From the Use of Money and Property		600,000
	FD520 Revenue Total	46,523,210
<u>FD530 Waste Management Enterprise Fund</u>		
Charges for Services		41,806,207
Permits, Fees, and Regulatory Licenses		125,000
Miscellaneous Revenue		712,286
From the Use of Money and Property		275,000
Revenue from the Commonwealth		40,000
Specific Fund Reserves		295,300
	FD530 Revenue Total	43,253,793
<u>FD540 Parking Enterprise Fund</u>		
Charges for Services		5,054,886
Permits, Fees, and Regulatory Licenses		99,000
Fines and Forfeitures		541,000
From the Use of Money and Property		80,000
Specific Fund Reserves		373,300
Transfer In		72,000
	FD540 Revenue Total	6,220,186
<u>FD600 City Garage Internal Service Fund</u>		
Charges for Services		16,486,902
Miscellaneous Revenue		150,000
From the Use of Money and Property		40,000
Specific Fund Reserves		192,386
	FD600 Revenue Total	16,869,288
<u>FD601 Fuels Internal Service Fund</u>		
Charges for Services		8,161,527

From the Use of Money and Property	55,809	
Specific Fund Reserves	150,336	
	<hr/>	
FD601 Revenue Total	8,367,672	
	<hr/>	
<u>FD602 Risk Management Internal Service Fund</u>		
Charges for Services	18,757,799	
From the Use of Money and Property	248,259	
Specific Fund Reserves	1,327,796	
	<hr/>	
FD602 Revenue Total	20,333,854	
	<hr/>	
<u>FD603 Landscaping Internal Service Fund</u>		
Charges for Services	5,444,060	
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FD603 Revenue Total	5,444,060	
	<hr/>	
<u>FD605 Telecommunications Internal Service Fund</u>		
Charges for Services	3,202,146	
From the Use of Money and Property	15,000	
	<hr/>	
FD605 Revenue Total	3,217,146	
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<u>FD650 School Risk Management Internal Service Fund</u>		
Charges for Services	8,995,919	
Specific Fund Reserves	6,384,039	
	<hr/>	
FD650 Revenue Total	15,379,958	
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<u>FD651 School Flexible Benefits Forfeiture Internal Service Fund</u>		
Specific Fund Reserves	206,000	
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FD651 Revenue Total	206,000	
	<hr/>	
<u>FD652 School Health Insurance Internal Service Fund</u>		
Charges for Services	176,510,293	
Specific Fund Reserves	20,000,000	
	<hr/>	
FD652 Revenue Total	196,510,293	
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<u>FD801 City Beautification Fund</u>		
Charges for Services	100,000	
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FD801 Revenue Total	100,000	
	<hr/>	
<u>FD814 Parks And Recreation Gift Fund</u>		
Miscellaneous Revenue	55,000	
	<hr/>	
FD814 Revenue Total	55,000	
	<hr/>	
<u>FD817 Social Services Gift Fund</u>		
Specific Fund Reserves	46,710	
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FD817 Revenue Total	46,710	
	<hr/>	
<u>FD818 Virginia Beach Library Gift Fund</u>		
Miscellaneous Revenue	112,000	
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FD818 Revenue Total	112,000	
	<hr/>	
<u>FD400 General Government Capital Projects Fund</u>		
Parks and Recreation	8,248,593	
Buildings and Assets	8,062,010	
Economic and Tourism Development	5,812,308	
Roadways	7,589,845	
Information Technology	12,227,463	
Coastal	10,956,922	
	<hr/>	
FD400 Revenue Total	52,897,141	
	<hr/>	
<u>FD410 Water and Sewer Capital Projects Fund</u>		

Water Utility	3,525,465
Sewer Utility	5,074,535
FD410 Revenue Total	8,600,000
<u>FD420 Stormwater Capital Projects Fund</u>	
Stormwater	18,984,820
FD420 Revenue Total	18,984,820
<u>FD430 Flood Protection Capital Projects Fund</u>	
Flood Protection	1,000,000
FD430 Revenue Total	1,000,000
<u>FD480 Schools Capital Projects Fund</u>	
Schools	2,000,000
FD480 Revenue Total	2,000,000
Total Budgeted Revenues	3,480,472,315
Less Internal Service Funds	266,328,271
Less Interfund Transfers	668,045,496
NET BUDGET REVENUES	2,546,098,548

**AN ORDINANCE ESTABLISHING THE TAX LEVY ON REAL ESTATE FOR
FISCAL YEAR 2024**

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

Sec. 1. Amount of Levy on Real Estate.

There shall be levied and collected for fiscal year 2023~~4~~ taxes for general purposes on all real estate, including all separate classifications of real estate set forth in the Code of Virginia, not exempt from taxation and not otherwise provided for in this ordinance, at the rate of ninety-nine cents (\$0.99) on each one hundred dollars (\$100) of assessed valuation thereof. The real property tax rate that has been prescribed in this section shall be applied on the basis of one hundred percentum of the fair market value of such real property, except for public service real property, which shall be on the basis as provided in Section 58.1-2604 of the Code of Virginia.

Sec. 2. Amount of Levy on "Certified Storm Water Management Developments and Property," "Certified Solar Energy Recycling Equipment, Facilities or Devices" Classified as Real Estate, and "Environmental Restoration Sites," Real Estate Improved by Erosion Controls, and Certain Wetlands and Riparian Buffers.

In accordance with Sections 58.1-3660 (A), 58.1-3660.1, 58.1-3661, 58.1-3664, 58.1-3665 and 58.1-3666 of the Code of Virginia, there shall be levied and collected for general purposes for fiscal year 2022~~3~~, taxes on all real estate (a) certified by the Department of Environmental Quality as "Certified Storm Water Management Developments and Property," (b) certified as provided by Section 58.1-3661 of the Code of Virginia as "Certified Solar Energy Equipment, Facilities or Devices," or "Certified Recycling Equipment, Facilities or Devices," (c) defined by Section 58.1-3664 of the Code of Virginia as an "Environmental Restoration Site," (d) improved to control erosion as defined by § 58.1-3665 of the Code of Virginia, or (e) qualifying as wetlands and riparian buffers as described by § 58.1-3666 of the Code of Virginia, not exempt from taxation, at a rate of ninety-nine cents (\$0.99) on each one hundred dollars of assessed valuation thereof. The real property tax rates imposed in this section shall be applied on the basis of one hundred percentum of fair market value of such real property except for public service property, which shall be on the basis as provided in Section 58.1-2604 of the Code of Virginia.

Sec. 3. Amount of Levy on Real Property Owned by Certain Surviving Spouses.

There shall be levied and collected for general purposes for the fiscal year 2024 taxes on all real estate that has been separately classified pursuant to Section 58.1-3228.2 of the Code of Virginia, at a rate of one millionth of one cent (\$0.000001) on each one hundred dollars of assessed valuation thereof. The application for such tax classification shall be made to the Commissioner of the Revenue in the manner provided by City Code Section 35-42, and the application for fiscal year 2024 shall be received prior to June 30, 2023. In the event of a mid-year change in qualification or residence, the Commissioner of the Revenue shall use the same proration methodology as is used for the surviving spouse of servicemember killed in action tax exemption program. The applicant shall provide notice to the Commissioner of the Revenue if he or she remarries or moves from such residence.

Sec. 34. Amount of Levy on Real Estate Within the Sandbridge Special Service District.

There shall be levied and collected for fiscal year 2023~~4~~, taxes for the special purpose of providing beach and shoreline restoration and management at Sandbridge on all real estate within the Sandbridge Special Service District, not exempt from taxation, at the rate of ~~two~~one cents (\$0.02~~1~~) on each one hundred dollars (\$100) of assessed value thereof. This real estate tax rate shall be in addition to the real estate tax rate set forth in Section 1 of this ordinance. For real property that qualifies for Land Use Assessment, pursuant to Division 2 of Chapter 35 of the City Code, or Exemption, or Freeze for Elderly and Disabled Persons, pursuant to Division 3 of Chapter 35 of the City Code, this real estate tax rate shall be applied in the same manner as the real estate tax rate set forth in Section 1 of this ordinance. The real estate tax rate imposed herein shall be applied on the basis of one hundred percentum of the fair market value of such real property except for public service real property, which shall be on the basis as provided in Section 58.1-2604 of the Code of Virginia.

Sec. 45. Amount of Levy on Real Estate Within the Town Center Special Service District.

For the special purpose of operating and maintaining the parking garage and providing enhanced services for the plaza and public spaces within the boundaries of the service district at the Town Center, as well as other

additional services authorized by § 15.2-2403 of the Code of Virginia, there shall be levied and collected for fiscal year 2023~~4~~, taxes on all real estate within the Town Center Special Service District, not exempt from taxation, at the rate of forty-five cents (\$0.45) on each one hundred dollars (\$100) of assessed value thereof. This real estate tax rate shall be in addition to the real estate tax set forth in Section 1 of this ordinance. For real property that qualifies for Land Use Assessment, pursuant to Division 2 of Chapter 35 of the City Code, or Exemption or Freeze for Elderly and Disabled Persons, pursuant to Division 3 of Chapter 35 of the City Code, this real estate tax rate shall be applied in the same manner as the real estate tax rate set forth in Section 1 of this ordinance. The real estate tax rate imposed herein shall be applied on the basis of one hundred percentum of the fair market value of such real property, except for public service real property, which shall be on the basis as provided in Section 58.1-2604 of the Code of Virginia.

Sec. ~~56~~. Amount of Levy on “Energy-Efficient Buildings”.

In accordance with Section 58.1-3221.2 of the Code of Virginia and any relevant section of the City Code, there shall be levied and collected for general purposes for the fiscal year 2023~~4~~, taxes on all real estate that has been classified as an energy efficient building, not exempt from taxation, at a rate of eighty-four cents (\$0.84) on each one hundred dollars of assessed valuation thereof. The real property tax rate imposed in this section shall be applied on the basis of one hundred percentum of fair market value of such real property except for public service property, which shall be on the basis as provided in Section 58.1-2604 of the Code of Virginia.

Sec. ~~67~~. Amount of Levy on Properties Listed in the Virginia Landmarks Register.

In accordance with Section 58.1-3221.5 of the Code of Virginia and any relevant section of the City Code, there shall be levied and collected for general purposes for the fiscal year 2023~~4~~, taxes on buildings that are individually listed on the Virginia Landmarks Register, not including the real estate or land on which the building is located, so long as the building is maintained in a condition such that it retains the characteristics for which it was listed on the Virginia Landmarks Register at a rate of fifty- two cents (\$0.52) on each one hundred dollars of assessed valuation thereof. The real property tax rate imposed in this section shall be applied on the basis of one hundred percentum of fair market value of such real property except for public service property, which shall be on the basis as provided by Section 58.1-2604 of the Code of Virginia.

Sec. ~~78~~. Amount of Levy on Real Estate Within the Various Dredging Special Service Districts.

There shall be levied and collected for fiscal year 2023~~4~~, taxes for the special purpose of providing neighborhood channel dredging of creeks and rivers to maintain existing uses on all real estate within each special service district listed below:

- a. Old Donation Special Service District, not exempt from taxation, at the rate of eighteen and four-tenths cents (\$0.184) on each one hundred dollars (\$100) of assessed value thereof.
- b. Bayville Creek Special Service District, not exempt from taxation, at the rate of forty seven and two-tenths cents (\$0.472) on each one hundred dollars (\$100) of assessed value thereof.
- c. Shadowlawn Special Service District, not exempt from taxation, at the rate of fifteen and ninety-four hundredths cents (\$0.1594) on each one hundred dollars (\$100) of assessed value thereof.
- d. Chesopeian Special Service District, not exempt from taxation, at the rate of twenty nine and thirteen hundredths cents (\$0.2913) on each one hundred dollars (\$100) of assessed value thereof.
- e. Harbour Point Special Service District, not exempt from taxation, at the rate of twelve cents (\$0.12) on each one hundred dollars (\$100) of assessed value thereof.
- f. Gills Cove Special Service District, not exempt from taxation, at the rate of six and three-tenths cents (\$0.063) on each one hundred dollars (\$100) of assessed value thereof.
- g. Hurd’s Cove Special Service District, not exempt from taxation, at the rate of forty-three and eight-tenths cents (\$0.438) on each one hundred dollars (\$100) of assessed value thereof.
- h. Schilling’s Point Special Service District, not exempt from taxation, at the rate of forty and four-tenths cents (\$0.404) on each one hundred dollars (\$100) of assessed value thereof.

This real estate tax rate shall be in addition to the real estate tax rate set forth in Section 1 of this ordinance. Except as provided explicitly in Chapter 35.3 of the Code of the City of Virginia Beach, this tax rate shall apply without reduction to any properties subject to ad valorem taxes including those properties enrolled in the Exemption or Freeze for Elderly and Disabled Persons, City Code §§ 35-61, et seq. As set forth in section 15.2-2403(6) of the Code

of Virginia, written consent is required to apply this tax rate to the full assessed value of properties subject to special use value assessment. The real estate tax rate imposed herein shall be applied on the basis of one hundred percentum (100%) of the fair market value of such real property except for public service real property, which shall be on the basis as provided in Section 58.1-2604 of the Code of Virginia.

~~Sec. 8~~ 9 Severability.

If any portion of this ordinance is for any reason declared to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portions of this ordinance.

~~Sec. 9~~ 10 Effective Date.

The effective date of this ordinance shall be July 1, 20223.

Requires an affirmative vote by a majority of all of the members of City Council.

Adopted by the City Council of the City of Virginia Beach, Virginia, on the 9th day of May, 2023.

**AN ORDINANCE ESTABLISHING THE TAX LEVY ON PERSONAL
PROPERTY AND MACHINERY AND TOOLS FOR THE CALENDAR
YEAR 2024**

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

Sec. 1. Amount of Levy on the General Classification of Tangible Personal Property.

In accordance with Chapter 35 of Title 58.1 of the Code of Virginia, taxes shall be levied and collected for general purposes for the calendar year 20234 on all tangible personal property, including all separate classifications of personal property set forth in the Code of Virginia, not exempt from taxation and not otherwise provided for in this ordinance, at the rate of four dollars (\$4.00) on each one hundred dollars (\$100) assessed valuation thereof.

Sec. 2. Personal Property Tax Relief.

As required by § 58.1-3523 of the Code of Virginia, qualifying vehicles (as defined by § 58.1-3523), not otherwise exempted from taxation in this ordinance or by law, shall be subject to the following:

1. Any qualifying vehicle with a total assessed value of \$1,000 or less will be levied no tax, reflecting a reimbursement of 100% Personal Property Tax Relief Act.

2. Any qualifying vehicle with an assessed value of between \$1,001 and \$20,000 will be levied ~~50.4%~~ 55.4% of the computed tax based on the total assessed value of the vehicle. Reimbursement is expected from the Commonwealth under the Personal Property Tax Relief Act equal to the remaining ~~49.6%~~ 44.6% of the computed tax on the first \$20,000 of assessed value.

3. Any qualifying vehicle with an assessed value of over \$20,000 will be levied ~~50.4%~~ 55.4% of the computed tax based on the first \$20,000 of assessed value and 100% of the computed tax based on the assessed value in excess of \$20,000. Reimbursement is expected from the Commonwealth under the Personal Property Tax Relief Act equal to the remaining ~~49.6%~~ 44.6% of the computed tax on the first \$20,000 of assessed value.

Sec. 3. Amount of Levy on Certain Classifications of Tangible Personal Property

In accordance with Chapter 35 of Title 58.1 of the Code of Virginia, taxes shall be levied and collected for general purposes for the calendar year 20234 on the certain classifications of tangible personal property set forth below at the rate of four dollars (\$4.00) on each one hundred dollars (\$100) assessed valuation thereof.

- a. heavy construction equipment as described in § 58.1-3506 (A) (8) of the Code of Virginia;
- b. computer equipment as described in § 58.1-3506 (A) (11) of the Code of Virginia;
- c. tangible personal property as described in (a) § 58.1-3506 of the Code of Virginia as “certified pollution control equipment and facilities” and (b) § 58.1-3661 of the Code of Virginia as “certified solar equipment, facilities or devices and certified recycling equipment, facilities or devices”;
- d. furniture, office, and maintenance equipment as described in § 58.1-3506 (A) (24) of the Code of Virginia;
- e. all tangible personal property employed in a trade or business other than described in subdivisions A 1 through A 18, except for subdivision A 17, of § 58.1-3503 as described in § 58.1-3506 (A) (26) of the Code of Virginia;
- f. programmable computer equipment and peripherals employed in a trade or business as described in § 58.1-3506 (A) (27) of the Code of Virginia;
- g. tangible personal property used in the provision of internet service as described in § 58.1-3506 (A) (31) of the Code of Virginia;
- h. forest harvesting and silvicultural activity as described in § 58.1-3506 (A) (33) of the Code of Virginia;
- i. equipment used primarily for research, development, production or provision of biotechnology as described in § 58.1-3506 (A) (34) of the Code of Virginia;
- j. tangible personal property which is owned and operated by a service provider who is not a CMRS provider and is not licensed by the FCC used to provide, for a fee, wireless broadband internet service as described in § 58.1-3506 (A) (37) of the Code of Virginia.

Sec. 4. Amount of Levy on Manufactured Homes.

There shall be levied and collected for general purposes for the calendar year 20234 taxes on all vehicles without motive power, used or designated to be used as manufactured homes, as defined by Section 36-85.3 of the

Code of Virginia, at the rate of ninety-nine-cents (\$0.99) on each one hundred dollars (\$100) of assessed valuation thereof. Such property declared a separate class of tangible personal property in Section 58.1-3506 (A) (10).

Sec. 5. Amount of Levy on All Boats or Watercraft Used for Business Purposes Only.

There shall be levied and collected for general purposes for the calendar year 2023~~4~~ taxes on all boats or watercraft used for business purposes (both boats weighing less than five (5) tons and boats weighing five (5) tons or more), except as provided for in Section 8 of this ordinance, at the rate of one dollar and fifty cents (\$1.50) on each one hundred dollars (\$100) of assessed valuation thereof. Such property declared a separate class of tangible personal property in Sections 58.1-3506 (A) (35) and (A) (36).

Sec. 6. Amount of Levy on All Boats or Watercraft Not Used Solely for Business Purposes.

There shall be levied and collected for general purposes for the calendar year 2023~~4~~ taxes on all boats or watercraft not used solely for business purposes weighing less than five (5) tons, and weighing five (5) tons or more, except as provided for in Section 8 of this ordinance, at the rate of one dollar and fifty cents (\$1.50) on each one hundred dollars (\$100) of assessed valuation thereof. Such property declared a separate class of tangible personal property in Sections 58.1-3506 (A) (1) (a) and (A) (1) (b) of the Code of Virginia.

Sec. 7. Amount of Levy on Machinery and Tools.

In accordance with Section 58.1-3507 of the Code of Virginia, there shall be levied and collected for general purposes for the calendar year 2023~~4~~ taxes on machinery and tools, including machinery and tools used directly in the harvesting of forest products or semiconductor manufacturing, not exempt from taxation, at the rate of one millionth of one cent (\$.000001) on each one hundred dollars (\$100) of assessed valuation thereof. As provided by § 58.1-3506 (B) of the Code of Virginia, the following personal property shall also be taxed at the rate of machinery and tools:

- a. all tangible personal property used in research and development businesses, as described in § 58.1-3506 (A) (7) of the Code of Virginia;
- b. generating or cogenerating equipment, as described in § 58.1-3506 (A) (9) of the Code of Virginia; and
- c. all motor vehicles, trailers and semitrailers with a gross vehicle weight of 10,000 pounds or more used to transport property or passengers for hire by a motor carrier engaged in interstate commerce, as described in § 58.1-3506 (A) (25) of the Code of Virginia.

Sec. 8. Amount of Levy on Privately Owned Pleasure Boats and Watercraft Used for Recreational Purposes Only.

There shall be levied and collected for general purposes for the calendar year 2023~~4~~ taxes on all privately owned pleasure boats and watercraft used for recreational purposes only, at the rate of one millionth of one cent (\$.000001) on each one hundred dollars (\$100) of assessed valuation thereof. Such property declared a separate class of tangible personal property in Sections 58.1-3506 (A) (12), (A) (28), and (A) (29) of the Code of Virginia.

Sec. 9. Amount of Levy on Privately Owned Camping Trailers, Privately Owned Travel Trailers, and Motor Homes Used for Recreational Purposes Only, and Privately Owned Horse Trailers.

There shall be levied and collected for general purposes for the calendar year 2023~~4~~ taxes at the rate of one dollar and fifty cents (\$1.50) on each one hundred dollars (\$100) of assessed valuation thereof on the following property: (a) all privately owned camping trailers and motor homes as defined in Section 46.2-100 of the Code of Virginia and privately owned travel trailers as defined in § 46.2-1900 of the Code of Virginia, that are used for recreational purposes only; and (b) privately owned trailers as defined in § 46.2-100 of the Code of Virginia that are designed and used for the transportation of horses, except those trailers described in subdivision (A) (11) of § 58.1-3505 of the Code of Virginia. Such property declared a separate class of tangible personal property in Sections 58.1-3506 (A) (18) and (A) (30) of the Code of Virginia.

Sec. 10. Amount of Levy on One Motor Vehicle Owned and Regularly Used by a Disabled Veteran.

There shall be a reduced tax, levied and collected for general purposes for the calendar year 2023~~4~~ at the rate of one dollar and fifty cents (\$1.50) on each one hundred dollars (\$100) of assessed valuation, on one (1) motor vehicle owned and regularly used by a veteran who has either lost, or lost the use of, one or both legs, or an arm or a hand, or who is blind, or who is permanently and totally disabled as certified by the Department of Veterans' Affairs. Any motor vehicles in addition to the one (1) so taxed shall not qualify for the taxation at the rate established

herein, and shall be taxed at the rate or rates applicable to that class of property. To qualify, the veteran shall provide a written statement to the Commissioner of the Revenue from the Department of Veterans' Affairs that the veteran has been so designated or classified by the Department of Veterans' Affairs as to meet the requirements of Section 58.1-3506 (A) (19) of the Code of Virginia, and that his or her disability is service connected. Such property is declared a separate class of tangible personal property in Section 58.1-3506 (A) (19) of the Code of Virginia.

Sec.11. Amount of Levy on a Motor Vehicle Owned and Used Primarily by or for Someone at Least Sixty-Five Years of Age or Anyone Found to be Permanently and Totally Disabled.

a. In accordance with Sections 58.1-3506.1 et seq. of the Code of Virginia, there shall be a reduced tax, levied and collected for general purposes for calendar year 2023~~4~~, at the rate of one millionth of one cent (\$0.000001) on each one hundred dollars (\$100.00) of assessed valuation, on one (1) automobile or pickup truck owned and used primarily by or for anyone at least sixty-five years of age or anyone found to be permanently and totally disabled, as defined in Section 58.1-3506.3 of the Code of Virginia, subject to the following conditions:

1. The total combined income received, excluding the first \$7,500 of income, from all sources during calendar year 2021~~2~~ by the owner of the motor vehicle shall not exceed twenty-two thousand dollars (\$22,000).

2. The owner's net financial worth, including the present value of all equitable interests, as of December 31 of calendar year 2021~~2~~, excluding the value of the principal residence and the land, not exceeding one (1) acre, upon which it is situated, shall not exceed seventy thousand dollars (\$70,000).

3. All income and net worth limitations shall be computed by aggregating the income and assets, as the case may be, of married individuals who reside in the same dwelling and shall be applied to any owner of the motor vehicle who seeks the benefit of the preferential tax rate permitted under this ordinance, irrespective of how such motor vehicle may be titled.

b. Any such motor vehicle owned by married individuals may qualify if either spouse is sixty-five or over or if either spouse is permanently and totally disabled, and the conditions set forth in subsection (a) have been satisfied.

Sec. 12. Amount of Levy on Computer Equipment and Peripherals Used in a Data Center.

There shall be levied and collected for general purposes for the calendar year 2023~~4~~ taxes on all computer equipment and peripherals used in a data center as authorized in § 58.1-3506(A)(43) of the Code of Virginia at the rate of forty cents (\$0.40) on each one hundred dollars (\$100) of assessed valuation thereof.

Sec. 13. Amount of Levy on EMS Volunteer Motor Vehicles.

There shall be levied and collected for general purposes for the calendar year 2023~~4~~ taxes on motor vehicles that meet the ownership and tax burden requirements as set forth in § 58.1-3506(A)(15) of the Code of Virginia at the rate of one millionth of one cent (\$0.000001) on each one hundred dollars (\$100) of assessed valuation thereof. Such property declared a separate class of tangible personal property in § 58.1-3506(A)(15) of the Code of Virginia and is limited to one motor vehicle per member. The member is required to regularly respond to emergency calls and the Council believes such designation may be obtained if the member has completed at least 80% of their hourly duty commitment. Such property shall be subject to the certification of the applicable chief of the volunteer emergency medical services agency or volunteer fire department, and if the owner or lessee discontinues active volunteer participation in the activities of such volunteer emergency medical services agency or volunteer fire department, the applicable chief shall forthwith provide the Commissioner of the Revenue of such change in status, which shall result in the Commissioner of the Revenue issuing a prorated tax assessment in accordance with the taxation of motor vehicles.

Sec. 14. Tangible Personal Property of a Business that Qualifies for the Business License Incentive Program for New Businesses.

The tax rate applicable to the tangible personal property of a business that qualifies for the Business License Incentive Program for New Businesses, such classification authorized by § 58.1-3506(A)(45), shall be one millionth of one cent (\$0.000001) per \$100 of assessed value. This tax classification shall apply for the first two years in which the qualifying business is subject to tax upon its personal property in the City of Virginia Beach.

161 **Sec. 145. Assessed Value Determination; method of filing returns for motor vehicles, trailers and boats.**

162 In accordance with Section 58.1-3103 of the Code of Virginia, personal property mentioned in the above
163 sections shall be assessed at actual fair market value, to be determined by the Commissioner of the Revenue for the
164 City of Virginia Beach. As authorized by Section 58.1-3518.1, the Commissioner of the Revenue may provide for the
165 annual assessment and taxation of motor vehicles, trailers and boats based on a previous personal property tax
166 return filed by the owner or owners of such property. The Commissioner of the Revenue may also rely upon
167 registration information held by the Department of Motor Vehicles in ascertaining ownership and situs of vehicles.
168

169 **Sec. 156. Severability.**

170 If any portion of this ordinance is for any reason declared to be unconstitutional or invalid, such decision
171 shall not affect the validity of the remaining portions of this ordinance.
172

173 **Sec. 167. Effective Date.**

174
175 This ordinance shall be effective January 1, 2023~~4~~.

176
177 *Requires an affirmative vote by a majority of all of the members of City Council.*

178
179 Adopted by the City Council of the City of Virginia Beach, Virginia, on the 9th day of May, 2023.

1 **AN ORDINANCE TO AUTHORIZE THE CITY MANAGER TO SUBMIT AN ANNUAL**
2 **FUNDING PLAN TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**
3

4 WHEREAS, the United States Congress established legislation designated as the Housing and Community
5 Development Act of 1974 that sets forth the development of viable urban communities as a national goal; and
6 established additional legislation addressing the goals of reducing homelessness, increasing affordable housing
7 opportunities, and providing housing for people with HIV/AIDS;
8

9 WHEREAS, there is federal assistance available to help achieve these goals and conduct related activities,
10 including additional federal assistance set aside for related programs made available through various acts providing
11 coronavirus pandemic relief and support; and
12

13 WHEREAS, as a prerequisite to receiving the above-referenced federal assistance, the City of Virginia Beach
14 has developed an Annual Funding Plan for submission to the Department of Housing and Urban Development and
15 has created the necessary mechanisms for its implementation in compliance with federal and local directives;
16

17 NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA THAT:
18

19 The City Manager is hereby authorized and directed, as the executive and administrative head of the City,
20 to submit the City's FY 202~~23~~²⁴-23~~4~~ Annual Funding Plan (the "Plan") and amendments thereto, along with
21 understandings and assurances contained therein and such additional information as may be required, to the
22 Department of Housing and Urban Development to permit the review, approval, and funding of the Plan.
23

Adopted by the Council of the City of Virginia Beach, Virginia, on the 9th day of May, 2023.

1 **AN ORDINANCE TO AMEND SECTIONS 35-64 AND 35-67 OF**
2 **THE CITY CODE AND TO ADD SECTION 35-69.1 PERTAINING**
3 **TO THE EXEMPTION OR DEFERRAL OF REAL ESTATE TAXES**
4 **FOR ELDERLY OR DISABLED PERSONS**

5 SECTIONS AMENDED: §§ 35-64 AND 35-67

6 SECTION ADDED: § 35-69.1

7
8 WHEREAS, the City Council has previously directed adjustments to the income component of the tax relief
9 for elderly and disabled persons to be adjusted annually to mirror the average increase or decrease of the value of
10 single family residences; and

11
12 WHEREAS, the median increase in the value of a single family residence for FY 2022-23 is 10.8 ~~10.8~~ 9.3%;

13
14 NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA THAT:

15
16 1. Sections 35-64 and 35-67 of the City Code are hereby amended and reordained to read as follows:

17
18 **Sec. 35-64. General prerequisites to grant; effect of residency in hospital, nursing home, etc.**

19
20 (a) Either the exemption or freeze, but not more than one (1), as provided for in this division shall be
21 granted to persons subject to the following provisions:

22
23 (1) The title to the property for which exemption or freeze is claimed is held, or partially held, on
24 June thirtieth immediately preceding the taxable year, by the person or persons claiming exemption, deferral or
25 freeze and is occupied as the sole dwelling of such person or persons.

26
27 (2) The head of the household occupying the dwelling and owning title or partial title thereto or
28 either spouse in a dwelling jointly held by married individuals is either permanently and totally disabled or is sixty-
29 five (65) years of age or older on June thirtieth of the year immediately preceding the taxable year; provided,
30 however, that a dwelling jointly held by married individuals may qualify if either spouse is over sixty-five (65) years
31 of age.

32
33 (3) For the tax exemption programs, the total combined income received from all sources during
34 the preceding calendar year by: (i) the owner or owners of the dwelling who use it as their principal residence and
35 (ii) the owner's or owners' relatives who live in the dwelling, shall not exceed ~~sixty seven thousand five hundred~~
36 ~~ninety nine dollars (\$67,599) – seventy three thousand eight hundred eighty six dollars (\$73,886)~~ provided that the
37 first ten thousand dollars (\$10,000.00) of income of each relative, other than a spouse of the owner, who is living in
38 the dwelling, shall not be included in such total; and provided further that the first ten thousand dollars (\$10,000.00)
39 or any portion thereof of income received by a permanently and totally disabled owner shall not be included in such
40 total.

41
42 (4) For the tax freeze program, the total combined income received from all sources during the
43 preceding calendar year by: (i) the owner or owners of the dwelling who use it as their principal residence and (ii)
44 the owner's or owners' relatives who live in the dwelling, shall not exceed ~~eighty eight thousand two hundred and~~
45 ~~two dollars (\$88,202) ninety six thousand four hundred five (\$96,405)~~ dollars provided that the first ten thousand
46 dollars (\$10,000.00) of income of each relative, other than a spouse of the owner, who is living in the dwelling, shall
47 not be included in such total; and provided that the first ten thousand dollars (\$10,000.00) or any portion thereof of
48 income received by a permanently and totally disabled owner shall not be included in such total.

49
50 (5) For the tax exemption programs, the net combined financial worth, including equitable

interests, as of December thirty-first of the year immediately preceding the taxable year, of the owners, and of the spouse of any owner, excluding the value of the dwelling and the land (not exceeding ten acres) upon which it is situated, shall not exceed three hundred and fifty thousand dollars (\$350,000.00).

(6) For the tax freeze program, the net combined financial worth, including equitable interests, as of December thirty-first of the year immediately preceding the taxable year, of the owners, and of the spouse of any owner, excluding the value of the dwelling and the land (not exceeding ten acres) upon which it is situated, shall not exceed three hundred and fifty thousand dollars (\$350,000.00).

(7) The dwelling is occupied.

. . . .

Sec. 35-67. Amount of exemption.

When a person claiming exemption under this division conforms to the standards and does not exceed the limitations contained in this division, the tax exemption shall be as shown on the following schedule:

<i>Total income, All Sources</i>		<i>Tax Exemption</i>
\$0.00—\$51,588	\$0.00 - \$56,386.00	100%
\$51,588.01—\$55,592.00	\$56,386.01 - \$60,762.00	80%
\$55,592.01—\$59,594.00	\$60,762.01 - \$65,136.00	60%
\$59,594.01—\$63,597.00	\$65,136.01 - \$69,512.00	40%
\$63,597.01—\$67,599.00	\$69,512.01 - \$73,886.00	20%

No lien shall accrue as a result of the amount certified as exempt.

2. Section 35-69.1 is hereby added to the City Code to read as follows:

Sec. 35-69.1.- Prorated tax exemption for partial ownership

To the extent allowed by Virginia Code §58.1-3211.1, the whole or partial exemption from real property taxes authorized by the Division may be extended to dwellings jointly held by two or more individuals not all of whom are at least 65 or permanently and totally disabled, provided that the dwelling is occupied as the sole dwelling by all such joint owners. The proportional amount of such exemption shall be determined as provided in Virginia Code §58.1-3211.1.

3. That this ordinance shall be effective on July 1, 2023.

Adopted by the City Council of the City of Virginia Beach, Virginia, on this 9th day of May, 2023.

1 AN ORDINANCE TO AMEND SECTION 37-7.1 OF THE CITY CODE
2 PERTAINING TO WATER CAPITAL RECOVERY FEES
3

4 SECTION AMENDED: § 37-7.1
5

6 WHEREAS, under Virginia Code § 15.2-2119, the City Council of the City of Virginia Beach, Virginia, is authorized to
7 impose fees for the recovery of water services provided;
8

9 WHEREAS, the City held a public hearing on this fee to provide public comment; and
10

11 NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA THAT:
12

13 1. Section 37-7.1 of the City Code is hereby amended and reordained to read as follows:
14

15

16 (2) For multiple-family dwellings, the fee shall be in an amount equal to seventy (70) percent of the applicable
17 water capital recovery fee, per dwelling unit.
18

19 (3) For irrigation meters, the fee shall be in an amount equal to twenty-five (25) percent of the applicable water
20 capital recovery fee for the equivalent size meter.
21

22 ~~(34)~~ For mixed-use and other buildings containing both residential and non-residential uses, separate meters shall
23 be required to serve the residential and non-residential components of the property. Fees shall be payable for
24 each meter serving the property in accordance with this section.
25

26 ~~(45)~~ Where a use or structure connected to the public water system is reconstructed, expanded or modified so as
27 to result in an increase in water meter size, the water capital recovery fee shall in an amount equal to the
28 difference between the fee corresponding to the size of new water meter installed to serve such use or structure
29 and the fee corresponding to the size of the water meter replaced.
30
31

32 2. That this ordinance shall be effective on July 1, 2023.
33

34 Adopted by the City Council of the City of Virginia Beach, Virginia, on this 9th day of May, 2023.

1 AN ORDINANCE AMEND SECTION 2-411 OF THE CITY CODE TO CREATE THE
2 DEPARTMENT OF EMERGENCY MANAGEMENT AND TO SET FORTH THE
3 FUNCTIONS THEREOF
4

5 SECTIONS AMENDED: § 2-411
6

7 NOW, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:
8

9 That the title of Article XVIII and Section 2-411 of the Code of the City of Virginia Beach, Virginia, are hereby re-
10 ordained to read as follows:
11

12 ARTICLE XVIII. – DEPARTMENT OF EMERGENCY MANAGEMENT ~~OFFICE~~
13

14 Sec. 2-492. – Created; director; coordinator.
15

16 In accordance with section §44-146.19 of the Code of Virginia, ~~an office~~ a department of emergency management is
17 hereby created for and within the city. The city manager is hereby appointed as director of emergency management.
18 A coordinator, who shall be provided all benefits of a department director, shall be appointed by the director, with
19 the consent of council.
20

21 Adopted by the Council of the City of Virginia Beach, Virginia on the 9th day of May 2023.

1 AN ORDINANCE TO AMEND SECTION 21-240 OF THE CITY CODE
2 PERTAINING TO REIMBURSEMENT FOR EXPENSES INCURRED
3 FROM EMERGENCY RESPONSE TO DUIS AND RELATED
4 INCIDENTS

5
6 SECTION AMENDED: § 21-240
7

8 WHEREAS, § 15.2-1716 of the Code of Virginia states that localities may bill a flat fee of \$350 or a minute
9 by minute accounting of the actual costs incurred when responding to DUIs and related incidents. As used in this
10 section, "appropriate emergency response" includes all costs of providing law enforcement, firefighting, and
11 emergency medical services.
12

13 NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA THAT:
14

15 1. Section 21-240 of the City Code is hereby amended and reordained to read as follows:
16

17 ...

18 (b) Personal liability under this section for reasonable expenses of an appropriate emergency response pursuant to
19 subsection (a) shall not exceed one thousand dollars (\$1,000.00) in the aggregate for a particular accident, arrest
20 or incident. In determining the "reasonable expenses" a flat fee of ~~two hundred and fifty dollars (\$250.00)~~ three
21 hundred fifty dollars (\$350.00) may be billed, or a minute-by-minute accounting of the actual cost incurred may be
22 billed.
23

24 2. That this ordinance shall be effective on July 1, 2023.
25

26 Adopted by the City Council of the City of Virginia Beach, Virginia, on this 9th day of May, 2023

AN ORDINANCE TO AMEND SECTIONS 35-253 AND 35-254 OF
THE CITY CODE PERTAINING TO LOCAL
TELECOMMUNICATIONS SERVICE TAXES

SECTIONS AMENDED: §§ 35-253 and 35-254

WHEREAS, Article 4 of Title 58.1 of the Code of Virginia outlines Consumer Utility fees that may be charged by a municipality. In the 2006 General Assembly Session, §§ 58.1-3812 and 58.1-3813.1 were repealed by the Commonwealth.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA THAT:

1. Section 35-253 of the City Code is hereby amended and reordained to read as follows:

Except where the context clearly indicates a different meaning, in this article definitions of words and phrases related to telecommunication or enhanced 911 service shall be provided by the provisions of sections ~~58.1-3812(j)~~ and ~~58.1-3813.1(A)-58.1-648~~ and 58.1-1730 of the Code of Virginia.

2. Section 35-254 of the City Code is hereby amended and reordained to read as follows:

(a) Pursuant to section ~~58.1-3812~~ 58.1-648 of the Code of Virginia, as amended, there is hereby imposed and levied on every taxable purchase by a consumer of local telecommunication service, when such consumer's service address is located in the city, a tax at a rate equal to twenty (20) percent of the monthly gross charge to the consumer of such service; provided, however, that this tax shall not be applicable to any amount so charged in excess of fifteen dollars (\$15.00) per month for each residential consumer. there is levied and imposed, in addition to all other taxes and fees of every kind imposed by law, a sales or use tax on the customers of communications services in the amount of 5% of the sales price of each communications service. Such amounts are billed and collected by the Commonwealth.

(b) Pursuant to section ~~58.1-3812~~ of the Code of Virginia, as amended, there is hereby imposed and levied on every taxable purchase by a consumer of mobile local telecommunication service, when such consumer's service address is located in the city, a tax at a rate equal to ten (10) percent of the monthly gross charge to the consumer of such service; provided, however, that this tax shall not be applicable to any amount so charged in excess of thirty dollars (\$30.00) per month for each mobile service consumer.

(c) With respect to commercial consumers of local telecommunication service, the tax shall be twenty (20) percent on charges for local telecommunication service. The tax imposed by this section shall not be applied to any portion of a monthly charge for any single telecommunication service to a commercial or industrial consumer that exceeds five hundred dollars (\$500.00).

(d) Pursuant to section ~~58.1-3813.1~~ 58.1-1730 of the Code of Virginia, as amended, in addition to the taxes imposed by subsections (a), (b) and (c) of this section, there is hereby imposed and levied on every consumer of telephone service or services provided by any corporation subject to the provisions of Title 58.1, Chapter 26 (section 58.1-2600 et seq.) of the Code of Virginia), a tax for Enhanced 9-1-1 service in the amount of two dollars and twenty cents (\$2.20) per month. The amount of this tax shall increase to two dollars and forty cents (\$2.40) per month on July 1, 2004, and it shall increase to two dollars and sixty cents (\$2.60) per month on July 1, 2005. The tax imposed by this subsection (d) shall not apply to any local telephone service where a periodic bill is not rendered.

Adopted by the City Council of the City of Virginia Beach, Virginia, on this 9th day of May, 2023

1 **AN ORDINANCE TO AMEND SECTION 31-39 OF THE CITY CODE**
2 **REGARDING THE WASTE COLLECTION FEE TO INCREASE THE**
3 **WASTE COLLECTION FEE FOR SUCH SERVICES COMMENCING**
4 **JULY 1, 2023**
5

6 WHEREAS, under Virginia Code § 15.2-928, the City Council of the City of Virginia Beach, Virginia, is
7 authorized to impose fees for providing the services to its residents of collection, management, and disposal of solid
8 waste, recyclable materials, and other refuse; and
9

10 WHEREAS, the City held a public hearing on this fee to provide public comment; and
11

12 WHEREAS, the City Council desires to have a fiscally responsible solution to solid waste collection,
13 management, and disposal.
14

15 NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:
16

17 1. That Section 31-39 is hereby amended to the Code of the City of Virginia Beach to read as follows:
18

19 Sec. 31-39. Waste Collection Fee; billing and collection
20

21 a. That rate(s) to be charged for access to the service of solid waste collection, management, and disposal of
22 solid waste materials, and other refuse shall be as follows:
23

24 i. A waste collection fee of ~~\$25.00~~ \$27.50 per month shall be charged to each occupied dwelling unit
25 eligible for, and each participating church receiving, City trash collection services in accordance with
26 this chapter.
27

28 b. That the billing and collection of the waste collection fee shall be pursuant to the same procedures as the
29 collection of water and sewer utility service and stormwater management charges as described in section
30 37-53.
31

32 2. This ordinance shall be effective on July 1, 2023.
33

 Adopted by the City Council of the City of Virginia Beach, Virginia, on this 9th day of May, 2023.

1 **AN ORDINANCE TO AMEND THE CITY CODE PERTAINING TO THE WATER AND**
2 **SEWER FEES**

3
4 SECTIONS AMENDED: CITY CODE §§28-3.1, 28-4.1, 28-26, 37-7.01, 37-7.1, 37-16,
5 and 37-47
6

7 WHEREAS, under Virginia Code § 15.2-2119, the City Council of the City of Virginia Beach, Virginia, is authorized to impose
8 fees for the recovery of costs for water and sewer services provided to a property owner;
9

10 WHEREAS, the City held a public hearing on this fee to provide public comment;
11
12

13 NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:
14

- 15 1. That Section 28-3.1 of the Code of the City of Virginia Beach is hereby amended and reordained, to read as
16 follows:
17

18 **Sec. 28-3.1 Same; existing dwelling (mandatory connections)**
19

- 20 a) Sewer tap, cleanout and installation fees for existing dwellings qualifying under Section 28-2, pertaining to
21 mandatory connections to the public sewer system, shall be ~~\$450.00~~ \$760.00 for a four-inch tap. For six-inch or
22 larger taps, the fee shall be the actual cost of installation by the City.
23
24

- 25 2. That Section 28-4.1 of the Code of the City of Virginia Beach is hereby amended and reordained, to read as
26 follows:
27

28 **Sec. 28-4.1. Sewer capital recovery fees, amount.**
29

30 The sewer capital recovery fee shall be determined as follows:

- 31 (a) For single-family and duplex dwellings and triplexes where the dwelling units are separately-metered (per
32 dwelling unit) and for all non-residential uses:

Meter Size (in inches)	Sewer Capital Recovery Fee	<u>Sewer Capital Recovery Fee</u>
½	\$1,545.00	<u>\$2,521.00</u>
1	\$3,863.00	<u>\$6,302.00</u>
1.5	\$7,727.00	<u>\$12,603.00</u>
2	\$12,363.00	<u>\$20,165.00</u>
3	\$23,181.00	<u>\$37,809.00</u>
4	\$38,634.00	<u>\$63,016.00</u>
6	\$77,268.00	<u>\$126,032.00</u>
8	\$123,629.00	<u>\$201,650.00</u>
10	\$177,717.00	<u>\$289,872.00</u>

- 35 3. That Section 28-26 of the Code of the City of Virginia Beach is hereby amended and reordained, to read as
36 follows:
37

38 **Sec. 28-26. Sanitary sewer charges established.**
39

40 The following monthly charges are hereby established with respect to all property connected directly or indirectly
41 to the public sewer system maintained by the city:

42 1) Residential uses:

- 43 a) Single-family detached residences: ~~;\$19.54 effective July 1, 2009, and \$22.12 effective July 1, 2011;~~
44 ~~and \$24.86 effective July 1, 2012; and \$27.76 effective July 1, 2013; and \$30.81 effective July 1, 2014.~~ \$31.58 effective July 1, 2023; and \$32.37 effective July 1, 2024; and \$33.18 effective July 1, 2025.
45
- 46 b) Structures with two (2) or more family residential units with one (1) connection to the public sewer
47 system, except where structures meet the criteria set forth in subsection (e), and trailer parks:
- 48 (1) First unit or trailer: ~~\$19.54 effective July 1, 2009, and \$22.12 effective July 1, 2011; and \$24.86~~
49 ~~effective July 1, 2012; and \$27.76 effective July 1, 2013; and \$30.81 effective July 1, 2014.~~ \$31.58
50 effective July 1, 2023; and \$32.37 effective July 1, 2024; and \$33.18 effective July 1, 2025.
51 (2) Each additional unit or trailer: ~~\$14.65 effective July 1, 2009, and \$16.60 effective July 1, 2011; and~~
52 ~~\$18.66 effective July 1, 2012; and \$20.83 effective July 1, 2013; and \$23.12 effective July 1, 2014.~~
53 \$23.70 effective July 1, 2023; and \$24.29 effective July 1, 2024; and \$24.90 effective July 1, 2025.
- 54 c) Hotels and motels:
- 55 (1) First room provided for occupancy: ~~\$19.54 effective July 1, 2009, and \$22.12 effective July 1, 2011;~~
56 ~~and \$24.86 effective July 1, 2012; and \$27.76 effective July 1, 2013; and \$30.81 effective July 1, 2014.~~ \$31.58
57 effective July 1, 2023; and \$32.37 effective July 1, 2024; and \$33.18 effective July 1, 2025.
58 (2) Each additional room provided for occupancy: ~~\$7.84 effective July 1, 2009, and \$8.89 effective July 1,~~
59 ~~2011; and \$9.99 effective July 1, 2012; and \$11.15 effective July 1, 2013; and \$12.38 effective July 1,~~
60 ~~2014.~~ \$12.69 effective July 1, 2023; and \$13.01 effective July 1, 2024; and \$13.33 effective July 1,
61 2025.
- 62 d) Campgrounds:
- 63 (1) First space provided: ~~\$19.54 effective July 1, 2009, and \$22.12 effective July 1, 2011; and \$24.86~~
64 ~~effective July 1, 2012; and \$27.76 effective July 1, 2013; and \$30.81 effective July 1, 2014.~~ \$31.58
65 effective July 1, 2023; and \$32.37 effective July 1, 2024; and \$33.18 effective July 1, 2025.
66 (2) Each additional space provided: ~~\$7.84 effective July 1, 2009, and \$8.89 effective July 1, 2011; and~~
67 ~~\$9.99 effective July 1, 2012; and \$11.15 effective July 1, 2013; and \$12.38 effective July 1, 2014.~~
68 \$12.69 effective July 1, 2023; and \$13.01 effective July 1, 2024; and \$13.33 effective July 1, 2025.
- 69 e) If a structure or property has two (2) or more family residential units, each of which is directly
70 connected to the public sewer system owned and operated by the city, the charge for individual
71 unit(s) shall be no less than ~~\$19.54~~ \$31.58 per unit effective July 1, 2009, and \$22.12 effective July 1,
72 ~~2011; and \$24.86 effective July 1, 2012; and \$27.76 effective July 1, 2013; and \$30.81 effective July 1,~~
73 ~~2014.~~ July 1, 2023; and \$32.37 effective July 1, 2024; and \$33.18 effective July 1, 2025.
- 74 f) Separately metered multi-unit structures served by a privately-owned, on-site sewer collection
75 system with a single connection point to the city's sewer system shall be charged ~~\$14.65 effective July~~
76 ~~1, 2009, and \$16.60~~ \$23.70 effective July 1, 2011; and \$18.66 effective July 1, 2012; and \$20.83
77 ~~effective July 1, 2013; and \$23.12 effective July 1, 2014.~~ July 1, 2023; and \$24.29 effective July 1,
78 2024; and \$24.90 effective July 1, 2025.

- 2) Nonresidential uses: Effective July 1, 2009, for all nonresidential uses in which there is also supplied public water service, the sanitary sewer service charge shall be determined by the size of the water tap through which water is provided, as per the following table:

Tap Size Monthly Charge

¾ inch	\$19.61
1 inch	24.76
1½ inch	49.02
2 inch	74.30
3 inch	145.85
4 inch	243.64
6 inch	489.01
8 inch	1,135.86
10 inch	1,878.81
12 inch	2,848.23

Effective July 1, 2011, for all nonresidential uses in which there is also supplied public water service, the sanitary sewer service charge shall be determined by the size of the water tap through which water is provided, as per the following table:

Tap Size	Monthly Charge Effective July 1, 2011
¾ inch	\$22.21
1 inch	28.04
1½ inch	55.52
2 inch	84.15
3 inch	165.18
4 inch	275.94
6 inch	553.83
8 inch	1,286.00
10 inch	2,128.00
12 inch	3,226.00

Effective July 1, 2012, for all nonresidential uses in which there is also supplied public water service, the sanitary sewer service charge shall be determined by the size of the water tap through which water is provided, as per the following table:

Tap Size	Monthly Charge Effective July 1, 2012
¾ inch	\$24.97
1 inch	31.52
1½ inch	62.40
2 inch	94.58
3 inch	185.66
4 inch	310.16
6 inch	622.50
8 inch	1,446.00
10 inch	2,392.00
12 inch	3,626.00

Effective July 1, 2013, for all nonresidential uses in which there is also supplied public water service, the sanitary sewer service charge shall be determined by the size of the water tap through which water is provided, as per the following table:

Tap Size	Monthly Charge Effective July 1, 2013
¾ inch	\$28.06
1 inch	35.43
1½ inch	70.14
2 inch	106.31
3 inch	208.68
4 inch	348.61
6 inch	699.67
8 inch	1,625.00
10 inch	2,688.00
12 inch	4,075.00

Effective July 1, 2014, for all nonresidential uses in which there is also supplied public water service, the sanitary sewer service charge shall be determined by the size of the water tap through which water is provided, as per the following table:

Tap Size	Monthly Charge Effective July 1, 2014
¾ inch	\$31.15
1 inch	39.32
1½ inch	77.84
2 inch	117.98
3 inch	231.60
4 inch	386.89
6 inch	776.51
8 inch	1,804.00
10 inch	2,983.00
12 inch	4,523.00

Effective July 1, 2023, for all nonresidential uses in which there is also supplied public water service, the sanitary sewer service charge shall be determined by the size of the water tap through which water is provided, as per the following table:

Tap Size	Monthly Charge Effective July 1, 2023
<u>¾ inch</u>	<u>\$31.93</u>
<u>1 inch</u>	<u>\$40.30</u>
<u>1½ inch</u>	<u>\$79.79</u>
<u>2 inch</u>	<u>\$120.93</u>
<u>3 inch</u>	<u>\$237.39</u>
<u>4 inch</u>	<u>\$396.56</u>
<u>6 inch</u>	<u>\$795.92</u>
<u>8 inch</u>	<u>\$1,849.10</u>
<u>10 inch</u>	<u>\$3,057.58</u>
<u>12 inch</u>	<u>\$4,636.08</u>

Effective July 1, 2024, for all nonresidential uses in which there is also supplied public water service, the sanitary sewer service charge shall be determined by the size of the water tap through which water is provided, as per the following table:

Tap Size	Monthly Charge Effective July 1, 2024
<u>¾ inch</u>	<u>\$32.73</u>
<u>1 inch</u>	<u>\$41.31</u>
<u>1½ inch</u>	<u>\$81.78</u>
<u>2 inch</u>	<u>\$123.95</u>
<u>3 inch</u>	<u>\$243.32</u>
<u>4 inch</u>	<u>\$406.48</u>
<u>6 inch</u>	<u>\$815.82</u>
<u>8 inch</u>	<u>\$1,895.33</u>
<u>10 inch</u>	<u>\$3,134.01</u>
<u>12 inch</u>	<u>\$4,751.98</u>

Effective July 1, 2025, for all nonresidential uses in which there is also supplied public water service, the sanitary sewer service charge shall be determined by the size of the water tap through which water is provided, as per the following table:

Tap Size	Monthly Charge Effective July 1, 2025
<u>¾ inch</u>	<u>\$33.55</u>
<u>1 inch</u>	<u>\$42.34</u>
<u>1½ inch</u>	<u>\$83.83</u>
<u>2 inch</u>	<u>\$127.05</u>
<u>3 inch</u>	<u>\$249.41</u>
<u>4 inch</u>	<u>\$416.64</u>
<u>6 inch</u>	<u>\$836.22</u>
<u>8 inch</u>	<u>\$1,942.71</u>
<u>10 inch</u>	<u>\$3,212.36</u>
<u>12 inch</u>	<u>\$4,870.78</u>

a. For all nonresidential uses in which public water service is not available, the monthly charge shall be as follows:

- (1) 0—4 commodes: \$39.21 effective July 1, 2009, and \$44.40 effective July 1, 2011; and \$49.90 effective July 1, 2012; and \$55.72 effective July 1, 2013; and \$61.83 effective July 1, 2014. \$63.38 effective July 1, 2023; and \$64.96 effective July 1, 2024; and \$66.58 effective July 1, 2025.
- (2) Each additional commode over four (4): \$7.84 effective July 1, 2009, and \$8.89 effective July 1, 2011; and \$9.99 effective July 1, 2012; and \$11.15 effective July 1, 2013; and \$12.38 effective July 1, 2014. \$12.69 effective July 1, 2023; and \$13.01 effective July 1, 2024; and \$13.33 effective July 1, 2025.

The charges prescribed in this section shall be calculated for each service period by multiplying the number of days in the service period by the applicable daily charge for the rates on a twelve-month basis.

4. That Section 37-7.01 of the Code of the City of Virginia Beach is hereby amended and reordained, to read as follows:

Sec. 37-7.01. Same—Existing dwellings (mandatory connections).

a) Installation fees for existing dwellings qualifying under Section 37-5, pertaining to mandatory connections to the public water system, shall be as follows:

(1) Tap and meter fees:

(A) $\frac{5}{8}$ -inch and $\frac{3}{4}$ -inch tap:

Tap and meter: ~~\$493.00~~ \$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.

Meter only: ~~\$363.00~~ \$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.

(B) One inch tap:

Tap and meter: ~~\$579.00~~ \$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.

Meter only: ~~\$449.00~~ \$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.

(C) One and one-half inch or larger tap and/or meter, or where the installation requires a different size tap and meter than set forth above: actual cost to the City of installation.

(b) "Actual cost" shall mean the average installation cost determined by the Department of Public Utilities annually based upon contract unit bid prices and contract administration cost.

5. That Section 37-7.1 of the Code of the City of Virginia Beach is hereby amended and reordained, to read as follows:

Sec. 37-7.1 Water Capital Recovery Fee generally.

....

(b) The water capital recovery fee shall be determined as follows:

(1) For single-family and duplex dwellings and triplexes where the dwelling units are separately-metered (per dwelling unit) and for all non-residential uses:

Meter Size (in inches)	Water Capital Recovery Fee	Water Capital Recovery Fee
$\frac{5}{8}$	\$ 2,267.00	<u>\$2,900.00</u>
1	5,667.00	<u>\$7,251.00</u>
1.5	11,333.00	<u>\$14,502.00</u>
2	18,133.00	<u>\$23,203.00</u>
3	34,000.00	<u>\$43,506.00</u>
4	56,667.00	<u>\$72,509.00</u>
6	113,334.00	<u>\$145,019.00</u>
8	181,334.00	<u>\$232,030.00</u>
10	260,668.00	<u>\$333,543.00</u>

6. That Section 37-46 of the Code of the City of Virginia Beach is hereby amended and reordained, to read as follows:

Sec. 37-46- Minimum service availability charges prescribed.

Each consumer shall pay a monthly minimum service availability charge as follows for each meter connecting his premises with the city water system:

Meter Size	Monthly Charge: Effective July 1, 2010	Monthly Charge Effective July 1, 2023	Monthly Charge Effective July 1, 2024	Monthly Charge Effective July 1, 2025	Monthly Charge Effective July 1, 2026	Monthly Charge Effective July 1, 2027
½ inch	\$4.41	<u>\$5.00</u>	<u>\$5.53</u>	<u>\$6.00</u>	<u>\$6.30</u>	<u>\$6.61</u>
¾ inch	5.56	<u>\$6.31</u>	<u>\$6.97</u>	<u>\$7.56</u>	<u>\$7.94</u>	<u>\$8.34</u>
1 inch	7.91	<u>\$8.97</u>	<u>\$9.92</u>	<u>\$10.76</u>	<u>\$11.30</u>	<u>\$11.86</u>
1½ inch	13.56	<u>\$15.38</u>	<u>\$17.00</u>	<u>\$18.44</u>	<u>\$19.37</u>	<u>\$20.33</u>
2 inch	20.41	<u>\$23.16</u>	<u>\$25.59</u>	<u>\$27.76</u>	<u>\$29.15</u>	<u>\$30.61</u>
3 inch	36.31	<u>\$41.19</u>	<u>\$45.52</u>	<u>\$49.39</u>	<u>\$51.86</u>	<u>\$54.45</u>
4 inch	59.01	<u>\$66.95</u>	<u>\$73.98</u>	<u>\$80.26</u>	<u>\$84.28</u>	<u>\$88.49</u>
6 inch	116.31	<u>\$131.95</u>	<u>\$145.81</u>	<u>\$158.20</u>	<u>\$166.11</u>	<u>\$174.42</u>
8 inch	184.31	<u>\$209.10</u>	<u>\$231.06</u>	<u>\$250.69</u>	<u>\$263.23</u>	<u>\$276.39</u>
10 inch	264.31	<u>\$299.86</u>	<u>\$331.34</u>	<u>\$359.51</u>	<u>\$377.48</u>	<u>\$396.36</u>
12 inch	491.31	<u>\$557.39</u>	<u>\$615.92</u>	<u>\$668.27</u>	<u>\$701.68</u>	<u>\$736.77</u>
Fire hydrant meter	36.31	<u>\$41.19</u>	<u>\$45.52</u>	<u>\$49.39</u>	<u>\$51.86</u>	<u>\$54.45</u>

7. That Section 37-47 of the Code of the City of Virginia Beach is hereby amended and reordained, to read as follows:

Sec. 37-47. Water usage rates prescribed.

In addition to the charges provided for in section 37-46, each consumer shall pay for water usage the rate of ~~four dollars and ninety cents (\$4.90) per one thousand (1,000) gallons, as of July 1, 2019~~ five dollars and twenty cents (\$5.20) per one thousand (1,000) gallons, as of July 1, 2023; and five dollars and seventy-four cents (\$5.74) per one thousand (1,000) gallons, as of July 1, 2024; and six dollars and twenty-three cents (\$6.23) per one thousand (1,000) gallons, as of July 1, 2025; and six dollars and fifty-four cents (\$6.54) per one thousand (1,000) gallons, as of July 1, 2026; and six dollars and eighty-seven cents (\$6.87) per one thousand (1,000) gallons, as of July 1, 2027.

8. The effective date of this ordinance shall be July 1, 2023.

Adopted by the Council of the City of Virginia Beach, Virginia, on this 9th day of May, 2023.

AN ORDINANCE TO REPEAL AND UPDATE VARIOUS SECTIONS OF THE CITY CODE
TO MODERNIZE HUMAN RESOURCES POLICIES

SECTIONS AMENDED: 2-85; 2-104; 2-105; 2-106; 2-107; 2-109; 2-110; 2-111; 2-
112; 2-116; 2-117; and 2-117.1

SECTIONS REPEALED: 2-83.1; 2-83.2; 2-83.3; 2-84; 2-113; 2-114; 2-115; and 2-
119

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA, THAT:

The following sections of the City Code are hereby amended and reordained to read as follows:

Sec. 2-85. ~~Same~~—~~Taking not required; limitations on accumulation.~~ Leave and PTO Carryover

- (a) ~~No employee shall be required to take annual leave.~~ No employee shall be paid for unused annual leave except upon termination of employment. Upon termination, employees shall be paid straight time for accrued annual leave, and payment shall be processed as expeditiously as possible. No employee shall be allowed to carry more than four hundred (400) hours of accumulated annual leave from one calendar year to the next if the employee is scheduled to work forty (40) hours or more per consecutive workweek, or eighty (80) hours or more per consecutive pay period if exempt under or excluded from the Fair Labor Standards Act of 1938, or is a sworn law enforcement officer assigned to a fourteen-day work period, excluding firefighters assigned to a twenty-one-day work period. No firefighter assigned to a twenty-one-day work period shall be allowed to carry more than five hundred sixty (560) hours of accumulated annual leave from one calendar year to the next, nor shall any employee who terminates employment with the city receive pay for more than four hundred (400) hours of accumulated annual leave if the employee is scheduled to work forty (40) hours or more per consecutive workweek, or eighty (80) hours or more per consecutive pay period if exempt under or excluded from the Fair Labor Standards Act of 1938, or is a sworn law enforcement officer assigned to a fourteen-day work period; or five hundred sixty (560) hours of accumulated annual leave if the employee is a firefighter assigned to a twenty-one-day work period.
- (b) Part-time employees hired on or after July 1, 1996, shall not be allowed to carry more than one hundred twelve (112) hours of accumulated personal leave from one calendar year to the next, ~~nor shall part-time employees receive any monetary payout upon termination of employment for their accumulated personal leave.~~ Upon termination, employees shall be paid straight time for personal leave, and payment shall be processed as expeditiously as possible.

....

Sec. 2-104. Original employment.

- (a) Original employment shall be defined as an employee's initial period of continuous employment with the city. The effective date of original employment shall usually be the date on which the employee actually begins work and shall constitute the first day of the probation period. In cases when a city-recognized holiday, weekend, or city manager-designated inclement weather period prohibits the employee from reporting to work on the first day of a pay period, the effective date of original employment shall be appropriately established by the director of human resources.
- (b) ~~An individual beginning employment for the first time shall be placed at the minimum salary of the pay range established for the class in which employed, or at the lowest salary received by any incumbent(s) in such class, whichever is lower; provided, however, that based on a new employee's prior experience, proficiency, or related criteria, placement may be accelerated up to twenty (20) percent above the minimum salary of the assigned pay range upon written recommendation by the employing authority and approval of the director of human resources. Further acceleration within the assigned pay range may be authorized upon written recommendation by the employing authority, and approval by the director of human resources and the city manager.~~

Sec. 2-105. Re-employment.

- (a) Re-employment shall be defined as the employment of a former ~~permanent or probation~~ full-time city employee following a separation from city employment of more than twelve (12) consecutive months, or the employment of a former part-time city employee, hired on or after July 1, 1996, following a separation from city employment of any length of time. All other conditions of section 2-104 shall apply.
- (b) All time served in previous employment with the city shall not be counted towards the probation period, annual leave, service awards, or other longevity-based employment conditions or benefits with the exception of: (1) the Virginia Retirement System benefit that is determined in accordance with state law; and (2) determining eligibility for the employer's contribution toward retiree healthcare premiums. Eligible veterans returning to the city should refer to the Military Leave Policy and Procedure.

Sec. 2-106. Reinstatement.

- (a) Reinstatement shall be defined as the employment of a former ~~full-time permanent or probation~~ city employee within twelve (12) consecutive months from the date of the employee's separation from the city service. To be eligible for reinstatement the employee must have been in good standing at the time of separation from the city service. Part-time employees separated from city employment for any length of time will follow the reemployment procedure set forth in section 2-105. Furthermore, the appointing department head must be in agreement and a vacancy must exist. The director of human resources shall determine the appropriate ~~anniversary~~ merit date of the reinstated employee. The department head shall determine the position of the reinstated employee and the director of human resources shall determine the appropriate salary within the range of the position for the reinstated employee. Should the employee return in a lower position, the employee's salary may not exceed the maximum salary of the new position. All time that a former employee is employed with the city prior to separation shall be credited toward the probation period, annual leave, service awards, or other longevity-based employment conditions or benefits subject to necessary adjustments to account for the number of months of separation. Sick leave accrued prior to separation shall be restored to employees who are reinstated to the extent that it is not transferred and used during interim employment with another participating employer.
- (b) ~~An employee who has been retired because of a job-related disability, although separated more than twelve (12) consecutive months, may be reinstated provided the following criteria are met:~~
- ~~(1) The injury or disability which resulted in retirement was incurred in the line of duty;~~
 - ~~(2) The employee is certified by the city physician or a city approved physician as being physically able to perform the duties of the position into which the employee is reinstated;~~
 - ~~(3) The employee meets all other requirements for the position into which he is reinstated; and~~
 - ~~(4) An opening for employment is available without the establishment of a new position or the reassignment of personnel to accommodate the employee.~~

Sec. 2-107. Conversion from part-time to full-time ~~probation or permanent~~ status for employees hired prior to July 1, 1996.

- (a) Conversion shall be defined as the change, upon the request of the employing authority, from part-time status to probation or permanent status. Upon such conversion, the director of human resources shall credit towards probation, annual leave, service awards and merit increases, all prior time worked in a part-time status to those employees converted to probation or permanent status. Conversion status will be awarded only to those employees who have rendered acceptable service during their part-time employment. The director of human resources shall not approve any conversion unless there is an established permanent budgeted position.
- (b) ~~Employees (excluding category employees) converted from full-time temporary or seasonal status to full-time probational or permanent status shall have all prior time worked in a full-time temporary or full-time seasonal status credited towards a variable merit pay increase on the effective date of conversion. Conversion status shall be awarded only to those employees who have rendered acceptable service during their temporary employment.~~
- (c) Employees converted from full-time status to part-time status or from part-time status to full-time status shall have prior time worked credited towards probation and annual leave on the effective date of conversion.

Sec. 2-109. Changes in pay generally.

- (a) *Administrative increase.* An administrative increase shall be defined as an increase within a class that is awarded to an employee based on criteria established by administrative directive. Employees may be recommended for an administrative increase upon submission of a letter of justification by the respective department head to the director of human resources, subject to the approval of the City Manager. ~~An administrative increase does not affect the employee's merit date. A temporary administrative increase may be granted to a City employee by the City Manager, at his/her sole discretion, when the City Manager has assigned the employee a temporary new role; temporary oversight responsibilities for a program, department or office; or due to a temporary reorganization. The temporary bi-weekly pay adjustment cannot exceed ten (10) percent of the incumbent's current bi-weekly salary or exceed eighty (80) percent of the City Manager's direct salary and shall not exceed six (6) months unless the City Council is notified in writing and by email fourteen (14) calendar days in advance with no funds coming from the General Fund Reserves for Contingencies. Furthermore, no performance awards may be paid for accomplishments during the period of time in which an employee is receiving a temporary administrative increase. Under no circumstances, without City Council approval, shall more than ten (10) employees at one time, and no more than twenty (20) in total in a fiscal year, be compensated under this provision. Within thirty (30) days of the end of the fiscal year, the City Manager shall submit to City Council a written report accounting for, on an itemized basis, each temporary position established pursuant to this provision to include its duration, additional compensation paid, and the accomplishments produced by the position.~~
- (b) *Merit increase.* A merit increase shall be defined as a salary increase within the pay range of the class to which the employee is assigned that is awarded based on job performance in accordance with the city's performance appraisal program. A formal performance appraisal shall be conducted for each employee on the employee's respective merit date and each succeeding merit date thereafter. Merit increases shall become effective on the employee's merit date as provided in section 2-116 date established by the City Manager and approved in the budget by the City Council and shall only be awarded to full-time permanent employees. ~~Merit increases shall be prorated if a promotion, career progression, or a change in job duties occurs prior to the merit date. The amount of the merit increase shall be prorated based on the length of time assigned to the classification during the appraisal period.~~
- (c) *Administrative decrease.* ~~An administrative decrease shall be defined as a salary reduction within a class as disciplinary action resulting from unsatisfactory job performance or misconduct as defined by the applicable administrative directive. An administrative decrease may be recommended at any time and requires a letter of justification submitted by the appropriate department head. This action is subject to approval by the director of human resources and the city manager. Merit dates are not affected by an administrative decrease. The effective date of all administrative decreases will be the first day of the pay period.~~
- (d) *Market adjustment.* ~~A market adjustment shall be defined as a percentage increase to pay ranges on the city's compensation plans that may be provided to employees whose job classification is assigned to an affected pay range. A market adjustment shall be recommended by the city manager and approved by the city council. Market adjustments are not dependent on an employee's individual performance within a job class.~~
- (e) *Shift differential.* ~~A shift differential policy shall be established by the Department of Human Resources and approved by the City Manager. Eligible classifications shall be maintained by the Department of Human Resources, shall be authorized whenever an employee compensated in a classification which is not designated by the director of human resources to require shift work is permanently assigned to work a shift which commences on or between the hours of 3:00 p.m. to 3:00 a.m. Such employee shall receive the equivalent of a five (5) percent increase in his or her normal salary rate for all hours worked during such time period only. Employees assigned to regularly scheduled rotating shift as designated by the director of human resources and the city manager, and employees designated by the director of human resources as "exempt" under the Fair Labor Standards Act, work shall be ineligible under the provisions of this subsection.~~
- ~~(d) (f) [Bonuses.]~~ The city manager is authorized to establish bonus programs to address a variety of needs, including recruitment, retention, and performance. Bonuses may be provided to employees in accordance with applicable administrative directives and guidelines. A "bonus" shall be defined as a lump-sum payment to an employee that is not part of the base salary.

Sec. 2-110. Promotion.

- (a) A promotion shall be defined as an advancement by an employee to a classification assigned a higher pay range with more complex job duties and responsibilities. Unless the city manager shall determine otherwise and notifies city council of that determination for a non-competitive promotion in advance of promotion, no employee may be promoted unless there is a position vacancy and the employee is selected pursuant to a competitive selection process that is either restricted to current employees or open to the general public.
- (b) ~~When an employee is promoted, his or her salary will be increased as follows: For a promotion of one (1) pay range, the employee will receive a salary increase of five (5) percent or the minimum salary of the pay range whichever results in the higher salary; for a promotion of two (2) or more pay ranges, the employee will receive a salary increase of ten (10) percent, or the minimum salary of the pay range, whichever results in the higher salary. The city manager has discretion to adjust the pay increase, or to deny a pay increase, to the incumbent's salary based on the organizational structure, compression factors, level of supervisory responsibilities, position in pay range, internal equity, or other factors impacting the administration of the pay system. The city manager shall not delegate this authority and shall exercise it only on a limited basis.~~
- (c) ~~The effective date of all promotions will be the first day of a pay period. An employee who is promoted on his or her merit date and is eligible for a merit increase shall also receive the merit increase based on his or her performance appraisal in addition to the pay increase received for the promotion.~~

Sec. 2-111. Demotion.

- (a) A disciplinary demotion shall be defined as an assignment to a new classification with an assigned pay range lower than the assigned pay range of an employee's present classification as a result of disciplinary action. In cases of disciplinary demotion, the employee's assigned salary will be determined by the director of human resources ~~and the anniversary date will be adjusted to one (1) year from the effective date of the disciplinary demotion.~~
- (b) A voluntary demotion shall be defined as an assignment to a new classification with an assigned pay range lower than the assigned pay range of an employee's present classification that is initiated with the concurrence of the employee. In cases of voluntary demotion, the employee's assigned salary will be determined by the director of human resources ~~and the anniversary date will not be adjusted.~~

Sec. 2-112. Reclassification.

- (a) A reclassification shall be defined as a reassignment of the appropriate job title and pay range of an employee whose job responsibilities have been determined by the director of human resources to have evolved to a degree that the present job classification does not accurately reflect the actual duties performed. When such position cannot accurately be described or compensated by assignment to an existing class, the director of human resources shall establish a new class with appropriate range and title, subject to the approval of the city manager. ~~When a position is reclassified, and reassigned to a higher pay range, the incumbent's salary shall be adjusted in the same manner as set forth in section 2-110(b). In cases where an incumbent's salary is below the minimum salary assigned to the new range, the incumbent will be assigned the minimum salary of the new range.~~
- (b) ~~Whenever any employment position with the city is reclassified to a different class having a lower pay range, all employees in the reclassified position at the time of reclassification shall, continue to be compensated at the salary received at that time.~~
- (c) ~~Compensation to reclassified employees, which is made pursuant to subsection (b) of this section, and which may exceed the highest step of the reclassified range for such employee, shall not be deemed a promotion.~~

197
198 **Sec. 2-116. Merit date.**

199 The merit date shall be defined as the date on which an employee becomes eligible for a merit increase. The
200 merit date for all probation employees will be adjusted one (1) pay period for every fifteen (15) consecutive calendar
201 days of sick leave, injury leave, suspension, or leave without pay status. The employee's first merit date shall coincide
202 with the completion of the probation period. ~~be twelve (12) months from the date assigned to his or her present job~~
203 ~~class.~~ Thereafter, the merit date shall be one (1) year from the date of any personnel action that includes an
204 adjustment to the employee's pay. ~~the last promotion, career progression, change of job duties, disciplinary~~
205 ~~demotion, or award or denial of a merit increase. However, where a voluntary demotion is involved, the employee's~~
206 ~~present merit date will remain unchanged.~~

207
208 **Sec. 2-117. Career Progression.**

- 209 (a) A career progression shall be defined as an advancement by an employee to a higher pay within a defined
210 classification series. A career progression does not require a position vacancy.
- 211 (b) ~~When a career progression action occurs to an employee, the employee's salary will be increased as follows:~~
212 ~~For a career progression of one (1) pay range, the employee will receive a salary increase of five (5) percent or~~
213 ~~the minimum salary of the pay range, whichever results in the higher salary; for a career progression of two~~
214 ~~(2) or more pay ranges, the employee will receive a salary increase of ten (10) percent or the minimum salary~~
215 ~~of the pay range, whichever results in the higher salary. The city manager has discretion to adjust the pay~~
216 ~~increase, or to deny a pay increase, to the incumbent's salary based on the organizational structure,~~
217 ~~compression factors, level of supervisory responsibilities, position in pay range, internal equity, or other factors~~
218 ~~impacting the administration of the pay system. The city manager shall not delegate this authority and shall~~
219 ~~exercise it only on a limited basis.~~
- 220 (c) ~~The effective date of all career progressions will be the first day of the pay period. An employee who receives~~
221 ~~a career progression on his or her merit date and is eligible for a merit increase may also receive the merit~~
222 ~~increase based on the employee's performance appraisal in addition to the pay increase received for the career~~
223 ~~progression.~~

224
225 **Sec. 2-117.1. Change in pay range for class.**

226 A change in pay range for class shall be defined as a reassignment upward or downward of the appropriate
227 pay range assigned to a job classification as recommended by the director of human resources and approved by the
228 city manager. ~~When the pay range of a job classification is raised, all incumbent employees shall have their annual~~
229 ~~salary adjusted in the same manner as set forth in section 2-110(b). When the pay range of a job classification is~~
230 ~~lowered, all incumbent employees shall continue to be compensated at the salary received at that time.~~

231
232 BE IT FURTHER ORDAINED, THAT:

233
234 The following sections of the City Code are hereby repealed:

235
236 **~~Sec. 2-83.1. Court leave.~~**

237 All full-time merit employees of the city shall be eligible to receive paid court leave when summoned to serve
238 as witnesses in nonpersonal litigation. Any fees received by such persons for service as witnesses shall be paid to the
239 city, or an equal amount shall be deducted from the employee's pay.

240
241 **~~Sec. 2-83.2. Bereavement leave.~~**

- 242 (a) ~~All full-time merit employees of the city shall be eligible to receive leave with pay upon the death of a member~~
243 ~~of such employee's immediate family not to exceed forty (40) hours for all full-time employees except~~
244 ~~firefighters assigned to fifty-six (56) hour work weeks who shall be eligible to receive leave not to exceed fifty-~~
245 ~~six (56) hours. Such leave cannot be saved and used at a later date.~~
- 246 (b) ~~All part-time employees shall be granted time off with pay for the portion of their regular weekly work schedule~~
247 ~~which they normally would work, not to exceed forty (40) hours.~~

Sec. 2-83.3. Jury leave.

All full time merit employees of the city shall be eligible to receive paid jury leave when summoned to serve as jurors. The conditions upon which the city requires payment received by such employees for jury service will be provided in an administrative policy promulgated by the city manager or designee.

Sec. 2-84. Annual and personal leave—Schedule of earning.

All full time City of Virginia Beach employees hired before January 1, 2014 who have not opted to participate in the hybrid retirement plan, all employees eligible to receive enhanced retirement benefits in hazardous duty positions all employees hired on or after January 1, 2014 with Virginia Retirement System creditable service, and all part time employees hired prior to July 1, 1996, shall earn annual leave and, with supervisory approval, may utilize annual leave upon accrual as follows:

- (1) All full time employees or appointees who are scheduled to work forty (40) hours or more per consecutive workweek or eighty (80) hours or more per consecutive pay period if exempt under or excluded from the Fair Labor Standards Act of 1938, or are sworn law enforcement officers assigned to a fourteen-day work period, excluding firefighters assigned to a twenty-one-day work period, shall be credited with:
 - (a) Eight (8) hours per month for each month of employment for employees having accrued the equivalent of less than five (5) years of full time employment.
 - (b) Ten (10) hours per month for each month of employment for employees having accrued the equivalent of five (5) or more years, but less than ten (10) years, of full time employment.
 - (c) Twelve (12) hours per month for each month of employment for employees having accrued the equivalent of ten (10) or more years, but less than fifteen (15) years, of full time employment.
 - (d) Fourteen (14) hours per month for each month of employment for employees having accrued the equivalent of fifteen (15) or more years, but less than twenty (20) years, of full time employment.
 - (e) Sixteen (16) hours per month for each month of employment for employees having accrued the equivalent of twenty (20) or more years of full time employment.
- (2) All firefighters assigned to a twenty-one-day work period shall be credited with:
 - (a) Eleven and two-tenths (11.2) hours per month for each month of employment for employees having accrued the equivalent of less than five (5) years of full time employment.
 - (b) Fourteen (14) hours per month for each month of employment for employees having accrued the equivalent of five (5) or more years, but less than ten (10) years, of full time employment.
 - (c) Sixteen and eight tenths (16.8) hours per month for each month of employment for employees having accrued the equivalent of ten (10) or more years, but less than fifteen (15) years, of full time employment.
 - (d) Nineteen and six tenths (19.6) hours per month for each month of employment for employees having accrued the equivalent of fifteen (15) or more years, but less than twenty (20) years, of full time employment.
 - (e) Twenty-two and four tenths (22.4) hours per month for each month of employment for employees having accrued the equivalent of twenty (20) years or more of full time employment.
- (3) Part time employees employed prior to July 1, 1996, shall continue to be credited with annual leave on a basis proportionate to that awarded full time employees as set forth in subsection (1) above. Part time employees employed on or after July 1, 1996, will accrue a maximum of eight (8) hours of personal leave per month prorated based on the number of hours worked; provided, however, that the provisions of subsection (1) above shall not be applicable to part time employees. Part time employees who have worked the equivalent of six (6) calendar months may utilize accrued personal leave, with supervisory approval.
- (4) Records shall be kept within each department of the annual leave accumulated and taken by each employee within such department; and at the end of each calendar month, a leave report shall be submitted to the department of human resources.
- (5) Under no circumstances shall annual leave be granted in advance of its accrual or paid in lump sum except upon termination of employment.
- (6) When an employee is in a nonpay status for portions of a calendar month, then annual leave accrual for such month shall be reduced accordingly by the director of human resources to reflect the employee's nonpay status.

~~(7) All full time City of Virginia Beach employees hired on or after January 1, 2014, with the exception of employees eligible for enhanced retirement benefits in hazardous duty positions and employees hired with Virginia Retirement Service creditable service, and employees hired before January 1, 2014 who have opted to participate in the hybrid retirement plan, shall receive paid time off in lieu of annual leave as set forth in the applicable City of Virginia Beach Human Resources policy. Any and all future changes to paid time off shall be subject to City Council approval.~~

~~Sec. 2-113. Transfers.~~

~~(a) A transfer of an employee from one departmental bureau code to another within the same department shall be considered a transfer within the department. If a transfer within the department involves a promotion or demotion, the rules of the appropriate action shall apply. Otherwise, when employees transfer within the department, no change of status or anniversary date shall occur.~~

~~(b) A transfer of an employee from one departmental bureau code to another shall be considered a transfer between departments. If a transfer between departments involves a promotion or demotion, the rules of the appropriate action shall apply. Otherwise, when employees transfer between departments, no change of status or anniversary date shall occur.~~

~~Sec. 2-114. Terminations.~~

~~(a) Resignation shall be a voluntary separation from employment through written notification to the employing authority initiated by the employee.~~

~~(b) Completion of temporary employment shall be the separation from employment of a temporary employee who has worked through the last work day the temporary position is available. Employees separating prior to the last work day shall be governed by the appropriate separation action.~~

~~(c) Retirement shall be the separation of a full-time employee who is scheduled to begin receiving retirement benefits from state and/or federal agencies.~~

~~(d) Dismissal shall be an involuntary separation from employment initiated by the employing authority as a result of the employee's unsatisfactory work performance or misconduct.~~

~~(e) Failure to appear shall be a failure by an employee to report to work during the first scheduled work day following employment without previous notification to the employing authority.~~

~~(f) Administrative termination shall be a nondisciplinary separation from employment initiated by the director of personnel on the basis of an employee's inability to continue to meet the minimum qualifications for the employee's position or separation due to budgetary considerations.~~

~~(g) Completion of seasonal employment shall be the separation from employment of a seasonal employee who has worked through the last day the seasonal position is available. Employees separating prior to the last work day shall be governed by the appropriate separation action.~~

~~Sec. 2-115. Effective date of actions.~~

~~In all cases except separation, the effective date of action shall be considered the commencement of the employee's regularly scheduled work period on the calendar day indicated. In all cases of separation, the effective date of action shall be considered the end of the employee's regularly scheduled work period, unless specified on the calendar day indicated.~~

~~Sec. 2-119. Sick leave.~~

~~(a) Sick leave shall be defined as leave with pay granted to an employee during periods of personal illness, temporary disability (including maternity), medically required confinement, and medical and dental office appointments.~~

~~(b) All full-time City of Virginia Beach employees and appointees hired prior to January 1, 2014 who have not opted to participate in the hybrid retirement plan, all employees eligible to receive enhanced retirement benefits in hazardous duty positions, and employees hired on or after January 1, 2014 who have Virginia Retirement System creditable service shall be eligible to receive sick leave based on the following provisions:~~

- (1) ~~Sick leave shall be credited at the rate of eight (8) hours per month of employment with the city. A proportionate number of hours shall be awarded for a partial month's work. Employees shall be allowed to accrue an unlimited number of sick leave hours.~~
- (2) ~~The department head may at any time require the employee to provide written medical documentation of his illness.~~
- (3) ~~All employees eligible to accrue sick leave who were employed prior to the effective date of this section shall begin the sick leave system with a "beginning balance" of available sick leave hours.~~
- (4) ~~An employee's "beginning balance" shall be determined by subtracting the hours of sick leave used by such employee prior to the effective date of this section from those hours which would have been earned under the provisions of this section had it been in effect since January 1, 1963. In the event that records which are necessary to compute an employee's "beginning balance" are unavailable, it shall be assumed that each employee earned four (4) hours of sick leave for every month that said record are unavailable.~~
- (5) ~~The "beginning balance" of sick leave hours available for use by an employee as of the effective date hereof shall be noted in the employee's personnel file. However, those employees with a negative "beginning balance" shall begin with a balance of zero sick leave hours.~~
- (6) ~~Firefighters assigned to fifty six (56) hour per workweek positions shall be credited with sick leave at a rate of eleven and two tenths (11.2) hours per month.~~
- (7) ~~An employee's sick leave balance shall revert to a zero balance upon the change in number of hours from full time status to part time status.~~
- (8) ~~Employees in an approved extended sick leave status (more than five (5) working days) on January 1, 1986, shall remain under the provisions of the city's current sick leave policy until their return to work. Upon the employee's return to work, his or her beginning sick leave balance would be calculated as specified in paragraph (4) above.~~
- (c) ~~Part time employees shall not be eligible to receive sick leave.~~
- (d) ~~All City of Virginia Beach full time employees hired on or after January 1, 2014 with the exception of employees eligible for enhanced retirement benefits in hazardous duty positions and who are hired with Virginia Retirement System creditable service, and all full time employees hired after January 1, 2014, and full time employees hired before January 1, 2014 who have opted to participate in the hybrid retirement plan, shall not be eligible to receive sick leave and shall receive paid time off in lieu of sick leave as set forth in the applicable City of Virginia Beach Human Resources policy. Any and all future changes to paid time off shall be subject to city council approval.~~

Adopted by the Council of the City of Virginia Beach, Virginia, on the 9th day of May, 2023.

HUMAN RESOURCES POLICIES

Included within ordinance “Repeal and Update Various Sections of the City Code to Modernize Human Resources Policies”, several sections are proposed to be removed from City Code as they are already covered within policy. The reasoning for this is to provide the City Manager and Human Resources Director with greater flexibility in the future to accommodate ever changing workforce needs. The flexibility of having these items in policy will allow the City to remain a competitive and attractive employer in an incredibly competitive job market. Sections that are removed from City Code are covered by the following policies and are not proposed to be modified at this time:

- Policy 3.01 – Annual and Personal Leave Policy
- Policy 3.02 – Absence for Court Attendance Policy
- Policy 3.04 – Bereavement Leave Policy
- Policy 3.05 – Holidays Policy
- Policy 3.10 – Sick Leave Policy
- Policy 3.14 – Paid Time Off Policy

These policies are provided in the following pages in the order listed above.

CITY OF VIRGINIA BEACH ANNUAL AND PERSONAL LEAVE POLICY	Policy Number:	3.01
	Date of Adoption:	April 15, 1986
	Date of Prior Revision:	July 1, 2020
	Date of Current Revision:	October 21, 2022
	Page 1 of 8	

1.0 PURPOSE:

To provide for the administration of paid annual and personal leave to employees who are not in the Virginia Retirement System (VRS) Hybrid Retirement Plan in accordance with the Code of the City of Virginia Beach (City Code).

2.0 DEFINITION:

- 2.1 ANNUAL LEAVE:** A paid leave program for eligible full-time and part-time employees as defined in Section 3.1 for the purpose of approved time off from work for vacation, personal reasons, etc.
- 2.2 PERSONAL LEAVE:** A paid leave program for eligible part-time employees as defined in Section 3.2 for the purpose of approved time off from work with pay for the purpose of vacation, personal reasons, etc.
- 2.3 ACTIVE VRS SERVICE:** Employees who were previously employed with another VRS agency, was eligible to receive retirement benefits in a Plan 1 or Plan 2 VRS Retirement Plan and did not receive a payout from the plan upon termination of the employment.
- 2.4 HAZARDOUS DUTY EMPLOYEES:** As defined by VRS for the purpose of this policy shall mean all employees who are working as full-time sworn law enforcement officers, firefighters, and emergency medical technicians, both in non-supervisory and supervisory roles.
- 2.5 PAY PERIODS:** The period in which employees are paid for work performed. Employees will be paid on a bi-weekly schedule with the pay period ending every other Wednesday.

3.0 APPLICABILITY:

3.1 Annual Leave

- A. All full-time employees defined in Section 2.4 as hazardous duty employees shall accrue and use annual leave.
- B. All full-time employees hired prior to January 1, 2014, shall accrue and use annual leave unless the individual elected to participate in the Hybrid Retirement Plan effective July 1, 2014 (refer to the City's Paid Time Off Policy, No. 3.14).
- C. All full-time employees hired after January 1, 2014, with previous active VRS service as defined in Section 2.3 shall accrue and use annual leave.
- D. All part-time permanent employees converted to part-time as of July 1, 1996, shall accrue and use annual leave.

3.2 Personal Leave

All part-time employees, hired on or after July 1, 1996, are eligible to accrue and use personal leave.

4.0 POLICY STATEMENT:

4.1 Accrual

Annual leave accrual shall be based on years of service and shall be credited bi-weekly at the end of the pay period. When there are three (3) pay periods in one month, there will be no annual leave accrual awarded for the third pay period.

- A. An employee must be employed for the entire pay period either in a paid status OR in a non-pay status of less than fourteen (14) consecutive calendar days to receive an accrual.
- B. Non-Pay Status During Employment
Employees in a non-pay status for less than fourteen (14) calendar days shall continue to accrue leave as scheduled. When an employee is in a non-pay status for fifteen (15) days or more the department PALS shall process the appropriate status change and the employee will not accrue leave. Refer to the City's Leave of Absence Without Pay Policy, No. 3.06.

C. Military Leave

Employees shall not receive an accrual for annual or personal leave while in a military leave without pay status for more than fourteen (14) consecutive calendar days in accordance with the City's Military Leave Policy and Procedure, No. 3.09.

4.2 Accrual Rates

A. Annual Leave

All full-time and part-time permanent employees converted to part-time as of July 1, 1996, in a pay status for an entire pay period shall receive one half of the total monthly accruals established in the City Code at the end of the pay period.

- (1) All full-time employees who are scheduled to work at least eighty (80) hours or more per consecutive pay period if exempt under the Fair Labor Standards Act of 1938, or are sworn law enforcement officers assigned to a fourteen-day work period, excluding firefighters assigned to a twenty-one-day work period, shall be credited with:

Years of Full-Time Service	Accrual Rate Per Pay Period (hrs.)	Total Accrual Per Month (hrs.)	Annual Leave Accrual (hrs.)
0 < 5 Yrs.	4	8	96
5 Yrs. - < 10 Yrs.	5	10	120
10 Yrs. - < 15 Yrs.	6	12	144
15 Yrs. - < 20 Yrs.	7	14	168
20+ Yrs.	8	16	192

- (2) All firefighters assigned to fifty-six (56) hours per week positions shall be credited with:

Years of Full-Time Service	Accrual Rate Per Pay Period (hrs.)	Total Accrual Per Month (hrs.)	Annual Leave Accrual (hrs.)
0 < 5 Yrs.	5.6	11.2	134.4
5 Yrs. - < 10 Yrs.	7	14	168
10 Yrs. - < 15 Yrs.	8.4	16.8	201.6
15 Yrs. - < 20 Yrs.	9.8	19.6	235.2
20+ Yrs.	11.2	22.4	268.8

- (3) The accrued annual leave balances of a firefighter transferred between a forty (40) hour per week position and a fifty-six (56) hour per week position, or vice versa, shall be converted on a proportionate basis so that the firefighter will maintain an equivalent number of accrued days of leave.
- (4) All part-time permanent employees converted to part-time prior to July 1, 1996, shall be credited with annual leave on a basis proportionate to that awarded full-time employees based on number of hours worked per pay period and service level as set forth below:

PART-TIME PERMANENT EMPLOYEES HIRED PRIOR TO JULY 1, 1996				
Years of Service	Number of Hours Worked per Pay Period			
	1 - 19	20 - 39	40 - 59	60+
6 Mos. - < 5 Yrs.	.5	1	2	3
5 Yrs. - < 10 Yrs.	.625	1.25	2.5	3.75
10 Yrs. - < 15 Yrs.	.75	1.5	3	4.5
15 Yrs. - < 20 Yrs.	.875	1.625	3.5	5.25
20+ Yrs.	1	2	4	6

B. Personal Leave

Part time employees hired on or after July 1, 1996, will accrue a maximum of eight (8) hours personal leave per month prorated based on the number of hours worked per pay period.

PART-TIME EMPLOYEES HIRED ON OR AFTER JULY 1, 1996	
Number of Hours Worked per Pay Period	Personal Leave Hours Accrued per Pay Period
1 - 19	.5
20 - 39	1
40 - 59	2
60 - 79	3
80+	4

4.3 Maximum Carryover

- A. No employee shall be allowed to carry more than the maximum annual carryover per service level from one calendar year to the next as set forth in Section 4.2.
- B. The maximum carryover of annual leave shall be:

- (1) Four hundred (400) hours of accumulated annual leave if the employee works a forty (40) hour workweek, OR
 - (2) Five hundred sixty (560) hours of accumulated annual leave if the employee works a fifty-six (56) hour workweek.
 - (3) Part-time employees accruing personal leave shall not be allowed to carry more than one hundred and twelve (112) hours.
- C. All leave balances in excess of the maximum carryover at the end of the calendar year shall be forfeited.
- D. Employees are solely responsible to monitor and manage their leave balance to avoid a forfeiture situation. Any notice received from management is a courtesy and does not relieve employees of the responsibility to monitor leave balances.

4.4 Utilizing Accrued Leave

- A. Employees may utilize accrued annual or personal leave, with supervisory approval.
- (1) Annual or personal leave shall be taken in increments of no less than one-quarter (0.25) hour periods for all full-time and part-time employees other than firefighters working a fifty-six (56) hour workweek.
 - (2) Firefighters working a fifty-six (56) hour workweek shall be allowed to take annual leave in increments of eight-tenths (0.8) and six-tenths (0.6) hours only in combination with the taking of Birthday Leave or a Personal Flexible Holiday.
- B. Employees taking annual or personal leave for a full workday shall be charged with leave for the actual number of hours they are regularly paid for having worked that day (exclusive of non-regularly scheduled overtime rates); for example, eight (8) hours for eight (8) hour workdays, ten (10) hours for ten (10) hour workdays, and four (4) hours for four (4) hour workdays.
- C. Employees seeking annual or personal leave shall be required to comply with departmental leave policies and procedural

requirements for requesting leave, absent any extraordinary circumstances.

- (1) Employees shall submit leave requests in advance of the leave, indicating the type of leave the employee wants to take. Requests shall be submitted via VBTime, if applicable.
- (2) Employees are expected to follow established call-in procedures to gain approval for leave and upon returning to work shall submit leave requests via VBTime, if applicable.
- (3) When the need for annual or personal leave is not foreseeable, as may be the case in emergency situations or unforeseen illness where the employee has no accrued sick leave balance, employees are expected to follow established call-in procedures to gain approval for leave and upon returning to work shall submit leave requests via VBTime, if applicable.
 - (a) When annual leave is used in lieu of sick leave for a medical-related absence, employees may be subject to the requirement to submit medical documentation in accordance with the City's Sick Leave Policy, No. 3.10.
 - (b) Employees on approved Family Medical Leave who have submitted the required medical certification(s) as prescribed by the Family Medical Leave Act shall not be required to submit any additional medical documentation for any absence that directly relates to the approved Family Medical Leave. Refer to the Family Medical Leave Policy, No. 3.03.
- (4) Failure to comply with City and departmental leave policies may subject the employee to disciplinary action in accordance with the City's Discipline Policy and Procedure, No. 4.02.

4.5 Conversion Between Full-time and Part-time Status

A. Full-time to Part-time

- (1) Employees who earn annual leave and convert from full-time status to part-time status shall begin accruing personal leave as set forth in Section 4.2B and will no longer accrue annual

leave. However, employees may use any accrued annual leave with supervisory approval.

- (2) Employees who earn Paid Time Off and convert from full-time status to part-time status shall begin accruing personal leave as set forth in Section 4.2B and will no longer accrue Paid Time Off. However, employees may use any accrued Paid Time Off with supervisory approval.

B. Part-time to Full-time

- (1) Part-time employees hired on or after July 1, 1996, who convert from part-time status to full-time status who accept employment into a full-time hazardous duty position as defined in Section 2.4; OR who return to a full-time position, with active VRS service as defined in Section 2.3:
 - (a) shall have their personal leave balance converted half each (50/50) to annual and sick leave
 - (b) the following schedule shall be used when calculating the proportionate period of full-time service needed to satisfy the required probationary period and to satisfy each five full-time year equivalent thereafter:

Permanent Scheduled Hours Worked per Week (Exclusive of Overtime hours)	Number of Full Hours Worked	Varied Schedule Number of Hours Worked	Proportionate Months of Service Credit
1 – 9		1 - 39	1/8
10 – 19		40 - 79	1/4
20 – 29		80 – 119	1/2
30 – 34		120 – 139	3/4
35+		140+	1

- (2) All part-time employees who convert to full-time status, into a position other than a hazardous duty position as defined in Section 2.4 or do not have active VRS service as defined in Section 2.3 shall convert to Paid Time Off. Refer to the City's Paid Time Off Policy, No. 3.14.

4.6 Payment for Accumulated Leave

A. Annual Leave

Full-time employees shall be paid for accumulated annual leave at their regular hourly rate up to the maximum allowable balance only upon separation from employment. An employee who separates employment shall not receive pay for more than:

- (1) four hundred (400) hours of accumulated annual leave if the employee works a forty (40) hour workweek, OR
- (2) five hundred sixty (560) hours of accumulated annual leave if the employee works a fifty-six (56) hour workweek.

B. Personal Leave

Part-time employees shall not receive any monetary payout upon separation of employment for accumulated personal leave.

5.0 REVISIONS:

The City Manager, or designee, may revise or rescind this policy or any portion thereof at any time.

Revision History

Version	Revision Date	Description of Revision
1	July 1, 2020	Revision History tracking started this date
2	July 1, 2020	Changed City Code to increase the number of carry over hours allowed for part-time employees from 48 to 54 hours.
3	October 21, 2022	Code changes necessitated revisions. Changes were made throughout section 4.0. Part-time carryover increased from 54 hours to 112 hours. Language was updated to align with year-end forfeiture.

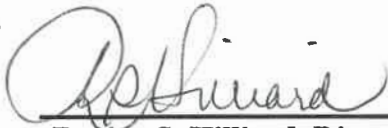
Policy Title: Annual and Personal Leave Policy, No. 3.01

Date of Adoption: April 15, 1986

Date of Prior Revision: July 1, 2020

Date of Revision: Upon Approval

**Approved as
to form and
content:**



Regina S. Hilliard, Director of Human Resources

10/19/2022
Date

**Approved as
to legal
sufficiency:**



Marjorie A. Smith, Senior City Attorney

10/21/2022
Date

Approved:



Patrick A. Duhaney, City Manager

10/21/2022
Date

<p style="text-align: center;">City of Virginia Beach</p> <p style="text-align: center;">ABSENCE FOR COURT ATTENDANCE POLICY</p>	Policy Number:	3.02
	Date of Adoption:	April 15, 1986
	Date of Prior Revision:	January 2, 2015
	Date of Current Revision:	June 24, 2020
		Page 1 of 6

1.0 PURPOSE:

To establish uniform guidelines throughout the City regarding employees absences from work to serve as jurors and to attend court proceedings.

2.0 DEFINITIONS:

- 2.1 COURT LEAVE:** Mandatory paid leave for an employee's absence from work when attending court or a deposition as a witness in response to a subpoena.
- 2.2 CRIME VICTIM LEAVE:** Mandatory leave for an employee to attend criminal proceedings when the employee is a victim of crime.
- 2.3 CRIMINAL OFFENSE:** As used in reference to crime victim leave, shall mean the commission of a felony or assault and battery, stalking, sexual battery, attempted sexual battery, maiming or driving while intoxicated.
- 2.4 CRIMINAL PROCEEDINGS:** As used in reference to crime victim leave, shall mean a proceeding at which the victim has the right or opportunity to appear involving a crime against the victim, including 1) the initial court appearance of the person suspected of committing the criminal offense; 2) any proceeding regarding post-arrest release of the person suspected of committing the offense; 3) any proceeding in which a negotiated plea will be presented to the court; 4) any sentencing proceeding; 5) any proceeding in which post-conviction release from confinement is considered; 6) any probation revocation proceeding; 7) any proceeding in which a court is requested to terminate probation; or 8) any proceeding in which the court is requested to modify the terms of probation if the modification will substantially affect the person's contact with or safety of the victim or involves modification of restitution or incarceration status.
- 2.5 JURY LEAVE:** Mandatory paid leave for an employee who is summoned to serve on jury duty.
- 2.6 VICTIM:** As used in reference to crime victim leave, shall mean 1) a person who has suffered physical, psychological or economic harm as a direct

result of a criminal offense as defined herein; 2) a spouse or parent of such a person; 3) a parent or legal guardian of such a person who is a minor; or 4) a spouse, parent, sibling or legal guardian of such a person who is physically or mentally incapacitated or was the victim of a homicide; and for the sentence procedure only; 5) a person who is a current or former foster parent or other person who has or has had physical custody of such a person who is a minor, for six (6) months or more or for the majority of the minor's life.

- 2.7** **UNDUE HARDSHIP:** A significant difficulty and expense to a business and includes the consideration of the size of the employer's business and the employer's critical need of the employee. Pursuant to state code, this definition applies only to crime victim leave. Refer to section 5.5 of this policy.

3.0 APPLICABILITY:

This policy applies to all full-time and part-time employees as defined by the [Code of the City of Virginia Beach](#). This policy also applies to employees of constitutional offices, if the City's policies have been adopted by written consent of the appropriate elected official.

4.0 POLICY STATEMENT:

- 4.1** The City shall allow employees who are victims of criminal offenses, subpoenaed as a witness, or summoned for jury duty, as those terms are defined herein, leave from work to attend court or criminal proceedings.
- 4.2** Refer to [Overtime Policy, No. 2.02](#) for guidance on whether leave used under this policy should be included in the computation of overtime compensation.

5.0 CRIME VICTIM LEAVE PROCEDURE:

- 5.1** Crime Victims Who Have Not Received a Subpoena for Attendance in Court
- A. Employees who are victims of a crime and have not been subpoenaed but wish to attend a criminal proceeding as defined in [Section 2.4](#), AND are requesting crime victim leave shall submit a leave slip noting in the remarks section the leave is for "crime victim

leave". Employees may choose to designate the leave type as follows:

- (1) Annual leave, PTO or compensatory leave, in any increments permitted by payroll practices and as prescribed by [Annual and Personal Leave Policy, No. 3.01](#), [Paid Time Off Policy, No. 3.14](#), and [Overtime Policy, No. 2.02](#); OR
- (2) Flexible personal holiday when taken in full day increments only; OR
- (3) Leave without pay for crime victim leave, before other paid leave is exhausted, in accordance with the [Leave of Absence Without Pay Policy, No. 3.06](#).

- B. Employees requesting crime victim leave shall attach to the leave slip a copy of the standardized form provided to the employee by the law-enforcement agency listing the specific rights afforded to crime victims and, if applicable, a copy of the notice of each scheduled criminal proceeding that is provided to the employee as a victim.
- C. Exceptions
Crime victim leave may be limited if the employee's leave creates an undue hardship to the City. The Director of Human Resources, or designee, shall have the sole authority to limit crime victim leave. If a department believes that the employee's leave creates an undue hardship, the department Director, or designee, shall forward a written request to limit the leave to the Director of Human Resources, or designee, and shall include all relevant information to support the request.
- D. The City shall not refuse to hire or employ, bar or discharge from employment or discriminate against an individual in compensation or terms, conditions, or privileges of employment because the individual requires leave to attend a criminal proceeding in which the individual was the victim of a criminal offense.

5.2 Victims of Crime Who Receive a Subpoena for Attendance in Court

Employees who are victims of crime and who are subpoenaed to appear as a witness at a hearing or trial related to the crime against them shall utilize court leave for absences while under subpoena as prescribed in [Section 6.0](#).

6.0 COURT LEAVE PROCEDURE:

- 6.1** An employee who has received an official summons or subpoena to appear in court as a witness shall attach a copy of the summons or subpoena to the leave slip requesting court leave, and submit the documents to his/her department Director, or designee, prior to the beginning date of such service.
- 6.2** The City shall not compensate employees for hours they are required to remain in court in excess of an employee's normal working hours.
- 6.3** When employees elect to use court leave and their presence is required for four (4) hours or less, employees are required to contact their department to determine if they need to return to work. Employees who fail to contact their department and/or fail to return to work, may be designated as absent without leave (AWOL) for the remaining work period and may be subject to disciplinary action.
- 6.4** Exceptions
- A. Employees appearing in court either as a plaintiff or defendant shall not be eligible to utilize court leave for such absences. Employees appearing in court as either a plaintiff or defendant may choose to utilize annual leave, PTO or compensatory leave, or may request to utilize leave without pay in accordance with the [Leave of Absence Without Pay Policy, No. 3.06](#), but only in full day increments.
 - B. Employees who appear in court as witnesses on behalf of the City of Virginia Beach as part of their job duties shall not be required to use court leave.
 - C. Employees serving as expert witnesses unrelated to their City employment who receive compensation for their testimony shall be required to reimburse the City for any fees received from an outside agency unless the employee elects to use annual leave or compensatory time in lieu of court leave.
- 6.5** If there is any question regarding an employee's eligibility for court leave, contact the Human Resources/Employee Relations Division for clarification.

7.0 JURY LEAVE PROCEDURE:

- 7.1** Employees who have been officially summoned to serve on jury duty shall attach a copy of the summons to the leave slip requesting jury leave and submit the leave slip to their Department Director, or designee, prior to the first date of such service.
- 7.2** For jury duty lasting (5) five work days or less, employees shall be permitted to retain compensation from the Courts without using annual leave or compensatory leave in lieu of jury leave. For jury duty exceeding (5) five work days employees who receive compensation from the Courts shall be required to reimburse the City for such compensation unless the employee elected to use annual leave, PTO or compensatory leave in lieu of jury leave.
- 7.3** The City shall not compensate employees for hours they are required to remain in court in excess of an employee's normal working hours.
- 7.4** When employees elect to use jury leave, and their presence is required for four (4) hours or less, employees are required to contact their department to determine if they need to return to work. Employees who fail to contact their department and/or fail to return to work, may be designated as absent without leave (AWOL) for the remaining work period and may be subject to disciplinary action.
- 7.5** Employees who are summoned and appear for jury for four (4) hours or more, including travel time, in one day shall not be required to begin any work shift that begins on or after 5:00 p.m. on the day of service or that begins before 3:00 a.m. on the following day.
- 7.6** The City shall not discharge, take any adverse employment action against, or require the use of sick leave, annual leave or PTO because employees need to be absent from work due to jury duty.

8.0 REVISION:

The City Manager, or designee, may revise this policy, or any portion thereof, at any time.

Policy Number: 3.02
Date of Adoption: April 15, 1986
Date of Prior Revision: January 2, 2015
Date of Current Revision: June 24, 2020
Page 6 of 6

Revision History

Version	Revision Date	Description of Revision
1	June 24, 2020	Revision History tracking started this date
2	June 24, 2020	Changed Sec. 5.1 A (3) to permit LWOP without exhausting paid leaves

CITY OF VIRGINIA BEACH BEREAVEMENT LEAVE	Policy Number: 3.04
	Date of Adoption: December 1, 1991
	Date of Prior Revision: November 17, 2004
	Date of Current Revision: April 29, 2017
Page 1 of 2	

1.0 PURPOSE:

To provide an employee paid leave for a period of grief and to coordinate personal affairs upon the death of an immediate family member.

2.0 DEFINITION:

2.1 Leave with pay to an employee only upon the death of a member of the employee's immediate family.

2.2 The immediate family is defined as: spouse, parent, spouse's parent, son, daughter, brother, sister, grandparents, great-grandparents, step-grandparents, step-grandchildren, grandchildren, step-children, step-parents, guardian, and any persons who can be demonstrated as residing in the same household as the employee. Spouse's grandparents are not covered under this policy.

3.0 APPLICABILITY :

All City employees and appointees, as defined by the [Code of the City of Virginia Beach](#).

4.0 POLICY STATEMENT:

4.1 Bereavement leave shall be granted by the department Director or designee, if requested by the employee, for a period of forty (40) hours for all full time employees, fifty-six (56) hours for all firefighters assigned to fifty-six hour work weeks.

4.2 Part time employees shall be granted time off with pay for the portion of their regular work schedule which would have normally been worked.

4.3 This leave must be taken in full day increments and within ten calendar days immediately following the date of the death of the immediate family member.

A. The Department Director or designee may approve exceptions to the ten calendar days necessitated by special arrangements for the deceased. Exception approvals may not extend beyond ninety

calendar (90) days of the date of death of the immediate family member.

- 4.4** This leave cannot be saved and used at a later date for the reading of wills, probates, extended vacations, etc. In the event of multiple deaths in the employee's immediate family, each death shall be treated separately and bereavement leave shall be granted accordingly.
- 4.5** If more than the authorized number of bereavement leave days are requested, or if leave is desired for a death other than the immediate family, see other leave policies.
- 4.6** In accordance with the City's Overtime Policy, hours charged to bereavement leave shall not be included towards the hours worked for the computation of Overtime Pay.

5.0 REVISIONS:

The City Manager, or a designee, may revise or rescind this policy, or any portion thereof, at any time.

<p style="text-align: center;">City of Virginia Beach</p> <p style="text-align: center;">HOLIDAYS POLICY</p>	Policy Number: 3.05
	Date of Adoption: December 2, 1985
	Date of Prior Revision: March 13, 2019
	Date of Current Revision: December 9, 2021
Page 1 of 4	

1.0 PURPOSE:

To provide a comprehensive list of City observed holidays and to establish guidelines for the observance of these holidays.

2.0 DEFINITIONS:

2.1 CITY HOLIDAY: A paid workday off in observance of the holidays recognized in the Code of the City of Virginia Beach (City Code), Section 2-83.

2.2 WORKDAY: For the purposes of this policy, a workday is equivalent to the hours an employee would be regularly scheduled to work on a day observed as a City holiday.

3.0 APPLICABILITY:

All City employees and City Council appointees, as defined by the City Code. Refer to Section 4.3 regarding how this policy applies to part-time employees.

4.0 POLICY STATEMENT:

4.1 The following days are hereby designated as paid City holidays and shall be so observed.

- A. The first day of January (New Year's Day);
- B. The third Monday in January (Martin Luther King Day);
- C. The last Monday of May (Memorial Day);
- D. The nineteenth day of June (Juneteenth);
- E. The fourth day of July (Independence Day);

- F. The first Monday of September (Labor Day);
- G. The eleventh day of November (Veterans Day);
- H. The fourth Thursday of November (Thanksgiving Day);
- I. The fourth Friday of November (day after Thanksgiving Day);
- J. The twenty-fourth day of December (Christmas Eve); AND
- K. The twenty-fifth day of December (Christmas Day).

4.2 Other Permissible Holidays

- A. Flexible Personal Holidays
 - (1) Full-time employees shall receive three (3) flexible personal holidays per calendar year to be taken as a personal, national, religious or other holiday the City does not observe.
 - (2) Flexible personal holidays must be taken in full day increments.
 - (3) Flexible personal holidays shall be used in the calendar year earned and if not used shall not roll over to following calendar years.
 - (4) Employees shall obtain approval from their supervisor before using a flexible personal holiday.
 - (5) Employees who separate from employment with the City shall not receive payment for unused flexible personal holidays.
- B. In addition to the holidays prescribed above, any other day so declared by the Mayor.

4.3 The following provisions apply to part-time employees, as defined by City Code, Section 2-101:

- A. Part-time employees shall receive time off with pay for the portion of the City observed holiday which would have normally been worked.
- B. Part-time employees shall not be eligible for personal/flexible holidays.

5.0 PROCEDURES:

5.1 When any of the holidays enumerated in Section 4.1 falls on a Saturday, the City shall observe the holiday on the Friday immediately preceding such day with the exception of Christmas Eve and Christmas Day which are specifically addressed in Section 5.3.

5.2 When any of the holidays enumerated in Section 4.1 falls on a Sunday, the City shall observe the holiday on the Monday immediately following such day with the exception of Christmas Eve and Christmas Day which are addressed in Section 5.3.

5.3 Christmas Eve and Christmas Day will be observed as outlined below:

- A. When Christmas Eve falls on a Friday and Christmas Day falls on a Saturday, the observed holidays will be the preceding Friday and following Monday.
- B. When Christmas Eve falls on a Saturday and Christmas Day falls on a Sunday, the observed holidays will be the preceding Friday and the following Monday.
- C. When Christmas Eve falls on a Sunday and Christmas Day falls on a Monday, the observed holidays will be the preceding Friday and following Monday.

5.4 Employees who have been in a non-pay status for more than fourteen (14) consecutive calendar days immediately preceding any City observed holiday shall not be eligible for compensation for that City observed holiday.

5.5 All time off for City observed holidays shall be compensated with pay at the employee's regular rate of pay.

- 5.6** Forty (40) hour employees who work five (5) eight-hour days shall receive eight (8) hours off on any regularly scheduled workday observed as a City holiday.
- 5.7** Forty (40) hour employees who work four (4) ten-hour days shall receive ten (10) hours off on any regularly scheduled workday observed as a City holiday.
- 5.8** Employees who work a fifty-six (56) hour workweek shall receive 11.2 hours of pay on a regularly scheduled workday observed as a City holiday.

6.0 REVISIONS:

The City Manager, or designee, may revise this policy, or any portion thereof, at any time.

Revision History

Version	Revision Date	Description of Revision
1	July 1, 2021	Revision History tracking started this date.
2	December 9, 2021	Added Juneteenth to Sec. 4.1 (D) as an observed holiday and added verbiage regarding the observation of Christmas Eve and Christmas Day to Sec. 5.0.

Policy Title: Holidays Policy, 3.05

Date of Adoption: December 2, 1985

Date of Prior Revision: March 13, 2019

Date of Revision: Upon Approval

**Approved as
to form and
content:**

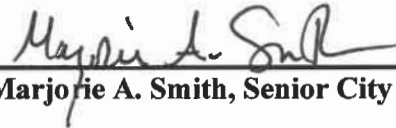


Regina S. Hilliard, Director of Human Resources

October 11, 2021

Date

**Approved as
to legal
sufficiency:**



Marjorie A. Smith, Senior City Attorney

12-8-2021

Date

Approved:



Patrick A Duhaney, City Manager

12/9/2021

Date

CITY OF VIRGINIA BEACH SICK LEAVE POLICY	Policy Number: 3.10
	Date of Adoption: December 1, 1988
	Date of Prior Revision: October 1, 2014
	Date of Current Revision: December 29, 2016
Page 1 of 8	

1.0 PURPOSE:

To provide for the administration of paid sick leave time for applicable employees when health and/or dental care is required during scheduled work hours and during periods of incapacity due to illness, injury or other medical condition in accordance with the [Code of the City of Virginia Beach \(City Code\)](#).

2.0 DEFINITIONS:

- 2.1 SICK LEAVE: Leave with pay granted during periods of personal illness, temporary disability (including pregnancy), medically required confinement and medical and dental appointments, provided none of the above are a result of a job-related injury.
- 2.2 FAMILY SICK LEAVE: Sick Leave for periods of illness of an employee's immediate family member or immediate family member's medically required confinement, and medical and dental appointments.
- 2.3 FAMILY MEMBER: For purposes of this policy, family members shall include spouse, parent, spouse's parent, son, daughter, brother, sister, grandparents, great-grandparents, step-grandparents, step-grandchildren, grandchildren, step-children, step-parent, guardian, as well as any person who can be demonstrated as residing in the same household as the employee.
- 2.4 HAZARDOUS DUTY EMPLOYEES: As defined by VRS for the purpose of this policy shall mean all employees who are working as full-time police officers, firefighters, and emergency medical technicians, both in non-supervisory and supervisory roles.
- 2.5 ACTIVE VRS SERVICE: Employees who were previously employed with another VRS agency, were eligible to receive retirement benefits in a Plan 1 or Plan 2 VRS Retirement Plan and did not receive a payout from the plan upon termination of the employment.

- 2.6 PAY PERIODS:** The period in which employees are paid for work performed. Employees will be paid on a bi-weekly schedule with the pay period ending every other Wednesday.

3.0 APPLICABILITY:

- 3.1** All full-time employees defined in [Section 2.4](#) as hazardous duty employees shall accrue and use sick leave.
- 3.2** All full-time employees hired prior to January 1, 2014, shall accrue and use sick leave unless the individual has elected to participate in the Hybrid Retirement Plan effective July 1, 2014 (refer to the City's [Paid Time Off Policy, No. 3.14](#)).
- 3.3** All full-time employees hired after January 1, 2014 with previous active VRS service as defined in [Section 2.5](#) shall accrue and use sick leave.

4.0 POLICY STATEMENT:

4.1 Sick Leave Accrual

A. Accrual Rate

- (1) Full-time employees who work forty (40) hours per week shall accrue sick leave at the rate of eight (8) hours per month as set forth in the [City Code](#).
- (2) Firefighters assigned to fifty-six (56) hour per workweek positions shall accrue sick leave at a rate of eleven and two-tenths (11.2) hours per month as set forth in the [City Code](#).
- (3) The accrued sick leave balances of a firefighter transferred between a forty (40) hour per week position and a fifty-six (56) hour per week position, or vice versa, shall be converted on a proportionate basis so that the firefighter will maintain an equivalent number of accrued days of leave.

B. Accruals

- (1) Sick leave shall be credited bi-weekly at the end of the pay period. When there are three pay periods in one month,

there will be no sick leave accrual awarded for the third pay period.

- (a) Full-time employees who work forty (40) hours per week shall accrue four (4) hours as defined in section 4.1(B)(1).
 - (b) Firefighters assigned to fifty-six (56) hour per work week positions shall accrue six-tenths (0.6) hours as defined in section 4.1(B)(1).
- (2) An employee must be employed for the entire pay period either in a paid status OR in a non-pay status for less than fourteen (14) consecutive calendar days to receive an accrual.

C. Non-pay Status During Employment

Employees in a non-pay status (i.e., leave without pay or suspension) for more than fourteen (14) consecutive calendar days shall not receive a sick leave accrual. Thereafter, the employee shall not receive the sick leave accrual for each fifteen (15) consecutive calendar day period the employee remains in a non-pay status. Refer to the City's [Leave of Absence Without Pay Policy, No. 3.06](#).

D. Military Leave

Employees shall not receive an accrual for sick leave while in a military leave without pay status for more than fourteen (14) consecutive calendar days in accordance with the City's [Military Leave Policy and Procedure, No. 3.09](#).

- F. Employees shall be allowed to accumulate an unlimited number of sick leave hours and will retain all benefits and seniority while on paid sick leave.

4.2 Utilizing Accrued Sick Leave

- A. Full-time employees may utilize accrued sick leave, with supervisory approval for personal medical related absences and for the use of family sick leave as defined in [Section 4.3](#).

- (1) Sick leave shall be taken in increments of no less than **one-quarter** hour periods for all full-time employees other than firefighters working a fifty-six (56) hour workweek.
 - (2) Firefighters working a fifty-six (56) hour workweek shall be allowed to take sick leave in increments of eight-tenths (0.8) and six-tenths (0.6) hours only in combination with the taking of Birthday Leave or a Personal Flexible Holiday.
- B. Employees taking sick leave for a full workday shall be charged with leave for the actual number of hours they are regularly paid for having worked that day (exclusive of non-regularly scheduled overtime rates). For example, eight (8) hours for eight (8) hour workdays, ten (10) hours for ten (10) hour workdays.
- C. Employees seeking sick leave shall be required to comply with departmental leave policies and procedural requirements for requesting leave, absent any extraordinary circumstances.
- (1) Requests for sick leave will be submitted as far in advance as possible for planned medical and dental appointments. Employees shall complete a leave slip designating the appropriate leave type and submit the leave slip per their department policy for approval by the employee's supervisor.
 - (2) When the need for sick leave is not foreseeable, employees are expected to follow established call-in procedures to gain approval for sick leave and upon returning to work shall submit the leave slip per their department policy for approval.
 - (3) Failure to comply with City and departmental policies and procedures may subject an employee to disciplinary action in accordance with the City's [Discipline Policy and Procedure, No. 4.02.](#)
- D. Medical Documentation
- (1) A doctor's statement, submitted to Occupational Health Services (OHS), may be required by the Department Director, or designee, at any time regardless of the amount of sick leave taken or whether the sick leave usage was for the employee or the employee's immediate family member.

However, the obtaining of a doctor's statement will not automatically guarantee the granting of sick leave.

- (2) Written medical authorization, submitted to OHS, regarding an employee's illness shall be mandatory when an employee's sick leave usage exceeds forty (40) consecutive working hours for employees assigned to a forty (40) hour workweek and fifty-six (56) consecutive working hours for firefighters assigned to a fifty-six (56) hour workweek. This statement shall include:
 - (a) the nature of the employee's condition;
 - (b) the approximate anticipated date of medical release by the physician with specific limitations (i.e., no standing for more than two hours at a time, no lifting of more than ten pounds); AND
 - (c) the expected date on which the employee will be able to perform his or her normal work duties, where applicable.
- (3) Employees on approved Family Medical Leave who have submitted the required medical certification(s) as prescribed by the Family Medical Leave Act shall not be required to submit any additional medical documentation for any absence that directly relates to the approved Family Medical Leave. Refer to the [Family Medical Leave Policy, No. 3.03\(A\)](#).

E. Return to Work Authorization

Employees must have a return to work authorization from their personal physician submitted to OHS before returning to work if the employee has been out for a personal illness or injury for:

- (1) more than forty (40) consecutive working hours for employee's assigned to a 40 hour work week;
- (2) more than fifty-six (56) consecutive working hours for firefighters assigned to a 56 hour work week; OR
- (3) as required by the department.

4.3 Family Sick Leave

- A. Sick leave may be used for the purpose of Family Sick Leave for family members as defined in [Section 2.3](#) for up to
 - (1) forty (40) hours per calendar year for employees who work a forty (40) hour workweek, or
 - (2) fifty-six (56) hours per calendar year for firefighters who work a fifty-six (56) hour workweek.
- B. Sick leave for an immediate family member may be extended beyond the respective forty (40) and fifty-six (56) hours in a calendar year when there is a qualifying event that is set forth in the Family Medical Leave Act.
 - (1) For the definition of an immediate family member, qualifying events, and procedures for Family Medical Leave, refer to the [Family Medical Leave Policy, No. 3.03\(A\)](#).
 - (2) Also refer to the [Extended Sick Leave Bank Policy, No. 3.11](#) regarding eligibility and procedures for Sick Leave Bank Members.

4.4 Extended Sick Leave Bank

An Extended Sick Leave Bank has been created to provide a voluntary program of sharing sick leave with eligible employees who are unable to work in any capacity due to non-job related injuries, temporary disabilities and/or illnesses, or providing medical care or assistance to eligible family members. Refer to [Extended Sick Leave Bank Policy, No. 3.11](#).

- 4.5** An employee's abuse of granted sick leave may result in disciplinary action, up to and including dismissal.

4.6 Conversion Between Full-time and Part-time

- A. Full-time to Part-time
 - (1) Employees converted from full-time status to part-time status will have their accumulated sick leave balance held in abeyance until such time as the employee either returns to full-time status or meets one of the three eligibility requirements listed in [Section 4.7](#) below for payment of

accumulated sick leave.

- (2) Upon return to full-time status with active VRS service, the employee's accrued sick leave will be restored.

B. Part-time to Full-time

As a result of the competitive hiring process, part-time employees will have their personal leave balance converted half each (50/50) to annual and sick leave when

- (1) the employment date for the full-time position begins before January 1, 2014; OR
- (2)
- (3) the employee accepts employment into a full-time hazardous duty position as defined in [Section 2.4](#); OR
- (4) the employment date is on or after January 1, 2014 and the employee has active VRS service as defined in [Section 2.5](#).

4.7 Payment for Accumulated Sick Leave

- A. A one-time payment for all accrued sick leave at \$28 per eight (8) hours will be provided based on the following:

- (1) A Virginia Retirement System service retirement or disability retirement from the City of Virginia Beach.
- (2) Upon the death of a current full-time employee. Any unused sick leave will be paid to the employee's estate in accordance with the payment provision at the time of death.
- (3) Upon an employee's voluntary resignation from the City of Virginia Beach to begin employment at another Virginia Retirement System covered entity within 30 days of the resignation and is eligible for an unreduced retirement under the Virginia Retirement System.

- B. Firefighters will be paid out based upon following calculation, a firefighter's sick leave balance shall be

- (1) divided by 11.2 hours for firefighters assigned to a 56 hour workweek AND

- (2) divided by 8 hours for firefighters assigned to a 40 hour workweek .

5.0 REVISIONS:

The City Manager, or designee, may revise or rescind this policy or any portion thereof at any time.

<p style="text-align: center;">CITY OF VIRGINIA BEACH</p> <p style="text-align: center;">PAID TIME OFF POLICY</p>	Policy Number:	3.14
	Date of Adoption:	January 13, 2014
	Date of Prior Revision:	July 1, 2020
	Date of Current Revision:	October 31, 2022
	Page 1 of 8	

1.0 PURPOSE:

To provide for the administration of multi-purpose paid leave in accordance with the Code of the City of Virginia Beach (City Code) to employees participating in the Virginia Retirement System (VRS) Hybrid Retirement Plan.

2.0 DEFINITIONS:

- 2.1 HYBRID RETIREMENT PLAN (HYBRID PLAN):** A VRS program provided to eligible employees as defined in Section 3.1 that combines the features of a defined benefit and a defined contribution plan for retirement benefits. This plan also provides short term disability, long term disability and long-term care benefits.
- 2.2 PAID TIME OFF (PTO):** A paid leave that can be utilized for any purpose whether for vacation, sick leave, or other reason.
- 2.3 ANNUAL LEAVE RESERVE (ALR):** Balance of accrued annual leave hours held in reserve when eligible employees voluntarily elect to participate in the Hybrid Retirement Plan. Refer to Section 4.5B (1) regarding the use of ALR.
- 2.4 SICK LEAVE RESERVE (SLR):** Balance of accrued sick leave hours held in reserve when eligible employees voluntarily elect to participate in the Hybrid Retirement Plan. Refer to Section 4.5B (2) regarding the use of SLR.
- 2.5 FAMILY MEMBER:** For purposes of this policy, family members shall include spouse, parent, spouse's parent, son, daughter, brother, sister, grandparents, great-grandparents, step-grandparents, step-grandchildren, grandchildren, step-children, step-parent, guardian, as well as any person who can be demonstrated as residing in the same household as the employee.
- 2.6 HAZARDOUS DUTY EMPLOYEES:** As defined by VRS for the purpose of this policy shall mean all employees who are working as full-time sworn law enforcement officers, firefighters, and emergency medical technicians, both in non-supervisory and supervisory roles.

- 2.7** ACTIVE VRS SERVICE: Employees who were previously employed with another VRS agency, were eligible to receive retirement benefits in a Plan 1 or Plan 2 VRS Retirement Plan and did not receive a payout from the plan upon termination of the employment.
- 2.8** PAY PERIODS: The period in which employees are paid for work performed. Employees will be paid on a bi-weekly schedule with the pay period ending every other Wednesday.

3.0 APPLICABILITY:

- 3.1** All full-time employees hired on or after January 1, 2014 shall accrue and use Paid Time Off except:
- A. Full-time hazardous duty employees as defined in Section 2.6, AND
 - B. Full-time employees with active VRS service as defined in Section 2.7.
- 3.2** All full-time employees hired before January 1, 2014, except hazardous duty employees, who make the irrevocable decision to participate in the VRS Hybrid Plan effective July 1, 2014 shall accrue and use Paid Time Off.

4.0 POLICY STATEMENT:

4.1 Accrual

PTO leave shall be accrued bi-weekly at the end of the pay period. When there are three (3) pay periods in one (1) month, there will be no PTO accrual awarded for the third pay period.

- A. An employee must be employed for the entire pay period in either a paid status OR in a non-pay status for fourteen (14) consecutive calendar days or less to receive a PTO accrual.
- B. Non-pay Status During Employment
Employees in a non-pay status for up to fourteen (14) calendar days shall continue to accrue leave as scheduled. When an employee is in a non-pay status for fifteen (15) days or more the department PALS shall process the appropriate status change and the employee will not accrue leave. Refer to the City's Leave of Absence Without Pay Policy, No. 3.06.

C. Military Leave

Employees shall not receive a PTO accrual while in a military leave without pay status for more than fourteen (14) consecutive calendar days in accordance with the City's Military Leave Policy and Procedure, No. 3.09.

4.2 Accrual Rates

Full-time employees who are scheduled to work at least eighty (80) hours or more per consecutive pay period if exempt under the Fair Labor Standards Act of 1938, shall be credited with:

Years of Full-Time Service	Accrual Rate Per Pay Period (hrs.)	Total PTO Per Month (hrs.)	Annual PTO Accrual (hrs.)	Maximum PTO Annual Carryover (hrs.)
0 < 5 Yrs.	6	12	144	224
5 Yrs. - < 10 Yrs.	7	14	168	248
10 Yrs. - < 15 Yrs.	8	16	192	272
15+ Yrs.	9	18	216	296

4.3 Maximum Carryover

- A. No employee shall be allowed to carry more than the maximum carryover from one calendar year to the next as set forth in Section 4.2.
- B. All leave balances in excess of the maximum carryover at the end of the calendar year shall be forfeited.
- C. Employees are solely responsible to monitor and manage their leave balance to avoid a forfeiture situation. Any notice received from management is a courtesy and does not relieve employees of the responsibility to monitor leave balances.
- D. The only exception to the maximum carryover is outlined in Section 4.6 for employees who make the irrevocable decision to participate in the VRS Hybrid Plan effective July 1, 2014, and who have an accrued annual leave balance.

4.4 Utilizing Accrued Leave

- A. Employees may utilize accrued PTO, with supervisory approval.

- B. PTO leave shall be taken in increments of no less than quarter-hour (0.25) periods.
- C. Employees taking PTO leave for a full workday shall be charged with leave for the actual number of hours they are regularly paid for having worked that day (exclusive of non-regularly scheduled overtime rates). For example, eight (8) hours for eight (8) hour workdays, ten (10) hours for ten (10) hour workdays.
- D. Employees seeking PTO leave shall be required to comply with departmental leave policies and procedural requirements for requesting leave, absent any extraordinary circumstances.
 - (1) Requests for PTO will be submitted as far in advance as possible.
 - (2) Employees shall complete and submit leave requests in advance of the leave, indicating the type of leave the employee wants to take. Requests shall be submitted via VBTime, if applicable.
 - (3) When the need for PTO is not foreseeable, as may be the case in emergency situations or unforeseen illness, employees are expected to follow established call-in procedures to gain approval for PTO and upon returning to work shall submit a leave request via VBTime, if applicable.
 - (4) Failure to comply with City and departmental leave policies may subject the employee to disciplinary action in accordance with the City's Discipline Policy and Procedure, No. 4.02.
- E. Medical Documentation
 - (1) A written or electronic note from a health care provider as defined by the Family and Medical Leave Policy and Procedure, No. 3.03, submitted to Human Resources/Occupational Safety and Health Services (HR/OSHS), may be required by the Department Director, or designee, at any time regardless of the amount of PTO taken for the illness or injury of an employee or the employee's family member. However, obtaining a health care provider note will not automatically guarantee the granting of PTO.

- (2) A written or electronic note from a healthcare provider submitted to HR/OSHS, regarding an employee's illness shall be mandatory when an employee's PTO usage for a personal illness or injury exceeds forty (40) consecutive working hours. This statement shall include:
 - (1) The nature of the employee's condition;
 - (2) The approximate anticipated date of medical release by the physician with specific limitations, if any (i.e., no standing for more than two hours at a time, no lifting of more than ten pounds); AND
 - (3) The expected date on which the employee will be able to perform his or her normal work duties, where applicable.
- (3) Employees on approved Family Medical Leave who have submitted the required medical certification(s) as prescribed by the Family Medical Leave Act shall not be required to submit any additional medical documentation for any absence that directly relates to the approved Family Medical Leave. Refer to the Family Medical Leave Policy, No. 3.03.

4.5 Conversion Between Full-time and Part-time Status

- A. Employees converting from full-time status to part-time status shall no longer accrue PTO. Upon becoming a part-time employee, the employee shall accrue personal leave. Refer to Annual and Personal Leave Policy, No. 3.01 regarding use of accrued PTO upon conversion to part-time status.

- B. **Conversion of Annual or Personal Leave to PTO Leave**

Part-time employees who are hired into a full-time position shall no longer accrue personal leave, or when applicable, shall no longer accrue annual leave. The individual's leave balance shall transfer over as PTO and shall be subject to the maximum carryover limits set forth in Section 4.2.

4.6 Optional Conversion to the Hybrid Plan

Full-time employees who elect to convert to the Hybrid Plan effective July 1, 2014, shall no longer accrue annual or sick leave and the previous annual and sick leave balances shall be transferred as follows:

A. Annual Leave:

- (1) Annual leave shall transfer into the employee's ALR for future use in accordance with the City's Annual and Personal Leave Policy, No. 3.01.
- (2) ALR can only be used after all accrued PTO has been exhausted and before going into a leave without pay status.
- (3) ALR balance shall not exceed 400 hours. Any accrued annual leave over 400 hours on July 1, 2014 shall be forfeited.
- (4) An employee's PTO leave carryover, up to the maximum allowed per service level, and ALR shall not exceed a combined total of 400 hours beyond the last pay period in the calendar year to the next.
- (5) Any PTO over the allowable carryover shall be forfeited.
- (6) Any combined total balance of the maximum PTO carryover and ALR in excess of 400 hours shall be forfeited from the employee's PTO balance.
- (7) Employees are solely responsible to monitor and manage their leave balance to avoid a forfeiture situation. Any notice received by management is a courtesy and does not relieve employees of the responsibility to monitor PTO balances.

B. Sick Leave:

- (1) Sick leave hours shall transfer into the employee's SLR for future use in accordance with the City's Sick Leave Policy, No. 3.10 and in accordance with the City's Family Medical Leave Policy, No. 3.03(A) when the qualifying event is medically related.
- (2) SLR can only be used after all accrued PTO has been exhausted and before going into a leave without pay status.

4.7 Payment for Accumulated Leave

A. PTO Leave and Annual Leave Reserve

- (1) Employees shall be paid for accumulated PTO leave at their regular hourly rate up to the maximum allowable carryover balance only upon separation from employment.
 - (2) Upon separation from employment, an employee with accrued PTO and ALR shall be paid at their regular hourly rate up to a maximum of 400 hours combined PTO and ALR.
- B. Sick Leave Reserve
A onetime payment for accrued sick leave held in SLR at the rate of \$28 per eight (8) hours shall be provided based on the following:
- (1) A Virginia Retirement System service retirement from the City of Virginia Beach.
 - (2) Upon the death of a current full-time employee any unused sick leave will be paid to the employee's estate in accordance with the payment provision at the time of death.
 - (3) Upon an employee's voluntary resignation from the City of Virginia Beach to begin employment at another Virginia Retirement System covered entity within 30 days of the resignation and is eligible for an unreduced retirement under the Virginia Retirement System.

5.0 CHANGE IN RETIREMENT PLANS:

5.1 Hybrid Retirement Plan to Hazardous Duty Retirement Plan

When an employee begins employment with the City under the Hybrid Retirement Plan and later accepts employment into a hazardous duty position as defined in Section 2.7, the employee's accrued PTO balance shall be converted to annual and sick leave as follows:

- A. Two thirds (2/3) of the accrued PTO balance shall be converted to annual leave and thereafter the employee shall accrue annual leave based on years of service set forth in the Annual and Personal Leave Policy, No. 3.01.
- B. One third (1/3) of the accrued PTO balance shall be converted to sick leave and thereafter the employee shall accrue sick leave at the rate of eight (8) hours per month in accordance with Sick Leave Policy, No. 3.10.

5.2 Hazardous Duty Retirement Plan to Hybrid Retirement Plan

While employees are not guaranteed the ability to return to their former position, when an employee meets the criteria in Section 5.1 and returns to a non-hazardous duty position, as a result of a failure to successfully complete the required hazardous duty training, the employee will come under the Hybrid Retirement Plan for retirement and other benefits.

- A. Annual Leave shall be converted to PTO and subject to maximum carryover from one calendar year to the next as set forth in Section 4.2.
- B. Sick Leave:
 - (1) Sick leave hours shall transfer into the employee's SLR for future use in accordance with the City's Sick Leave Policy, No. 3.10 and in accordance with the City's Family Medical Leave Policy, No. 3.03(A) when the qualifying event is medically related.
 - (2) SLR can only be used after all accrued PTO has been exhausted and before going into a leave without pay status.

6.0 REVISIONS:

The City Manager, or designee, may revise or rescind this policy or any portion thereof at any time.

Revision History

Version	Revision Date	Description of Revision
1	July 1, 2020	Revision History tracking started this date
2	July 1, 2020	City Code Change to increased PTO accrual rate
3	October 31, 2022	Increased Part-time carryover from 54 hours to 112 hours. Updated language to align with year-end forfeiture. Reformatted to mirror Annual Leave policies

Policy Title: Paid Time Off Policy, 3.14

Date of Adoption: January 13, 2014

Date of Prior Revision: July 1, 2020

Policy Number: 3.14

Date of Revision: Upon Approval

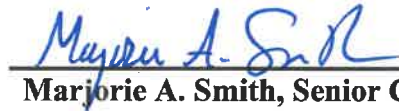
**Approved as
to form and
content:**



Regina S. Hilliard, Director of Human Resources

10/26/2022
Date

**Approved as
to legal
sufficiency:**



Marjorie A. Smith, Senior City Attorney

10/31/2022
Date

Approved:



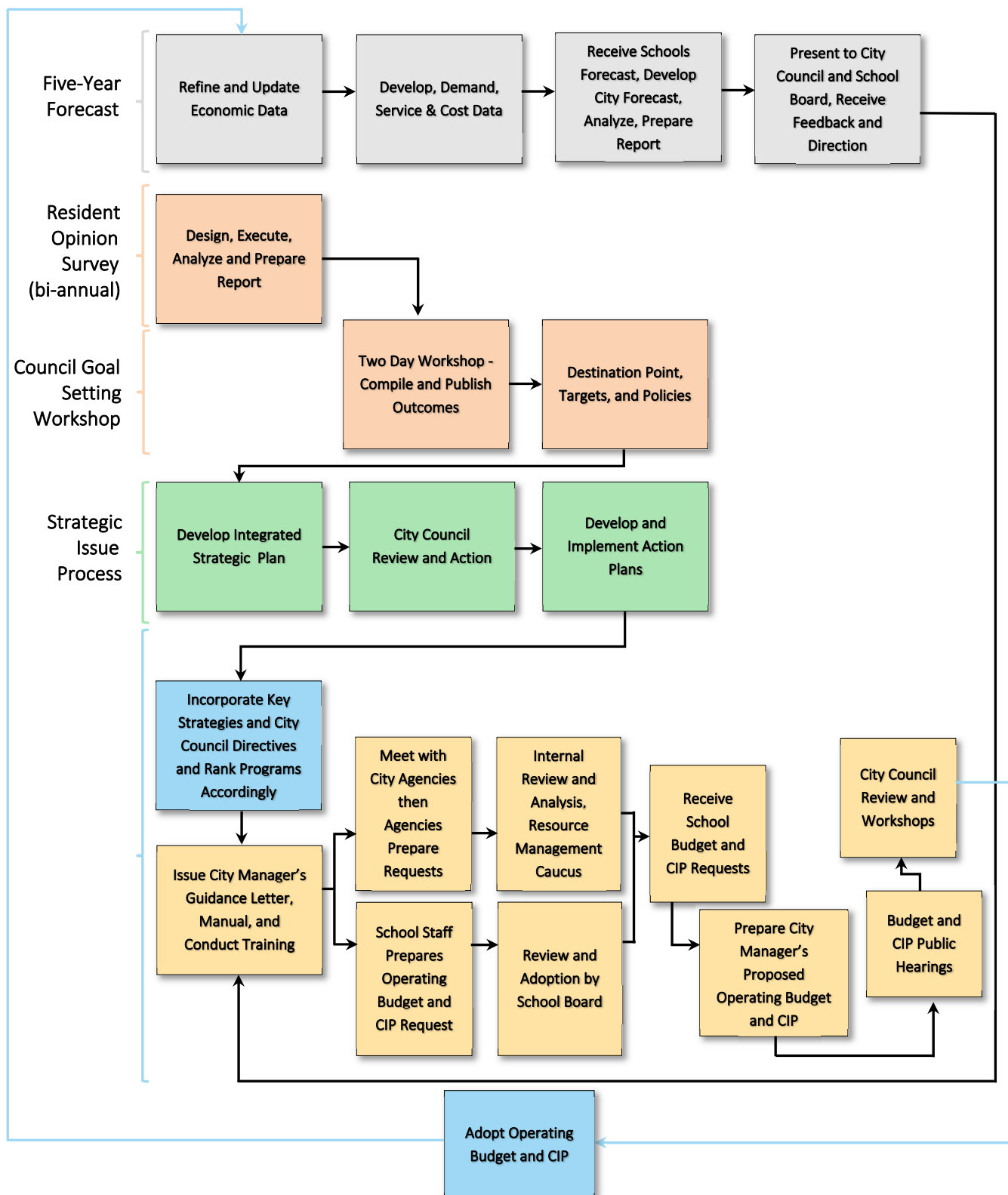
Patrick A. Duhaney, City Manager

10/31/2022
Date

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RESOURCE MANAGEMENT PLAN (RMP) PROCESS OVERVIEW

The chart below provides a graphic view of the city's strategic planning and resource allocation process historically used by City Council:



Legal Framework

Submission of the Budget - The City Manager shall submit to the City Council a budget and a budget message at least 90 days prior to the beginning of each fiscal year.

Balancing of the Budget - As required by Section 5.04 of the Virginia Beach Charter, the budget recommendation by the City Manager must be balanced with revenues equal to expenditures. If expenditures exceed the receipts estimated, the City Manager shall either recommend an increase in the tax rates on real estate, tangible property, or other new or existing items, or recommend a reduction in expenditures. If estimated receipts exceed estimated expenditures, the City Manager may recommend revisions in the tax and license ordinances to bring the budget into balance.

School Budget - The City Council appropriates funding to the schools in a lump sum for the School Operating fund and each of the Schools' remaining funds. How this funding is spent is solely at the discretion of the School Board. School's Capital Improvement Program (CIP) fund which contains all appropriations for Capital projects, is a City controlled fund which is at the discretion of City Council.

Base Level Budget Ordinance – Per Ordinance, the City Manager develops an Operating Budget that establishes a baseline budget. Additional resource needs are prioritized and can be articulated to account for proposed funding increases to support various program initiatives. All other revenues of the government are allowed to reflect their normal growth. The anticipated growth in real estate tax revenue, which results from the growth in assessments, is used in part to support existing services. Growth in Real Estate Revenue is shown as a table in the Executive Summary.

Public Hearings on the Budget - Section 5.07 of the Virginia Beach Charter, as well as State Code requires City Council to hold public hearings on the budget as submitted. Notice of the public hearings are published per state requirements. The City Council holds two such hearings each year. The City Council also holds several workshops to discuss the budget and to seek answers to questions concerning the Proposed Budget.

Adoption of the Budget - After the public hearing, City Council may make changes in the budget as it may determine. Following its revisions, the City Council then adopts the budget at one reading. To meet State requirements, the city must adopt a budget by May 15. If the City Council does not adopt a budget 30 days prior to the start of the fiscal year, the City Charter requires that the City Manager's Proposed Budget take effect on July 1.

Amending the Adopted Budget - The City Council may amend the budget from time to time during the fiscal year. The City Manager may transfer funding in amounts in accordance with the Operating Budget Ordinance. Section 2-187.1 of the Virginia Beach City Code states that supplemental appropriations which exceed 1% of the total revenue shown in the currently adopted budget must be accomplished by publishing a notice of a meeting and public hearing seven days prior to the meeting date.

Amending the Adopted Capital Improvement Program (CIP) - The CIP and the Capital Program Budget are governed by City Code Section 2-195 which parallels the requirements of the City's Operating Budget. The 1% threshold is measured against year one of the CIP.

Budget Administration - The legally appropriated funding level determines the spending limits for municipal operations. The City Manager establishes additional controls to assist in managing departmental operations within the amounts and intent approved by City Council. Departments/agencies are allowed during the fiscal year to make adjustments within their appropriation limits through the transfer process. The City Manager may transfer up to \$250,000 on his signature and the City Council must approve transfers over \$250,000.

Resident Satisfaction Survey - A bi-annual citizen's survey is conducted to assist in evaluating city services and identifying areas in need of attention. One purpose of the survey is to provide City Council and departments with statistically valid citizen usage rates and perceptions regarding city services.

Council Goal Setting Workshop - An annual two-day City Council workshop is held to review the city's progress, assess city direction, and identify and discuss issues and priorities. Typically, the results of this workshop include a Policy Agenda which identifies 1) long-term priorities for a five-year period and 2) shorter-term targets for action. These goals and targets then become a part of management's planning, action, and monitoring processes. They are incorporated in the Operating Budget and CIP preparation guidelines and review.

Five-Year Forecast - Each year, an updated Five-Year Forecast Report of revenues and expenditures for city and school programs is prepared and presented to City Council and the School Board. The forecast is designed to provide long-range financial and program information to the City Council and the School Board and to serve as a forum for policy review.

Operating Budget Process - Department Directors, the Management Leadership Team (MLT), and the Department of Budget and Management Services staff set priorities and provide advice on the package of services and programs to be recommended to the City Manager. The following describes the process used to develop the Operating Budget:

- Departments prepare their resource requests in accordance with program needs and issues in response to the City Council's goals and the Strategic Plan. Included in their request is:
 1. A description of the department, its mission, objectives, and performance indicators.
 2. Funding requests necessary to maintain the same levels of effort/service delivery as provided during the current fiscal year.
 3. Funding requests necessary to meet known increases in demand for existing services.
 4. Requests for expansion of services or new programs are submitted through the use of budget proposals in order to present a systems view of the programs being proposed.
- The requests are submitted to the Department of Budget and Management Services where they are analyzed for accuracy, completeness, and policy consistency.
- The Department of Budget and Management Services is responsible for all the General Government revenue estimates.
- Summaries of each department's unfunded requests and information on revenues are provided to the MLT and City Manager for information and review. These summaries illustrate any gap between service needs and revenues.
- The MLT, through a series of meetings with the leadership of the Department of Budget and Management Services works through the issues and develops funding priorities based on strategic considerations. The City Manager finalizes funding decisions to be included in the upcoming Proposed Operating Budget.
- The City Council receives the Proposed Operating Budget and Capital Improvement Program no later than April 1, for their consideration. As part of their review process, the City Council holds workshops with the department directors to discuss issues and concerns. In addition, City Council holds two public hearings to receive public input for the proposed plan. Final action on the budget must occur no later than May 15.

Performance Measurement Process - The Operating Budget emphasizes selected indicators of departmental program performance in terms of impact on the community; internal processes; learning and growth; and financial management. Citywide indicators assess outcomes at the citywide and/or community levels within each of the major business areas of the city. In addition, the city regularly benchmarks programs against regional cities and best practices.

Capital Improvement Program Process - The development of the six-year CIP from the distribution of forms to adoption by the City Council requires approximately 160 days. The process begins with the allocation of target funding levels based on prior years' CIPs and expected availability of financing. The development of the program requires coordination and cooperation from many departments. The following have major responsibilities in producing the CIP:

- Department of Planning and Community Development prepares the Comprehensive Plan regarding land use development. The departments of Planning, Public Works, Parks and Recreation and the Strategic Growth Area Office collaborate on comprehensive transportation project planning.
- Department of Budget and Management Services coordinates the overall process, determines funding and budget plans, provides technical assistance to departments, and makes recommendations. The CIP Focus Group consists of members from each department that manages/administers the CIP and submits project requests and financing. The purpose of this group is to foster communication and coordination regarding the city's capital projects.

- Departments responsible for submission of capital improvement project requests are: School Division (schools and educational facilities), Public Works [(buildings: new city buildings, renovations, site work, or expansion), coastal, roadways (in cooperation with Public Utilities), and stormwater projects], and Information Technology (communication and information technology projects), Parks and Recreation (parks and recreational facilities), and Public Utilities (water and sewer lines, mains, pumps, and related facilities), Economic Development (Economic and Tourism related projects).
- The Department of Budget and Management Services analyzes departmental submissions for cost and benefit and to ensure that the CIP meets City Council priorities and overall debt limits.
- There is a CIP Caucus comprised of department directors from the city agencies that manage/administer the CIP, as well as the MLT. The CIP Caucus reviews non-school project requests that are above the basic/target level of funding to determine priorities. Thereafter, the MLT meets with the leadership of Budget and Management Services to work through project and funding issues and makes funding decisions.
- The CIP is submitted to City Council along with the Operating Budget and they are reviewed together.

Public Information - Citizens have the opportunity to attend two public hearings to make comments before City Council formally votes to adopt the Resource Management Plan for the next fiscal year. The Proposed Resource Management Plan is available to citizens at public libraries, City Hall, and on the city's website at budget.virginiabeach.gov. Public notices, which present highlights of the plan are published in the local newspaper.

Resource Management Plan Calendar

August/September

08/01/22 - 09/30/22

Budget and Management Services staff members start planning for the upcoming Operating Budget and CIP. They develop the initial revenue forecast and funding targets.

September

09/30/22

Operating Budget Caucus is held to disseminate information to departments on revenue estimates, the state budget outlook, the economy, budget process overview and changes, and funding targets.

09/30/22 - 12/02/22

Departments, with assistance as needed from their assigned analysts from Budget and Management Services, spend the next six weeks developing individual program resource requests, capital project requests, program priority rankings, and entering the data into the Budget and CIP database.

November

11/08/22

CIP requests are due to the Department of Budget and Management Services.

11/22/22

Five-Year Forecast Report is presented to City Council and School Board members detailing the city's financial position over the next five years and other economic trends affecting the city.

December

12/02/22

Department budget submissions are due to the Department of Budget and Management Services.

January

01/09/23 - 02/27/23

Budget meetings are held between Budget and Management Services and the MLT discuss the departments' budget requests and reach consensus on which items will receive further consideration for funding.

01/31/23

The CIP Caucus members meet to prioritize funding requests of capital project needs and listen to presentations by the managing agencies of the different CIP sections outlining the highlights and funding for roadways, buildings, communication and information technology, parks and recreation, water, sewer, storm water, coastal, and economic and tourism development projects.

February

02/08/23

School Superintendent submits the schools Estimate of Needs for FY 2023-24 to the School Board.

March

03/07/23

Adoption of Schools Operating Budget and Capital Improvement Program by the School Board.

03/21/23

Proposed Resource Management Plan is presented to the City Council.

April

04/04/23

City Council Workshop on the Proposed Resource Management Plan.

04/11/23

City Council Workshop on the Proposed Resource Management Plan.

04/18/23

City Council Workshop on the Proposed Resource Management Plan.

04/19/23

Public Hearing to allow citizens to make comments regarding the Proposed Resource Management Plan.

04/25/23

City Council Workshop on the Proposed Resource Management Plan.

04/25/23

Public Hearing to allow citizens to make comments regarding the Proposed Resource Management Plan.

May

05/02/23

City Council Reconciliation Workshop on the Proposed Resource Management Plan.

05/09/23

Vote on the Resource Management Plan.

ACCOUNTING AND BUDGET BASIS

The government-wide financial statements, Proprietary Fund and Fiduciary Fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by provider have been met.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All Governmental Funds are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The term available is limited to collection 45 days of the fiscal year end. Levies made prior to the fiscal year end but which are not available are recorded as deferred inflows. Expenditures are recorded when the related fund liability is incurred, if measurable (except for unmatured interest on general long-term debt which is recognized when due and paid). Interest on general long-term debt is recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in Governmental Funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The following is a list of the major revenue sources that meet the "susceptible to accrual" criteria:

- Amusement Taxes
- General Sales Taxes
- Hotel Taxes
- Interest on Deposits
- Personal Property Taxes
- Real Estate Taxes
- Restaurant Taxes
- Revenue from Commonwealth
- Revenue from Federal Government
- Utility Taxes

Other postemployment benefits plan financial statements are prepared using the accrual basis of accounting. City and School Board retiree's contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due and both the City and School Board have made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

Unearned revenues arise when resources are received by the government before it has a legal claim to them. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for unearned revenue is removed from the Balance Sheet, or Statement of Net Position, and revenue is recognized.

Unbilled Water and Sewer and Storm Water Enterprise Funds accounts receivable for services provided through June 30 are included in the financial statements.

Attachment A- Capital Budget Appropriations

Project Number	Projects	Appropriations FY24
<u>Buildings and Assets</u>		
PG100047	Facilities Access Systems	425,000
PG100138	Convention Center Capital Maintenance	803,000
PG100165	Energy Performance Enhancements (City) II	550,000
PG100170	Facilities Planning Services	250,000
PG100175	Fire Apparatus IV	2,265,975
PG100176	Fire Facility Rehabilitation and Renewal III	1,000,000
PG100178	Fire Training Center Improvements IV	300,000
PG100203	Heritage Building Maintenance II	300,000
PG100225	Judicial Center Maintenance	70,000
PG100260	Beach Maintenance Facility	2,866,529
PG100325	Public Safety Equipment Replacement Project	1,450,000
PG100437	VA Aquarium Bldg Systems & Facility Infrastructure II	1,434,540
PG100445	Various Buildings HVAC Rehabilitation & Renewal IV	2,500,000
PG100446	Various Buildings Rehabilitation and Renewal IV	3,950,000
PG100463	Virginia Aquarium Renewal and Replacement III	600,000
PG100536	Creeds Training Center Renovations	1,500,000
PG100616	MOCA Building Rehabilitation	1,000,000
PG100651	Court Modernization Study	350,000
PG100653	Housing Resource Center Renovation	3,329,460
PG100655	Law Enforcement Training Academy Replacement	350,000
Total Buildings and Assets Projects		25,294,504
<u>Coastal</u>		
PG100038	Beach Replenishment II	5,100,000
PG100142	Croatan Beach Restoration	78,000
PG100258	Lynnhaven Inlet Maintenance Dredging II	375,000
PG100274	Neighborhood Dredging Spur Channels	593,981
PG100334	Replacement for Rudee Inlet Dredge	206,000

PG100344	Rudee Inlet Federal Dredging II	600,000
PG100345	Rudee Inlet Outer Channel Maintenance Dredging II	650,000
PG100349	Sandbridge Beach Access Improvements II	400,000
PG100450	Various Minor Dredging Projects II	500,000
PG100510	Sandbridge Beach Restoration IV	4,276,341
PG100550	Shadowlawn Area Dredging II	209,000
PG100552	Western Branch Lynnhaven River Maintenance Dredging II	3,714,040
PG100560	Harbour Point Neighborhood Dredging II	108,000
Total Coastal Projects		<u>16,810,362</u>

Economic and Tourism Development

PG100048	Burton Station Road Improvements III	9,000,000
PG100146	Atlantic Park Entertainment Venue	6,360,614
PG100157	Economic Development Investment Program II	1,659,582
PG100456	Virginia Beach Amphitheater Capital Maintenance	200,000
PG100262	Lynnhaven Parkway Corridor Improvements	1,150,000
PG100283	Oceanfront Capital Projects Reinvestment	600,000
PG100285	Oceanfront Parking Facilities Capital Maintenance/Development II	500,000
PG100286	Oceanfront Restrooms	500,000
PG100300	Atlantic Avenue Street Improvements	11,000,000
PG100399	Strategic Development Projects	250,000
PG100420	Town Center Garage and Plaza Capital Maintenance II	352,726
PG100421	Town Center Reinvestment	150,000
PG100489	Winston Salem Avenue Improvements	5,000,000
PG100576	VA Beach Innovation Park Infrastructure II	12,659,000
PG100577	Strategic Site Acquisition and Disposition	1,000,000
PG100606	Atlantic Park Offsite Infrastructure	6,218,286
PG100629	Sports Tourism Infrastructure	4,971,100
PG100630	17th Street Regional Stormwater Management Facility	2,770,000
PG100635	Corporate Landing Business Park Infrastructure	5,000,000
Total Economic and Tourism Development Projects		<u>69,341,308</u>

Information Technology

PG100074	21st Century Enterprise Resource Planning (HCM)	2,301,100
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PG100076	Accela Sustainment	705,000
PG100084	City Software Upgrade/Replacement Plan	4,360,000
PG100087	Communications Infrastructure Replacement III	626,801
PG100094	CIT - Enterprise Customer Relationship Management System	613,560
PG100103	IT Service Continuity II	1,020,458
PG100105	Maintain and Secure Corporate Data	2,983,063
PG100106	Next Generation Network	250,000
PG100107	Network Infrastructure Replacement III	4,525,796
PG100118	Telecommunications Replacement II	1,270,000
PG100541	Enterprise Electronic Content & Records Mgmt (ECRM) Solution	250,000
PG100570	ECCS Back-Up Site Phase II	2,557,200
PG100572	HR/Finance System Sustainment	3,050,697
PG100574	Courts Technology Sustainment	250,000
PG100618	Revenue Management System Sustainment	250,000
PG100645	EOC Modernization	1,482,900
PG100656	Sheriff's Body Worn Cameras	1,172,606
PG100657	MyRevenue System Migration	1,123,200
PG100658	Treasurer's E-Billing	414,000
PG100665	Employee Engagement Tool	75,000
Total Information Technology Projects		29,281,381

Parks and Recreation

PG100023	Athletic Fields Lighting and Renovations III	275,000
PG100040	Bikeways/Trails Repairs and Renovations I	280,000
PG100119	City Bikeways and Trails Plan Implementation II	1,000,000
PG100127	Community Recreation Centers Repairs and Renovations III	2,000,000
PG100194	Golf Courses Contractual Obligations-Maintenance I	120,000
PG100198	Greenways, Scenic Waterways and Natural Areas III	250,000
PG100256	Lynnhaven Boat Ramp & Beach Facility Repairs/Reno I	50,000
PG100299	Park Playground Renovations III	727,932
PG100320	Parks and Special Use Facilities Development/Reno III	1,917,526
PG100393	Sportsplex/Field Hockey National Trng Ctr Rep/Reno I	726,135
PG100402	Stumpy Lake Golf Course Contractual Obligations I	27,000
PG100413	Tennis Court Renovations III	300,000
PG100641	Open Space Acquisition IV	2,500,000

PG100644	Virginia Beach Trail	750,000
PG100632	Park Infrastructure Replacement & Underdeveloped Park Improvements	4,380,000
PG100663	Little Island Park Pier Repairs	1,200,000
Total Parks and Recreation Projects		<u>16,503,593</u>

Roadways

PG100050	Bus Stop Infrastructure and Accessibility Improvements	250,000
PG100057	Centerville Turnpike Phase II	19,320,596
PG100058	Centerville Turnpike Phase III	5,674,751
PG100123	Cleveland Street Improvements IV	3,637,067
PG100159	Elbow Road Extended Phase II-C	3,000,000
PG100160	Elbow Road Extended Phase II-D	287,723
PG100192	General Booth Boulevard / Camp Pendleton Intersection Improvements	1,830,500
PG100213	Indian River Road Phase VII-B	3,934,818
PG100217	Indian River Road Phase VII-A	5,849,290
PG100235	Landstown Road Improvements Phase I	180,400
PG100239	Laskin Road Phase I-B	2,000,000
PG100268	Major Bridge Rehabilitation II	1,460,000
PG100278	Nimmo Parkway VII-B	3,000,000
PG100301	Parliament Drive Sidewalk Phase II	1,029,571
PG100340	Rosemont Road Phase V	858,429
PG100347	Rural Road Improvements II	250,000
PG100348	Rural Road Recurring Flooding, SLR & Resiliency	500,000
PG100381	Shore Drive Corridor Improvements Phase III	665,575
PG100401	Street Reconstruction II	2,150,000
PG100422	Traffic Calming	250,000
PG100423	Traffic Safety Improvements IV	2,359,928
PG100425	Traffic Signal Rehabilitation II	1,400,000
PG100447	Various Cost Participation Projects II	25,000
PG100484	Wetlands Mitigation Banking II	100,000
PG100502	Citywide Street Lighting Improvements III	70,000
PG100522	Traffic Signal Retiming II	740,614
PG100529	Elbow Road Extended Phase II-B	5,865,763
PG100537	Dam Neck Road/Holland Road Intersection Improvements	1,760,000
PG100542	General Booth Boulevard / Oceana Boulevard Intersection Improvements	2,050,277

PG100555	Parliament Dr. Sidewalk Phase I	1,020,801
PG100633	Atlantic Avenue Pedestrian Improvements	1,134,200
PG100634	Construction Engineering and Inspection (CEI) Program	3,500,000
PG100627	Relocation of 19th Street & Pacific Avenue Signal	106,000
PG100659	Indian River Road Bridge	1,000,000
PG100660	Indian River Road Safety Improvements	500,000
Total Roadways Projects		<u>77,761,303</u>

Sewer Utility

PG100302	Pembroke Meadows Neighborhoods Sanitary Sewer Rehabilitation	480,000
PG100327	Pump Station Program VI	10,595,000
PG100361	Sanitary Sewer System Revitalization Program III	6,000,000
PG100371	Sewer Pump Repairs and Replacements	850,000
PG100374	Sewer Tap Installation Program II	315,000
PG100448	Various HRSD Coordination	450,000
PG100452	Various Roadway & Stormwater Coordination VI - Sewer	325,000
PG100519	Sanitary Sewer Force Main Rehabilitation I	3,140,000
PG100525	Landstown Yard Improvements IV	850,000
PG100526	Utilities Technology Support Program	200,000
PG100610	Aragona Village Sanitary Sewer System Improvements	280,000
Total Sewer Utility Projects		<u>23,485,000</u>

Storm Water

PG100032	Bayville Lake Water Quality Improvement Project	1,100,000
PG100043	BMP Maintenance Program Phase I	1,000,000
PG100053	Canal Management Phase I	500,000
PG100232	Lake Management II	3,807,611
PG100264	Lynnhaven River Watershed Water Quality Projects II	380,000
PG100287	Oceanfront Stormwater Facilities Maintenance	1,650,000
PG100314	Primary System Infrastructure Improvements II	1,520,000
PG100335	Residential Drainage Cost Participation Program II	50,000
PG100380	Cave-In Repair Program	2,396,950
PG100390	Southern Canal/Lead Ditch and Culvert Improvements	2,390,000
PG100395	StormWater Pump Station Modifications	1,250,000

PG100397	Storm Water Quality Enhancements II	1,400,000
PG100404	Surface Water Regulatory Compliance Program	1,700,000
PG100405	SW Infrastructure Rehabilitation & Improvements II	5,000,000
PG100465	Little Creek Watershed Water Quality Projects	200,000
PG100472	Water Quality Cost Participation Projects II	250,000
PG100515	Enhanced Neighborhood Rehabilitation - Phase I	1,216,349
PG100566	Chatham Hall Water Quality Improvement Project	1,701,750
PG100567	Kemps Lake Water Quality Improvement Project	7,260,000
PG100642	Providence Park Wet Pond Project	330,000
Total Storm Water Projects		<u>35,102,660</u>

Water Utility

PG100230	Lake Gaston Raw Water Transmission System Rehabilitation I	825,000
PG100238	Landstown Yard Improvements IV	850,000
PG100303	Pembroke Meadows Neighborhoods Water Rehabilitation	2,550,000
PG100432	Utilities Technology Support Program	200,000
PG100451	Various Roadway & Stormwater Coordination VI-Water	2,340,000
PG100470	Water Line Extension, Replacement & Rehab Program II	2,060,000
PG100471	Water Pump Repairs and Replacements	300,000
PG100478	Water Tap Installation Program II	525,000
PG100479	Water Transmission System Upgrade Program II	1,810,000
PG100562	Atlantic Avenue Water Meter Vault Replacements	1,700,000
PG100612	Green Garden Water System Improvements	3,100,000
Total Water Utility Projects		<u>16,260,000</u>

Flood Protection

PG100578	Stormwater Project Administration	1,000,000
PG100582	Stormwater Infrastructure Cost Participation	2,000,000
Total Flood Protection Projects		<u>3,000,000</u>

Schools

PG601001	Renovation and Replacement Energy Management/Sustainability	2,150,000
PG601002	Tennis Court Renovations - Phase II	200,000

PG601015	Princess Anne High School Replacement	23,300,000
PG601016	Energy Performance Contracts - Phase II	2,500,000
PG601017	Renovations and Replacements - Grounds III	1,900,000
PG601018	Renovations and Replacements - HVAC III	14,400,000
PG601019	Renovations and Replacements - Reroofing III	8,800,000
PG601020	Renovations and Replacements - Various III	5,600,000
PG601022	Elementary School Playground Equipment Replacement	250,000
PG601027	Renovations and Replacements - Safe School Improvements	200,000
PG601028	B.F. Williams Elementary/Bayside 6th (Grades 4-6) Replacement	2,000,000
PG601029	Bayside High School Replacement	1,500,000
Total Schools Projects		<u>62,800,000</u>
Total Capital Budget		<u><u>375,640,111</u></u>

City of Virginia Beach, Virginia
Fiscal Years 2024 through 2029 Capital Improvement
Program Appropriation and Financing Plan

Appropriation/Financing	Appropriated to Date	FY 2024 Budget	Unappropriated Subsequent Years					CIP Total
			FY 2025 Budget	FY 2026 Budget	FY 2027 Budget	FY 2028 Budget	FY 2029 Budget	
<u>Capital Projects</u>								
Buildings & Assets Section	252,143,954	25,294,504	36,412,101	19,656,142	21,066,142	30,070,884	33,099,843	417,743,570
Coastal Projects Section	121,271,884	16,810,362	16,656,356	12,249,849	10,996,137	10,142,341	9,351,341	197,478,270
Economic and Tourism Development Section	394,720,944	69,341,308	48,241,633	13,419,132	71,731,148	5,348,443	5,348,443	608,151,051
Information Technology Section	180,775,374	29,281,381	18,495,687	15,454,409	14,933,603	15,091,209	16,091,209	290,122,872
Parks and Recreation Section	131,933,932	16,503,593	14,418,429	14,596,605	14,686,821	14,771,918	24,771,918	231,683,217
Roadways Section	576,639,202	77,761,303	46,841,073	80,632,608	95,311,076	35,821,896	23,600,361	936,607,519
Sewer Utility Section	135,779,624	23,485,000	29,553,000	26,370,000	27,150,000	22,980,000	28,875,000	294,192,624
Stormwater Section	315,287,717	35,102,660	26,003,960	29,144,001	29,144,001	29,544,001	29,544,001	493,770,341
Water Utility Section	90,808,419	16,260,000	12,498,000	15,734,000	9,430,000	10,340,000	11,125,000	166,195,419
Schools Section	347,146,838	62,800,000	63,800,000	61,300,000	61,800,000	61,800,000	61,800,000	720,446,838
Flood Protection Section	743,804,539	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	761,804,539
Total Capital Projects	3,290,312,427	375,640,111	315,920,239	291,556,746	359,248,928	238,910,692	246,607,116	5,118,196,260
<u>Operating Budget CIP Allocations</u>								
Local Funding	3,032,184,958							3,032,184,958
General Appropriations								
Pay-As-You-Go - General Fund	-	36,337,216	38,129,216	35,457,619	35,501,447	34,068,120	33,599,016	213,092,633
Pay-As-You-Go - Agricultural Reserve	-	990,000	990,000	990,000	990,000	990,000	990,000	5,940,000
Pay-As-You-Go - Outdoor Initiative	-	3,470,458	3,715,294	3,893,471	3,983,686	4,068,783	4,068,783	23,200,476
Pay-As-You-Go - Sandbridge SSD	-	4,676,341	4,676,341	4,676,341	4,676,341	4,676,341	4,676,341	28,058,046
Pay-As-You-Go - Fire Programs Fund	-	300,000	300,000	300,000	300,000	300,000	300,000	1,800,000
Pay-As-You-Go - Flood Protection	-	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	6,000,000
Pay-As-You-Go - Harbour Point Dredging	-	108,000	-	-	-	-	-	108,000
Pay-As-You-Go - Open Space	-	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	15,000,000
Pay-As-You-Go - Parks and Recreation SRF	-	197,000	197,000	197,000	197,000	197,000	197,000	1,182,000
Pay-As-You-Go - Parking Enterprise Fund	-	500,000	500,000	500,000	500,000	500,000	500,000	3,000,000
Pay-As-You-Go - Schools	-	2,000,000	3,000,000	4,000,000	5,000,000	6,000,000	6,500,000	26,500,000
Pay-As-You-Go - Town Center SSD	-	502,726	502,726	502,726	502,726	502,726	502,726	3,016,356
Pay-As-You-Go - Chesopeian Colony	-	-	-	227,000	1,518,796	-	-	1,745,796
Pay-As-You-Go - Schilling Point Dredging	-	-	-	-	48,000	302,000	-	350,000
Pay-As-You-Go - Shadowlawn	-	209,000	-	-	-	-	-	209,000
Pay-As-You-Go - Parks and Recreation Ref	-	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	6,000,000
Pay-As- You-Go Water and Sewer	310,000	8,600,000	8,000,000	8,000,000	8,000,000	8,032,000	8,000,000	48,942,001
Pay-As-You-Go Stormwater	30,000	17,138,220	17,177,767	17,867,108	16,330,758	16,376,191	16,376,191	101,296,235
Pay-As-You-Go Tourism Investment Program	-	3,953,000	1,650,000	3,600,000	2,000,000	350,000	700,000	12,253,000
Total General Appropriations	3,032,524,958	83,481,961	83,338,344	84,711,265	84,048,754	80,863,161	80,910,057	3,529,878,501
<u>Policy Allocation of Year Ending Balance</u>								
Fund Balance - General Fund	-	41,054,274	26,546,572	16,173,915	15,345,867	19,903,293	20,442,397	139,466,318
Fund Balance - Schools	-	11,000,000	11,000,000	10,500,000	10,000,000	9,500,000	9,000,000	61,000,000
Fund Balance - Parks and Recreation	-	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	6,000,000
Retained Earnings - Telecommunications	-	1,270,000	1,160,000	1,110,000	1,110,000	1,210,000	1,210,000	7,070,000
Retained Earnings- Fuel Fund	-	860,000	-	-	-	-	-	860,000
Retained Earnings - Storm Water Utility	-	2,000,000	2,000,000	2,000,000	2,000,000	3,492,220	3,492,220	14,984,440
Retained Earnings - Water and Sewer Fund	-	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	30,000,000
Total Policy Allocation of Year Ending Balance	-	62,184,274	46,706,572	35,783,915	34,455,867	40,105,513	40,144,617	259,380,758

Other Sources of Funding

Private Contribution - US Field Hockey	635,110	-	-	-	-	-	-	635,110
Proffers - Cash in Lieu of Property	84,750	-	-	-	-	-	-	84,750
Federal Contribution	119,254,487	30,898,434	10,100,596	35,826,822	39,752,921	8,048,095	6,270,867	250,152,222
State Contribution	98,828,285	13,853,683	7,637,649	9,600,000	4,378,890	2,012,024	1,567,717	137,878,248
Developer Contribution	167,177	-	-	-	-	-	-	167,177
Franchise Fees	1,575,000	-	-	315,000	315,000	315,000	315,000	2,835,000
HRSD	2,493,000	115,000	115,000	115,000	115,000	115,000	115,000	3,183,000
Reimbursement - Interest Expense	2,223,549	-	-	-	-	-	-	2,223,549
Insurance Recovery	528,173	-	-	-	-	-	-	528,173
Lease of Properties (BRAC)	3,108,156	-	-	-	-	-	-	3,108,156
Lease of Property	589,032	98,172	98,172	98,172	98,172	98,172	98,172	1,178,064
Medicaid Cost Settlement	1,549,776	-	120,627	120,627	120,627	120,627	120,627	2,152,911
Miscellaneous Funding	-	500,000	-	-	-	-	-	500,000
Private Contribution	1,510,187	-	-	-	-	109,000	-	1,619,187
SPSA Contribution	9,500,000	-	-	-	-	-	-	9,500,000
Sale of Equipment	164,700	206,000	-	-	-	-	-	370,700
Sale of Property	15,576,087	1,009,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	26,585,087
Total Other Sources of Funding	257,787,469	46,680,289	20,072,044	48,075,621	46,780,610	12,817,918	10,487,383	442,701,334

Debt Financing

Public Facility Bonds	-	82,265,779	58,178,900	20,450,000	78,850,000	12,550,000	22,550,000	274,844,679
Charter Bonds	-	66,098,668	69,238,767	61,677,664	78,270,594	60,689,004	53,917,963	389,892,660
Storm Water Utility Bonds	-	6,399,140	6,949,612	9,369,281	10,878,103	9,712,096	9,712,096	53,020,328
Water and Sewer Bonds	-	26,030,000	28,936,000	28,989,000	23,465,000	20,173,000	26,885,000	154,478,000
Energy Performance Contract	-	2,500,000	2,500,000	2,500,000	2,500,000	2,000,000	2,000,000	14,000,000
Total Debt Financing	-	183,293,587	165,803,279	122,985,945	193,963,697	105,124,100	115,065,059	886,235,667
Total Means of Financing	3,290,312,427	375,640,111	315,920,239	291,556,746	359,248,928	238,910,692	246,607,116	5,118,196,260

City of Virginia Beach, Virginia
Fiscal Years 2024 through 2029 Capital Improvement Program
Operating Budget Impact Report

Project Number	Project Title	Year 1 FY 2023-24	Year 2 FY 2024-25	Year 3 FY 2025-26	Year 4 FY 2026-27	Year 5 FY 2027-28
Capital Projects						
Buildings and Assets Section						
PG100260 Beach Maintenance Facility		-	-	192,249	192,249	194,249
PG100168 Euclid Yard Facility Replacement		-	-	-	-	-
	Buildings Total	-	-	192,249	192,249	194,249
	FTE Total	-	-	-	-	-
Economic and Tourism Development Section						
PG100286 Oceanfront Restroom		160,000	160,000	160,000	160,000	160,000
	Section	160,000	160,000	160,000	160,000	160,000
	FTE Total	-	-	-	-	-
Information Technology Section						
PG100067 Next Generation Content Managment		67,100	47,100	27,100	27,100	27,100
PG100094 Enterprise Cust Relationship Mgmt Sy		316,228	327,295	343,660	343,660	343,660
PG100514 Real Estate Software Revitalization		16,323	17,139	17,996	17,996	17,996
PG100541 Enterprise Electronic Content & Records Mgmt (Ecrm) Solution		-	580,002	609,003	639,453	639,453
PG100569 Libraries Meeting Space Technology Modernization		28,456	28,456	28,456	28,456	28,456
PG100658 Treasurer's E-Billing		50,000	50,000	50,000	50,000	50,000
PG100619 Check Processing Upgrades		48,000	48,000	48,000	48,000	48,000
PG100624 Forensic Evidence Management		50,000	50,000	50,000	50,000	50,000
PG100621 CSA Modernization		100,000	100,000	100,000	100,000	100,000
PG100622 HSD Evidence Management		100,000	100,000	100,000	100,000	100,000
PG100620 HSD Document Management System		100,000	100,000	100,000	100,000	100,000
	Information Technology Section	876,107	1,447,992	1,474,215	1,504,665	1,504,665
	FTE Total	-	-	-	-	-
Roadways Section						
PG100057 Centerville Turnpike - Phase II		-	-	-	-	81,997
PG100123 Cleveland Street Improvements IV		-	-	-	-	15,614
PG100159 Elbow Road Extended - Phase II-C		-	-	-	39,035	39,816
PG100183 First Colonial Rd-Vb Blvd Intersection		-	-	26,594	27,126	27,668
PG100192 General Booth-Camp Pendleton Inters Impr		-	9,973	10,172	10,376	10,583
PG100199 Greenwich Rd-Cleveland St Crossover		15,614	15,926	16,245	16,570	16,901
PG100213 Indian River Road - Phase VII-B		-	-	-	27,325	27,871
PG100217 Indian River Road - Phase VII-A		-	-	-	27,325	27,871
PG100240 Laskin Road Bridge Replacement		22,161	22,605	23,057	23,518	23,988
PG100242 Laskin Road - Phase I-A (VDOT)		68,701	70,075	71,476	72,906	74,364
PG100301 Parliament Drive Sidewalk Phase II		-	-	2,000	2,040	2,081
PG100340 Rosemont Road - Phase V		-	-	-	-	57,620
PG100356 Sandbridge Road-Nimmo - Phase VII-A		-	24,378	24,865	25,362	25,870
PG100381 Shore Drive Corridor Imprv-Phase III		-	-	-	-	12,000
PG100429 Upton Dr Ext-Dam Neck Improvements		5,540	5,651	5,764	5,879	5,997
PG100483 West Neck Road - Phase IV		29,198	29,782	30,378	30,985	31,605
PG100537 Dam Neck Rd-Holland Rd Intersection Improvements		-	-	-	-	11,302
PG100542 General Booth Boulevard-Oceana Boulevard Intersection		-	-	-	-	4,432
PG100555 Parliament Dr-Sidewalk Phase I		-	-	-	2,000	2,040
PG100556 Sandbridge Rd-Sidewalk		-	-	2,000	2,040	2,081
	Roadways Section	141,214	178,390	212,551	312,487	501,701
	FTE Total	-	-	-	-	-
Report Totals						
	Total Operating Budget Impact	1,177,321	1,786,382	2,039,015	2,169,401	2,360,615
	FTE Total	-	-	-	-	-

SUMMARY OF POSITIONS BY DEPARTMENT

	Adopted Budget FY 2020-21	Adopted Budget FY 2021-22	Adopted Budget FY 2022-23	Amended Budget FY 2022-23	Proposed Budget FY 2023-24	Change in FTEs From Amended FY 2022-23 to FY 2023-24	Change in FTEs From Amended FY 2020-21 to FY 2023-24
Agriculture	9.00	9.00	9.00	9.00	9.00	0.00	0.00
Virginia Aquarium	140.95	127.00	128.85	128.85	125.60	(3.25)	(15.35)
City Auditor	7.00	8.00	8.00	8.00	8.00	0.00	1.00
Budget and Management Services	13.00	13.00	13.00	13.00	13.00	0.00	0.00
City Attorney	43.00	43.00	39.60	39.60	39.60	0.00	(3.40)
Clerk of the Circuit Court	57.00	57.00	57.00	57.00	57.00	0.00	0.00
Circuit Court	12.00	12.50	13.50	13.50	13.50	0.00	1.50
City Clerk	6.00	6.00	6.00	6.00	6.00	0.00	0.00
City Manager	20.00	21.00	21.00	21.00	23.00	2.00	3.00
City Real Estate Assessor	35.00	35.00	35.00	35.00	35.00	0.00	0.00
City Treasurer	76.60	76.60	76.60	76.60	76.60	0.00	0.00
Communications Office	20.00	22.00	24.00	25.00	27.00	2.00	7.00
Commissioner of the Revenue	63.93	63.93	64.93	64.93	64.93	0.00	1.00
Cultural Affairs and Historic Houses	12.00	12.00	12.00	12.00	12.00	0.00	0.00
Convention and Visitor's Bureau	109.28	109.28	119.28	119.28	119.28	0.00	10.00
Commonwealth's Attorney	102.83	102.83	104.83	108.83	120.83	12.00	18.00
Emergency Communications and Citizen Services	133.75	133.75	133.75	132.75	132.75	0.00	(1.00)
Economic Development	21.00	32.00	33.00	33.00	34.00	1.00	13.00
Emergency Management	8.00	8.00	10.00	10.00	13.00	3.00	5.00
Emergency Medical Services	94.55	101.55	124.55	124.55	165.12	40.57	70.57
Finance	61.00	62.00	62.00	65.00	65.00	0.00	4.00
Fire	523.43	555.23	558.23	558.23	561.23	3.00	37.80
Health Department	11.38	11.38	11.38	11.38	8.00	(3.38)	(3.38)
Housing and Neighborhood Preservation	82.00	87.00	88.00	88.00	94.00	6.00	12.00
Human Resources	55.00	63.00	64.00	66.00	70.00	4.00	15.00
Human Services	1,183.70	1,193.20	1,191.57	1,182.57	1,187.57	5.00	4.87
Information Technology	191.00	189.00	195.00	198.00	199.00	1.00	8.00
Juvenile Probation	4.00	4.00	4.00	4.00	4.00	0.00	0.00
Libraries	249.50	241.50	241.50	241.50	245.50	4.00	(4.00)
Municipal Council	11.00	11.00	11.00	11.00	12.00	1.00	1.00
Office of Performance and Accountability	6.00	8.00	8.00	8.00	8.00	0.00	2.00
Parks and Recreation	868.11	869.11	869.11	875.04	875.04	0.00	6.93
Planning	128.00	133.00	142.00	142.00	143.00	1.00	15.00
Police	1,048.86	1,048.80	1,050.90	1,050.90	1,068.15	17.25	19.29
Public Utilities	415.00	415.00	415.00	415.00	416.00	1.00	1.00
Public Works	944.88	975.88	975.88	976.88	988.88	12.00	44.00
Resort Management Office	10.00	10.00	0.00	0.00	0.00	0.00	(10.00)
Sheriff	531.82	535.99	535.99	535.99	536.40	0.41	4.58
Voter Registration and Elections	12.00	13.00	13.00	13.00	14.00	1.00	2.00
Total	7,321.57	7,419.53	7,470.45	7,480.38	7,590.98	110.60	270.41



City Council and School Board Policy

Title: City/School Revenue Sharing Policy		Index Number:
Date of Adoption: November 19, 2019	Date of Revision:	Page: 1 of 6

1. **Purpose**

- 1.1. This policy (the “Policy”) is to establish a procedure for allocating Local Tax Revenues between the City and the Public School System revenues estimated to be available in any given fiscal year. It is the intent of this Policy to provide a planning and allocation tool that yields sufficient funding to maintain Virginia Beach City Public Schools’ academic success as well as the City’s strategic goals.
- 1.2. This Policy is designed to accomplish these goals by providing better planning for school funding by clearly and predictably sharing local revenues. It provides a balance between the funding requirements for School and City programming. This Policy seeks to provide a diverse stream of revenues that mitigates dramatic changes in the economy by relying upon all local General Fund tax revenues that are under the City Council’s control, rather than a subset of those revenues. It also recognizes decisions by the City Council to dedicate some of these same revenues to City and School priorities outside of the formula discussed herein. Notwithstanding anything in this Policy, at no time shall the City’s funding for Schools be less than that required by Virginia law for the maintenance of an educational program meeting the Standards of Quality as established by the General Assembly and required by the Virginia Constitution.

2. **Definitions:**

- 2.1. “City” refers to the City of Virginia Beach exclusive of the Virginia Beach City Public Schools.
- 2.2. “Schools” refers to the Virginia Beach City Public Schools.
- 2.3. “Local Tax Revenues” refers to all General Fund revenues generated by non-dedicated local taxes: real estate (less dedications such as the Outdoor Initiative); Personal Property; General Sales; Utility; Virginia Telecommunications; Business Professional and Occupational License (BPOL) Tax; Cigarette (less dedication for Economic Development Incentive Program (EDIP)); Hotel; Restaurant Meals; Automobile License; Bank Net Capital; City Tax on Deeds; and City Tax on Wills.
- 2.4. “Dedicated Local Tax” refers to taxes that have been previously obligated by the City Council or State law to support specific projects or programs. Examples of dedicated local taxes that are excluded from this Policy include, but are not limited to: Tax Increment Financing District Revenues; Special Services Districts

Revenues; taxes that represent “net-new revenues” and are required to be redirected or are the basis for the calculation of an incentive payment as part of a public-private partnership approved by City Council; taxes established to support Open Space; Agricultural Reserve Program; Tourism Advertising Program; Tourism Investment Program, referendum related taxes, and taxes used to support the BRAC project. A more complete discussion of such dedications is found in the Executive Summary and Operating Budget each year.

- 2.5. “Formula Percentage” means the percentage applied to the Local Tax Revenues to arrive at the Formula Revenues.
- 2.6. “Formula Revenues” means the amount of revenue the Policy provides for funding the Schools.
- 2.7. “General Fund Balance Reserve Policy” means the Policy adopted by the City Council on May 11, 2004, which sets a range of 8% to 12% of the following year’s budgeted revenues as the required undesignated fund balance.
- 2.8. “Net-new Revenues” as used in Section 2.4 means public-private partnership revenues generated by a project (or property) that exceed the Local Tax Revenues prior to the public-private partnership.
- 2.9. “Revenue Sharing Formula” refers to the method of sharing Local Tax Revenues between the City and the Schools.
- 2.10. “Budgeted Local Tax Revenues” refers to the appropriation of revenues by City Council in May each year for the upcoming fiscal year beginning July 1.
- 2.11. “Actual Local Tax Revenues” refers to the actual collected revenues reflected in the Comprehensive Annual Financial Report (CAFR).
- 2.12. “School Reversion Funds” refers to unused expenditure appropriations and end of the year adjustments to the Revenue Sharing Formula revenues based on actual collections.
- 2.13. “Schools Reserve Fund” means the fund established by the City Council on November 4, 2013, which is subject to School Board Policy #3-28 and is identified in the City’s Financial System as Fund 220.

3. Procedure to Calculate the Revenue Sharing Formula:

3.1. Initial Estimate

- 3.1.1. In October, Budget and Management Services will develop an estimate of Local Tax Revenue for the upcoming fiscal year.
- 3.1.2. Estimated Formula Revenues. Using the estimate in the preceding subsection, the City’s Department of Budget and Management Services will provide the estimated formula revenues to the Schools. The Estimated Formula Revenues is the result of the Local Tax Revenues multiplied by the Formula Percentage, which shall be 46.75% starting in FY 2020-21.
 - 3.1.2.1. This formula calculation shall comprise the local contribution for the Schools pursuant to this Policy.

3.2. Final Estimate

3.2.1. In February, the City's Department of Budget and Management Services will develop a final estimate of the Local Tax Revenues. Using this estimate and the Formula Percentage, the City will derive a final estimated amount of Formula Revenues, which will be included in the City Manager's Proposed Operating Budget and communicated forthwith to the Schools.

3.2.2. The final estimated amount of Formula Revenues and the calculation thereof shall be clearly presented in the City Manager's Proposed Operating Budget and forwarded to the City Council for consideration as part of the annual budget process.

4. Procedure to Request Funding Above the Revenue Sharing Formula:

- 4.1. After receiving the Superintendent's Estimate of Needs, the School Board will notify the City Council by resolution that it has determined additional local funding is required to maintain the current level of operations or to provide for additional initiatives. The School Board's resolution will provide the following: 1) that additional funding is required; 2) the amount of additional funding requested; 3) the purpose for the additional funding; and 4) that the School Board supports an increase in the real estate tax (or other local tax) should the City Council determine that such a tax increase is necessary.
- 4.2. The City Council, in its sole discretion may elect to provide revenue to Schools that is not consistent with this Policy. Such action by the City Council may include consideration of existing dedications or alternate sources of revenue or tax increases. If, after deliberation and appropriate public involvement, the City Council determines that additional tax revenues are required, the City Council may adopt a tax rate increase to any revenue stream within this formula to generate additional local tax revenue.
- 4.3. Should the City Council dedicate such increase in local taxes, that dedication will be treated in the same manner as other Dedicated Local Tax. If the City Council does not dedicate the increased taxes, this revenue will be part of the Local Tax Revenues for purposes of this Policy.

5. Deviations from Budgeted Local Tax Revenues:

- 5.1. If, at the end of the fiscal year, the Actual Local Tax Revenues exceed the Budgeted Local Tax Revenues, the amount of excess revenue will be subject to the same treatment as similar revenues in the budget process for the immediately preceding fiscal year. However, any excess revenue is first subject to the General Fund Balance Reserve Policy. If such excess funds are not required for the General Fund Balance Reserve Policy, the School Board may request that such funds be appropriated at the same time as the appropriation of reversion funds, discussed in Section 6.3, below.
- 5.2. If, the City, through the Manager or their designee, anticipates at any time during the fiscal year that actual revenues will fall below budgeted revenues, the School Board, upon notification by the City Manager or his

designee of such an anticipated shortfall, will be expected to take necessary actions to reduce expenditures in an amount equal to the School's portion of the shortfall.

6. Reversion of Formula Revenues:

- 6.1. All other sources of funding shall be expended by the Schools prior to the use of Local Tax Revenues.
- 6.2. All balances of Local Tax Revenues held by the Schools at the close of business for each fiscal year ending on June 30th (to include the accrual period) lapse and revert to the fund balance of the City's General Fund.
- 6.3. Reversion Appropriation Process: The School Board may request, by resolution, the reappropriation and appropriation of funds resulting from the end of the fiscal year. This request should consider the following:
 - 6.3.1. The use of funds whose appropriation has lapsed because of the end of the fiscal year and reverted to the fund balance of the City's General Fund. See Section 6.2.
 - 6.3.2. The use of excess funds discussed in Section 5.1.
 - 6.3.3. The calculation of actual debt payments for the fiscal year recently closed as compared to the estimated debt payments upon which the fiscal year's budget was appropriated. If the actual debt payment exceeds estimated debt payments, the amount of the Schools' reversion funds will be reduced by this difference. If actual debt is less than estimated debt payments, the amount of the Schools' reversion funds will be increased by this difference.
 - 6.3.4. The Schools' Office of Budget Development will confer with Budget and Management Services to verify that there is sufficient fund balance in the General Fund to meet the City Council Fund Balance Policy. If there is insufficient fund balance according to the Fund Balance Policy, the City Manager shall notify the Superintendent of this condition.
 - 6.3.5. The School Board resolution may request the use of excess or reversion funds for one-time purchases or to be retained according to the applicable policy for the Schools Reserve Fund.
 - 6.3.5.1. Upon receipt of the resolution, Budget and Management Services shall prepare an ordinance for City Council's consideration of the School Board's request at the earliest available City Council meeting.
 - 6.3.5.2. Following City Council's action, Budget and Management Services shall notify the Schools of the City Council's decision and shall adjust the accounting records accordingly.

7. Revision to the City/School Revenue Sharing Policy:

- 7.1. The Superintendent, City Manager, Schools' Chief Financial Officer, and the City's Director of Budget and Management Services shall meet annually to discuss changes in State and Federal revenues that support Schools' operations, any use of "one-time" revenues, and any adjustments made to existing revenues affecting this formula. If they determine that an adjustment is needed, the City Manager and the Superintendent will brief the City Council and the School Board respectively.

7.2. City Council may revise this Policy in its discretion after consultation with the School Board.

7.3. If no other action is taken by the City Council and the School Board, this Policy shall remain effective until June 30, 2024 at which time it will be reviewed and considered for reauthorization.

APPROVED:

As to Content:	<u>Dr. Aaron Spence</u>	<u>11/12/2019</u>
	School Superintendent	Date

<u>Thomas M. Leahy</u>	<u>11/13/2019</u>
Acting City Manager	Date

As to Legal Sufficiency:	<u>Mark D. Stiles</u>	<u>11/13/2019</u>
	City Attorney	Date

Approved by School Board:	<u>Beverly M. Anderson</u>	<u>11/12/2019</u>
	School Board Chairman	Date

APPROVED BY CITY COUNCIL:	<u>Robert M. Dyer</u>	<u>11/19/2019</u>
	Mayor	Date

General Fund Local Taxes	FY 2022-23	FY 2023-24
Real Estate	\$621,707,015	\$669,607,745
Outdoor Initiative 0.47¢	\$(3,209,367)	\$(3,470,458)
Stormwater (General Fund) 2.5¢	\$(17,071,100)	\$(18,459,882)
City Council Priorities 1.85¢	\$(12,632,614)	\$(13,660,313)
Public Safety 1.0¢	\$(6,828,440)	\$(7,383,953)
Personal Property	\$192,619,234	\$208,222,299
General Sales	\$93,871,862	\$91,916,310
Utility Tax	\$25,879,291	\$25,879,291
Virginia Telecommunications	\$17,245,958	\$17,245,958
Business License	\$55,915,491	\$58,742,554
Cigarette	\$8,603,216	\$7,260,669
Economic Development Investment Program 0.16¢	\$(1,966,449)	\$(1,659,582)
Hotel	\$10,736,531	\$11,245,386
Restaurant	\$56,972,840	\$58,729,025
Automobile License	\$11,278,097	\$10,769,956
Bank Net Capital	\$3,696,076	\$4,673,001
City Tax on Deeds	\$10,804,957	\$11,129,106
City Tax on Wills	\$107,785	\$112,096
Total Non-Dedicated Local Taxes	\$1,067,730,383	\$1,130,899,209
Formula %	46.75%	46.75%
Revenue Sharing Formula Revenues	\$499,163,952	\$528,695,380
*Hold Harmless Adjustment 2.138¢	\$(14,597,409)	\$(15,786,891)
	\$484,566,543	\$512,908,489

*Hold Harmless Adjustment - allows for the redirection of General Fund revenues to defray the 4.1¢ dedication of the Real Estate tax necessary to support the Flood Protection Program Bond Referendum debt service.

**The FY 2023-24 City School Revenue Sharing Formula listed above reflects differently than the transfer from the City's General Fund to the Schools Operating fund listed on the interfund transfer summary in the Operating Budget due to the Revenue Sharing Formula being held harmless from projected reductions in Real Estate Revenue as a result of City Council adjusting the Real Estate tax rate for surviving spouses of military service members who died in the line of duty to \$0.000001(one millionth of one cent) per \$100 of assessed value.



City Council Policy

Title: Maintenance and Repair of Aging City Infrastructure		Index Number: 45416
Date of Adoption: 9/7/99	Date of Revision:	Page: 1 of 2

1.0 Purpose

- 1.1 Aging infrastructure is a growing nationwide problem which demands increased attention. Currently, the estimated cost to maintain and repair the nation's infrastructure is at least \$853 billion.
- 1.2 Virginia Beach is a relatively young city, established in 1963, which has now become a mature urban area with a population of approximately 430,000. Over the years, a large public investment has been made in building the City's infrastructure. The estimated replacement value of the City's investment is currently \$5.38 billion. A large portion of that infrastructure, such as public buildings, roads, water and sewer lines, and schools, was constructed during the 1970s and earlier, and these facilities are now reaching ages where major maintenance and repair, if not full replacement, should be planned.
- 1.3 For the last several years, City Council, the School Board, and the City and Schools staffs have recognized the need for this increased commitment to repair, renovate and replace the City's older infrastructure. Council has addressed this issue by including additional funds in the Capital Improvement Program (CIP) for maintenance and repair projects.
- 1.4 Competition for City resources is keen while the City's infrastructure maintenance and repair needs are growing. Since it is in the public interest to plan now for the future maintenance and repair of this substantial public investment, City Council desires to establish a policy on infrastructure maintenance and repair to focus attention on the unseen but growing infrastructure issue and to prevent large and costly replacements in the future.

2.0 Council Policy

- 2.1 It is the policy of City Council to support the planned maintenance and repair of the City's infrastructure in a manner which provides the best facilities at the least cost and maintains the value of the City's investment.
- 2.2 It is the policy of City Council to treat infrastructure maintenance and repair costs as fixed costs for new projects.
- 2.3 It is the long-term goal of City Council to achieve maintenance and repair levels which insure that the City's infrastructure is functional and maintained in good condition by allocating the resources required by condition assessment surveys or generally accepted industry funding standards.
- 2.4 It is the policy of City Council to seek the expansion of resource capacity of these purposes.

3.0 Procedure(s) to Accomplish Policy

- 3.1 Staff will continue its planned infrastructure inventory and assessment until a complete and accurate inventory and assessment of the City's infrastructure is complete. The inventory and assessment will be maintained thereafter so funding requirements can be identified.
- 3.2 The City Manager shall, in the annual budget document, report the amount of the City's resources being applied to infrastructure maintenance and repair, and its relationship to replacement plant value.
- 3.3 The City Manager shall, in concert with regional efforts, pursue increased resources for infrastructure maintenance and repair with emphasis on increases in State allocations for the maintenance and repair of roads, schools, and other infrastructure.

4.0 Responsibility and Authority

- 4.1 The City Manager shall, be responsible for submitting a budget which adequately funds the maintenance and repair of City infrastructure, and for reporting progress toward achieving Council's goals.

5.0 Definitions

- 5.1 "Maintenance" is defined as the recurrent, day-to-day, periodic, or scheduled work required to preserve real property in such condition that it may be used for its designated purpose.
- 5.2 "Repair" is defined as the restoration or in-kind replacement of real property to such condition that it may be used for its designated purpose. This would include projects like the replacement of Cooke Elementary School or the Social Services building.
- 5.3 "Expansion" or "new construction" is defined as the installation or assembly of a new facility, or the addition, extension, alteration, or conversion of an existing facility for a new or expanded use.

Approved as

to Content:

Clarence Warnstaff
Director/Administrator

08/17/99
Date

Approved as

to Legal Sufficiency:

Leslie L. Lilley
City Attorney

08/27/99
Date

Reviewed by:

James K. Spore
City Manager

09/01/99
Date

Item Number:

#45416

Ruth Hodges-Smith
City Clerk

09/07/99
Date



City Council Policy

Title: Not Supplanting State, Federal, and Private Funds with Local Funds		Index Number: 47714
Date of Adoption: 2/06/01	Date of Revision:	Page: 1 of 2

1.0 **Purpose and Need**

The citizens of Virginia Beach receive important, beneficial services from a wide variety of State, Federal, and private agencies, as well as from City programs which rely on funding from these agencies. These agencies are critical partners with the City and the School system in the provision of programs to our community. When these agencies terminate programming, reduce services, or curtail funding, it cannot be assumed that the City of Virginia Beach will maintain these programs. The City's ability to assume the financial responsibility for these services without significantly impacting other service areas which are solely the responsibility of the City, or without having to raise taxes, is limited.

The purpose of this policy is to formally adopt the City's long-standing practice of not automatically supplanting funds from State, Federal, or private agencies with local funds when those agencies reduce or eliminate funding to City or School programs.

2.0 **Policy**

It is the policy of City Council to prevent, to the extent possible, the shifting of financial responsibility for State, Federal, or privately funded programs to the citizens of Virginia Beach by not supplanting those funds with local funds when those agencies reduce funding to the various community programs that rely on that funding.

3.0 **Procedure to Accomplish Administrative Directive**

3.1 The Department of Management Services will provide information to the City Manager on a periodic basis that reports any reductions in funding from State, Federal, or private sources that are expected to adversely affect services to the citizens of Virginia Beach. When services are severely affected by such reductions, the City Manager and the Department of Management Services will determine what actions, if any, may be necessary to mitigate the impact on local services.

3.2 The City Manager will report to City Council any instances where reductions in State, Federal, or private funding will have a severe enough effect on services that Council action is necessary.

4.0 **Responsibility and Authority**

The Department of Management Services is responsible for reporting to the City Manager any reductions in State, Federal, or private funding that could have an effect on services provided to the citizens of Virginia Beach.

5.0 **Definitions**

Supplanting: For purposes of this policy, the substituting of local funds for reductions in State, Federal, or private funding.

State, Federal, and private agencies: Agencies of either the State or Federal governments, or non-governmental

agencies, that either provide funds to the City of Virginia Beach for the provision of local services or offer those services themselves directly to the citizens.

Approved as to Content:	<div>Catheryn R. Whitesell</div> <div>Director/Administrator</div>	<div>02/05/01</div> <div>Date</div>
Approved as to Legal Sufficiency:	<div>R.M. Blow</div> <div>City Attorney</div>	<div>02/21/01</div> <div>Date</div>
Approved:	<div>Steven T. Thompson</div> <div>Chief Financial Officer</div>	<div>02/26/01</div> <div>Date</div>
Approved:	<div>James K. Spore</div> <div>City Manager</div>	<div>02/26/01</div> <div>Date</div>
Approved:	<div>Meyera E. Oberndorf</div> <div>Mayor</div>	<div>02/26/01</div> <div>Date</div>



Administrative Directive

Title: Grant Management		Index Number: AD 1.05
Date of Adoption: 09/06/94	Date of Revision: 02/14/2023	Page: 1 of 7

1.0 Purpose and Need

Grant funds from the Commonwealth, the federal government, or other agencies and organizations are an important revenue source that can aid the City in providing quality services to citizens and customers while keeping taxes as low as possible. The growing increase in the number of grants awarded to the City has necessitated a higher level of coordination to ensure that grant funds are being used to derive the greatest benefit.

Departments are urged to solicit grants - especially where a grant will help achieve City Council goals, enhance or support the City's basic services, or address any other City priority - while trying not to incur a high level of overhead on small grants that do not greatly influence the City's strategy.

Prior to seeking grant funding, a department should consider the following:

- Will the grant be used to address a City strategy or other priority?
- Would the grant funding be used for a previously identified need of the City for which no other source of funding is available?
- If the program being funded by the grant is needed to accomplish a City priority or achieve the department's mission, should it be supported instead by City funds to ensure that adequate resources are made available in a sustainable manner?
- Will the grant provide only short-term financing for a long-term commitment on the part of the City?
- Is there a local match component included in the grant guidelines or assurances that would require General Fund revenue to support?

This Directive provides guidance on the process to be used by City departments in pursuing grants and establishes a centralized means of identifying which grants are being sought, thereby promoting a systems approach to the use of grant funds.

2.0 Administrative Directive

No part of this Directive should be construed as superseding any portion of the adopted annual operating budget ordinance or Capital Improvement Program ordinance. In the event of a conflict between this Directive and either ordinance, the ordinance shall supersede.

All grant applications must be signed by the City Manager or appropriate designee prior to submission to the granting agency. All grants must be appropriated through the budgetary process or through the Council Agenda Process. If the granting agency does not require the City Manager's signature, a signed memo of support from the City Manager must be obtained.

All grants must comply with all City policies and procedures, including the purchasing and technology improvement policies, and the City Attorney's Contract Preparation/Review Guidelines. Any grant that includes personnel costs must comply with all City personnel policies. The agenda request and ordinance shall include language indicating that the position is authorized only for the duration of the grant period, unless continued employment is required

by the grantor and approved by the City Manager prior to accepting the grant funding. The employee will be notified in writing upon hire that the position is subject to the continuation of grant funding and expiration of the grant will result in elimination of the position.

3.0 Procedure to Accomplish Administrative Directive

A. Grant Application Phase

1. Operating Budget Grant Application Phase

The procedure for completing and submitting grant applications is bulleted below. Specific details are included in subsequent paragraphs.

- **Step 1:** Department identifies a need for services, equipment, or programs.
- **Step 2:** Department seeks grant programs that support services related to the identified need.
- **Step 3:** Department informs Budget and Management Services staff (assigned budget analyst) of intent to apply for grant funding as soon as is practicable.
- **Step 4:** Department prepares grant application (with the Director's endorsement), routes it to other affected departments (including IT for those with technology components) and forwards a complete copy to Budget and Management Services, accompanied by the required grant forms (available on BEACHnet), including a signed designee authorization form. Submission to Budget and Management Services should be at least ten (10) business days prior to the application deadline. If this is not possible, notify Budget and Management Services staff.
- **Step 5:** Budget and Management Services evaluates the grant and forwards the application and recommendation to the City Manager via the Deputy City Manager for the department. In some instances, the City Manager's signature may be required on the application.
- **Step 6:** Once application or signed memo of support from the City Manager is approved and signed, the department submits grant application to grantor agency.

B. Grant Management Phase

The procedure for appropriating and managing grants is bulleted below. Specific details are included in subsequent paragraphs.

- **Step 1:** Department notifies assigned Budget and Management Services analyst that a grant was approved and drafts an agenda request to accept the grant and appropriate funding. If additional paperwork, such as a formal acceptance is required, the department will forward this to Budget and Management Services to obtain signature from the responsible Deputy City Manager and/or the City Manager. This signature process shall not occur until after City Council action, unless the grantor requires a more urgent acceptance of the funds.
- **Step 2:** Budget and Management Services drafts the ordinance and forwards it to the City Attorney.
- **Step 3:** Department representative attends the agenda meeting (Wednesday prior to Council date).
- **Step 4:** Once Council appropriates the grant, Budget and Management Services requests a grant number from Financial Services and enters the related budget journal in Oracle Financials Cloud. In the event that City Council declines the grant, the submitting department is responsible for notifying the grantor in writing that the City will not be accepting the grant.

- **Step 5:** Department begins managing the grant in accordance with the grant application and guidelines. The department managing the grant is responsible for maintaining all grant-related records and ensuring reporting requirements are met.
- **Step 6:** When the grant period is completed, the department shall contact Finance to coordinate closing the grant in Oracle Financials Cloud.

Grant Review and Authorization:

- The specific process required for grant review is outlined on BEACHnet under the Grant Management link. This link includes the “City of Virginia Beach Grant Management Process” and written procedures. These documents outline the specific process that should be followed, list all forms that are required to be completed, and provide a list of resources for departments applying for grants.
- **No grant application shall be submitted to a granting agency without prior review by Budget and Management Services and signature of approval by a member of the Management Leadership Team.**
- Any City department or agency that intends to apply for a grant shall provide a copy of all required forms to Budget and Management Services at least ten (10) business days prior to the date the grant application is due to the granting agency.
 - It is necessary to allow ten (10) business days to ensure that documentation is adequately reviewed by Budget and Management Services staff and allow routing and review by the appropriate member(s) of the Management Leadership Team.
 - Budget and Management Services staff will work with departments on a case-by-case basis, where the granting agency has not provided ample notice to provide the required ten (10) business days for review; however, this does not exempt any grant from review by Budget and Management Services.

Requirements for Completing and Submitting Online Grants:

- If a grant is completed in an online database, a hard copy should be provided to Budget and Management Services to complete the required review and to maintain for central filing.
- The signature can be obtained on the grant routing form or on the cover letter from Budget and Management Services.
- A “Designee Authorization Form” should be completed and signed as well (available on BEACHnet under ‘FINANCE - Grants’).
- Please note that many online databases require authorization of the applicant prior to submission that may require several days to complete. Departments should plan their grant development accordingly.

Requirements for Grant To Purchase Technology and Physical Assets:

- The submitting department is responsible for routing grants that have technology components associated with them to Information Technology during the application phase. The department is responsible for coordinating all technology equipment and infrastructure needs with Information Technology staff after submission of the grant.
- The submitting department is responsible for routing grants that have vehicle or motor equipment components associated with them to the Public Works Department/Fleet Management. The department is responsible for coordinating and acquisition, maintenance, and repair needs with Fleet Management staff after submission of the grant.

Inclusion of Grants in the Operating or Capital Budget:

- Guidelines for including grants in the annual operating budget include: the grant is on-going, non-competitive, and/or allocated on a formula basis such that the revenue can be reasonably estimated based on the historical amount received.
- A department can include a grant in the operating budget request; however, the grant should be included in the appropriate grant fund and necessitates assignment of a grant number by Budget and

Management Services/Financial Services.

- The CIP may also include grant funding that is of a one-time or ongoing nature.
- Grants that are appropriated as part of the annual operating or capital budgets will be reviewed in conjunction with departmental budget requests; however, Budget and Management Services will still review applicable paperwork for grants that are budgeted. The grant application and/or acceptance paperwork must still be approved and signed by the City Manager or appropriate Deputy City Manager prior to submission to the granting agency for budgeted grants.
- It is still necessary for the requesting department to forward any documentation to Budget and Management Services for signature by an appropriate member of the MLT and inclusion in central filing.
- The department must notify Budget and Management Services of differences between the estimated and actual amount of all grants so that adjustments to appropriations may be made.
- An award letter is required for any new grant before it can be included in either the operating budget or CIP.

Financial Controls Applied to Grants:

- The budgetary controls that are applied to operating budget appropriation units also apply to grants. In general (exceptions are outlined below), the grant controls apply first to the grant number, then the department number and then the object code. A grant number designates the overall appropriation unit; appropriations in one grant within a fund cannot offset appropriations within another grant in that same fund.
- Grants also have the same controlled accounts applied: Reserve for Contingencies (691s), Personnel Services (601s Salaries and 602s Benefits combined), Operating Expenses (603s to 606s combined), Leases and Rentals (607s), Controlled Assets (608s), Capital Outlay (609s), and Debt Service (670s). These categories cannot exceed appropriations for those accounts. Part-time salaries and capital outlay are controlled at the line-item level in Oracle Financials Cloud.
- Grants involving FEMA-Team deployments and certain housing grants that are subject to special circumstances are the exceptions to the application of the above Oracle Financials Cloud controls. The requirements of these grants would render the application of these financial controls impractical.

Supplanting:

- Special focus is needed in the evaluation of grants regarding supplanting. Supplanting involves replacing one source of funding for another.
- The City Council adopted a policy in 2001 which states, "It is the policy of the City Council to prevent, to the extent possible, the shifting of financial responsibility for state, federal, or privately funded programs to the citizens of Virginia Beach by not supplanting those funds with local funds when those agencies reduce funding to various community programs that rely on that funding."
- In addition, many grants are requiring that the City certify that the funding will not supplant any funding already being used for the same purpose. For example, a Police Department grant may require that the grant funding not supplant any funding allocated for law enforcement uses, thus using vacancy funding from police officers to match the grant would not be allowable under the grant. This would not apply to funding that is programmed or planned in future years.

4.0 Responsibility and Authority

Department Directors shall be responsible for reviewing and providing a written endorsement of all grant applications submitted by their department, either in paper form or electronically. All grant applications shall be reviewed by Budget and Management Services and approved with signature by the responsible Deputy City Manager and/or the City Manager prior to submission to the granting agencies. Before a grant can be submitted electronically, the individual that is preparing the application must be authorized by the City Manager to submit the grant. A "Designee Authorization Form" is available on BEACHnet under 'FINANCE-Grants'.

A. City departments are responsible for the following:

1. Seeking grant funding for identified needs that are not otherwise funded.
2. Forwarding all documents to BMS to obtain all required signatures pertaining to the grant application and grant acceptance at least ten days prior to the due date.).
3. Completing applications for identified grants in accordance with guidelines prescribed by the granting agency.
4. Collaborating with other departments as needed to ensure that grant funding provides the greatest possible benefit.
5. Initiating the agenda request process to acquire City Council acceptance of the grant and appropriation of grant funds once written approval notice is received from the grantor agency, if applicable.
6. Developing agenda requests for resolutions as required by granting agencies.
7. Administering the grant-funded program and ensuring that all City policies are followed, and all grant requirements are met.
8. Ensuring that grant expenditures are allowable within the awarded grant funding and in accordance with Uniform Guidance OMB 2CFR200.
9. Coordinating with the City's Finance Department to ensure that grant funding is requested and received in a timely manner.,
10. Department to upload grant award letter in Oracle Financials Cloud.
11. Ensuring that grant-funded personnel are aware upon hire that their positions are authorized for a set time frame or certain amount of grant funding and ensuring that grant-funded personnel sign paperwork to that effect.
12. Notifying Human Resources at least one (1) pay period prior to any grant position no longer being funded.
13. Maintaining all documentation for grants for a minimum of five (5) years, unless the grantor specifies a longer duration.
14. Notifying the Office of the City Auditor of any contact from the granting agency or other external agency concerning an audit or review.
15. Notifying the Office of the City Auditor of concerns about violations of federal, state and/or local laws and regulations or suspected improprieties related to the grant program.

B. The Department of Budget and Management Services is responsible for the following:

1. Functioning as process owner of the grant management process and a resource for agencies, with regard to the grant process and grant development.
2. Assisting departments in identifying sources of grant funding and reviewing grant proposals.
3. Providing a timely review of grant applications prepared by departments.
4. Assisting departments in the preparation of agenda items seeking City Council acceptance of a grant and appropriation of grant funding.
5. Maintaining the following information on file as part of the department's role in resource management:
 - a. A copy of the grant application when available
 - b. The department's grant analysis review.
 - c. A copy of the agenda package, including the signed appropriation ordinance, and the associated journal voucher.
 - d. A copy of the signed grant acceptance form, where applicable.
 - e. A copy of the award letter.
6. Communicating with other City agencies and departments after acceptance and appropriation of the grant.
7. Providing copies of all grant-related budget information to the Comptroller's Office of the Finance Department, and to the Payroll Division of the Finance Department and Human Resources when a grant involves changes to part-time or full-time personnel.

8. Ensuring that City departments are familiar with the grant management process and providing grant training about the City's process on an annual basis.
 9. Ensuring that Council ordinances include wording that indicates that grant-funded positions will be terminated when grant funding is no longer available.
 10. Requesting grant numbers for awarded grants through Financial Services and notifying Finance of awarded grants through a copy of the completed budget journal.
 11. Coordinating multi-departmental grants to ensure a Citywide focus.
- C. The Department of Finance is responsible for the following:
1. Functioning as process owner of grant reporting and accounting.
 2. Serving as fiscal agent, when required by the grant.
 3. Reviewing each grant periodically to ensure that grant funding is requested and received in a timely manner, including tracking all revenues received and expenditures made.
 4. Ensuring that ended grants are properly closed out.
 5. When necessary, submitting required financial reports to the granting agency.
 6. Ensuring that grant controls are set in Oracle Financials Cloud.
 7. Providing grant training on grant reporting and accounting on an annual basis.
 8. Establishing grant numbers in Oracle Financials Cloud and InSITE (Oracle EBS) when requested.
- D. The Department of Human Resources is responsible for the following:
1. Assigning position control numbers to full-time grant positions.
 2. Processing a grant-funded position out of the system after receiving notification that the grant has been discontinued.
- E. The Office of the City Auditor is responsible for the following:
1. Providing technical and/or advisory services to the department or program managers regarding program operations and compliance.
 2. Providing advice and guidance on audit related matters.

5.0 Definitions

Grant: Funding awarded to the City by another level of government or by an outside agency or organization, and which generally meets the following requirements:

- The funding supports a public purpose.
- The funding is for a specified period of time.
- An application process is required to obtain the funds.
- Acquiring the funds is generally the result of a competitive process or funds are distributed on a formula basis.
- Periodic reports are required to be submitted to the granting agency.
- The grant is subject to audit by the granting agency.

Annual Grant: A grant that is awarded annually, regardless of the specific grant period (e.g., City fiscal year, federal fiscal year, or calendar year).

Multi-Year Grant: A grant that affects the appropriation of funding beyond one fiscal year.

Appropriation: Legal authorization from City Council to make expenditures and incur financial obligations on behalf of the City. Appropriations for grant programs can be included in and approved by City Council in the Adopted Operating Budget and Adopted Capital Improvement Program or may require subsequent action by City Council outside of the budgetary process.

Legislative Approval: Refers to (1) the need for City Council to accept and appropriate a grant to provide departments the authority to spend grant funding; or (2) the requirement by the grantor that City Council formally endorse or accept a grant, whether before the application is submitted or after the grant is awarded.

Agenda Request: A formal request to be placed on the City Council agenda. The agenda request is required to allow the Council to vote to appropriate the grant funding. **Grant funding that has not been appropriated may not be spent.**

Ordinance: An ordinance, or an amendment to an ordinance, is a formal and binding type of Council legislation. A roll call of the Council records the Council's action on all ordinances. **Before grant funding can be spent, it must be appropriated.** Because the budget is a legal document, any expenditures that are not included in the budget document must be ratified by Council as a separate ordinance. The ordinance appropriates grant funds for the department to spend.

Resolution: A resolution is a formal type of Council legislation. Passage of a resolution indicates the Council's policy on a certain matter, or it may direct a certain type of action to occur. It requires only one reading. This is a statement of intent by the City Council to participate in the grant program. Resolutions may be required for grants prior to award or after the grant has been awarded. This does not constitute an appropriation or a formal acceptance of grant funding, but only an agreement in principle.

Supplanting: Substituting one source of funding to augment reductions in funding by another agency. The City's policy of not supplanting federal, state or private funding reductions with local funding applies to grants. Match requirements for grants are not considered supplanting. Grants are increasingly requiring that the City certify that federal, state or private funding are not supplanting local funds intended for the same purpose as well.

✓ **Local Match Requirement:** the amount a granting agency requires the City to contribute toward the award. The required match percentage, sources of match, and other requirements vary from program to program.

Uniform Guidance OMB 2CFR200- establishes uniform administrative requirements, cost principles, and audit requirements for Federal awards to non-Federal entities

6.0 Specific Requirements

Subject to any other provision of the law, all agencies and departments shall administer all grants in accordance with this Directive and related supporting documents.

Approved as to Content:



Director of Budget and Management Services

2/6/23
Date


Director of Finance

2/7/23
Date

Approved as to Legal
Sufficiency:


City Attorney

2/10/23
Date

Approved:


City Manager

2/14/23
Date



Administrative Directive

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1.0 **Purpose and Need**

The Annual Operating Budget Appropriation Ordinance authorizes the City Manager or the Director of Budget and Management Services to establish and administer budgeting within appropriation units, consistent with best management practices, reporting requirements, and programs and services adopted by the City Council.

This Directive is necessary to:

- Maintain the requirements of the City Charter, the City Code, the Annual Operating Budget Appropriation Ordinance, and the Capital Improvement Program Appropriation Ordinance.
- Ensure the financial integrity of the City through the establishment of policies, which provide that the appropriation authority granted by the Annual Operating Budget and the Capital Improvement Program Appropriation Ordinances are not exceeded, without prior approval of Council.
- Provide a framework for responsible expenditure decisions.
- Maximize the flexibility and accountability of Department Directors in responding to the demands of their departments' missions and in fulfilling their program objectives, while adhering to legal and administrative policies.

2.0 **Administrative Directive**

Subject to any other provision of the law, all offices, agencies and departments shall administer their operating budgets in accordance with this directive.

3.0 **Procedure to Accomplish Administrative Directive**

The Department of Budget and Management Services is responsible for coordinating the City's Resource Management Plan (i.e., the Operating Budget and CIP) and making recommendations to the City Manager. Budget and Management Services shall act as the City Manager's designee in the approval of appropriation transfer requests. Budget and Management Services will coordinate annual Operating Budget and CIP development training.

All related forms are available on the Department of Budget and Management Services Beachnet Site. Detailed instructions and overviews of procedures are also described on the site. Forms can be submitted electronically. Only employees whose signatures are on file with Budget and Management Services are authorized to sign and/or transmit transfers.

Any transfer between or within controlled accounts will require submission of a Budget Adjustment Request form or Redefinition of Funds Letter to be approved by Budget and Management Services. The departments should send these requests directly to Budget and Management Services. Budget and Management Services will notify Council of approved transfers between \$25,000 to \$100,000 on a monthly basis.

City Council approval is required for any transfer that: 1) exceeds \$100,000; 2) significantly expands an existing program; 3) initiates a program that has not previously been requested in the budget; or 4) increases

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permanent positions. All appropriations of funds require an affirmative vote by a majority of all members of the City Council. Departments must follow the Agenda Process for these requests.

All requests for new programs or significant expansion of programs will be reviewed by Budget and Management Services with recommendations provided to the City Manager or designee as to the appropriateness of the request. Programs that involve redirection of existing funds that are available within the requesting department's fiscal year appropriation and do not require additional funding in future years or involve additional permanent FTEs may not necessitate Council action.

Department Directors may appeal the disapproval of funding requests by Budget and Management Services staff to the Management Leadership Team. All information related to the request, including the reason(s) for denial, will be forwarded to the Management Leadership Team for review and reconsideration. Decisions of the Management Leadership Team are final.

4.0 Responsibility and Authority

A. Department Directors have a responsibility to ensure that:

- 1) The expenditures and encumbrances do not significantly expand, enhance or create programs which will be an on-going commitment or will create a future liability of the City, beyond the current fiscal year, without the approval of the City Manager and City Council.
- 2) The appropriation units remain balanced (within each fund in a department's budget) so that the aggregate total of expenditures and encumbrances does not exceed the aggregate total of the adjusted appropriations in each appropriation unit.
- 3) The estimated revenues which support each program are or will be realized by the City, and that Special Revenue, Internal Service Funds, and Enterprise Funds do not expend more than the fund is anticipated to receive by the conclusion of the fiscal year.
- 4) Departments conform to the policies and procedures of the City's Grant Management Process, as described in Administrative Directive 1.05.
- 5) The total expenditures for Personnel Services (601s and 602s), Leases (607s or 680s), Capital Purchases (608s), and Capital Improvements (690s), do not exceed appropriations within those accounts for their department within a fund.
- 6) The aggregate total of expenditures and encumbrances for non-controlled accounts (603s, 604s, 605s, and 606s) does not exceed the aggregate total appropriated for those accounts by department within a fund.
- 7) The aggregate total of expenditures and encumbrances within Capital Improvement Projects do not exceed the aggregate total of appropriations within a project.
- 8) The expenditures within a Capital Improvement Project are allowable expenses as defined by the project scope of work. Any questions regarding project scope of work should be referred to Budget and Management Services for review.

B. Department Directors are authorized to perform the following:

- 1) Make spending adjustments within non-controlled accounts that do not exceed the scope or intent of the department's approved budget (i.e., there should be no new or expanded programs). It is not necessary for individual line-items to balance, but the Appropriation Unit must balance in total.
- 2) Request a personnel transaction (i.e., promotion, career progression or reclassification) provided that existing budgetary funds are available in the salary and fringe benefit accounts within the cost center to offset any increase in expenditures. Personnel transactions are submitted for approval by Human Resources. For reclassifications associated with vacant positions, the Department of Human Resources will work with the Department of Budget and Management Services before finalizing the

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recommendation with the submitting department. Prior to making a personnel request, the department must certify to the Department of Human Resources that adequate appropriations are available within the personnel accounts to offset increased costs.

- 3) Prepare a Budget Adjustment Request or prepare a City Council Agenda Request, where applicable. (See Section 4.0-C City Manager and Section 4.0-D City Council for requirements of these requests.)
 - 4) Request a redefinition of Capital Outlay appropriations via submission of a letter (or e-mail) to Budget and Management Services indicating the justification for the request and the reason that there is available funding to be redefined. Redefinitions are needed when a department would like to modify approval capital outlay items within the same capital outlay object code.
- C. The City Manager, the Director of Budget and Management Services or their designees, are authorized to transfer funding in accordance with the Annual Operating Budget Appropriation Ordinance, Capital Improvement Program Appropriation Ordinance, and Section 2-187.1 of the City Code.

Authorization is required from the City Manager or the Director of Budget and Management Services or their designees to:

- 1) Transfer appropriations up to \$100,000 to or from controlled accounts, between appropriation units, from Reserves for Contingencies accounts, or between capital projects. The City Manager approves transfers between \$25,000 and \$100,000 and provides a monthly report to City Council of the transfers between \$25,000 and \$100,000.
 - a. Transfers to and from controlled accounts (especially personnel accounts) will be evaluated on a case-by-case basis to determine the nature of the request. Criteria for consideration include: 1) the request results from a mandate, 2) the request constitutes a change in operating policies and procedures as a result of direction from the City Manager, and 3) if the impact of not immediately implementing the request would disrupt service delivery (i.e., why request cannot wait until the next budget process).
 - b. Requests for transfers from Reserves for Contingencies will not be considered unless Budget and Management Services determines with the department that the appropriation unit cannot absorb the cost first, within the department's non-controlled accounts and second, within controlled accounts that are anticipated to have excess funding.
- 2) Transfer positions between cost centers, divisions, and departments, subject to the \$100,000 limit on transfers.
- 3) Approve and redefine the use of appropriations for specific Capital Outlay items (608s and 609s).
- 4) The City Manager may temporarily increase the number of part-time FTEs within the current fiscal year, subject to the \$100,000 limit on transfers, provided that the aggregate amount expended for such positions does not exceed the respective appropriations.
- 5) Transmit items to City Council for adoption.
- 6) Decrease estimated revenues and corresponding appropriations to reflect expected revenue collections. City Council must be notified of reductions greater than \$100,000.
- 7) Transfer appropriated funds and existing positions as necessary to implement organizational adjustments authorized by the City Council. The City Manager shall report to City Council regarding the status and progress of any such organizational adjustments on an annual basis.
- 8) Adjust the financing sources for various capital projects to reflect effective utilization of financing sources. The City Manager or his designee may also reduce appropriations to any capital project to reflect reductions in financing sources. However, prior notice to City Council is required for any reductions to total appropriations greater than \$100,000.
- 9) Transfer from dedicated Reserves for Contingencies that have funding for a specific purpose.

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10) Coordinate with the Department of Finance to align the budget document and financial controls with the expressed intent of City Council.

D. City Council, in its legislative discretion, may amend the Operating Budget during the fiscal year. City Council approval is required for all of the following actions prior to the utilization of funds:

- 1) Amend original appropriations through supplemental appropriations of additional revenue, fund balance or retained earnings.
- 2) Amend the Operating Budget and Capital Budget through the transfer of appropriations that exceed \$100,000.
- 3) Increase the total number of permanent positions.
- 4) Implement new, significant expansions or enhancements to programs or services, which will be an ongoing commitment or a future liability for the City beyond the current fiscal year. Any request that was not considered during the budget process will constitute a new program and will require City Council action. Any request deemed to exceed the scope of authority and intent reflected in the Operating Budget or CIP by the City Manager or his designee will require City Council action.
- 5) Initiate a new capital project.
- 6) Carry-forward appropriations which were authorized but not completed prior to the end of the fiscal year. These requests are reviewed by Budget and Management Services for appropriateness and to ensure that there is sufficient fund balance to meet City Council policies. Funding for leases, travel, salaries, or fringe benefits are not eligible to be carried forward.

5.0 **Definitions**

Terms are defined as they relate to the Operating and Capital Budget administration and provide a general explanation of technical concepts.

Account Categories: Line item expenditure account codes are grouped and numbered according to general uses. They are identified by the first three digits: 60X, where the 6 signifies that it is an expenditure. Following is a list and brief description of account codes.

- **601s – Personnel Services:** Compensation of direct labor of persons in the employment of the City; salaries and wages paid to employees for full-time, part-time, and temporary work; payment for contracted manpower.
- **602s – Fringe Benefits:** Job-related benefits provided for employees as part of their total compensation.
- **603s – Contractual Services:** Services acquired on a fee basis or a fixed-time contract basis from outside sources.
- **604s – Internal Services:** Charges to departments for intra-governmentally provided support services such as computer application-related subscriptions, automotive services, fuel, internal telecommunications, and risk management.
- **605s and 606s – Other Charges and Supplies:** Expenditures for all other purposes such as utilities, external telecommunications, office supplies, furnishings, uniforms, professional development, travel and membership dues.
- **607s – Leases and Rentals:** Leases not capitalized and rental of land, structures, and equipment.
- **608s and 609s – Capital Outlay:** Expenditures resulting in the acquisition of, or addition to, fixed assets which cost \$5,000 or more each.
- **680s – Lease Amortization:** Leases related to capital projects that must be amortized.
- **690s – Land Structures and Capital Improvements:** Major capital facilities, with a total cost equal to or greater than \$250,000, that are constructed or acquired, such as land or buildings, and alterations to existing properties. Accounts in this category are used in the Capital Improvement

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Program. Any project with estimated cost equal to or greater than \$250,000 may be a Capital Project and is addressed through the Capital Improvement Program.

Agenda Request: Document through which a department seeks approval of an ordinance for appropriation amendments or any increases in permanent positions that require City Council approval.

Appropriation: Legal authorization from City Council to make expenditures and incur financial obligations on behalf of the City. Appropriations for each program area are outlined and approved by City Council each fiscal year in the Adopted Operating Budget and Adopted Capital Improvement Program.

Appropriation Amendment: Adjustments made to the Annual Operating Budget during the fiscal year.

Appropriation Ordinance: Formal legislative enactment by Council. Means through which the Operating and Capital Improvement Program Budgets are enacted into law. It establishes spending mandates, provides legal authorization for spending throughout the fiscal year and creates limits which cannot be exceeded without subsequent Council actions. It is also the mechanism used to amend the Operating and Capital Improvement Program Budgets.

Appropriation Unit: The legal level at which the Operating Budget must balance at the close of the fiscal year, as required by the appropriation ordinance (see Attachment A to the Operating Budget Ordinance). Appropriation units are the basis on which Council adopts the appropriation ordinance that is submitted with the Operating Budget and Capital Budget. In general, an appropriation unit is equivalent to a department, within a single fund.

Carry-forward: Carry-forward appropriations which were authorized but not completed prior to the end of the fiscal year. Criteria for Carry-forward appropriations are: 1) the funds shall remain in the same fund, department, cost center, and account code; 2) the item was specifically appropriated for the purpose identified in the request; 3) the legal appropriation unit or department has an unencumbered balance greater than the amount requested; 4) the fund balance of the affected fund has sufficient funding available at the close of the books to fund the continuation of the appropriation and is compliant with all prescribed policies; 5) the item to be carried forward must be critical to the mission of a program or service offered by the City; and, 6) the requesting department must be able to demonstrate why funding could not be expended within the fiscal year.

Controlled Accounts: Expenditure category over which the City Manager has retained authority (inside and outside the departments) for transactions to or from these accounts. Controlled accounts include Personnel Services (601s), Fringe Benefits (602s), Capital Outlay (608s and 609s), Leases (607s and 680s), Land Structures and Capital Improvements (690s), as well as any transfers of appropriations affecting Capital Projects and Reserves for Contingencies funds.

Estimated Revenues: The amount of revenue estimated to support appropriations.

Full-Time Equivalent (FTE): Equivalent to the actual hours worked by a full-time position (greater than or equal to 2,080 hours annually), employed a minimum of 40.0 hours per week for 52 weeks per year.

Fund: Separate group of self-balancing accounts which contain related liabilities and resources. Because each fund is a separate fiscal entity, the resources and liabilities should not be intermingled between funds.

Fund Balance: Commonly referred to as retained earnings, net assets or net position in an Enterprise or Internal Service Fund. Fund balance results from collecting revenues greater than expenditures and from appropriations that were not expended during the fiscal year. It must be authorized for expenditure (appropriated) by Council prior to spending. Any use of fund balance retained earnings must be approved by City Council unless it involves increasing the cost of goods sold.

Management Leadership Team: Decision-making body comprised of the City Manager and Deputy City Managers.

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Non-Controlled Accounts: Accounts over which the City Manager does not exercise control. These include Contractual Service Accounts (603s), Internal Service Charges (604s), Other Charges and Supplies (605s and 606s).

Part-Time Employee: A City employee who is scheduled to actually work less than 40 hours per consecutive week, or an employee who is scheduled to actually work 40 hours per consecutive week for less than 52 consecutive weeks.

Redefinition: Changing the budgeted purpose of funds from a specific capital outlay item to another capital outlay item within the same account.

Resource Management Plan: Documents that outline the expenditures, personnel and revenues needed for financing the annual operations, services and programs of the City government. The Plan is comprised of the Annual Operating Budget and the Capital Improvement Program.

Retained Earnings: See Fund Balance.

6.0 **Specific Requirements**

Subject to any other provision of the law, all agencies and departments shall administer their operating budgets in accordance with this directive.

Approved as to Content:		
	Director, Budget and Management Services	Date
Approved as to Legal Sufficiency:		
	City Attorney	Date
Approved:		
	Deputy City Manager	Date
Approved:		
	City Manager	Date

GLOSSARY OF TERMS

Definitions of terms used in the Operating Budget document are given below:

- **Account Categories** - Line item expenditure account codes are grouped and numbered according to general uses. The following list provides a brief description of account categories.
- **Personal Services** - Compensation for full-time, part-time, and temporary work of persons employed in the city, and payment for contracted manpower.
- **Fringe Benefits** - Job related benefits provided for employees as part of their total compensation.
- **Contractual Services** - Services acquired on a fee basis or a fixed-time contract basis from outside sources.
- **Internal Services** - Charges to departments for intra-governmentally provided support services such as automotive services, schools landscaping, internal telecommunications, and risk management.
- **Other Charges** - Expenditures for all other purposes (i.e., utilities, printing, office supplies, furnishings, uniforms, professional development, travel, and membership dues).
- **Capital Outlay** - Expenditures resulting in the acquisition of, or addition to, fixed assets which cost \$5,000 or more.
- **Leases and Rentals** - Leases not capitalized and rental of land, structures, and equipment.
- **Land Structures and Improvements** - Major capital facilities included in the CIP with a total cost of \$250,000 or greater that are constructed or acquired (i.e., land or buildings, and alterations to existing properties).

Accrual Basis of Accounting - Where revenue and expenses are recorded in the period in which they are earned or incurred regardless of whether cash is received or disbursed in that period. This is the accounting basis that generally is required to be used in order to conform to generally accepted accounting principles (GAAP) in preparing financial statements for external users.

Agenda Request - Document through which a department seeks approval of an ordinance for appropriation amendments or any increases in permanent positions that require City Council approval.

Agricultural Reserve Program (ARP) - A program aimed at preserving agricultural land and identify and reduce urban sprawl in Virginia Beach. Through this program the city will acquire development rights via preservation easements to farmland.

Annual Grant - A grant that is awarded annually, regardless of the specific grant period (i.e., city/federal fiscal year, or calendar year).

Appropriation - Legal authorization from City Council to make expenditures and incur financial obligations on behalf of the city. Appropriations for each program area are outlined and approved by City Council each fiscal year in the Adopted Operating Budget and Capital Improvement Program and are also used in conjunction with the appropriation of estimated revenues.

Appropriation Amendment - Adjustments made to the annual operating budget during the fiscal year.

Appropriation Ordinance - Formal legislative enactment by City Council. This ordinance is the means through which the Resource Management Plan is enacted into law. The ordinance establishes spending mandates, provides legal authorization for spending throughout the fiscal year, and creates limits which cannot be exceeded without subsequent City Council actions. It is also the mechanism used to amend the Operating and Capital Budgets.

Appropriation Unit - The legal level at which the operating budget must balance at the close of the fiscal year, as required by the appropriation ordinance. Appropriation units are the basis on which City Council adopts the appropriation ordinance that is submitted with the Operating and Capital Budgets. In general, an appropriation unit is equivalent to a department within a single fund.

Bad Debt Expense - Incurred when the buyer of a good or service fails to pay for the item. Used primarily by the enterprise funds.

Base Realignment and Closure Commission (BRAC) - A federally appointed task force whose mission is to review military installations for possible closure and/or consolidation and realignment of existing missions, programs, personnel, and facilities.

Budget Proposal - The process for requesting funding for new and/or expanded programs and identifying existing programs for continuation of funding.

Capital Improvement Program (CIP) - A program which schedules the financing and construction of major municipal facilities such as roads, schools, buildings, and water and sewer lines. This program is linked directly to City Council policies, plans, and goals.

Capital Outlay - The acquisition of, or addition to, fixed assets which cost \$5,000 or more and have an expected service life of more than one year. Exceptions to this are major capital facilities with costs greater than \$250,000 which are constructed or acquired - such as land and buildings which are funded in the CIP.

Carry Forwards - Funds that are designated for specific needs that were approved within the current fiscal year but were unexpended by year end are then re-appropriated forward into the next fiscal year.

Charges for Services - Fees the city charges users for government services (i.e., recreation fees, court costs, library fines).

Charter Bonds - The City Council is authorized by the Virginia Beach City Charter to "... issue bonds or other obligations in any calendar year for any proper purpose in such amounts as shall not increase the total indebtedness of the City ... by more than ten million dollars above the amount of such indebtedness at the beginning of such calendar year ..." without the approval of qualified voters in the city.

Class - A grouping of jobs having similar duties and responsibilities, requiring similar knowledge, skills, abilities, and demanding similar qualifications so that the jobs may be appropriately titled, described, and equally compensated.

Commonwealth, Revenue from the - Funds provided by the Commonwealth of Virginia in support of joint operations and programs.

Contractual Services - Services acquired on a fee basis or fixed time contract basis from outside sources.

Controlled Accounts - Expenditure category over which the City Manager has retained authority (inside and outside the departments) for transactions to or from these accounts. Controlled accounts include Personnel Services (601s), Fringe Benefits (602s), Capital Outlay (608s), Land Structures and Improvements (609s), as well as any transfers of appropriations affecting capital projects and reserves for contingencies funds.

Current Services - Provision of the existing programs and services by city departments without new position requests or additional capital outlay.

Debt Service - The annual principal and interest payments for the debt incurred by the city in the process of acquiring capital outlay or constructing capital facilities.

Depreciation - Used to record de-valuable capital investment of buildings, vehicles, equipment, and to record anticipated uncollectible accounts. Generally, this account is not used in the Operating Budget.

Economic Development Investment Program Fund (EDIP) - This program is a proactive and creative initiative which enables the city to successfully retain existing employment opportunities and create new jobs while substantially enhancing the local tax base. These funds are leveraged by businesses for off-site utility improvements/upgrades, road improvements, traffic signal improvements, regional storm water facilities, and site preparation for land purchased from the Virginia Beach Development Authority (VBDA).

Encumbrances - Commitments related to unperformed contracts for goods or services.

Estimated Revenues - The amount of revenue projected to support appropriations.

Expenditures - Decreases in net financial resources.

Federal Government, Revenue from the - Funds provided by the federal government to compensate the locality for federal program impact, for programs jointly funded by the locality and the federal government, and outright grants such as library grants and sand replenishment.

Fines and Forfeitures - A broad range of fines and forfeitures for violations of local government ordinances. Examples include fines remitted to the city by the courts for violation of city ordinances, or fines collected by the City Treasurer for violations of city parking regulations.

Fleet Assets - Vehicles and equipment managed by the Department of Public Works Automotive Services Division. These assets may or may not be included on the rolling stock replacement inventory.

Fringe Benefits - Job-related benefits provided to employees as part of their total compensation (i.e., FICA, FICA-Medicare, retirement, health, life, dental insurance, employees car allowance, clothing allowance, cell phone stipends, etc.).

Full-Time Equivalents (FTE) - Conversion of the number of part-time and temporary positions to full-time positions. FTE's are computed by dividing the total number of hours worked by 2,080 which is the total number of hours worked per year for a full-time employee.

Full-Time Position - A position employed 40 hours or more per week for 52 weeks.

Fund - Separate group of self-balancing accounts which contain related liabilities and resources. Each fund is a separate fiscal entity; therefore, the resources and liabilities should not be intermingled between funds.

Fund Balance (Specific Fund Reserves) - Referred to as net assets in an Enterprise or Internal Service Fund. Fund balance results from collecting revenues greater than expenditures and from appropriations that were not expended during the fiscal year. Any use of fund balance or net assets must be approved by City Council.

GASB 45 - The Governmental Accounting Standards Board requires governments to fully reflect the actuarial costs of "Other Post-Employment Benefits" (OPEB) in their accounting records.

GASB 54 - The Governmental Accounting Standards Board requires making revenues the determining factor in the budgeting of Special Revenue Funds. These funds are required to have their own unique source of revenue; transfers can no longer serve as the primary source of revenues and the actual source of the revenue must be shown (i.e., Agricultural Reserve Program, Tourism Investment Program, etc.)

General Property Taxes - Taxes on real and personal properties, both tangible and intangible, (i.e., vehicles, real estate, and business equipment). Interest and penalties on delinquent taxes are also included in this category.

Grants - Funding awarded to the city by another level of government, outside agency, or organization that generally meets certain requirements for use and reporting.

Health Insurance Portability and Accountability Act (HIPAA) - HIPAA was enacted by the Federal government on August 21, 1996 and is enforced by the U.S. Department of Health and Human Services Office of Civil Rights. HIPAA provides for: (1) standardization of electronic formats for transmission of nine specific transactions including claims, electronic remittance advice, eligibility, authorization, pharmacy, enrollment, coordination of benefits, attachments, and first notice of claim; (2) security of electronic health information and signatures; (3) privacy of such patient identifiable information. Covered entities include health plans, health care clearinghouses (public or private entities that process standard transactions) and health care providers. It is important to note that the regulations extend to business and trade partners of covered entities.

Internal Services - Charges to departments for intra-governmentally provided support services (i.e., computer support, schools landscaping, automotive services, and risk management).

Land Structures - Major capital facilities constructed or acquired costing greater than \$250,000.

Lease-Purchase - A means of financing whereby the city borrows the funds from a financial institution to pay for the acquisition of major pieces of equipment or computer software.

Leases and Rentals - Leases not capitalized and rental of land, structures, and equipment.

Legislative Approval - The need for City Council to approve a grant as identified in the guidelines of the grant for which funding is being sought. Such approval would typically be required either before the application is submitted or after the grant is awarded. Not all grants include this requirement.

Management Leadership Team (MLT) - Comprised of the City Manager and three Deputy City Managers to promote and influence alignment of the organization. The MLT accomplishes this by managing the interfaces of tasks, processes, and environment by identifying and addressing critical issues and needs and communicating with the organization's customers and members.

Merit Increase - A salary increase within the pay range of a class to which an employee is assigned. Merits are awarded based on job performance in accordance with the city's performance appraisal program.

Miscellaneous Revenue - Donations and contributions made to the city.

Mission - A broad statement of reason for an agency's existence, purpose, and function as related or aligned with City Council goals and visions.

Modified Accrual Basis of Accounting - A mixture of cash and accrual basis used for governmental funds to be recognized as a revenue or expenditure. The actual receipt or disbursement of cash must occur after a transaction or event has occurred to have an impact on current spendable resources. Revenues must be both measurable and available to pay for the current period's liabilities. Revenues are considered available when collected either during the current period or after the end of the current period, but in time to pay year-end liabilities. Expenditures are recognized when a transaction or event is expected to draw upon current spendable resources rather than future resources.

Money and Property, Revenue from the Use of - Revenue generated through the investment of funds in money market accounts, or through the lease or rental of city property and concessions.

Multi-Year Grant - A grant that affects the appropriation of funding beyond one fiscal year.

Net Assets - Denotes fund balance in Internal Service Funds and Enterprise Funds (formerly retained earnings in Internal Service Funds).

Non-Appropriated Budget - Funding available to an agency to support its programs provided primarily by the Commonwealth of Virginia or the federal government. This amount is not appropriated by the city and is shown to provide the total cost of a program.

Non-Controlled Accounts - Accounts are controlled in total but not by line-item. These include Contractual Service Accounts (603s), Internal Service Charges (604s), Other Charges (605s and 606s), and Leases and Rentals (608s).

Non-Revenue Receipts - The reimbursement of an expense incurred on behalf of other organizations, or the receipt for financing capital outlay or capital projects.

Objectives - Quantifiable statements of actual and desired levels of service or the outcome of policies or activities.

Ordinance - An ordinance or amendment to an ordinance is a formal and binding type of City Council legislation. Since the budget is a legal document, any expenditure that is not included in the budget document must be ratified by City Council as a separate ordinance.

Other Charges - Expenditures for utilities, telecommunications, delivery services, insurance, office supplies, food and food service supplies, agricultural supplies, medical and laboratory supplies, housekeeping and janitorial supplies, office furnishings, vehicle and powered equipment supplies, uniforms and wearing apparel, books, subscriptions and educational supplies, recreational supplies, shop supplies, construction and maintenance materials and supplies, merchandise for resale, shop tools, professional improvement and certifications, travel, contributions, dues and memberships, and claims and bounties.

Other Local Taxes - Taxes which the Commonwealth of Virginia enables the localities to use and set within the state code (i.e., local share of the sales tax, business licenses, local vehicle registration fees, cigarette taxes, etc.).

Part-Time Position - A city employee scheduled to work less than 35 hours per consecutive week, or an employee who is scheduled to work 35 hours per consecutive week for less than 52 consecutive weeks.

Pay-As-You-Go - An apportionment of cash funding from the general revenue of the city to an operating department to administer an activity relating to a specific capital project. This method of funding is normally employed as an alternative to additional borrowing.

Pay Range - The minimum through maximum salary levels assigned to a class of positions.

Permits, Privilege Fees, and Regulatory Licenses - The class of permits, fees, and licenses, which includes such levies as user permits to cover costs of processing requests for changes in zoning, building permits, electrical permits, plumbing permits, etc. Regulatory licenses allow for the charging of fees on such services as vehicles-for-hire and refuse disposal services. Also included in this category is the locality's authority to charge fees to license animals, bicycles, and mopeds for identification purposes.

Personnel Services - Salaries and wages paid to employees for full-time, part-time, and temporary work, including overtime, shift differential and similar compensation, and payment for contracted manpower.

Public Facility Bonds - Bonds issued by governments and authorities. This debt does not constitute a general obligation debt of the city nor a pledge of the full faith and credit of the city. However, this debt is considered a part of the overall net debt of the city and is included in the city's debt ratio calculations and other debt policies of the city.

Reclassification - A reassignment of job title and pay range of an employee whose job responsibilities have been determined by the Director of Human Resources to have evolved to a degree that the present job classification does not accurately reflect the actual duties performed.

Redefinition - Changing the budgeted purpose of funds from a specific capital outlay item to another capital outlay item.

Referendum Bonds - Bonds which require authorization "... by ordinance adopted by the affirmative vote of two-thirds of all members of the City Council and approved by the affirmative votes of a majority of the qualified voters of the City voting on the question at an election called and held for the purpose ..." of approving or disapproving the issuance of the bonds. While referendum bonds may be issued for general obligation purposes, normally the issue is identified as financing a specific project or group of projects, such as schools or roadways.

Reserve for Contingencies - Used to identify funds set aside as a reserve for unanticipated expenditures, budgeted salary adjustments, or any other anticipated costs to be allocated at a later date.

Resolution - Passage of a resolution indicates the City Council's policy on a certain matter, or it may direct a certain type of action to occur. Resolutions may be required for grants prior to award or after the grant has been awarded. This does not constitute an appropriation or a formal acceptance of grant funding, but only an agreement in principle.

Resource Management Plan - Document that outlines the expenditure, revenues, and personnel needed for financing the annual operations, services, programs, and capital projects of the city government. It is comprised of the Executive Summary, Operating Budget, and Capital Improvement Program.

School Funding Formula - Also referred to as the City/School Revenue Sharing Formula. A City Council policy to share specifically identified local revenues with the school system to both provide the locally required match to state funds and the additional local support beyond that minimum.

School Reversion - Results from school revenues, including the local transfer, greater than expenditures and from appropriations that were not expended during the fiscal year. All remaining school funds must, by state law, be returned to the locality.

Supplanting - Substituting one source of funding to augment reductions in funding by another agency. The city's policy of not supplanting federal, state, or private funding reductions with local funding applies to grants, capital projects, or program revenues.

Tax Increment Financing (TIF) - A public financing tool that uses the real estate revenues generated by the growth in value of a designated area to fund capital improvement projects within that area.

Tourism Advertising Program (TAP) - A program that funds the city's advertising and marketing to promote and increase tourism and convention visitation to Virginia Beach. TAP includes financing of the Visitor Information Center and additional national and regional advertising for the city with increased emphasis on marketing through the city's website, www.visitvirginiabeach.com. This program is funded by dedicated and miscellaneous revenue.

Tourism Investment Program (TIP) - This fund provides funding for tourism related capital projects and initiatives and is supported by dedicated revenue streams as well as other miscellaneous tourism related revenue.

Transfers from Other Funds - Revenues received from another fund that is used to reimburse the recipient fund for expenses incurred on behalf of the other fund.

Transfers to Other Funds - The transfer of appropriations from one fund to assist in funding the operations of another.

DESCRIPTION OF FUNDS

Under the principles of fund accounting, all related liabilities and resources are grouped together in a self-balancing set of accounts. Generally, funds are set up and maintained for the purpose of carrying on specific activities or attaining certain objectives in accordance with specific regulations or limitations. Provided below is a description of each of the major funds used in this budget document.

Agriculture Reserve Program Special Revenue Fund - This fund accounts for the revenues and expenditures supporting this program to purchase development rights via agricultural land preservation easements for eligible parcels of farmland in specified areas of the city.

Bayville Creek Dredging Special Service District - Supports the special service district in the Bayville Creek area. Additional real estate taxes are assessed on residents in this district and collected in this fund for the purpose of providing neighborhood channel dredging of creeks and rivers to maintain existing usage.

Central Business District South Tax Increment Financing Fund (Town Center) - City Council adopted the CBD - South TIF District on November 23, 1999. Creating a CBD in the Pembroke area of the city was a long-term goal. The Comprehensive Plan, adopted on November 4, 1997, noted "the need to improve the overall form and quality of the development within the CBD core area and transform what is now mostly undeveloped or underdeveloped land into an attractive, high quality, intensive, pedestrian designed, mixed use town center." On February 8, 2000, the City Council approved a development agreement between a developer and the Virginia Beach Development Authority that created a Town Center for the city. The funds are used to pay for the debt service costs for construction of four public parking garages, the Conference Center at the Westin Hotel, and a pedestrian bridge.

Chesapeake Colony Dredging Special Service District - Supports the special service district in the Chesapeake Colony area. Additional real estate taxes are assessed on residents in this district and collected in this fund for the purpose of providing neighborhood channel dredging of creeks and rivers to maintain existing usage.

City and School Health Insurance Fund - Provides a means for accounting for health insurance and the administration thereof for city and school employees.

City Beautification Fund - Provides funding for various landscaping beautification projects. This fund derives its revenues from cash donations received annually from citizens or businesses for designated beautification projects. The donations fund the plants and other related materials and supplies needed for the projects.

City Garage Internal Service Fund - Accounts for the financing of vehicles, repairs, parts, and the motor pool services related to the use of city vehicles by city departments. Goods and services are provided by the City Garage to other departments on a flat fee basis.

Commonwealth Attorney's Federal and State Seized Assets Special Revenue Fund - Accounts for funds provided to the Office of the Commonwealth's Attorney by state and federal governments. These funds are from property and money confiscated as a result of narcotics investigations. The funds must be expended to support prosecution activities.

Community Development Special Revenue Fund - Accounts for the funds provided by the Community Development Block Grant and the city to address the inadequate housing of the city's low and moderate income families. This program supports the administration of both capital improvement projects in target neighborhoods and various other housing programs.

Federal Housing Assistance Grant Fund - Accounts for National Affordable Housing Act grant funds utilized for rehabilitation of owner and tenant-occupied low and moderate income dwellings.

Federal Section 8 Program Special Revenue Fund - Accounts for funds received directly from the federal government to provide rental assistance to low and moderate income families.

Flexible Benefits Forfeiture Internal Service Fund- Accounts for unused health care and dependent-care Flexible Spending Account (FSA) funds forfeited by employees. Employees must generally use the funds by the end of the plan year or forfeit the remaining amount. A health care FSA plan allows a reasonable time for employees to submit claims after the plan year-end for expenses incurred by plan year-end. Employers can offer a carryover provision of a designated amount to give employees more time to use their funds, which VB adopted. However, the application of § 214 of the Taxpayer Certainty and Disaster Tax Relief Act of 2020 provides temporary special rules for health care FSAs and dependent care assistance programs. This COVID-19 relief temporarily relaxes flexible spending account rules to allow employers to mitigate participant losses under health care and dependent care FSAs.

Flood Protection Referendum Fund - Accounts for expenditures and revenues generated by normal operations of the Flood Protection Program as established by referendum during the election on November 2, 2021.

Flood Protection Capital Project Fund – Provides the funds for the procurement, planning, design, construction, and utility relocation associated with the Virginia Beach Flood Protection Program. The phase one projects will be focused in the Linkhorn Bay Drainage Basin, Central Beach District, Eastern Shore Drive Phase I, Chubb Lake/Lake Bradford Area, Southern Watershed, and the Windsor Woods/Princess Anne Plaza/The Lakes areas. The Flood Protection CIP receives help from the Flood Protection Referendum Fund in terms of revenues.

Fuels Internal Service Fund - Established and previously separated from the City Garage Internal Service Fund to more easily identify the costs associated with the delivery of fuel including maintenance, operation, capital and remediation costs for general fund supported fuel facilities.

General Debt Fund- The fund is utilized to make principle payments to individual landowner participants of the Agriculture Reserve Program.

General Fund - Supports the routine operations of the city. This fund can also incur liabilities indicated by inter-fund transfers which are reimbursable by other funds. Resources are generated through the tax base and from federal and state programs.

General Government Capital Projects Fund - Provides funds necessary to meet the city's needs for municipal infrastructure construction and rehabilitation ranging from community recreation centers to fire stations, to preserve and improve the city's roadway network to ensure efficient and safe mobility throughout the city, to preserve and enhance the extensive shorelines and navigable waterways within the city through protection, maintenance, access, and restoration projects, for projects supporting communications and information technology that improve customer service delivery, and improve the functionality and efficiency of the organization and its infrastructure, for capital projects supporting the economic and tourism development program, and for capital projects supporting the parks and recreation program. Sources of revenues include the operating budget, fund balance, state, federal, debt financing, private contributions, and the Sandbridge Tax Increment Financing District and Special Service District.

Gills Cove Dredging Special Service District - Supports the special service district in the Gills Cove area. Additional real estate taxes are assessed on residents in this district and collected in this fund for the purpose of providing neighborhood channel dredging of creeks and rivers to maintain existing usage.

Grants Consolidated Fund - Accounts for grants-in-aid received from federal and state agencies and outside agencies or organizations.

Green Run Collegiate Charter School – A public charter school with a focus on college readiness. This fund is 100% supported with local funding and is subject to the reversion policy.

Harbour Point Dredging Special Service District - Supports the special service district in the Harbour Point area. Additional real estate taxes are assessed on residents in this district and collected in this fund for the purpose of providing neighborhood channel dredging of creeks and rivers to maintain existing usage.

Hurds Cove Dredging Special Service District - Supports the special service district in the Hurds Cove area. Additional real estate taxes are assessed on residents in this district and collected in this fund for the purpose of providing neighborhood channel dredging of creeks and rivers to maintain existing usage.

Law Library Fund - Finances the legal reference collection used primarily by the court systems. This fund is primarily supported through fees collected by the courts as court costs.

Library Gift Fund - Accounts for designated and undesignated donations to the Virginia Beach library system from individuals and groups. The undesignated donations are used for additions to the collection.

Old Donation Creek Dredging Special Service District - Supports the special service district in the Old Donation Creek area. Additional real estate taxes are assessed in this district and collected in this fund for the purpose of providing neighborhood channel dredging of creeks and rivers to maintain existing usage.

Open Space Special Revenue Fund - This fund derives its revenue from part of the meals tax and other local sources associated with the acquisition of undeveloped property throughout Virginia Beach. The goal of the Open Space Program is to identify, acquire, and preserve real estate for future recreational development in the City. Outlined in an Outdoors Plan developed by the Department of Parks and Recreation, the program calls for the preservation of 5% of the City's land for parks, trails, or natural vistas.

Parking Enterprise Fund - Accounts for the expenditures and revenues generated by parking meters and the operation of municipal parking lots in the resort area.

Parking Meters Homeless Donation Fund – This fund is to account for donations made at meters, or sponsorships of those meters, located at or near the oceanfront. Revenue from these donations and meter sponsorships is specifically earmarked to assist with homelessness services and prevention and to discourage panhandling at the oceanfront.

Parks and Recreation Gift Fund - Provides funding for various Parks and Recreation related needs. It derives its revenues from cash donations received annually from citizens for designated and un-designated purposes related to Parks and Recreation programs and activities.

Parks and Recreation Special Revenue Fund - Accounts for revenue from fees and charges, dedicated tax revenue for community recreation centers, the Sportsplex, and General Fund support associated with the operation of the Parks and Recreation department.

Police Federal and State Seized Assets Special Revenue Fund - Accounts for funds provided to the Police Department by the state and federal governments. These funds are from property and money confiscated as a result of narcotics investigations. The funds must be expended to support investigations.

Risk Management Internal Service Fund - Provides a means of accounting for the city's self-insurance program, claims handling, risk identification, and consulting services offered from one department to other city departments on a cost-reimbursement basis.

Sandbridge Special Service District Special Revenue Fund - This fund accounts for the cost of sand replenishment within the Sandbridge district oceanfront and receives its funding from specially assessed real estate taxes on properties within the district's boundaries, a transient occupancy tax for the district, additional support from the Parking Enterprise Fund, the Tourism Investment Program Fund, and the Parks and Recreation Special Revenue Fund.

Schilling Point Dredging Special Service District- Supports the special service district in the Schilling Point area. Additional real estate taxes are assessed on residents in this district and collected in this fund for the purpose of providing neighborhood channel dredging of creeks and rivers to maintain existing usage.

School Athletic Special Revenue Fund - Accounts for the costs of holding athletic activities at the city's schools. Primary funding is from admission fees to athletic events and additional support from the city's General Fund.

School Cafeteria Fund - Accounts for the costs of operating the city's school cafeterias. Primary funding is from the sale of school lunches and additional support from the state and federal government.

School Communication Tower Technology Fund - This fund receives all payments from private tower owners who lease school property for commercial wireless towers. The funds received and the interest earned are used to acquire and replace technology including computers, software, wiring, training, facsimile, and multi-functional copiers.

School Equipment Replacement Special Revenue Fund - This fund accounts for the financing and acquisition of various replacement equipment.

School General Revenue Capital Projects Fund - Provides funding for the construction of new schools and school facilities. The schools capital improvement program receives support from the operating budget in terms of current revenues and fund balance, state and private contributions, and debt financing.

School Grants Fund - Accounts for the costs to operate various special programs in the local schools and receives its funding from various local, state, and federal grant agencies.

School Instructional Technology Fund - Established to hold funds provided by the city outside of the Revenue Sharing Policy for school technology.

School Landscaping Internal Service Fund - Accounts for monies provided by the school system for landscape design, installation, maintenance, and contract oversight at all public school sites including physical education facilities, playgrounds, athletic fields, and parking lots.

School Operating Fund - Supports the routine operations of the school system and tracks the funds provided for education by the federal and state government.

School Reserve Special Revenue Fund - Used by the city to accumulate school reversion cash from the School Operating Fund as requested by the School Board and approved by the City Council. This fund is subsequently appropriated and transferred for emergencies, economic conditions, and similar purposes as requested by the School Board and approved by the City Council.

School Risk Management Fund - Provides a means of accounting for the school's self-insurance program, claims handling, risk identification, and consulting services offered from one department to other school departments on a cost-reimbursement basis.

School Textbook Fund - Accounts for the costs of providing textbooks to the student population. This fund receives its funding primarily from the State Department of Taxation and additional support from the city's General Fund.

School Vending Operations Fund - Established in FY 2001-02 after the school district entered into an exclusive vending arrangement with a national soft drink vendor. Proceeds from this contract will be used to support student activities.

Shadowlawn Dredging Special Service District Fund - Supports the special service district in the Shadowlawn area. Additional real estate taxes are assessed on residents in this district and collected in this fund for the purpose of providing neighborhood channel dredging of creeks and rivers to maintain existing usage.

Sheriff's Department Special Revenue Fund - Accounts for state, federal, and local funds in support of the Sheriff's Office. This fund also accounts for the proceeds of telephone commissions from pay telephones within the Correction Center. State law requires that these funds be used in support of programs benefiting the inmates. These costs and revenues were formerly budgeted in the Inmates Special Revenue Fund that was merged with the Sheriff's Department Special Revenue Fund in the FY 2012-13 Budget.

Sheriff's Federal and State Seized Assets Special Revenue Fund - Accounts for funds provided to the Sheriff's Department by the state and federal governments. These funds are from property and money confiscated as a result of narcotics investigations. The funds must be expended to support investigations.

Social Services Gift Fund- Provides funding for various Human Services related needs. It derives its revenues from cash donations received annually from citizens for designated and un-designated purposes related to Human Services programs and activities

Stormwater Capital Projects Fund - Accounts for funds allocated for infrastructure improvements to the storm water utility system. The storm water CIP is designed to create an effective drainage and storm water management system, protect natural resources, enhance quality of land and waterways, maintain the city's utility systems, encourage development only in accordance with principles of natural environment protection, and provide adequate resources to maintain existing infrastructure. Support is received from the Storm Water Utility Enterprise Funds current revenues, net assets, debt service for revenue bonds issued, and from other sources such as the state government, private contributions, and the city's General Fund.

Stormwater Utility Enterprise Fund - Accounts for revenues and expenditures generated by the storm water utility fee for operational and capital needs for storm water management in the city.

Telecommunications Internal Service Fund - Accounts for the costs of providing the following services to city departments: telephone equipment, network and radio maintenance and support, contract administration, cable management, dial tone provision, etc.

Tourism Advertising Program Special Revenue Fund - This fund appropriates dedicated revenues to be used for the city's advertising and marketing program and related activities including the operation of the Visitor Information Centers which promotes and increases tourism and convention visitation to this city.

Tourism Investment Program Fund - This fund provides funding for tourism related capital projects and initiatives. This fund is supported by dedicated revenue streams as well as other miscellaneous tourism related revenue.

Town Center Special Service District - In accordance with the Town Center Development Agreement, this district was created to provide funding through an additional real estate tax assessed on owners of properties in the district to fund the annual operations and maintenance costs associated with the core parking facilities as well as security, street sweeping, pressure washing sidewalks, landscaping, and refuse collection at public waste receptacles within the Town Center core area. Every three years the special tax rate will be reviewed by the city to determine the cash flow needed to properly maintain and operate the facility.

Waste Management Enterprise Fund - Established in the FY 2012-13 Budget to account for the annual operating expenses for waste related functions including recycling activities, waste collection, and disposal at the landfill.

Water and Sewer Enterprise Fund - Accounts for expenditures and revenues generated by normal operations of the water and sewer divisions in the Department of Public Utilities.

Water and Sewer Capital Projects Fund - Provides funds for the renovation, rehabilitation, and replacement of water and sewer lines and pump stations, extensions of the water and sanitary sewer system coordinated with the roadway expansions, expansion of the water and sewer system to increase capacity in newer service areas and new water and sanitary sewer services through the Neighborhood 51% program. The water and sewer CIP receives support from the Water and Sewer Utility Enterprise Fund in terms of current revenues, net assets, debt service for revenue bonds issued, and from other sources such as the federal government and Hampton Roads Sanitation District.

COMMONLY USED ACRONYMS

Acronym	Title	Description
4-H	Head, Heart, Hands, and Health	4-H serves as a model program for the practice of positive youth development by creating positive learning experiences; positive relationships for and between youth and adults; positive, safe environments; and opportunities for positive risk taking.
AAA	AAA Bond Rating	This bond credit rating indicates that the organization has extremely strong capacity to meet its financial commitments and represents the highest rating.
ACT	Assertive Community Treatment	An evidence-based practice that improves outcomes for people with severe mental illness who are most at-risk of psychiatric crisis and hospitalization and involvement in the criminal justice system.
ADA	Americans with Disabilities Act	A wide-ranging civil rights law that prohibits, under certain circumstances, discrimination based on disability. As applied to local government, this federal legislation requires all public buildings, services, and programs to be accessible to people with disabilities.
ADR	Average Daily Rate	The average rental revenue per occupied room at a given time. To find ADR, divide total room revenue by the number of rooms sold.
A-EMT	Advanced Emergency Medical Technician	They provide basic and limited advanced emergency medical care and transportation for critical and emergent patients who access the emergency medical system.
AICUZ	Air Installation Compatible Use Zone	The noise zones and the accident potential zones together form the AICUZ for an air installation. The AICUZ needs to be updated periodically when the number and type of aircraft operations change at an installation.
ACFR	Annual Comprehensive Financial Report	The City's audited financial statement at the end of a given fiscal year.
APS	Adult Protective Services	Establishes and/or strengthens appropriate family and social support systems in order to protect adults at risk of abuse, neglect, or exploitation and to prevent the occurrence of abuse, neglect, or exploitation.
APZ-1	Accident Potential Zone 1	An area beyond the airfield runway where an aircraft mishap is most likely to occur if one should occur. It does not indicate a probability of an accident occurring but is to be used for planning purposes.

Acronym	Title	Description
ARPA	American Rescue Plan Act	Economic stimulus package passed in congress in 2021 to provide support for state, local, and Tribal governments to fight the pandemic – and for families and small businesses across the country to help weather its economic disruptions.
ARP	Agricultural Reserve Program	A program aimed at preserving agricultural land and identify and reduce urban sprawl in Virginia Beach. Through this program the city will acquire development rights via preservation easements to farmland.
ATV	All-Terrain Vehicle	A motorized off-highway vehicle.
AVID	Advancement Via Individual Determination	A national program for students designed to support and assist all students to succeed in a college preparatory path for admission to universities and colleges.
BHDS	Behavioral Health and Developmental Services	Responsible for planning, organizing, and providing treatment and services for people in our community who have Behavioral Health and/or Developmental Disabilities.
BPOL	Business Professional Occupation License	This represents a gross receipts tax on businesses. The fee and/or rates are based on the amount of gross receipts (or gross sales, gross purchases, gross commissions, gross contracts, or orders) from the preceding calendar year.
CARES	Coronavirus Aid, Relief, and Economic Security Act	A bill passed by congress in March 2020 that provided fast and direct economic aid to the American people negatively impacted by the COVID-19 pandemic.
CBD	Central Business District	The CBD is a large area roughly bound by Thalia Creek on the east, Witchduck Road on the west, Jeanne Street on the north and Bonney Road on the south. Much of this area is comprised of commercial enterprises with some light industrial uses located in the western portion of the district. Since the year 2000, considerable growth has occurred in the CBDs Town Center area. Town Center is a 17-block area located southwest of Virginia Beach and Independence Boulevards. It is a vibrant and growing urban lifestyle center with a complement of mixed uses that include high rise residential, retail, office, restaurant, entertainment, education, and open spaces all designed around a well-planned urban, pedestrian friendly environment.
CBPA	Chesapeake Bay Preservation Act	An ordinance to protect and restore the water quality of the Chesapeake Bay and its tributaries.

Acronym	Title	Description
CBPAO	Chesapeake Bay Preservation Area Ordinance	An Ordinance that affects all property in the city that drains into the Chesapeake Bay Watershed by limiting what is done on the affected property. The CBPAO is an effort to enhance the water quality by protecting environmentally sensitive areas such as buffers adjacent to waterways, tidal shores, and wetlands, as well as highly erodible soils. Special permission may be needed from the city before work may begin on the properties covered by the ordinance.
CDBG	Community Development Block Grant	Annual formula-based grant from the Federal Department of Housing and Urban Development to states and localities to be used to for a wide range of community development needs by providing decent housing, a suitable living environment, and opportunities to expand economic opportunities, principally for low- and moderate-income persons.
CDC	Centers for Disease Control	The nation's leading science-based, data-driven, service organization that protects the public's health.
CIP	Capital Improvement Program	Schedules the financing and construction of major municipal facilities such as roads, schools, buildings, and water and sewer lines. This program is linked directly to City Council policies, plans, and goals.
CMRS	Mobile Telecommunications Service	CMRS means mobile telecommunications service as defined in the Federal Mobile Telecommunications Sourcing Act, 4 U.S.C. Section 124, as amended. CMRS provider means an entity authorized by the Federal Communications Commission to provide CMRS within the Commonwealth of Virginia.
COG	Community Organization Grant	City Council appointed committee that awards qualified non-profit agencies monetary grants for providing services to Virginia Beach citizens.
COOP	Continuity of Operations Plan	A plan to maintain City operations during an emergency.
COVID-19	Coronavirus Disease of 2019	A disease caused by the novel coronavirus SARS-CoV2 that was declared a global pandemic by the World Health Organization (WHO) in March 2020.
CJIS	Criminal Justice Information Services	Standards which describe the appropriate controls to protect the sources, transmission, storage, and access to data criminal justice information.
CPI	Consumer Price Index	Measures changes in the price level of consumer goods and services purchased by households. The CPI in the U.S. is defined by the Bureau of Labor Statistics as “a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services.”

Acronym	Title	Description
CPS	Child Protective Services	Government agency responsible for protecting children if the children are experiencing abuse or neglect as defined by Virginia state and federal law.
CSA	Children's Services Act	A single state pool of funds to support services for eligible youth and their families. State funds, combined with local community funds, are managed by local interagency teams who plan and oversee services to youth
CSB	Community Services Board	A service responsible for providing a range of behavioral health services.
CTE	Career and Technical Education	A program that offers cutting-edge career and technical experiences for students to explore a wide range of high-wage, high-skill, high-demand career pathways.
CYBH	Child and Youth Behavioral Health	The division offers an array of services designed to assist children and adolescents who are experiencing emotional difficulties, behavior problems and/or substance abuse.
DMV	Department of Motor Vehicles	A state agency responsible for issuing driver's licenses and issuing automotive tags.
DUI	Driving Under the Influence	The offense of driving, operating, or being in control of a vehicle while impaired by alcohol or other drugs, to a level that renders the driver incapable of operating a motor vehicle safely.
EAP	Employee Assistance Program	Provides assessment, counseling, and referral services designed to assist employees in resolving personal problems which may impair job performance, thereby enhancing productivity and reducing absenteeism and turnover.
EDIP	Economic Development Investment Program	This program enables the city to successfully retain existing employment opportunities and create new jobs while substantially enhancing the local tax base. These funds are leveraged by business for off-site utility improvements/ upgrades, road improvements, traffic signal improvements, regional storm water facilities, and site preparation for land purchased from the Virginia Beach Development Authority (VBDA).
EEO	Equal Employment Opportunity	A federal law banning the practice of employment discrimination based on race, religion, national origin, creed, sex, etc.
EMS	Emergency Medical Services	A city department that provides emergency rescue services using certified volunteers and career medics and provides lifeguard services at Sandbridge beach.
EPA	Environmental Protection Agency	A federal agency that was created for the purpose of protecting human health and the environment by writing or enforcing regulations based on laws passed by Congress.

Acronym	Title	Description
ERU	Equivalent Residential Unit	It is the equivalent impervious area of a single-family residential developed property per dwelling unit located within the city based on the statistical average horizontal impervious area of a single-family residence in the city. An equivalent residential unit (ERU) equals 2,269 square feet of impervious surface area.
ESEA	Elementary and Secondary Education Act	A national program that recognizes schools that have successfully used their Elementary and Secondary Education Act (ESEA) federal funds to improve the education for all students.
FEMA	Federal Emergency Management Agency	A federal agency within the U.S. Department of Homeland Security whose mission is to reduce loss of life, property, and protect our nation's critical infrastructure from all types of hazards through a comprehensive risk-based emergency management program of mitigation, preparedness, response, and recovery.
FMLA	Family and Medical Leave Act	A federal act that entitles eligible employees of covered employers to take unpaid, job-protected leave for specified family and medical reasons with continuation of group health insurance coverage under the same terms and conditions as if the employee had not taken leave.
FOG	Fats, Oils, and Grease	Provides information to prevent the introduction and accumulation of fats, oils, and grease, which can cause sanitary sewer blockages and obstructions into the City's wastewater system.
FOIA	Freedom of Information Act	Virginia statute that guarantees citizens the right to examine public documents.
FTE	Full-Time Equivalents	Conversion of the number of part-time and temporary positions to full-time positions. FTEs are computed by dividing the total number of hours worked by 2,080 (the total number of hours per year for a full-time employee).
FY	Fiscal Year	A budget cycle year from July 1 to June 30 in Virginia Beach and the State of Virginia. The federal government fiscal year is October 1 to September 30.
GAAP	Generally Accepted Accounting Principles	The standard framework for financial accounting.
GASB	Governmental Accounting Standards Board	Organization created to improve standards of state and local governmental accounting and financial reporting.
GED	General Education Diploma	GED tests are a group of five subject tests, which, when passed, certify that the taker has American or Canadian high school-level academic skills. The initials GED have also been used on diplomas to mean General Education Diploma, General Equivalency Diploma, or Graduate Equivalency Degree.

Acronym	Title	Description
GIS	Geographic Information System	Geographic Information Systems are tools used to gather, transform, manipulate, analyze, and produce information related to the surface of the Earth. This data may exist as maps, 3D virtual models, tables, and/or lists.
HIVE	Business Resource Center	A center designed to support an innovative and entrepreneurial ecosystem in Virginia Beach. The HIVE offers mentorship, networking, and a variety of fundamental resources to those who need them.
HOME	HOME Investment Partnership Act Program	A federal formula block grant program that provides funding to states and localities to create affordable housing for low-income households. Communities use these funds, often in partnership with local non-profit groups, to fund a wide range of activities that build, buy, and/or rehabilitate affordable housing for rent or homeownership or provide direct rental assistance to low-income people.
HRSD	Hampton Roads Sanitation District	Political subdivision of the Commonwealth of Virginia serving 17 counties and cities created by public referendum in 1940 to eliminate sewage pollution in the tidal waters of the Chesapeake Bay. Its mission is to protect public health and the waters of Hampton Roads by treating wastewater effectively.
HRT	Hampton Roads Regional Transit	An independent transit authority serving the Hampton Roads area.
HUD	The U.S. Department of Housing and Urban Development	A cabinet in the executive branch of the federal government whose mission is to create strong, sustainable, inclusive communities and quality affordable homes for all.
ITA	Interfacility Traffic Area	The flight corridor between Oceana Naval Air Station and the Naval Auxiliary Landing Field Fentress located in Chesapeake. The city has been purchasing properties in the ITA to limit or prevent the development of uses that conflict with the applicable AICUZ restrictions.
LOD	leadership and organizational development	Supports arts and humanities leaders' (professional administrators and board members) acquisition of skills and practical tools which hone their ability to lead, develop, and sustain the overall health and vitality of arts and humanities organizations.
LVR	Local Vehicle Registration	A local vehicle registration fee that is collected with the state registration fee by the Department of Motor Vehicles.
MLT	Management Leadership Team	Comprised of the City Manager and Deputy City Managers to promote and influence alignment of the organization and manage the interfaces of the tasks, processes, and environment by identifying and addressing critical issues and needs, and to communicate with the organization's customers and members.

Acronym	Title	Description
MRC	Medical Reserve Corps	A force of dedicated volunteers who stand ready to support the community in the event of a public health emergency.
NADA	National Automobile Dealers Association	The national automobile association that is the City's source for personal property assessments.
NAS	Naval Air Station	Navy aviation facility located in the city and is the only U.S. Navy Master Jet Base on the East Coast.
NSF	National Science Foundation	A federal agency that supports science and engineering in all 50 states and U.S. territories through grants. The body promotes the progress of science, advances national health, prosperity, and welfare, and secures the national defense.
OFP	Office of Farmland Preservation	This office works with other governmental and private organizations to help establish local purchase of development rights (PDR) programs by creating model policies and practices, establishing criteria to certify programs as eligible to receive funds from public sources, and determining methods and sources of funding for localities to purchase agricultural conservation easements.
OPEB	Other Postemployment Benefits	Employees of state and local governments may be compensated in a variety of forms in exchange for their services. In addition to a salary, many employees earn benefits over their years of service that will not be received until after their employment with the government ends through retirement or other reason for separation. The most common type of these postemployment benefits is a pension. As the name suggests, other postemployment benefits (OPEB) are postemployment benefits other than pensions. OPEB generally take the form of health insurance, dental, vision, prescription, or other healthcare benefits provided to eligible retirees, including in some cases, their beneficiaries. It may also include some types of life insurance, legal services, and other benefits.
OSHA	Occupational Safety & Health Administration	Part of the U.S. Department of Labor to ensure safe and healthful working conditions for working men and women by setting and enforcing standards and by providing training, outreach, education, and assistance.
PACTS	Princess Anne County Training School-Union Kempsville High School	The first black high school in Virginia Beach
PCIT	Parent Child Interaction Therapy	An evidence-based treatment for young children with behavioral problems.
PDR	Purchase of development rights	A program designed to compensate landowners who voluntarily place an agricultural conservation easement on their property. A conservation easement is a deed restriction designed to protect a specific conservation purpose.

Acronym	Title	Description
PPTRA	Personal Property Tax Relief Act	By state law, Virginia offers tax relief for vehicle taxes. The state will subsidize the taxes owed on the first \$20,000 of a vehicle's assessed value. This state tax relief is only available for personal vehicles (Personal Property Tax Relief Act of 1998).
RevPAR	Revenue per Available Room	This is calculated by multiplying a hotel's average daily room rate by its occupancy rate. It can also be calculated by dividing total room revenue by the total number of rooms available in the period being measured.
ROW	Right-of-Way	A strip of land that is granted through an easement or other mechanism for certain purposes (i.e., transportation).
RSF	Revenue Sharing Formula	A formula whereby the city and schools share revenues by a defined formula.
SGA	Strategic Growth Area	City's growth strategy to accommodate and absorb urban growth with a focus on planning and infrastructure.
SNAP	Supplemental Nutrition Assistance Program	Federal food stamp program that provides assistance to low- and no-income people and families living in the U.S. The program is administered by the U.S. Department of Agriculture with benefits distributed by the individual states.
SOQ	Standards of Quality	A term describing the minimum limits the state prescribes for funding reimbursements of school personnel including teachers, principals, and other non-instructional staff.
SPSA	Southeastern Public Service Authority	A regional agency established for the implementation of a regional solid waste disposal system to include a resource recovery operation, featuring a refuse derived fuel plant and a power plant. SPSA's purpose is set forth in the Code of Virginia for management of the safe and environmentally sound disposal of regional waste.
SRF	Special Revenue Fund	It is used to record the proceeds from specific revenue sources for which the fund usage is restricted.
SSD	Special Service District	A defined area within the city where special services are rendered, and the costs of the special services are paid from revenues collected from service charges imposed within that area.
STEP-VA	Virginia System Transformation Excellence and Performance	An innovative initiative for individuals with behavioral health disorders featuring a uniform set of required services, consistent quality measures, and improved oversight in all Virginia communities.
STOP	State Vehicle Registration Withholding Program	A program where delinquent taxpayers are prohibited from registering their vehicles until payment is made to the City Treasurer's Office for unpaid/delinquent taxes along with a DMV processing fee of \$25.

Acronym	Title	Description
STRIPS	Separate Trading of Registered Interest and Principal of Securities	Treasury STRIPS are bonds that are sold at a discount to their face value. The investor does not receive interest payments but is repaid the full-face value when the bonds mature. That is, they mature "at par."
SWaM	Small, Women-owned, and Minority-owned Business	Is a certification program of the Commonwealth of Virginia to enhance procurement opportunities for SWaM businesses participating in state-funded projects.
SWAT	Special Weapon and Tactics	An elite tactical unit of highly trained law enforcement officers specializing in weapons and tactics to handle high-risk situations. Duties include performing hostage rescues, counter-terrorism operations, serving high risk arrest and search warrants, subduing barricaded suspects, and engaging heavily armed criminals.
TANF	Temporary Assistance to Needy Families	Federal assistance, requiring all participants to find work after receiving assistance for 24 months and must participate in community services within two months.
TAP	Tourism Advertising Program	Advertising fund for the city's advertising and marketing program to promote and increase tourism and convention visitation to this city.
TAT	Threat Assessment Team	A team to review and make recommendations related to employee issues to ensure appropriate immediate response.
TBRA	Tenant Based Rental Assistance	Provides payments to make up the difference between the amount a household can afford to pay for housing and the local rent standards. Other TBRA programs help tenant pay for costs associated with their housing, such as security and utility deposits.
TIF	Tax Increment Financing	Public financing tool that uses the revenues generated by the growth in value of a designated area to fund capital improvement projects within that area.
TIP	Tourism Investment Program	Provide the necessary opportunities for future strategic growth areas, maintenance of the resort area, beach events, as well as economic development projects. This program provides funding for tourism related capital projects and initiatives and is supported by dedicated revenue streams.
VBCERT	Virginia Beach Community Emergency Response Team	A program that educates citizens in disaster preparedness and trains them in basic disaster response skills, such as: fire safety, light search and rescue, team organization, and disaster medical operations.
VBCPS	Virginia Beach City Public Schools	This represents the Virginia Beach City public school system.
VBDA	Virginia Beach Development Authority	Composed of eleven members appointed by City Council to work in cooperation with the city's Department of Economic Development as delineated in Chapter 643, Acts of The General Assembly, as Amended.

Acronym	Title	Description
VBIGs	Virginia Beach Globally Inspired Gatherings	A series of free and low-cost public performances taking place throughout the City in public spaces and performance venues. It aims to bring world-class, culturally rooted performing artists to Virginia Beach residents in their neighborhoods and nearby venues.
VDACS	The Virginia Department of Agriculture and Consumer Services	The department promotes the economic growth and development of Virginia agriculture, provides consumer protection and encourages environmental stewardship.
VDH	Virginia Department of Health	Oversees public health throughout the Commonwealth of Virginia. It has 35 local health districts, including Virginia Beach. Programs include restaurant inspections, food recalls, emergency preparedness and response, environmental health services, and the study and causes of diseases.
VDOT	Virginia Department of Transportation	State agency that maintains state roads and interstates.
VDSS	Virginia Department of Social Services	Responsible for administering a variety of programs, including Temporary Assistance for Needy Families (TANF), Supplemental Nutrition Assistance Program (SNAP), Medicaid, Adoption, Child Care Assistance, Refugee Resettlement Services, and Child and Adult Protective Services.
VMRC	Virginia Marine Resources Commission	Manages saltwater fishing and associated habitat, for both recreational and commercial species to create and maintain sustainable fisheries for the benefit of all anglers and the ecosystem. The Agency also manages water bottoms in public trust for the citizens of the Commonwealth balancing both public and private interests.
VOIP	Voice-Over Internet Protocol	Protocol optimized for the transmission of voice through the internet or other packet-switched networks.

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