CITY OF VIRGINIA BEACH

OPERATING BUDGET

PROPOSED FY 2026-27

TABLE OF CONTENTS

INTRODUCTION 5

How to Read the Document 5

SUMMARIES 9

Expenditures and Revenues 14

Interfund Transfer Summary 29

Relationship of the Operating Budget to the Capital Improvement Program 32

REVENUES 33

Forecasting Methodology 33

Revenue Summary by Type 34

Special Revenue Funds (SRF) 41

Tax Increment Financing Funds 43

Special Service District Funds 44

Enterprise/Utility Funds 45

REQUESTED BUT NOT FUNDED 47

DEPARTMENTS 59

Agriculture 59

Department of the Virginia Aquarium 65

Budget and Management Services 70

City Attorney 73

City Auditor 77

City Clerk 81

City Manager 84

City Real Estate Assessor 88

City Treasurer 92

Commissioner of the Revenue 96

Commonwealth's Attorney 99

Communications 104

Convention and Visitor's Bureau 108

Courts and Court Support 115

Cultural Affairs 124

Economic Development 130

Emergency Communications and Citizen Services *136*
Emergency Management *141*
Emergency Medical Services *145*
Finance *152*
Fire *158*
Health *165*
Housing and Neighborhood Preservation *169*
Human Resources *177*
Human Services *182*
Information Technology *197*
Library *203*
Municipal Council *209*
Non-Departmental *212*
Office of Performance and Accountability *222*
Parks and Recreation *226*
Planning and Community Development *236*
Police *243*
Public Education *250*
Public Utilities *261*
Public Works *268*
Sheriff's Office *283*
Voter Registration & Elections *289*
DEBT SERVICE 293
ORDINANCES 303
Fiscal Year 2025-26 Budget Ordinance *303*
Fiscal Year 2025-26 Budget Ordinance – Attachment A - Appropriations *307*
Fiscal Year 2025-26 Budget Ordinance – Attachment B - Revenues *314*
Tax Levy on Real Estate *321*
Tax Levy on Personal Property *324*
HUD Funding Plan *328*
Elderly Tax Relief *329*
Sewer Fees *331*
Water Fees *334*

Waste Management Code Changes *336*
Town Center SSD Boundary Modification *337*
Establish Pembroke Square SSD *340*
Tax Increment Financing (TIF) Surplus *344*
City/School Revenue Sharing Policy *345*
ECCS Department Designation *346*
Office of Volunteer Resources Code Amendment *347*
Budget Amendment Procedures *348*
Parking and Parking Meter Code Amendment *349*
APPENDIX 351
Resource Management Plan (RMP) *351*
Accounting and Budgeting Basis *357*
Capital Budget Appropriations – Attachment A *358*
Capital Budget Appropriation and Financing Plan *363*
Operating Budget Impact *365*
Summary of Positions by Department *367*
City Council and School Board Revenue Sharing Policy *368*
City Council Policy – Maintenance and Repair of Aging City Infrastructure *374*
City Council Policy – Not Supplanting State, Federal, and Private Funds with Local Funds *376*
Administrative Directive – Grant Management *378*
Administrative Directive – Resource Administration Directive *389*
Glossary of Terms *397*
Description of Funds *406*
Commonly Used Acronyms *415*

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HOW TO READ THE DOCUMENT

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.

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.

Identifies the key mission statement of the department.

Department Overview

The Police Department's core areas of operations are:

Identifies basic programs of the department.

Operations Division

The Operations Division is divided into four precincts and the Special Operations Bureau, to include response to criminal incidents, calls for service, traffic control, and enforcement.

Operations Division officers are trained in techniques of de-escalation, mental health, first aid, crisis intervention, policing from the juvenile perspective, and communication, so they are prepared to address the varying needs of the community.

Administration Division

The Administrative Division includes the Professional Standards Bureau (to include the Internal Affairs and Planning & Research Units), and the Animal Services Bureau.

Investigative Division

Responsible for investigating crimes, collecting evidence, conducting interviews, and assisting prosecutors in building cases in the pursuit of justice for victims. The division includes the Detective Bureau, Special Investigations Bureau, and the Forensic Services Unit.

Support Division

The support Division includes the Training Bureau, Citizen Services Unit, Property & Evidence Unit, Uniform & Supply, Technology Unit, and the Youth Services Unit. This division is responsible for maintaining police records; property and evidence storage; entering data such as protective orders and other warrants into local, state, and national systems; conducting criminal history checks; administering the "PHOTO*Safe*" red light camera, "Stop Arm" school bus camera, speed cameras, and false alarm programs.

Key Performance Measures

Provides details on the department's performance metrics over time.

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

Departmental Performance Metrics	FY 2022	FY 2023	FY 2024	FY 2025 EST	FY 2026 PROJ
Clearance rate of Part 1 Violent Crimes	73%	68%	71%	71%	71%
Clearance rate of Part 1 Property Crimes	18%	19%	25%	25%	25%
Number of emergency calls for service	12,302	10,838	9,705	9,705	9,705
Average response time to emergency calls	7	7	7:42	7:42	7:42
Number of fatal crashes	22	28	29	29	29

Trends and Issues

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

Recruitment and Staffing Efforts

The VBPD continues to make steady progress on reducing overall sworn vacancies. These reductions are due to several initiatives, to include increased recruit academy graduation rates, holding multiple basic and certified academy classes per year, increased participation in the Patrol Aide program, and a continued reduction in annual attrition.

Real Time Crime Center

The Real Time Crime Center (RTCC) is fully staffed and operational, providing real-time support to patrol daily. Professional analysts utilize state-of-the-art technology, to include the FUSUS situational awareness platform, mobile and fixed ALPR cameras, citywide security cameras, and police records systems, to provide officers with intelligence and real-time information as they respond to active calls for service. Civilian professional staff are supported by a rotationally assigned sworn officer to provide the most pertinent intelligence information to the officers in the field.

Reduction in Part I & Violent Crime

In 2024, the City of Virginia Beach experienced a 5.5% reduction in Part I crime overall. Of note, violent crime fell by 22.3% compared to 2023, with a 49% reduction in shooting incidents, a 56% reduction in shooting victims, and a 46% reduction in homicides. These reductions can be attributed to outstanding police work, community partnerships, a prioritized focus on violent offenders, and the use of advanced technology.

Major Budget Changes

Provides information about significant changes in the department's budget from the prior year.

Intelligence & Technology IT Solutions Manager - $113,909 - 1.0 FTE

Over the last few years, the Police Department has implemented numerous new technology projects managed by the Technology Unit, and vastly expanded its analytics reporting and intelligence monitoring capabilities within the Analytics & Real-Time Intelligence Center (ARTIC). The Technology Unit and ARTIC are both supervised by non-sworn managers, each of whom report to a separate Police Deputy Chief. The Police Intelligence & Technology IT Solutions Manager will establish a single, non-sworn manager with oversight of both ARTIC and the Technology Unit to enhance coordination between the two groups for technology acquisition and implementation, information system and software support, and operational communication to allow the units to achieve their missions respectively.

Additional FOIA Specialist - $64,448 - 1.0 FTE

With the rollout of additional Body Worn Cameras and in-car cameras, FOIA's workload continues to increase in both volume and complexity. Due to the volume of requests compared to current staffing, the unit is averaging 4-5 days before the processing of new requests can begin. In order to keep up with the increased workload, overtime for the unit has consistently increased. The additional FOIA Specialist would aid in reducing overtime, reducing time to initiate initial response, decreasing individual caseloads, and would enable staff to work at a more reasonable pace.

Conversion of Part Time Account Clerk II to Full Time - $9,815 - 0.1 FTE

Converting the part time Account Clerk Position to fulltime results in an increase in weekly hours available to perform required tasks in the Services Unit, to include background checks, expungements, records management, and concealed handgun permits. The conversion has minimal net increases in the budget and FTE count.

Red Light Camera Program - $770,000

In FY 2024-25, the Police Department's Red Light Camera Program contract, that has been in place since 2016 went out to bid. With the new contract in place, costs have increased by an estimated $770,000. In total, the program generates $1.8m in revenue and costs $1.8m to operate.

Speed Camera Program - $792,452 (net $0) - 3.2 FTEs

In addition to red light cameras, the new camera contract for the Police Department will include speed enforcement cameras in school and work zones. Revenue for this program is projected to cover its costs. Any net revenue (estimated to be $4.9m in FY 2025-26) is being directed to the CIP for Traffic Safety initiatives.

Stop Arm Reviewers - 2.4 FTEs

The Police Department will add 2.4 FTEs in part-time positions to review and enforce the school bus Stop Arm Program violations as Virginia Beach City Public Schools have expanded the program from 150 to 500 cameras. While these positions will be in the Police Department, their costs will be reimbursed by VBCPS with no new costs to the City. In total, there are 4.2 FTEs dedicated to this program.

SUMMARIES

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). Examples of these funds include the School General Revenue Capital Projects Fund, General Government Capital Projects Fund, Water and Sewer Capital Projects Fund, and the 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 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 that are (a) 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 include the Parking Enterprise Fund and the 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. The City Garage and Risk Management Internal Service Funds are two examples of this type of fund.

Fiduciary Funds

Fiduciary 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.

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 for fiscal year 2026-27:

- 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 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, Chief of Staff, Deputy City Managers, and the respective department directors. 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 budget hearings are completed, the MLT meets 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 the items included in the proposed budget that is presented to City Council.

The CIP follows a similar process. The departments that administer the CIP present their requests to the MLT. Requests for additional funding for existing projects or new projects are prioritized in making the final decision for inclusion in the proposed CIP 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 and CIP using 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 Appendix 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 strives to follow policy and 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.

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 of 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 government 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
Fund Summary
Expenditures and Revenues

	FY 2024 - 2025 Actuals	FY 2025 - 2026 Adjusted Budget	FY 2026 - 2027 Total Proposed
100 GENERAL FUND			
Appropriation Units:			
Agriculture	1,048,017	1,111,207	1,113,989
Benefits Administration	735,538	735,538	735,538
Board of Equalization	3,586	2,518	2,386
Budget and Management Services	1,638,198	1,644,026	1,635,582
Circuit Court	1,681,676	1,648,329	1,619,979
City Attorney	6,345,990	6,454,377	6,512,477
City Auditor	1,188,699	1,169,405	1,096,627
City Clerk	787,100	797,750	841,427
City Manager	4,830,379	3,980,988	3,481,557
City Real Estate Assessor	4,137,956	4,418,497	4,467,462
City Treasurer	8,694,190	8,904,223	9,240,901
Clerk of the Circuit Court	5,277,420	5,070,640	5,101,113
Commissioner of the Revenue	7,278,488	7,608,082	7,768,452
Commonwealth's Attorney	14,037,620	14,855,349	15,169,572
Communications Office	4,227,610	4,681,217	5,049,003
Community Organization Grants	750,000	750,000	750,000
Computer Replacement Program	897,575	0	0
Convention and Visitors Bureau	10,862,339	11,951,708	11,769,341
Cultural Affairs	6,120,702	5,436,900	5,625,158
Debt Service	55,714,144	55,095,110	60,855,263
Economic Development	4,254,951	4,842,587	4,343,068
Emergency Communications and Citizen Services	12,300,473	13,641,729	13,229,947
Emergency Management	1,743,932	2,099,690	2,344,717
Emergency Medical Services	27,711,289	27,867,226	27,556,489
Employee Special Benefits	8,811,471	8,668,961	12,090,402
Finance	7,827,184	7,451,517	7,051,428
Fire	84,852,051	92,032,878	93,408,788
General	75,804	0	0
General District Court	385,358	491,097	613,753
Health	4,365,679	4,392,931	4,409,267
Housing and Neighborhood Preservation	8,345,049	8,786,116	9,854,422
Human Resources	9,708,306	10,237,975	11,326,870
Human Services	141,588,082	155,323,189	157,496,497
Independent Financial Services	194,866	199,736	204,929
Information Technology	27,164,678	26,366,968	27,180,467
Juvenile and Domestic Relations District Court	212,591	195,199	168,811
Juvenile Probation	1,229,664	1,249,428	1,255,981
Leases	3,682,942	3,780,869	2,855,265
Library	21,872,046	22,718,860	22,903,761
Magistrates	41,426	43,982	39,097
Municipal Council	785,655	891,291	947,481
Office of Performance and Accountability	977,322	776,801	658,726
Parks and Recreation	38,531,068	45,035,454	47,407,954
Planning	15,996,854	16,443,356	18,386,455
Police	132,161,231	144,251,809	150,312,823
Public Works	100,731,082	116,828,479	121,695,599
Regional Participation	12,275,195	11,719,866	9,570,004
Reserve for Contingencies	0	2,000,768	22,481,081

		FY 2024 - 2025 Actuals	FY 2025 - 2026 Adjusted Budget	FY 2026 - 2027 Total Proposed
100 GENERAL FUND				
Appropriation Units:				
Revenue Reimbursements		16,204,262	17,958,702	1,610,000
Sheriff and Corrections		0	0	76,559,682
Transfer to Other Funds		562,408,661	647,954,352	620,170,307
Vehicle Replacements		6,812,433	7,500,000	7,500,000
Virginia Aquarium		15,033,957	18,046,976	18,038,063
Voter Registration & Elections		4,190,279	3,077,554	3,343,032
	Fund 100 Appropriation Totals	1,408,733,064	1,559,192,210	1,639,850,993
Revenue Sources:				
Admission Tax		2,246,561	1,894,641	2,168,091
Automobile License Tax		10,410,277	10,639,555	10,299,928
Bank Stock Capital		4,530,666	4,437,248	4,666,586
Boat License Fee		0	2,359,470	2,359,470
Business License Tax		67,383,327	67,166,505	71,447,567
Charges for Services		54,893,127	57,313,725	64,524,646
Cigarette Tax		5,695,951	5,669,939	5,373,860
City Tax on Deeds and Wills		8,268,280	8,023,726	8,597,200
Federal Revenue		31,021,842	25,944,628	27,491,793
Fines and Forfeitures		1,808,887	2,611,008	5,170,698
General Sales Tax		95,450,616	97,846,775	101,263,558
Hotel Tax		11,216,701	11,274,805	11,946,740
Miscellaneous Revenue		6,800,042	8,931,381	8,546,408
Permits Fees and Regulatory Licenses		10,152,018	11,269,972	9,004,270
Personal Property Tax		218,932,959	220,601,034	215,911,140
Real Estate Tax		697,888,327	734,375,613	760,083,532
Restaurant Meal Tax		62,444,176	65,149,968	67,490,249
Specific Fund Reserves		0	3,293,657	2,413,001
State Revenue		145,609,326	144,200,422	172,733,053
Transfer In		12,712,365	13,734,535	13,618,939
Use of Money and Property		30,449,240	19,345,214	32,642,549
Utility Tax		42,932,796	43,108,389	42,097,715
	Fund 100 Revenue Totals	1,520,847,485	1,559,192,210	1,639,850,993
115 SCHOOL OPERATING FUND				
Appropriation Units:				
Debt Service		44,443,018	50,071,611	50,071,611
Public Education		930,069,855	989,207,804	1,022,752,184
Transfer to Other Funds		19,146,252	26,267,143	22,727,913
	Fund 115 Appropriation Totals	993,659,125	1,065,546,558	1,095,551,708
Revenue Sources:				
Federal Revenue		17,501,446	14,744,107	15,494,107
State Revenue		479,581,220	495,364,644	515,077,422
Transfer In		488,468,727	550,980,269	559,522,641
Use of Money and Property		4,136,945	4,457,538	5,457,538
	Fund 115 Revenue Totals	989,688,338	1,065,546,558	1,095,551,708
150 FLOOD PROTECTION REFERENDUM				
Appropriation Units:				
Debt Service		9,730,148	15,102,273	26,281,335
Reserve for Contingencies		0	17,737,529	7,918,250
Transfer to Other Funds		1,000,000	1,000,000	4,336,301
	Fund 150 Appropriation Totals	10,730,148	33,839,802	38,535,886
Revenue Sources:				
Real Estate Tax		32,142,587	33,839,802	35,035,886
Use of Money and Property		3,003,539	0	3,500,000
	Fund 150 Revenue Totals	35,146,126	33,839,802	38,535,886

		FY 2024 - 2025 Actuals	FY 2025 - 2026 Adjusted Budget	FY 2026 - 2027 Total Proposed
190 GENERAL DEBT FUND				
Appropriation Units:				
Transfer to Other Funds		2,442,859	2,166,758	3,644,389
	Fund 190 Appropriation Totals	2,442,859	2,166,758	3,644,389
Revenue Sources:				
Specific Fund Reserves		0	2,166,758	3,644,389
	Fund 190 Revenue Totals	0	2,166,758	3,644,389
201 GREEN RUN COLLEGIATE CHARTER SOP				
Appropriation Units:				
Public Education		4,587,486	4,987,041	5,062,922
	Fund 201 Appropriation Totals	4,587,486	4,987,041	5,062,922
Revenue Sources:				
Transfer In		4,587,472	4,987,041	5,062,922
	Fund 201 Revenue Totals	4,587,472	4,987,041	5,062,922
203 INSTRUCTIONAL TECHNOLOGY SOP				
Appropriation Units:				
Public Education		0	1,000,000	1,500,000
	Fund 203 Appropriation Totals	0	1,000,000	1,500,000
Revenue Sources:				
Specific Fund Reserves		0	1,000,000	589,334
Use of Money and Property		1,660,980	0	910,666
	Fund 203 Revenue Totals	1,660,980	1,000,000	1,500,000
204 ATHLETICS SOP				
Appropriation Units:				
Public Education		6,445,554	6,761,688	7,137,188
	Fund 204 Appropriation Totals	6,445,554	6,761,688	7,137,188
Revenue Sources:				
Transfer In		5,464,726	5,937,588	5,937,588
Use of Money and Property		892,823	824,100	1,199,600
	Fund 204 Revenue Totals	6,357,549	6,761,688	7,137,188
210 EQUIPMENT REPLACEMENT SRF				
Appropriation Units:				
Public Education		166,702	400,000	110,688
	Fund 210 Appropriation Totals	166,702	400,000	110,688
Revenue Sources:				
Specific Fund Reserves		0	400,000	110,688
Use of Money and Property		18,791	0	0
	Fund 210 Revenue Totals	18,791	400,000	110,688
211 VENDING OPERATIONS SRF				
Appropriation Units:				
Public Education		142,181	150,000	250,000
	Fund 211 Appropriation Totals	142,181	150,000	250,000
Revenue Sources:				
Charges for Services		198,568	150,000	200,000
Specific Fund Reserves		0	0	50,000
Use of Money and Property		57,603	0	0
	Fund 211 Revenue Totals	256,171	150,000	250,000
212 CELL TOWER TECH SRF				
Appropriation Units:				
Public Education		0	2,953,127	1,500,000
	Fund 212 Appropriation Totals	0	2,953,127	1,500,000
Revenue Sources:				
Specific Fund Reserves		0	2,325,127	500,000
Use of Money and Property		1,127,848	628,000	1,000,000
	Fund 212 Revenue Totals	1,127,848	2,953,127	1,500,000

		FY 2024 - 2025 Actuals	FY 2025 - 2026 Adjusted Budget	FY 2026 - 2027 Total Proposed
213 CAFETERIAS SRF				
Appropriation Units:				
Public Education		44,324,685	50,154,437	50,154,437
	Fund 213 Appropriation Totals	44,324,685	50,154,437	50,154,437
Revenue Sources:				
Charges for Services		9,045,994	14,150,890	12,200,000
Federal Revenue		28,071,459	30,300,000	31,681,966
Specific Fund Reserves		0	4,848,547	4,767,471
State Revenue		1,403,675	855,000	1,005,000
Use of Money and Property		776,761	0	500,000
	Fund 213 Revenue Totals	39,297,889	50,154,437	50,154,437
214 GRANTS SRF				
Appropriation Units:				
Public Education		77,096,987	108,973,471	103,308,858
	Fund 214 Appropriation Totals	77,096,987	108,973,471	103,308,858
Revenue Sources:				
Federal Revenue		49,342,973	59,541,868	55,581,841
Miscellaneous Revenue		1,946,940	3,776,076	2,179,428
Specific Fund Reserves		0	9,255,670	10,000,000
State Revenue		20,398,050	30,012,084	29,140,010
Transfer In		6,094,054	6,387,773	6,407,579
	Fund 214 Revenue Totals	77,782,016	108,973,471	103,308,858
215 TEXTBOOKS SRF				
Appropriation Units:				
Public Education		3,520,378	9,533,214	9,134,181
	Fund 215 Appropriation Totals	3,520,378	9,533,214	9,134,181
Revenue Sources:				
Miscellaneous Revenue		13,050	60,225	18,121
Specific Fund Reserves		0	3,583,720	3,321,161
State Revenue		5,879,387	5,889,269	5,694,899
Use of Money and Property		452,106	0	100,000
	Fund 215 Revenue Totals	6,344,543	9,533,214	9,134,181
221 AGRICULTURE RESERVE PROGRAM SRF				
Appropriation Units:				
Agriculture		205,497	287,518	269,938
Debt Service		5,920,538	6,198,180	7,807,821
Reserve for Contingencies		0	0	509,927
Transfer to Other Funds		1,490,000	1,490,000	1,490,000
	Fund 221 Appropriation Totals	7,616,035	7,975,698	10,077,686
Revenue Sources:				
Real Estate Tax		7,055,690	4,952,166	5,127,203
Specific Fund Reserves		0	176,000	0
Transfer In		2,442,859	2,166,758	3,644,389
Use of Money and Property		1,306,907	680,774	1,306,094
	Fund 221 Revenue Totals	10,805,456	7,975,698	10,077,686
222 LAW LIBRARY SRF				
Appropriation Units:				
Library		230,562	243,892	273,390
	Fund 222 Appropriation Totals	230,562	243,892	273,390
Revenue Sources:				
Charges for Services		267,662	243,892	273,390
Miscellaneous Revenue		124	0	0
Permits Fees and Regulatory Licenses		42	0	0
Transfer In		57,702	0	0

		FY 2024 - 2025 Actuals	FY 2025 - 2026 Adjusted Budget	FY 2026 - 2027 Total Proposed
222 LAW LIBRARY SRF				
Revenue Sources:				
Use of Money and Property		715	0	0
	Fund 222 Revenue Totals	326,245	243,892	273,390
223 OPEN SPACE & PARKS SRF				
Appropriation Units:				
Debt Service		1,211,728	586,101	515,383
Parks and Recreation		442,075	580,816	582,231
Reserve for Contingencies		0	1,279,638	1,660,160
Transfer to Other Funds		3,000,000	700,000	500,000
	Fund 223 Appropriation Totals	4,653,803	3,146,555	3,257,774
Revenue Sources:				
Restaurant Meal Tax		7,793,435	3,146,555	3,257,774
	Fund 223 Revenue Totals	7,793,435	3,146,555	3,257,774
224 PARKS AND RECREATION SRF				
Appropriation Units:				
Debt Service		3,546,251	3,494,066	3,329,193
Parks and Recreation		22,418,778	25,778,134	25,795,879
Public Works		3,869,971	4,107,879	4,305,082
Reserve for Contingencies		0	1,960,454	3,197,161
Transfer to Other Funds		1,574,500	1,274,000	1,274,000
	Fund 224 Appropriation Totals	31,409,500	36,614,533	37,901,315
Revenue Sources:				
Charges for Services		7,276,244	7,552,159	7,815,463
Miscellaneous Revenue		5,327	0	0
Real Estate Tax		27,180,085	28,615,267	29,626,687
Transfer In		70,944	0	0
Use of Money and Property		510,033	447,107	459,165
	Fund 224 Revenue Totals	35,042,633	36,614,533	37,901,315
230 COMM ATTY FORFEITED ASSETS SRF				
Appropriation Units:				
Commonwealth's Attorney		179,870	100,000	100,000
	Fund 230 Appropriation Totals	179,870	100,000	100,000
Revenue Sources:				
Specific Fund Reserves		0	100,000	100,000
State Revenue		33,152	0	0
Use of Money and Property		29,885	0	0
	Fund 230 Revenue Totals	63,037	100,000	100,000
231 POLICE FORFEITED ASSETS SRF				
Appropriation Units:				
Police		375,618	0	0
	Fund 231 Appropriation Totals	375,618	0	0
Revenue Sources:				
Federal Revenue		136,246	0	0
State Revenue		110,450	0	0
Use of Money and Property		134,753	0	0
	Fund 231 Revenue Totals	381,449	0	0
233 SHERIFF'S OFFICE SRF				
Appropriation Units:				
Sheriff and Corrections		68,681,450	74,288,504	0
Transfer to Other Funds		11,600	11,600	0
	Fund 233 Appropriation Totals	68,693,050	74,300,104	0
Revenue Sources:				
Charges for Services		3,941,088	4,326,608	0

		FY 2024 - 2025 Actuals	FY 2025 - 2026 Adjusted Budget	FY 2026 - 2027 Total Proposed
233 SHERIFF'S OFFICE SRF				
Revenue Sources:				
Federal Revenue		177,607	150,000	0
Miscellaneous Revenue		200	3,000	0
Permits Fees and Regulatory Licenses		3,868	4,000	0
State Revenue		24,412,268	25,591,398	0
Transfer In		40,049,761	44,211,098	0
Use of Money and Property		19,594	14,000	0
	Fund 233 Revenue Totals	68,604,386	74,300,104	0
234 EMS COST RECOVERY				
Appropriation Units:				
Emergency Medical Services		0	14,328,837	14,479,648
Transfer to Other Funds		0	420,352	420,352
	Fund 234 Appropriation Totals	0	14,749,189	14,900,000
Revenue Sources:				
Charges for Services		0	14,749,189	14,900,000
	Fund 234 Revenue Totals	0	14,749,189	14,900,000
240 TOURISM ADVERTISING PROGRAM SRF				
Appropriation Units:				
Convention and Visitors Bureau		16,106,377	17,493,091	19,798,851
Reserve for Contingencies		0	0	63,197
Transfer to Other Funds		557,083	557,083	557,083
	Fund 240 Appropriation Totals	16,663,460	18,050,174	20,419,131
Revenue Sources:				
Charges for Services		3,500	4,000	4,000
Hotel Tax		8,307,833	8,208,920	8,615,161
Miscellaneous Revenue		3	0	0
Restaurant Meal Tax		8,855,291	9,254,575	9,581,690
Specific Fund Reserves		0	533,579	1,210,180
Use of Money and Property		1,054,318	49,100	1,008,100
	Fund 240 Revenue Totals	18,220,945	18,050,174	20,419,131
241 TOURISM INVESTMENT PROGRAM SRF				
Appropriation Units:				
Convention and Visitors Bureau		12,072,725	11,639,331	14,182,933
Cultural Affairs		520,500	520,500	520,500
Debt Service		36,764,879	26,345,109	26,586,882
Emergency Medical Services		970,780	1,228,647	1,215,132
Parks and Recreation		1,117,552	1,380,538	1,390,265
Public Works		5,569,521	5,138,877	6,616,452
Regional Participation		1,415,384	1,259,361	1,488,661
Reserve for Contingencies		1,665	2,616,276	7,332,153
Transfer to Other Funds		2,465,170	6,503,410	4,903,410
	Fund 241 Appropriation Totals	60,898,175	56,632,049	64,236,388
Revenue Sources:				
Admission Tax		8,609,855	7,578,563	9,697,365
Charges for Services		202,232	0	0
Cigarette Tax		409,034	404,996	383,847
Hotel Tax		26,034,267	25,727,271	27,637,107
Miscellaneous Revenue		0	2,088,240	2,088,240
Permits Fees and Regulatory Licenses		64,355	151,778	151,778
Restaurant Meal Tax		18,772,437	19,619,699	20,313,182
Specific Fund Reserves		0	170,252	0
Use of Money and Property		4,033,521	891,250	3,964,869
	Fund 241 Revenue Totals	58,125,701	56,632,049	64,236,388

		FY 2024 - 2025 Actuals	FY 2025 - 2026 Adjusted Budget	FY 2026 - 2027 Total Proposed
242 MAJOR PROJECTS FUND				
Appropriation Units:				
Reserve for Contingencies		0	0	9,533,804
Transfer to Other Funds		0	21,073,915	12,310,787
	Fund 242 Appropriation Totals	0	21,073,915	21,844,591
Revenue Sources:				
Real Estate Tax		0	2,476,083	2,563,601
Restaurant Meal Tax		0	14,252,046	14,755,802
Transfer In		0	4,345,786	4,525,188
	Fund 242 Revenue Totals	0	21,073,915	21,844,591
243 ATLANTIC PARK DEVELOPMENT AGREEMENT				
Appropriation Units:				
Reserve for Contingencies		0	4,985,114	4,937,470
	Fund 243 Appropriation Totals	0	4,985,114	4,937,470
Revenue Sources:				
General Sales Tax		0	2,533,278	2,533,278
Real Estate Tax		0	363,596	315,952
Transfer In		0	2,088,240	2,088,240
	Fund 243 Revenue Totals	0	4,985,114	4,937,470
250 CBD SOUTH TIF SRF				
Appropriation Units:				
Debt Service		4,414,283	3,402,929	3,311,083
Reserve for Contingencies		0	2,967,750	1,000,000
Transfer to Other Funds		150,000	5,495,786	7,751,888
	Fund 250 Appropriation Totals	4,564,283	11,866,465	12,062,971
Revenue Sources:				
Hotel Tax		500,000	0	0
Real Estate Tax		10,361,823	10,864,465	11,312,971
Specific Fund Reserves		0	1,000,000	0
Use of Money and Property		749,812	2,000	750,000
	Fund 250 Revenue Totals	11,611,635	11,866,465	12,062,971
251 TOWN CENTER SSD SRF				
Appropriation Units:				
Economic Development		3,146,642	3,087,050	1,010,000
Parks and Recreation		98,610	148,550	168,110
Public Works		0	0	2,667,000
Reserve for Contingencies		0	500,885	121,723
Transfer to Other Funds		645,976	649,726	674,566
	Fund 251 Appropriation Totals	3,891,229	4,386,211	4,641,399
Revenue Sources:				
Charges for Services		344,696	194,300	194,300
Fines and Forfeitures		84,579	0	302,610
Miscellaneous Revenue		902	0	0
Real Estate Tax		2,632,849	2,676,411	2,864,489
Transfer In		150,000	1,150,000	1,150,000
Use of Money and Property		128,772	365,500	130,000
	Fund 251 Revenue Totals	3,341,798	4,386,211	4,641,399
252 SANDBRIDGE SSD SRF				
Appropriation Units:				
Public Works		505,408	867,592	907,501
Reserve for Contingencies		0	5,360,131	5,578,071
Transfer to Other Funds		4,676,341	400,000	400,000
	Fund 252 Appropriation Totals	5,181,749	6,627,723	6,885,572
Revenue Sources:				
Hotel Tax		6,107,873	6,420,998	6,110,040

	FY 2024 - 2025 Actuals	FY 2025 - 2026 Adjusted Budget	FY 2026 - 2027 Total Proposed
252 SANDBRIDGE SSD SRF			
Revenue Sources:			
Real Estate Tax	196,263	203,708	222,532
Use of Money and Property	553,834	3,017	553,000
Fund 252 Revenue Totals	6,857,970	6,627,723	6,885,572
255 Pembroke Special Services District			
Appropriation Units:			
Reserve for Contingencies	0	0	477,159
Fund 255 Appropriation Totals	0	0	477,159
Revenue Sources:			
Real Estate Tax	0	0	477,159
Fund 255 Revenue Totals	0	0	477,159
260 FEDERAL SECTION 8 PROGRAM SRF			
Appropriation Units:			
Housing and Neighborhood Preservation	31,418,398	31,884,662	31,808,662
Fund 260 Appropriation Totals	31,418,398	31,884,662	31,808,662
Revenue Sources:			
Charges for Services	1,862,920	2,100,000	2,100,000
Federal Revenue	29,544,331	29,423,450	29,423,450
Miscellaneous Revenue	120,598	0	0
Specific Fund Reserves	0	285,212	285,212
Transfer In	76,000	76,000	0
Use of Money and Property	66,707	0	0
Fund 260 Revenue Totals	31,670,556	31,884,662	31,808,662
261 STATE RENTAL ASSISTANCE PROGRAM SRF			
Appropriation Units:			
Housing and Neighborhood Preservation	917,983	1,592,698	1,590,946
Reserve for Contingencies	0	0	5,678
Fund 261 Appropriation Totals	917,983	1,592,698	1,596,624
Revenue Sources:			
Charges for Services	167	0	0
Miscellaneous Revenue	6,787	0	0
State Revenue	1,565,979	1,592,698	1,596,624
Use of Money and Property	293,428	0	0
Fund 261 Revenue Totals	1,866,361	1,592,698	1,596,624
270 CONSOLIDATED GRANTS SRF			
Appropriation Units:			
Circuit Court	4,377	0	0
City Attorney	1,514	0	0
City Manager	261,015	0	0
Commonwealth's Attorney	833,716	586,169	586,169
Convention and Visitors Bureau	134,214	0	0
Cultural Affairs	100,000	1,000,000	0
Emergency Communications and Citizen Services	5,000	4,000	5,000
Emergency Management	1,006,154	102,914	102,914
Emergency Medical Services	382,262	388,000	388,000
Fire	2,575,048	2,912,992	2,572,966
Grants	4,176,511	0	0
Housing and Neighborhood Preservation	3,882,790	3,617,617	1,844,959
Human Services	3,470,222	3,762,129	4,588,155
Information Technology	0	90,000	0
Juvenile and Domestic Relations District Court	5,660	0	0
Library	6,497	0	0
Parks and Recreation	154,751	0	0
Planning	115,857	0	0

		FY 2024 - 2025 Actuals	FY 2025 - 2026 Adjusted Budget	FY 2026 - 2027 Total Proposed
270 CONSOLIDATED GRANTS SRF				
Appropriation Units:				
Police		673,893	0	0
Public Works		20,000	20,000	20,000
Reserve for Contingencies		0	0	8,298
Sheriff and Corrections		0	0	167,042
Transfer to Other Funds		5,884,266	300,000	300,000
Voter Registration & Elections		459,650	0	0
	Fund 270 Appropriation Totals	24,153,397	12,783,821	10,583,503
Revenue Sources:				
Charges for Services		1,364,330	355,062	454,180
Federal Revenue		11,766,525	4,831,235	2,758,354
Miscellaneous Revenue		94,717	9,068	0
State Revenue		7,224,027	6,509,672	6,292,185
Transfer In		267,539	1,078,784	1,078,784
	Fund 270 Revenue Totals	20,717,138	12,783,821	10,583,503
271 EMERGENCY FEMA GRANT SRF				
Appropriation Units:				
Fire		5,845,470	500,000	500,000
	Fund 271 Appropriation Totals	5,845,470	500,000	500,000
Revenue Sources:				
Federal Revenue		5,603,488	500,000	500,000
	Fund 271 Revenue Totals	5,603,488	500,000	500,000
272 FEDERAL HOUSING ASSISTANCE GRANT SRF				
Appropriation Units:				
Housing and Neighborhood Preservation		2,124,389	1,107,479	1,104,828
Reserve for Contingencies		0	0	2,651
	Fund 272 Appropriation Totals	2,124,389	1,107,479	1,107,479
Revenue Sources:				
Federal Revenue		1,998,098	1,087,479	1,087,479
Miscellaneous Revenue		21,905	20,000	20,000
Use of Money and Property		25,526	0	0
	Fund 272 Revenue Totals	2,045,529	1,107,479	1,107,479
273 COMMUNITY DEVELOPMENT GRANT SRF				
Appropriation Units:				
Housing and Neighborhood Preservation		2,070,837	2,525,512	2,461,485
Reserve for Contingencies		0	0	79,049
	Fund 273 Appropriation Totals	2,070,837	2,525,512	2,540,534
Revenue Sources:				
Federal Revenue		1,912,964	2,116,284	2,390,534
Miscellaneous Revenue		28,095	40,000	150,000
Transfer In		435,513	369,228	0
	Fund 273 Revenue Totals	2,376,572	2,525,512	2,540,534
310 OLD DONATION DREDGING SSD SRF				
Appropriation Units:				
Reserve for Contingencies		0	90,831	95,924
Transfer to Other Funds		107,594	0	0
	Fund 310 Appropriation Totals	107,594	90,831	95,924
Revenue Sources:				
Real Estate Tax		88,441	90,831	95,924
	Fund 310 Revenue Totals	88,441	90,831	95,924
311 BAYVILLE CREEK DREDGING SSD SRF				
Appropriation Units:				
Reserve for Contingencies		0	0	103,789

		FY 2024 - 2025 Actuals	FY 2025 - 2026 Adjusted Budget	FY 2026 - 2027 Total Proposed
311 BAYVILLE CREEK DREDGING SSD SRF				
Appropriation Units:				
Transfer to Other Funds		66,549	132,940	0
	Fund 311 Appropriation Totals	66,549	132,940	103,789
Revenue Sources:				
Real Estate Tax		87,636	89,354	103,789
Specific Fund Reserves		0	43,586	0
	Fund 311 Revenue Totals	87,636	132,940	103,789
312 SHADOWLAWN SSD SRF				
Appropriation Units:				
Reserve for Contingencies		0	45,159	46,515
	Fund 312 Appropriation Totals	0	45,159	46,515
Revenue Sources:				
Real Estate Tax		46,986	45,159	46,515
	Fund 312 Revenue Totals	46,986	45,159	46,515
313 CHESOPEIAN COLONY DREDGING SSD SRF				
Appropriation Units:				
Reserve for Contingencies		0	30,619	0
Transfer to Other Funds		0	227,000	1,131,000
	Fund 313 Appropriation Totals	0	257,619	1,131,000
Revenue Sources:				
Real Estate Tax		246,049	257,619	274,894
Specific Fund Reserves		0	0	856,106
	Fund 313 Revenue Totals	246,049	257,619	1,131,000
314 HARBOUR POINT DREDGING SSD SRF				
Appropriation Units:				
Reserve for Contingencies		0	34,865	35,526
Transfer to Other Funds		55,939	0	0
	Fund 314 Appropriation Totals	55,939	34,865	35,526
Revenue Sources:				
Real Estate Tax		30,813	34,865	35,526
	Fund 314 Revenue Totals	30,813	34,865	35,526
315 GILLS COVE DREDGING SSD SRF				
Appropriation Units:				
Reserve for Contingencies		0	17,962	52,461
	Fund 315 Appropriation Totals	0	17,962	52,461
Revenue Sources:				
Real Estate Tax		41,994	17,962	52,461
	Fund 315 Revenue Totals	41,994	17,962	52,461
316 HURDS COVE DREDGING SSD SRF				
Appropriation Units:				
Reserve for Contingencies		0	273,858	301,742
	Fund 316 Appropriation Totals	0	273,858	301,742
Revenue Sources:				
Real Estate Tax		251,473	273,858	301,742
	Fund 316 Revenue Totals	251,473	273,858	301,742
317 SCHILLING POINT DREDGING SSD SRF				
Appropriation Units:				
Reserve for Contingencies		0	49,830	0
Transfer to Other Funds		0	0	85,000
	Fund 317 Appropriation Totals	0	49,830	85,000
Revenue Sources:				
Real Estate Tax		76,954	49,830	78,595

	FY 2024 - 2025 Actuals	FY 2025 - 2026 Adjusted Budget	FY 2026 - 2027 Total Proposed
317 SCHILLING POINT DREDGING SSD SRF			
Revenue Sources:			
Specific Fund Reserves	0	0	6,405
Fund 317 Revenue Totals	76,954	49,830	85,000
400 GENERAL GOVERNMENT CIP FUND			
Appropriation Units:			
Building Capital Projects	17,223,824	29,514,594	27,291,715
Coastal Capital Projects	8,540,650	10,465,918	5,683,470
Economic and Tourism Development Capital Projects	3,401,202	3,111,212	5,220,237
Information Technology Capital Projects	807,156	6,964,482	10,225,914
Parks and Recreation Capital Projects	8,397,028	18,726,735	9,342,479
Roadways Capital Projects	13,166,449	13,225,465	24,944,132
Fund 400 Appropriation Totals	51,536,309	82,008,406	82,707,947
Revenue Sources:			
Transfer In	51,536,309	82,008,406	82,707,947
Fund 400 Revenue Totals	51,536,309	82,008,406	82,707,947
410 WATER & SEWER CIP FUND			
Appropriation Units:			
Sewer Utility Capital Projects	5,720,883	5,945,821	4,995,467
Water Utility Capital Projects	2,279,117	5,339,698	3,004,533
Fund 410 Appropriation Totals	8,000,000	11,285,519	8,000,000
Revenue Sources:			
Transfer In	8,000,000	11,285,519	8,000,000
Fund 410 Revenue Totals	8,000,000	11,285,519	8,000,000
420 STORMWATER CIP FUND			
Appropriation Units:			
Stormwater Capital Projects	18,521,348	19,774,720	18,265,898
Fund 420 Appropriation Totals	18,521,348	19,774,720	18,265,898
Revenue Sources:			
Transfer In	18,521,348	19,774,720	18,265,898
Fund 420 Revenue Totals	18,521,348	19,774,720	18,265,898
430 FLOOD PROTECTION CIP FUND			
Appropriation Units:			
Flood Protection Capital Projects	1,000,000	1,000,000	4,336,301
Fund 430 Appropriation Totals	1,000,000	1,000,000	4,336,301
Revenue Sources:			
Transfer In	1,000,000	1,000,000	4,336,301
Fund 430 Revenue Totals	1,000,000	1,000,000	4,336,301
480 SCHOOLS CAPITAL PROJECTS FUND			
Appropriation Units:			
School Capital Projects	3,000,000	8,954,741	5,000,000
Fund 480 Appropriation Totals	3,000,000	8,954,741	5,000,000
Revenue Sources:			
Transfer In	3,000,000	8,954,741	5,000,000
Fund 480 Revenue Totals	3,000,000	8,954,741	5,000,000
510 WATER AND SEWER ENTERPRISE FUND			
Appropriation Units:			
Debt Service	18,996,207	19,062,900	23,868,396
Public Utilities	121,481,616	116,435,445	118,711,870
Reserve for Contingencies	0	2,086,183	3,473,716
Transfer to Other Funds	17,171,768	20,849,467	17,245,498
Fund 510 Appropriation Totals	157,649,592	158,433,995	163,299,480
Revenue Sources:			
Charges for Services	144,037,790	150,257,887	154,645,660

		FY 2024 - 2025 Actuals	FY 2025 - 2026 Adjusted Budget	FY 2026 - 2027 Total Proposed
510 WATER AND SEWER ENTERPRISE FUND				
Revenue Sources:				
Miscellaneous Revenue		3,780,708	3,078,364	3,474,539
Permits Fees and Regulatory Licenses		2,125	0	0
Transfer In		2,365,634	2,497,329	2,559,160
Use of Money and Property		10,989,994	2,600,415	2,620,121
	Fund 510 Revenue Totals	161,176,251	158,433,995	163,299,480
520 STORMWATER UTILITY ENTERPRISE FUND				
Appropriation Units:				
Debt Service		10,001,484	14,391,428	14,317,441
Public Works		13,635,858	19,775,630	20,566,434
Reserve for Contingencies		0	1,446,655	2,659,036
Transfer to Other Funds		19,053,421	21,886,670	20,156,501
	Fund 520 Appropriation Totals	42,690,763	57,500,383	57,699,412
Revenue Sources:				
Charges for Services		46,770,720	55,389,412	55,389,412
Miscellaneous Revenue		16,113	4,000	10,000
Use of Money and Property		3,045,793	2,106,971	2,300,000
	Fund 520 Revenue Totals	49,832,626	57,500,383	57,699,412
530 WASTE MANAGEMENT ENTERPRISE FUND				
Appropriation Units:				
Public Works		46,051,340	47,812,891	47,575,596
Reserve for Contingencies		0	0	667,322
Transfer to Other Funds		2,623,434	2,769,159	2,863,649
	Fund 530 Appropriation Totals	48,674,774	50,582,050	51,106,567
Revenue Sources:				
Charges for Services		45,751,728	46,606,207	46,681,227
Miscellaneous Revenue		683,990	750,000	500,000
Permits Fees and Regulatory Licenses		122,673	125,000	0
Specific Fund Reserves		0	2,485,843	3,050,340
State Revenue		83,681	100,000	100,000
Use of Money and Property		744,262	515,000	775,000
	Fund 530 Revenue Totals	47,386,334	50,582,050	51,106,567
540 PARKING ENTERPRISE FUND				
Appropriation Units:				
Debt Service		24,790	0	0
Economic Development		26,187	0	0
Public Works		5,406,067	6,872,399	7,952,524
Reserve for Contingencies		0	0	43,606
Transfer to Other Funds		841,540	976,454	1,059,772
	Fund 540 Appropriation Totals	6,298,583	7,848,853	9,055,902
Revenue Sources:				
Charges for Services		4,544,617	6,569,551	7,350,000
Fines and Forfeitures		729,739	550,000	600,000
Permits Fees and Regulatory Licenses		159,860	112,000	112,000
Specific Fund Reserves		0	450,302	176,706
Transfer In		72,000	72,000	96,840
Use of Money and Property		323,389	95,000	720,356
	Fund 540 Revenue Totals	5,829,606	7,848,853	9,055,902
600 CITY GARAGE ISF				
Appropriation Units:				
Public Works		19,851,147	21,355,325	22,012,685
Reserve for Contingencies		0	466,000	244,476
	Fund 600 Appropriation Totals	19,851,147	21,821,325	22,257,161

		FY 2024 - 2025 Actuals	FY 2025 - 2026 Adjusted Budget	FY 2026 - 2027 Total Proposed
600 CITY GARAGE ISF				
Revenue Sources:				
Charges for Services		20,015,361	21,521,099	21,480,781
Miscellaneous Revenue		175,863	160,226	170,000
Specific Fund Reserves		0	0	150,000
Use of Money and Property		624,871	140,000	456,380
	Fund 600 Revenue Totals	20,816,095	21,821,325	22,257,161
601 FUELS ISF				
Appropriation Units:				
Public Works		5,775,634	9,320,431	8,766,202
	Fund 601 Appropriation Totals	5,775,634	9,320,431	8,766,202
Revenue Sources:				
Charges for Services		5,610,094	9,250,431	7,196,202
Specific Fund Reserves		0	0	1,500,000
Use of Money and Property		117,974	70,000	70,000
	Fund 601 Revenue Totals	5,728,068	9,320,431	8,766,202
602 RISK MANAGEMENT ISF				
Appropriation Units:				
Finance		17,767,922	19,198,169	20,415,279
Reserve for Contingencies		0	0	27,319
	Fund 602 Appropriation Totals	17,767,922	19,198,169	20,442,598
Revenue Sources:				
Charges for Services		20,586,158	16,000,036	17,019,839
Miscellaneous Revenue		13,488	0	0
Specific Fund Reserves		0	2,998,133	1,422,759
State Revenue		0	200,000	0
Use of Money and Property		3,418,929	0	2,000,000
	Fund 602 Revenue Totals	24,018,575	19,198,169	20,442,598
603 LANDSCAPING ISF				
Appropriation Units:				
Parks and Recreation		6,792,939	5,841,328	5,852,820
Reserve for Contingencies		0	0	165,185
	Fund 603 Appropriation Totals	6,792,939	5,841,328	6,018,005
Revenue Sources:				
Charges for Services		5,444,060	5,841,328	6,018,005
Miscellaneous Revenue		24,774	0	0
Use of Money and Property		113,938	0	0
	Fund 603 Revenue Totals	5,582,772	5,841,328	6,018,005
605 TELECOMMUNICATIONS ISF				
Appropriation Units:				
Information Technology		1,118,288	3,361,235	0
	Fund 605 Appropriation Totals	1,118,288	3,361,235	0
Revenue Sources:				
Charges for Services		3,492,632	3,345,946	0
Specific Fund Reserves		0	289	0
Use of Money and Property		65,946	15,000	0
	Fund 605 Revenue Totals	3,558,578	3,361,235	0
606 INFORMATION TECHNOLOGY ISF				
Appropriation Units:				
Information Technology		20,699,411	28,443,345	37,809,531
Reserve for Contingencies		0	0	62,150
	Fund 606 Appropriation Totals	20,699,411	28,443,345	37,871,681
Revenue Sources:				
Charges for Services		22,268,745	28,443,345	37,871,681
	Fund 606 Revenue Totals	22,268,745	28,443,345	37,871,681

		FY 2024 - 2025 Actuals	FY 2025 - 2026 Adjusted Budget	FY 2026 - 2027 Total Proposed
650 RISK MANAGEMENT ISF - SCHOOLS				
Appropriation Units:				
Public Education		9,557,649	15,995,919	16,658,726
	Fund 650 Appropriation Totals	9,557,649	15,995,919	16,658,726
Revenue Sources:				
Charges for Services		10,284,637	8,995,919	8,995,919
Specific Fund Reserves		0	7,000,000	7,662,807
	Fund 650 Revenue Totals	10,284,637	15,995,919	16,658,726
651 FLEXIBLE BENEFITS FORFEITURE ISF				
Appropriation Units:				
Public Education		0	100,000	100,000
	Fund 651 Appropriation Totals	0	100,000	100,000
Revenue Sources:				
Miscellaneous Revenue		466,220	0	0
Specific Fund Reserves		0	100,000	100,000
	Fund 651 Revenue Totals	466,220	100,000	100,000
652 HEALTH INSURANCE ISF				
Appropriation Units:				
Public Education		112,838,055	132,109,540	146,060,969
	Fund 652 Appropriation Totals	112,838,055	132,109,540	146,060,969
Revenue Sources:				
Charges for Services		103,392,220	117,109,540	140,060,969
Specific Fund Reserves		0	15,000,000	6,000,000
	Fund 652 Revenue Totals	103,392,220	132,109,540	146,060,969
653 HEALTH INSURANCE ISF - CITY				
Appropriation Units:				
Public Education		76,691,812	89,173,245	92,291,614
	Fund 653 Appropriation Totals	76,691,812	89,173,245	92,291,614
Revenue Sources:				
Charges for Services		72,603,658	74,173,245	84,883,510
Specific Fund Reserves		0	15,000,000	6,345,750
Use of Money and Property		0	0	1,062,354
	Fund 653 Revenue Totals	72,603,658	89,173,245	92,291,614
801 CITY BEAUTIFICATION FUND				
Appropriation Units:				
Parks and Recreation		3,970	50,000	50,000
	Fund 801 Appropriation Totals	3,970	50,000	50,000
Revenue Sources:				
Charges for Services		10,802	50,000	50,000
	Fund 801 Revenue Totals	10,802	50,000	50,000
811 MAYOR'S COMMITTE TRUST FUND				
Appropriation Units:				
Municipal Council		1,822	15,000	15,000
	Fund 811 Appropriation Totals	1,822	15,000	15,000
Revenue Sources:				
Miscellaneous Revenue		-100	0	15,000
Specific Fund Reserves		0	15,000	0
	Fund 811 Revenue Totals	-100	15,000	15,000
812 OYSTER HERITAGE TRUST FUND				
Appropriation Units:				
Public Works		23,850	38,000	38,000
	Fund 812 Appropriation Totals	23,850	38,000	38,000
Revenue Sources:				
Miscellaneous Revenue		0	0	38,000

		FY 2024 - 2025 Actuals	FY 2025 - 2026 Adjusted Budget	FY 2026 - 2027 Total Proposed
812 OYSTER HERITAGE TRUST FUND				
Revenue Sources:				
Specific Fund Reserves		0	38,000	0
	Fund 812 Revenue Totals	0	38,000	38,000
814 PARKS AND RECREATION GIFT FUND				
Appropriation Units:				
Parks and Recreation		6,505	84,000	84,000
	Fund 814 Appropriation Totals	6,505	84,000	84,000
Revenue Sources:				
Miscellaneous Revenue		37,673	84,000	84,000
Use of Money and Property		11,505	0	0
	Fund 814 Revenue Totals	49,178	84,000	84,000
817 SOCIAL SERVICES GIFT FUND				
Appropriation Units:				
Human Services		7,177	46,710	46,710
	Fund 817 Appropriation Totals	7,177	46,710	46,710
Revenue Sources:				
Miscellaneous Revenue		7,291	0	23,760
Specific Fund Reserves		0	46,710	22,950
	Fund 817 Revenue Totals	7,291	46,710	46,710
818 VIRGINIA BEACH LIBRARY GIFT FUND				
Appropriation Units:				
Library		311,674	112,000	112,000
	Fund 818 Appropriation Totals	311,674	112,000	112,000
Revenue Sources:				
Miscellaneous Revenue		56,754	112,000	112,000
	Fund 818 Revenue Totals	56,754	112,000	112,000
822 TREE MITIGATION				
Appropriation Units:				
Parks and Recreation		381,012	414,383	414,383
	Fund 822 Appropriation Totals	381,012	414,383	414,383
Revenue Sources:				
Charges for Services		225,019	414,383	414,383
	Fund 822 Revenue Totals	225,019	414,383	414,383
Grand Total Of All Funds				
Total Appropriations for all Funds		3,432,167,294	3,881,220,461	3,958,443,411
Less Internal Service Funds		271,092,857	325,364,537	350,466,956
Less Interfund Transfers		645,372,953	763,105,815	724,002,416
Net Appropriations Totals		2,515,701,484	2,792,750,109	2,883,974,039
Revenue Sources Totals		3,584,790,875	3,881,220,461	3,958,443,411
Less Internal Service Funds		268,719,568	325,364,537	350,466,956
Less Interfund Transfers		645,372,953	763,105,815	724,002,416
Net Revenue Totals		2,670,698,354	2,792,750,109	2,883,974,039

City of Virginia Beach, Virginia
Interfund Transfer Summary

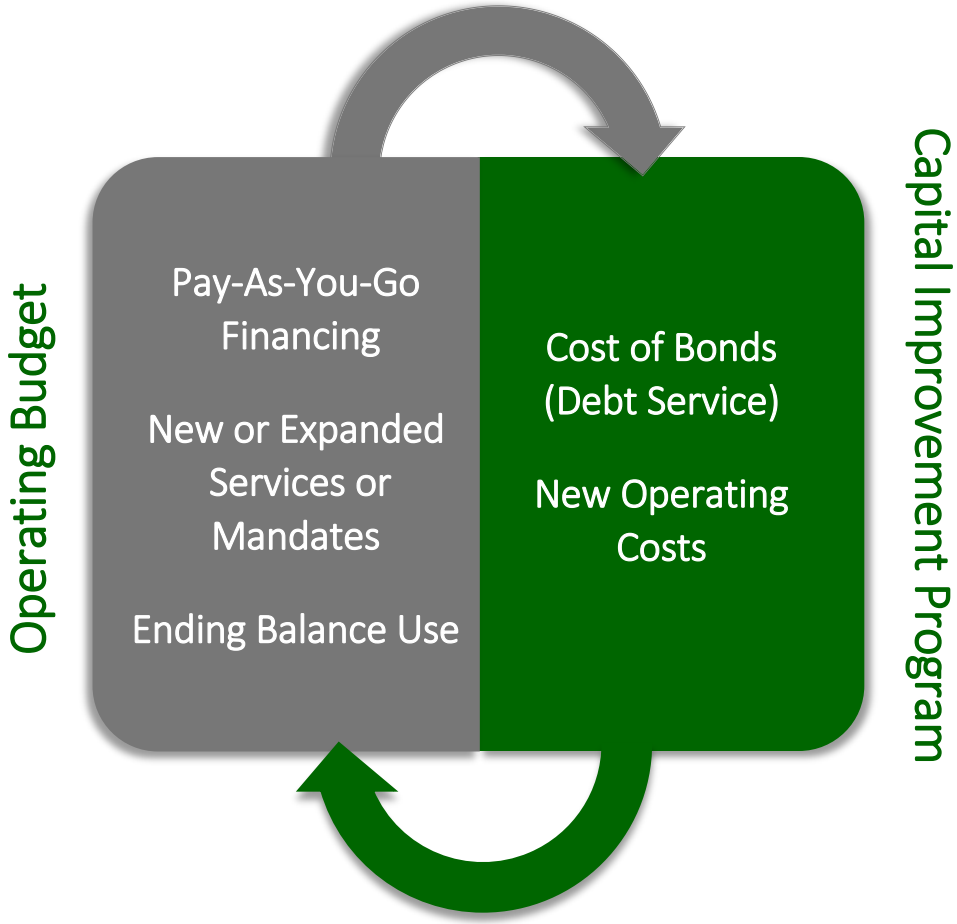
Receiving Fund Code and Name		FY 2024-2025 Actuals	FY 2025-2026 Adjusted Budget	FY 2026-2027 Total Proposed
100 GENERAL FUND				
273 COMMUNITY DEVELOPMENT GRANT SRF		435,513	369,228	0
270 CONSOLIDATED GRANTS SRF		267,539	1,078,784	1,078,784
260 FEDERAL SECTION 8 PROGRAM SRF		76,000	76,000	0
400 GENERAL GOVERNMENT CIP FUND		32,095,894	51,238,973	59,568,882
222 LAW LIBRARY SRF		57,702	0	0
224 PARKS AND RECREATION SRF		70,944	0	0
115 SCHOOL OPERATING FUND		488,468,727	550,980,269	559,522,641
233 SHERIFF'S OFFICE SRF		40,049,761	44,211,098	0
420 STORMWATER CIP FUND		886,581	0	0
	Total Transfer From Fund 100	562,408,661	647,954,352	620,170,307
115 SCHOOL OPERATING FUND				
204 ATHLETICS SOP		5,464,726	5,937,588	5,937,588
100 GENERAL FUND		0	0	319,824
214 GRANTS SRF		6,094,054	6,387,773	6,407,579
201 GREEN RUN COLLEGIATE CHARTER SOP		4,587,472	4,987,041	5,062,922
480 SCHOOLS CAPITAL PROJECTS FUND		3,000,000	8,954,741	5,000,000
	Total Transfer From Fund 115	19,146,252	26,267,143	22,727,913
150 FLOOD PROTECTION REFERENDUM				
430 FLOOD PROTECTION CIP FUND		1,000,000	1,000,000	4,336,301
	Total Transfer From Fund 150	1,000,000	1,000,000	4,336,301
190 GENERAL DEBT FUND				
221 AGRICULTURE RESERVE PROGRAM SRF		2,442,859	2,166,758	3,644,389
	Total Transfer From Fund 190	2,442,859	2,166,758	3,644,389
221 AGRICULTURE RESERVE PROGRAM SRF				
400 GENERAL GOVERNMENT CIP FUND		500,000	500,000	500,000
420 STORMWATER CIP FUND		990,000	990,000	990,000
	Total Transfer From Fund 221	1,490,000	1,490,000	1,490,000
223 OPEN SPACE & PARKS SRF				
400 GENERAL GOVERNMENT CIP FUND		3,000,000	700,000	500,000
	Total Transfer From Fund 223	3,000,000	700,000	500,000
224 PARKS AND RECREATION SRF				
100 GENERAL FUND		377,500	274,000	274,000
400 GENERAL GOVERNMENT CIP FUND		1,197,000	1,000,000	1,000,000
	Total Transfer From Fund 224	1,574,500	1,274,000	1,274,000

Receiving Fund Code and Name		FY 2024-2025 Actuals	FY 2025-2026 Adjusted Budget	FY 2026-2027 Total Proposed
233 SHERIFF'S OFFICE SRF				
100 GENERAL FUND		11,600	11,600	0
	Total Transfer From Fund 233	11,600	11,600	0
234 EMS COST RECOVERY				
400 GENERAL GOVERNMENT CIP FUND		0	420,352	420,352
	Total Transfer From Fund 234	0	420,352	420,352
240 TOURISM ADVERTISING PROGRAM SRF				
100 GENERAL FUND		57,083	57,083	57,083
400 GENERAL GOVERNMENT CIP FUND		500,000	500,000	500,000
	Total Transfer From Fund 240	557,083	557,083	557,083
241 TOURISM INVESTMENT PROGRAM SRF				
243 ATLANTIC PARK DEVELOPMENT AGREEMENT		0	2,088,240	2,088,240
100 GENERAL FUND		15,170	15,170	15,170
400 GENERAL GOVERNMENT CIP FUND		2,450,000	4,400,000	2,800,000
	Total Transfer From Fund 241	2,465,170	6,503,410	4,903,410
242 MAJOR PROJECTS FUND				
400 GENERAL GOVERNMENT CIP FUND		0	21,073,915	12,310,787
	Total Transfer From Fund 242	0	21,073,915	12,310,787
250 CBD SOUTH TIF SRF				
400 GENERAL GOVERNMENT CIP FUND		0	0	2,076,700
242 MAJOR PROJECTS FUND		0	4,345,786	4,525,188
251 TOWN CENTER SSD SRF		150,000	1,150,000	1,150,000
	Total Transfer From Fund 250	150,000	5,495,786	7,751,888
251 TOWN CENTER SSD SRF				
100 GENERAL FUND		71,250	75,000	75,000
400 GENERAL GOVERNMENT CIP FUND		502,726	502,726	502,726
540 PARKING ENTERPRISE FUND		72,000	72,000	96,840
	Total Transfer From Fund 251	645,976	649,726	674,566
252 SANDBRIDGE SSD SRF				
400 GENERAL GOVERNMENT CIP FUND		4,676,341	400,000	400,000
	Total Transfer From Fund 252	4,676,341	400,000	400,000
270 CONSOLIDATED GRANTS SRF				
400 GENERAL GOVERNMENT CIP FUND		5,884,266	300,000	300,000
	Total Transfer From Fund 270	5,884,266	300,000	300,000

Receiving Fund Code and Name		FY 2024-2025 Actuals	FY 2025-2026 Adjusted Budget	FY 2026-2027 Total Proposed
310 OLD DONATION DREDGING SSD SRF				
400 GENERAL GOVERNMENT CIP FUND		107,594	0	0
	Total Transfer From Fund 310	107,594	0	0
311 BAYVILLE CREEK DREDGING SSD SRF				
400 GENERAL GOVERNMENT CIP FUND		66,549	132,940	0
	Total Transfer From Fund 311	66,549	132,940	0
313 CHESOPEIAN COLONY DREDGING SSD SRF				
400 GENERAL GOVERNMENT CIP FUND		0	227,000	1,131,000
	Total Transfer From Fund 313	0	227,000	1,131,000
314 HARBOUR POINT DREDGING SSD SRF				
400 GENERAL GOVERNMENT CIP FUND		55,939	0	0
	Total Transfer From Fund 314	55,939	0	0
317 SCHILLING POINT DREDGING SSD SRF				
400 GENERAL GOVERNMENT CIP FUND		0	0	85,000
	Total Transfer From Fund 317	0	0	85,000
510 WATER AND SEWER ENTERPRISE FUND				
100 GENERAL FUND		9,171,768	9,563,948	9,245,498
410 WATER & SEWER CIP FUND		8,000,000	11,285,519	8,000,000
	Total Transfer From Fund 510	17,171,768	20,849,467	17,245,498
520 STORMWATER UTILITY ENTERPRISE FUND				
100 GENERAL FUND		1,014,403	1,721,729	1,453,473
420 STORMWATER CIP FUND		16,644,767	18,784,720	17,275,898
510 WATER AND SEWER ENTERPRISE FUND		1,394,251	1,380,221	1,427,130
	Total Transfer From Fund 520	19,053,421	21,886,670	20,156,501
530 WASTE MANAGEMENT ENTERPRISE FUND				
100 GENERAL FUND		1,652,051	1,652,051	1,731,619
510 WATER AND SEWER ENTERPRISE FUND		971,383	1,117,108	1,132,030
	Total Transfer From Fund 530	2,623,434	2,769,159	2,863,649
540 PARKING ENTERPRISE FUND				
100 GENERAL FUND		341,540	363,954	447,272
400 GENERAL GOVERNMENT CIP FUND		500,000	612,500	612,500
	Total Transfer From Fund 540	841,540	976,454	1,059,772
	TOTAL INTERFUND TRANSFERS FOR ALL FUNDS	645,372,953	763,105,815	724,002,416

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.



REVENUES

Forecasting Methodology

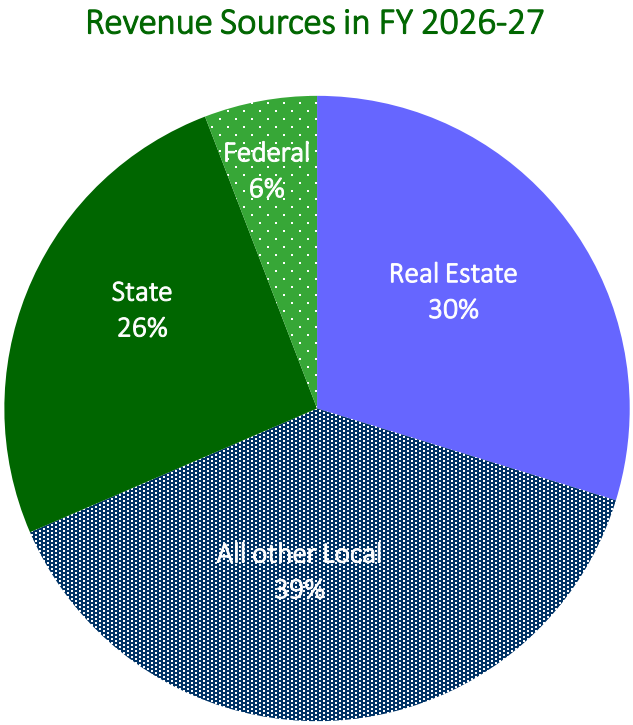
The City uses the following methods to forecast revenues:

- 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 2024-25) the City's General Fund total revenue estimates produced a variance of 2.6% when compared to actual collections. This variance is primarily due to higher-than-expected interest on bank deposits.

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 2026-27, local sources, including fund balance, make up approximately 69% of total revenue. The largest individual revenue generator for the City is the Real Estate Tax, which generates nearly a third of the City's total revenue and almost half of the City's General Fund tax revenue.



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. Additional information on dedications, including Real Estate Tax dedications, can be found in the Executive Summary document.

Tax	Local Rate	Non-Dedicated General Fund	TIP Fund	TAP Fund	EDIP	Open Space	Arts and Culture	Major Projects Fund
Amusement	10%	-	8%	-	-	-	2%	-
Hotel Tax	8%	2%	5%	1%	-	-	-	-
Hotel Flat Tax	$2	-	$1	$1	-	-	-	-
Restaurant Meal Tax	6%	3.5%	1.06%	0.5%	-	0.17%	-	0.77%
Cigarette Tax (per pack)	75¢	54¢	5¢	-	16¢	-	-	-

Revenue Summary by Type

Real Estate Tax

The City Real Estate Assessor is projecting a total of $92.5 billion in assessments for FY 2026-27, an increase of 6% from the prior fiscal year. This increase consists of 5.2% appreciation of current real estate, and 0.8% projected growth in new real estate. This is consistent with the previous year, but a decrease overall over the last five years. Despite the overall decrease in appreciation, growth in number and value of new real estate has slightly increased.

Excluding the TIF and tax relief, for each 1¢ of the Real Estate Tax generates $8,545,338.

Both residential and commercial properties are assessed annually by analyzing sales, business activity, income and expense reports and rent rolls. Of the City's 10 districts, District 6, which includes about half of the Resort Area and the North End, had the highest total assessed value at $15.7 billion.

It is important to note that there was growth in the commercial sector as well; however, not all types of commercial properties values are growing at the same pace. Hotels had the smallest change in assessed value at 0.8%, while Industrial grew the most at 22.2%. Other categories that experienced growth are General Commercial, which grew 5.1% and Offices at 2.5%.

The median home assessment continues to increase year over year and has reached $383,600 for all residence types with an average increase of 5.01%.

The City is projected to forgo more than $62 million in Real Estate Tax revenue in FY 2026-27 through the exemption programs of disabled veteran and elderly and disabled tax relief. City real estate also includes 3,787 tax exempt parcels valued at over $13 billion. These properties are owned by governments, nonprofits, religious organizations, etc. This value represents 12.4% of the total assessed value. The total reduction in tax revenue associated with these exempt parcels (at the current tax rate) is $126 million.

In FY 2026-27, the proposed Real Estate Tax rate is $0.97 per $100 of assessed value and remains unchanged from the previous fiscal year. Total Real Estate Tax revenue – including all dedications, the Town Center Tax Incremental Financing District, and Special Service Districts – is expected to increase to $848.6

million. Of this amount, the proposed General Fund Real Estate Tax revenue is $760,083,532. Real Estate Tax revenue represents 46.8% of the total revenue estimate for the General Fund in FY 2026-27.

While the majority of the Real Estate Tax supports general government operations (including Virginia Beach City Public Schools), the City Council has dedicated portions of the Real Estate Tax to fund various priorities. The table 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. In 2024, City Council approved two development agreements to receive a dedicated portion of the Real Estate Tax, to support the debt services associated with the public infrastructure of the developments.

Dedication	Cents	Amount
Agriculture Reserve Program	0.6	$5,127,203
Council Priorities (General Fund)	1.85	$15,808,875
Outdoor Initiative	0.47	$4,016,309
Public Safety (General Fund)	1.0	$8,545,338
Recreation Centers	3.476	$29,626,687
Stormwater (General Fund)	2.5	$21,363,345
Flood Protection Bond Referendum	4.1	$35,035,886
School Funding Formula (Hold Harmless) (GF)	2.138	$18,269,933
Development Agreement (General Fund)	0.51	$4,371,839
Major Projects Fund	0.3	$2,563,601

Personal Property

Historically, revenue generated from Personal Property Taxes consists 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.

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 residents 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 State PPTRA decreases.

In total, proposed revenue from Personal Property Taxes is estimated to be $215,911,140 in FY 2026-27, a decrease of 2.2% of the FY 2025-26 Adopted Budget. Due to assessment growth of new vehicles entering the assessment base, personal property assessments are projected to grow 3%. In an effort to provide relief and reduce the tax burden on residents, however, City Council has provided a 10% personal property tax relief credit. This reduces the revenue by $12.8 million and when administered, will provide residents with up to $80 in tax relief credit.

General Sales

The Commonwealth of Virginia imposes 4.3% statewide sales and use tax and a 1.0% local option sales tax. In addition to these rates, 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 2026-27 is $101,263,558. This amount is budgeted within the General Fund and Shared with Schools through the Revenue Sharing Formula.

Post pandemic, 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. Growth is also attributed to 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. Inflation on goods is also contributing to growth in the revenue.

In addition to the standard Sales Tax, the Atlantic Park CDA Fund includes a budget of $2.5 million in sales tax revenue. This revenue is reflective of a sales tax dedication equal to 1% sales tax collected on premises, 2.025% additional State sales tax collected on premises, and an additional amount equal to 0.5% of the sales tax generated on site. This is related to the development agreement for the project that dedicates tax revenue within the boundaries of the District, bringing total budgeted sales tax to $103.8 million, a 3.4% increase from the FY 2025-26 Budget.

Utility Taxes

These taxes apply to electric, gas, and water bills for residential and commercial properties. 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 restrictive than for residential customers.

Utility taxes remain a stable revenue source and for FY 2026-27, estimated revenue for utility taxes is expected to remain relatively flat from the current fiscal year at $26.0 million.

Virginia Telecommunications Tax

The Virginia Telecommunications 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 decline in telecom revenue of 44% since 2008.

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 2026-27, this revenue is expected to generate $16,085,932.

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. The thresholds are as follows:

Gross Receipts	Rate
$0 - $25,000	$25
$25,001 - $100,000	$40
$100,001 - $200,000	$50
$200,000 +	Varied Based on Business Type

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

The Proposed Budget for BPOL revenue in FY 2026-27 is estimated to be $71,447,567, a 6.4% increase from the FY 2025-26 Adopted Budget.

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.

The Proposed Budget total automobile license revenue is estimated to be $10,299,928 in FY 2026-27, a 3.2% decrease from the Adopted Budget for FY 2025-26.

Pleasure Boat License Fee

In FY 2026-27 the proposed Pleasure Boat License Fee revenue is $2,359,470. This annual registration fee is tiered based on size of the vessel. Revenue generated through this fee is dedicated to the Coastal CIP section to provide a sustainable funding source for future dredging needs.

Boat Length (Feet)	Fee
< 16	$20.00
16 < 20	$40.00
20 < 40	$250.00
40 <	$500.00

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 young people.

On July 1, 2019, the legal purchasing age for tobacco products 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. 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 2026-27, the projected revenue generated from the Cigarette Tax is $5,757,707, a 5.3% decrease from the FY 2025-26 Adopted Budget.

Hotel Tax

The hospitality industry is a major driver of the local economy; as such, revenue generated from hotel taxes is a substantial portion of the City's revenue. Hotel tax revenue is comprised of two separate components, 8% of the total amount paid for lodging (9.5% of the total amount paid for lodging in the Sandbridge Special Service District) and a flat $2 tax per room night. The estimated revenue for 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. Between both taxes, total hotel revenue is projected to be $54.3 million, a 5.2% increase from the current year.

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.

In FY 2026-27, total revenue from the Hotel Percentage Tax, including revenue generated in the Sandbridge Special Service District, is estimated to be $48,439,344. Of this amount, the General Fund's portion is $11,763,680. The total represents a 5.4% increase over the FY 2025-26 Adopted Budget.

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 $5,686,644, slightly above FY 2024-25 actuals. 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. Within the FY 2025-26 Adopted Budget, the Restaurant Meal Tax increased from 5.5% to 6% tax on all prepared meals and drinks sold ready for consumption either on or off of the seller's premises. Prepared meals are often sold from bars, restaurants, drugstores, grocery stores, cafes, convenience stores, grills, diners, fairgrounds, event houses, and any other eating or drinking, fast food, drive-in or take-out establishment.

As with all consumer-driven revenue, 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 consumption returning to historical norms of about 4.4%.

Considering this and along with the 0.5% tax increase, revenue generated from the Restaurant Meals Tax is expected to grow in FY 2026-27 to $115.4 million, a 3.6% increase from the FY 2025-26 Adopted Budget.

Amusement Tax

Prior to FY 2024-25, 100% of the Amusement Tax was dedicated to the Tourism Investment Program (TIP) Fund. The General Fund now receives a dedication of 20% for funding for arts and culture and 80% remain in the TIP Fund. The exception to this is amusement revenue generated by the Dome, a newly opened, publicly owned entertainment venue within the Resort. All amusement tax generated within the Dome is 100% dedicated to the TIP Fund, pursuant to the development agreement.

There is a 10% tax on the admission charge for entry into museums, botanical or other similar gardens, and zoos, concerts, music venues, theaters etc. A tax of 5% of the amount charged to people actively participating in sporting events or athletic contests or activities. Admission charges for spectators who observe, but do not participate in, sporting events or athletic contests or activities shall be taxed at the rate imposed and levied. There is a tax of 10% of the admission charge for all other admissions, including admissions to any place of amusement or entertainment.

The Proposed Budget total Amusement Tax is estimated to be $11,865,456 in FY 2026-27. This projection is 25% above the FY 2025-26 Adopted Budget, due to the unexpected overperformance of the revenue in recent years. Of this amount, $2,168,091 is within the General Fund, specifically for arts and culture.

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 2026-27, total revenue from Permits, Privilege Fees, and Regulatory Licenses is $9,268,048. Of this amount, $9,004,270 is within the General Fund.

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 lease of City property. For this reason, changes in market interest rates have an impact on realized revenues, making this a volatile revenue source that the City estimates, and typically they are budgeted for one-time purposes, to ensure long-term sustainability.

In FY 2026-27, the proposed total revenue from the Use of Money and Property is $59,897,058. This is an 81.4% increase over the adopted FY 2025-26 budget. Of this amount, $32,642,549 is within the General Fund. This is more in line with recent historical actuals.

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 2026-27, Public Works will be increasing several user fees, including adjustments to refuse bins and yard debris container rentals, which will generate additional revenue for the department.

In FY 2026-27, total revenue from Charges for Services is estimated to be $367,196,661. Of this amount, $64,524,646 is within the General Fund.

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. As always, the City will monitor the decisions of the Federal Government and will make adjustments if necessary, during the fiscal year.

In FY 2026-27, total revenues from the Commonwealth of Virginia are estimated to be $731.6 million. Total revenues from the federal government are estimated to be $166.4 million in FY 2026-27. Of these amounts, $172,733,053 of state revenue and $27,491,793 of federal revenue are within the General Fund. Together, these revenues represent approximately 32% of all anticipated revenue in FY 2026-27.

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.

Proposed State revenue for FY 2026-27 increased by $18.9 million, compared to the amended FY 2025-26 budget of $532.0 million. The FY 2026-27 total is $550.9 million.

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 2026-27, Schools anticipate receiving $102,757,914 in Federal Funding.

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 revenue estimates, VBCPS' proposed share in local revenue for FY 2026-27 calculated using the Revenue Sharing Formula is $559,522,641. When compared with the Adopted FY 2025-26 Operating Budget, this budget includes an increase of $8.5 million in City support to VBCPS.

Housing

The following funds comprise the majority of the operations for the Department of Housing and Neighborhood Preservation in FY 2026-27: 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 $38.9 million.

EMS Cost Recovery Fund

EMS Compassionate Billing Revenue, initially approved in FY 2025-26, is expected to generate $14,900,000 in revenue that will be dedicated to the Cost Recovery Special Revenue Fund in FY 2026-27.

Revenue generated from the compassionate billing program provides relief to the City's General Fund and provides a sustainable revenue source for the continuation of service delivery for Emergency Medical Services. As there has not yet been a full year of collections, the budgeted amount remains largely unchanged from the current year.

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.

Parks and Recreation Special Revenue Fund revenue for FY 2026-27 is estimated to be $37,901,315. This revenue is being partially supported by the fees generated by the recreation centers, in the amount of $7.8 million. The Proposed Budget includes fee increases to support the recreation center modernization plan included within the Capital Improvement Program.

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 an older iteration of the Major Projects Fund (originally established in FY (2001-02). This 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.

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 80% of the Amusement Tax. Pursuant to its development agreement, 100% of the amusement revenue generated by the Dome is retained by the TIP fund. Prior to FY 2024-25, 100% of the Amusement Tax was dedicated to the TIP Fund.

Total estimated revenue for the TIP fund in FY 2026-27 is $64,236,388. This represents a 13.8% increase from FY 2025-26. This increase is primarily driven by hotel and interest income.

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, 1% from the hotel tax, and 0.5% of the restaurant tax on meals, as well as interest income.

In FY 2026-27, TAP Fund revenue is estimated to be $20,419,131. This represents an increase of 13.1%, from the FY 2025-26 Adopted Budget. This increase is primarily driven by an increase in interest income.

Major Projects Fund

The Major Projects Fund was originally established in FY 2001-02 to provide funding for the rebuilding of the Convention Center, the Sandler Center for the Performing Arts, and the expansion of the Virginia Aquarium.

This fund was folded into the TIP fund in 2011. The FY 2025-26 Budget reestablished the fund to create a sustainable funding source for priority Capital Improvement Projects, including the Virginia Beach Trail, Law Enforcement Training Academy, Indian River Road Safety Improvements, and Critical Court Facility Safety and ADA Accessibility.

The fund is supported by a dedication of 0.77% of the Restaurant Meals Tax, a dedication of 0.3 cents of the Real Estate Tax, and a transfer of 40% of the TIF's current year revenue. Total revenue within the fund for FY 2026-27 is $21.8 million, a 3.7% increase from FY 2025-26.

Agricultural Reserve Program Fund (ARP)

This program is designed to promote and encourage the preservation of farmland in the southern rural portion of the City by means that are voluntary rather than regulatory. Revenue is primarily derived from a dedication of the City's Real Estate Tax revenue. In FY 2025-26, the dedication was reduced from 0.9 cents to 0.6 cents, with the difference directed to the Major Projects Fund. Even with the reduction, the ARP is able to meet all goals and existing obligations. Capacity generated through growth in dedicated revenue created the opportunity for a redirection without a degradation of the program's intent.

In FY 2026-27, revenue for the ARP is estimated to be $10,077,686, an increase of $2,101,988 or 26.4% from the FY 2025-26 Adopted Budget. During the next several years, revenue in this fund will fluctuate annually because of scheduled principal repayments. 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 source of revenue for this fund dedication of the Restaurant Meal tax. Prior to FY 2025-26 the dedication was 0.44% now is 0.17%, with the difference directed to the Major Projects Fund. Total budgeted revenue to the fund is $3,257,774.

Flood Protection Referendum Fund

The Flood Protection Referendum Fund was created following the November 2, 2021, election during which voters approved a referendum to create the Flood Protection Program. The Flood Protection Program is a multi-phase effort to construct stormwater flood mitigation projects across the City. The first phase, approved in the referendum, consists of 21 projects funded by $567.5 million in General Obligation Bonds. To manage this debt and future maintenance costs, the fund has a dedication of 4.1¢ of real estate taxes. The fund also provides transfers to the Flood Protection Capital Projects Fund as needed to support the execution of these projects.

Atlantic Park Community Development Agreement

The Atlantic Park Community Development Agreement was created in FY 2025-26 to support the development of Atlantic Park by paying for the debts incurred to develop the area with the Atlantic Park Community Development Authority. The Fund is funded through a set of taxes that apply only within Atlantic Park: an additional 25¢ real estate tax, surf park admissions fees, the 2.025% Knight-Wagner sales tax, a 1.0% local sales tax, and the meals and admissions that would otherwise go to the TIP Fund as a result of the surf park. Also included is an additional dedication equal to 0.5% of the sales tax generated within the boundaries. Revenues allocated to this fund are not generated by the City owned and operated components of the development. This fund is only intended to cover debt costs related to the initial development of Atlantic Park.

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. Should revenues exceed obligations of the TIF, surpluses can be determined with the general government tax dollars being directed for other public purposes.

Central Business District-South TIF (Town Center)

The Town Center TIF was created by Council action in November of 1999. The primary purpose is to facilitate a public-private partnership to develop high-rise office, hotel, and retail structures in the Town Center area of the City. The TIF is funded by Real Estate Taxes in excess of the base value of $151.8 million in the district and is used to fund debt service costs associated with economic development projects located in Town Center.

The CBD-South TIF revenue is expected to increase by 1.7% in FY 2026-27 to $12,062,971. However, the TIF will transfer 40% of real estate revenue to the Major Projects Fund, as approved in FY 2025-26.

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. Prior to FY 2026-27, the City of Virginia Beach had ten established Special Service Districts, eight of which are for neighborhood dredging projects. Beginning in FY 2026-27, the Pembroke SSD has been established.

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. Revenue to the fund includes the real estate surcharge, rental income, interest income, and parking tickets, penalties, and fees.

Total estimated revenue for the Town Center SSD in FY 2026-27 is $4,641,399 which represents a 5.8% increase from the FY 2025-26 Adopted budget.

Sandbridge Special Service District

The Sandbridge SSD was established by Council in November 1994, with an initial real estate surcharge rate of 6¢ per $100 of assessed value. The purpose of the Sandbridge SSD is to fund operating expenditures related to beach cleaning, and to provide pay-as-you-go financing to the Coastal Section of the Capital Improvement Program for Sandbridge related projects. 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 $6,885,572 in FY 2026-27.

Pembroke Square Special Service District

The Pembroke Square SSD consists of Pembroke Mall and the surrounding area and was established in FY 2026-27 for the purpose of providing financing for additional, more complete, and more timely governmental services to public facilities, to maintain public garages within the District, and to pay for up

to $5,500,000 towards the acquisition cost for parking units. This SSD will be funded by an additional real estate tax of 47¢ per one hundred dollars of value.

Neighborhood Dredging Special Service Districts

In coordination with several waterfront neighborhoods, the City has established neighborhood dredging Special Service Districts, where at least 80% of 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 revenues from real estate are shown in the table.

Neighborhood	Rate	Revenue
Old Donation Creek	18.4¢	$95,924
Bayville Creek	47.2¢	$103,789
Shadowlawn	15.94¢	$46,515
Harbour Point	12.0¢	$35,526
Chesopeian Colony	29.13¢	$274,894
Gills Cove	16.0¢	$52,461
Hurds Cove	43.8¢	$301,742
Schilling Point	58¢	$78,595

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.

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 and Pembroke 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 2026-27, total revenue in the Parking Enterprise Fund is estimated to be $9,055,902, a 15.4% increase over the FY 2025-26 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.

The Adopted FY 2023-24 Budget included a five-year phased in increase to these fees, including the water commodity rate, sanitary sewer charge, water service availability charge, capital recovery fees, and water meter installation fees. 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 $163,299,480 in FY 2026-27, a 3.1% increase when compared to the FY 2025-26 Adopted Budget.

Storm Water 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.

The FY 2025-26 budget included an increase of 8.9 cents per ERU per day to accommodate ongoing and enhanced operations. In FY 2026-27, total revenue for the Stormwater Enterprise Fund is estimated to be $57,699,412, an increase of 0.35% from the FY 2025-26 Adopted Budget. The ERU rate is proposed to remain unchanged from 58.2¢.

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.

As an Enterprise Fund, the Waste Management Fund is responsible for its own operating and capital costs, including SPSA payments. In FY 2026-27, total revenue for the Waste Management Fund is estimated to be $51,106,567, an increase of 1.0% from the FY 2025-26 Adopted Budget. This increase includes adjustments to the waste receptacle and yard debris container rental fees; however, the monthly service fee is proposed to remain at $30.55.

City of Virginia Beach, Virginia
Items Requested But Not Funded

Title	Description	Service Level	Amount	FTE
CITY ATTORNEY				
New Support Staff	Request for a Paralegal FTE. For several years, there has been a steady increase in the workload of the real estate section. This is caused by roadway maintenance and expansion efforts and the City's $567M stormwater infrastructure bond issuance meant to restructure the effects of seal level rise and flooding from storms. The City Attorney requests one administrative staff member to assist with increased workloads to already burdened Paralegals, including plat review and bidding of title work. Having this staff support will decrease work on Paralegals and will aid in the overall turnaround time of critical projects.	Above Current	56,556	1.00
Software Annual Maintenance	Replacement of the department's current electronic filing management software application, Citylaw, contains over 220,000 case files and has been in service since 1998.	Above Current	28,000	0.00
Total CITY ATTORNEY			**84,556**	**1.00**
CITY REAL ESTATE ASSESSOR				
New Appraiser IV Position	Request for an additional Appraiser IV position to help attract seasoned talent in commercial valuation and will help existing commercial staff to continue to continue their work at a high level.	Above Current	98,335	1.00
Total CITY REAL ESTATE ASSESSOR			**98,335**	**1.00**
COMMISSIONER OF THE REVENUE				
Ford Escape	Request for a new vehicle to provide transportation for investigation sweeps to identify code violations. The office indicated that an additional vehicle is necessary due to restructuring and expanded field duties. This vehicle would operate alongside the current one for audits, investigations, and court appearances.	Above Current	32,500	0.00
Total COMMISSIONER OF THE REVENUE			**32,500**	**0.00**
COMMONWEALTH'S ATTORNEY				
Increase FTEs for Current Part-Time Staff	Request for additional six (6) part-time staff positions to be converted from 0.50 FTE to 0.73 FTE. This adjustment aligns all part-time positions within the office to a more consistent staffing model, better supporting operational needs, and improving workload balance among personnel.	Above Current	128,428	1.38

Positions for Final Case Reviews	This proposal requests funding for two (.73) part-time positions — an Assistant Commonwealth's Attorney and a Legal Assistant — dedicated to conducting final file reviews within the Commonwealth's Attorney's Office. These positions will ensure the continued integrity, accuracy, and accountability of their case management system and legal records, while relieving overextended supervisory staff.	Above Current	105,006	1.46
Total COMMONWEALTH'S ATTORNEY			**233,434**	**2.84**
COMMUNICATIONS				
QR Code Software	The Communications Department requested a new QR code software. The QR code software would be provided by Uniqode, and the initial cost is $2,510 for FY 2026-27.	Above Current	2,510	0.00
Equipment Rental for Ribbon Cutting, Sign Dedications, and Groundbreaking Events	The Communications Department requested funds for the rental of equipment for ribbon cuttings, sign dedications, and groundbreaking events. Currently, Parks and Recreation Department and the Sheriff's Office provide the rental of this equipment to the Department of Communications based on schedule availability, but this often conflicts with events held by the Parks and Recreation Department.	Above Current	10,000	0.00
Canto Digital Asset Manager for Photo/Video Storage	The Canto Digital Asset Manager will be utilized for photo and video storage and retrieval of photos and videos taken by the City photographer. Over the last twelve months, the City photographer has had 380 photography requests. 97 of the 380 requests have been requests to retrieve and/or resize images from the City of Virginia Beach's catalog.	Above Current	19,500	0.00
Economic Development Advocacy Positions	The Communications Department requested 3.0 FTEs to create a dedicated local marketing business unit to facilitate the broader promotion and marketing of local community events to residents of the City of Virginia Beach.	Above Current	285,134	3.00
Total COMMUNICATIONS			**317,144**	**3.00**
CONVENTION & VISITORS BUREAU				
Symphony by the Sea Increase Request	A funding request has been submitted by the Neptune Festival, Symphony by the Sea Concert Series for $175,000. The second part of this request is for the Symphony By the Sea Concert Series. In preparation for the 2025 Concert Series, multiple fees had notable increases in cost.	Above Current	175,000	0.00
Minibus Replacement	Replacement of 14 passenger minibus to address travel to the Cape Henry Lighthouse through Preservation Virginia.	Current	100,000	0.00
Neptune Projection Art	A one-time cost to put a projection light art show on the King Neptune statue at the Oceanfront.	Above Current	500,000	0.00
Total CONVENTION & VISITORS BUREAU			**775,000**	**0.00**

CULTURAL AFFAIRS & HISTORIC HOUSES				
Lynnhaven Cottage Activation & Artist Studio Management	Lynnhaven Cottage is currently undergoing renovation and is expected to reopen as an activated artistic and community space. Request for additional funds to operate an onsite artist studio and community-centered programming directly support that recommendation by creating regular opportunities for storytelling, creativity, and inclusive cultural participation.	Above Current	225,000	0.00
Understanding Apasus: Indigenous Story Walk	Request for funds to enhance the Thoroughgood Historic property with a sequence of small sculptural markers, interpretive plaques, QR-enabled digital content, and Indigenous artist-designed elements—strategically placed along existing circulation routes. Together, these elements create a narrative "story walk" that educates visitors on Indigenous history, ecology, and culture without disturbing the grounds.	Above Current	145,000	0.00
Increase in General Operating Support: Atlantic Wildfowl Museum	At the request of the Atlantic Wildfowl Heritage Museum, a budget proposal was submitted for increased funding. Funds would support operations, visitor services, community programming, and public demand for arts and heritage experiences.	Above Current	40,000	0.00
Additional Funding Request from Arts and Humanities Commission	At the request of Arts and Humanities Commission, this proposal is submitted for additional funding to the Commission for project grants to non-profit cultural organizations.	Above Current	100,000	0.00
Increase in General Operating Support: VB Surf and Rescue Museum	At the request of the Virginia Beach Surf & Rescue Museum, a budget proposal was submitted for increased funding. Funds would support operations, visitor services, community programming, and public demand for arts and immersive experiences.	Above Current	21,000	0.00
Total CULTURAL AFFAIRS & HISTORIC HOUSES			**531,000**	**0.00**
EMERGENCY COMMUNICATIONS				
PSET Position Restoration	ECCS requested restoration of funding for the identified PSET positions. These entry-level roles within VB911 Operations are essential for receiving, processing and relaying requests for police, fire, and emergency medical services. Personnel in these positions manage incoming emergency and non-emergency phone calls and text messages, as well as radio dispatching, to ensure timely and accurate emergency response.	Current	488,978	7.00

Watch Desk Specialist	ECCS requested additional funding for the Watch Desk Specialist positions to expand Watch Desk coverage. Currently, the Watch Desk operates Monday through Friday from 0630-0030, providing 18 hours of daily coverage. The requested expansion would allow ECCS to extend coverage into overnight hours and weekends, ensuring consistent service delivery, timely emergency response, and enhanced situational awareness for all stakeholders. This proposal was funded through redirection of existing vacancies.	Above Current	318,096	4.00
Total EMERGENCY COMMUNICATIONS			**807,074**	**11.00**
EMERGENCY MANAGEMENT				
Emergency Management Planner	Request for an additional Emergency Management Planner FTE. This position would serve as the citywide Training & Exercise (T&E) Planner to organize the city's required Integrated Preparedness Program responsibilities under a dedicated employee. This FTE will improve coordination between all departments to ensure the city is compliant with state and federal NIMS mandates and improve alignment of public safety, workforce, and operational training and exercises across city departments and their partners (e.g., US Navy, US Coast Guard, Regent University, Health Department, US Fish & Wildlife, etc).	Above Current	79,848	1.00
Public Safety Analyst	Request for a Public Safety Analyst FTE. This FTE will provide critical data analysis, research, and program support during daily and emergency operations. As the department's responsibilities continue to expand in emergency management, enterprise security, resilience, and real-time situational awareness, dedicated analytical support has become essential. This position will ensure that decision-making, planning, and resource allocation are supported by accurate data and performance measures.	Above Current	83,244	1.00
Business Development Representative	Request for a Business Development Representative for Emergency Management. This FTE will be shared between DEM and Economic Development to launch a Business Preparedness Program and serve as the primary liaison between the City, local businesses, and partner organizations for emergency preparedness and operations. This position is necessary to address a significant gap in the City’s emergency operations and preparedness activities.	Above Current	98,555	1.00
Total EMERGENCY MANAGEMENT			**261,647**	**3.00**

FIRE				
Enhanced Administrative Services	Request for eight additional FTEs for the Administrative Services Divisions in the Fire Department. A civilian supervisor position to support their Resource Management Bureau, an Asset and Police Support Coordinator and 6 firefighter recruits.	Above Current	1,042,526	8.00
Firefighter Work Schedule	The fire department would like to reduce the average workweek from 56 hours to 42. This schedule supports better recovery, improves work-life balance, and promotes career longevity. In order to implement this plan, the fire department will need to hire 165 firefighters so that a fourth operational shift can be created. The 60 FTEs and requested funding is the first phase with additional staff of 105 and $7,900,000 being needed in the future budgets to fully implement the 42 hour work week.	Above Current	4,737,062	60.00
New Vehicle Requests	Requests for funds to purchase additional vehicles to support the fire prevention bureau and their civilian Public Safety Clinical Coordinator. VBFD requested 4 Ford explorers and 1, 4-door pickup truck (a Chevrolet 3500 or Ford 350).	Above Current	299,250	0.00
One New Admin Tech	Request for one additional Administrative Technician to work directly for the Fire Chiefs Executive Assistant providing day-today support for the department.	Above Current	57,240	1.00
Total FIRE			**6,136,078**	**69.00**
GENERAL DISTRICT COURT				
Increase Salary Supplement for State Employees	Request by the General District Court for increased local support to state employees. Currently, the City of Virginia Beach provides the General District Court a salary supplement of $69,600 to help alleviate the high turnover rate of staff.	Above Current	119,400	0.00
Three New FTEs	Due to the increase in caseloads, the GDC requested funding for three additional full-time employees to help process the paperwork in the traffic and civil divisions. An additional $150,000 investment would allow them to hire, train and retain three additional employees which to ensure they continue to process and handle each citizens' legal need in a manner that provides access and accountability in the legal system.	Above Current	164,751	3.00
Replace Workspaces	The General District Court requested to replace 5 workspaces in the accounting division, 9 in the criminal division, 12 in the civil division and 17 in the traffic division, making the replacement a total of 43 workspaces. Estimates are $1,000 per workspace or a total $43,000.	Above Current	43,000	0.00
Total GENERAL DISTRICT COURT			**327,151**	**3.00**
HEALTH DEPARTMENT				

Electronic Dental Health Records	Request for funding to implement electronic dental health records software package. This will allow for easier processing of patients, thereby increasing the program's capacity. Currently, the program uses paper documentation, which grows harder to manage as the number of patients increases.	Above Current	75,000	0.00
Position Request - Family Services Specialist	The Health Department requested a new full-time Family Services Specialist to better support the Healthy Families Program's early childhood development team. The Department has seen steadily increasing demand for home visits through the Healthy Families Program, and an additional position would help the team meet community needs.	Above Current	70,714	1.00
Total HEALTH DEPARTMENT			**145,714**	**1.00**
HUMAN RESOURCES				
Request for additional funds needed to maintain Safety Database	Request for a $3,000 budget increase to maintain the OSHA300 Online database and Safety Reports Software, both essential for meeting OSHA Injury and Illness Recordkeeping requirements. These systems allow Occupational Safety to accurately document injuries, generate required OSHA Forms 300, 300A, and 301, and conduct site safety inspections with compliant reporting.	Current	3,000	0.00
Employee Relations Staff Attorney	Request for staff and funding to secure additional services and improve turnaround for discipline, EEO, ADA, and RTW matters, strengthen the legal defensibility of employment decisions, and ensure the City can meet growing operational demands.	Above Current	118,697	1.00
Occupational Safety Program - Protective Apparel	Request for $5,000 in funding that would support essential personal protective apparel and equipment for Occupational Safety staff and for distribution to City personnel during field operations and training. This includes chain saw PPE, high-visibility apparel, safety glasses, gloves, hearing protection, fall protection, safety shoes, head and respiratory protection, Tyvek suits, and limited safety-related handouts such as safety caps and small promotional items. This funding ensures staff and City members have the protection needed to work safely and meet operational demands.	Above Current	5,000	0.00
Occupational Safety Program - Professional Development Travel	Additional funding to support travel to training institutions for initial and refresher training required to maintain instructor certifications/licenses and conduct safety inspections.	Above Current	5,000	0.00

Occupational Safety Program - Davit Arm Training Safety Device	Request of one-time funding for a Fall Protection/Confined Space Davit Arm rescue system to support technical confined space entries and hands-on competency training. Currently, Occupational Safety must borrow this equipment from PW/PU, which limits training flexibility and response readiness. Owning this system will enhance staff and departmental safety, ensure compliance with permit-required confined space regulations, allow timely and effective training, and strengthen the City's overall ability to respond safely to confined space hazards.	Above Current	18,978	0.00
Occupational Safety Program - Fire Extinguisher Training	Request of one-time funding for the BullsEye Digital Fire Extinguisher Training System, providing a safe, hands-on, and realistic fire safety training experience. The system simulates multiple fire types, offers adjustable difficulty, and provides performance feedback, allowing staff to practice proper extinguisher use without risk or mess. This tool would enhance training effectiveness and improve fire response skills Citywide.	Above Current	14,613	0.00
Total HUMAN RESOURCES			**165,288**	**1.00**
Gresham Group Home	Elimination of the lease for the Gresham Group Home which has 5 total beds for individuals with development disabilities. DHS staff will assist the four current residents with transitioning to vacant beds in other group homes. The seven assigned staff will be transitioned to other areas of need within DHS this they were asking to retain these positions within DHS to shore up their capacity in other areas. The annual expenses totaling $31,790 were included in the DHS budget reduction, but they requested funding returned to support current staffing costs and overtime expenses that are necessary to cover the required staffing in residential programs.	Current	31,790	0.00
Total HUMAN SERVICES			**31,790**	**0.00**
JUVENILE PROBATION				
Additional funding to support gender-specific programming (female socialization group), family-focus	Request for additional funding to provide court ordered pre and post-dispositional services. Funding for these services comes from state and local VJCCCA funding and additional local funding. The City is required to pay for court ordered services related to violations of City ordinances after VJCCCA funding is depleted. Care for measures requires specific programming needs that separate male and female court ordered sources.	Above Current	50,000	0.00
Total JUVENILE PROBATION			**50,000**	**0.00**
LIBRARY				

Restore Contracted Manpower Funds	Restoration of reductions in contracted manpower. Libraries utilizes contracted manpower to fill staffing gaps as they arise, most often in duties related to the State-mandated Records Management program, contracting, digitizing records, and other administrative duties. Libraries not only fully uses its contracted manpower budget, but has overspent on contracted manpower every year since FY 2022-23.	Current	52,758	0.00
Funding increase for Library Technology Hardware, Software Maintenance & Repair	Request for additional funding to cover inflationary cost increases of software.	Above Current	47,405	0.00
Full Time Records Specialist	Libraries requests a new full-time Records Specialist position to increase staffing in the state-mandated Records Management program. The position would cost $59,404 in annual compensation, plus a one-time cost of $1,700 for computing equipment.	Above Current	60,667	1.00
Additional Marketing Funds for Graphics Design and Printing	Request for additional funds for printed prequential material to support City initiatives like Parks After Dark, the annual Holiday Parade at the Oceanfront, and the Neptune Festival.	Above Current	10,000	0.00
Police Assistance at M.E.O. Central Library	This requested funding is for police presence at the Central Library during all open hours. This request is being funded through the redirection of salary savings for contractual security services.	Above Current	96,425	0.00
Total LIBRARY			**267,255**	**1.00**
NON DEPARTMENTAL				
United Way of South Hampton Roads Allocation for VB Thrive	This requested funding allocated is for the continuation of the VBThrive program for 60 additional residents.	Above Current	500,000	0.00
Virginia African American Cultural Center Donation Match	Local funding match requested for public and private donations for the construction of the Virginia African American Cultural Center.	Above Current	6,500,000	0.00
MOCA Capital Campaign Gift	Request from the Virginia Museum of Contemporary Art for a $500,000 capital campaign contribution. This would support: design and creation of Virginia MOCA's first centralized interpretive and educational hub, named in honor of the City of Virginia Beach, audio tours developed by Education staff and delivered through Bloomberg Connects, large-format gallery labels and printed audio tour transcripts, exhibition gallery guides and family gallery guides, sensory kits developed in partnership with KultureCity, lightweight gallery stools that support comfort and sustained engagement, training for staff and volunteers to ensure consistent, sustainable use of these tools.	Above Current	500,000	0.00
Last Night on the Town	Request from the Central Business District Association for $35,000 to enhance the Last Night on the Town. Funds will be used for headline entertainment.	Above Current	35,000	0.00

Increase in supplement for VB Public Defender Staff	Request by Public Defender for $65,000 to provide a $5,000 local supplement to non-attorney state positions. This funding would be $16,000 of local supplement to each State Attorney position.	Above Current	65,000	0.00
Total NON DEPARTMENTAL			**7,600,000**	**0.00**
PARKS AND RECREATION				
Park Ranger Unit Phase II	Request for additional staff and funding to implement the Park Ranger Unit. This unit would provide benefits related to visitors' safety and experience as well as property and resource protection. Examples include crime deterrence, protection of department assets, resource preservation, enhanced emergency response, reduced incident response time, and an increased public sense of security.	Above Current	1,306,812	9.00
Create FT Recreation Specialist I for Special Events	Request for additional Recreation Specialist to manage additional special events. Special Events require an extensive amount of staff coordination, communication, and planning in order to ensure that all event issues and logistics (i.e., traffic, health, insurance, parking, general public safety, crowd control, and emergency response/management, etc.) are managed and coordinated in detail to protect the safety of our Citizens.	Above Current	64,152	1.00
Restoration of 13- to 15-day Maintenance Cycles & Increased Athletic Field/School Maintenance	In FY25, six positions were defunded to balance the Schools Landscaping ISF budget with the funding provided by VBCPS. As a result, maintenance cycle times for school grounds and athletic fields increased to from every 13-15 to every 16–18 days. Resulting in longer intervals between mowing and maintenance, grass grows taller, the buildup of leaves, debris and litter is greater between cycles, and since many schools are within them, the aesthetics of neighborhoods have diminished. While Parks are able to mow summer recreation league game fields at schools between cycles with Park Services staff, practice fields at schools are only mowed every 16-18 days, and coaches and participants have expressed significant concerns with the tall grass impacting use and playability.	Above Current	308,172	6.00
Operating Expenses for Landscaping Services Provided to CIP Parks	Request for additional funds to maintain the landscaping around the facilities and amenities in new developments. These projects include the park amenities and restrooms at Bow Creek Stormwater Park, Salem Woods Park, Thalia Creek Greenway, Historic Kempsville Kayak Launch, Pungo Ferry Landing Park, and maintenance of new City parcels, berms and significant landscaping associated with the Amazon development.	Above Current	347,159	0.00
Total PARKS AND RECREATION			**2,026,295**	**16.00**
POLICE				

Recruiting Initiatives	A request for additional funding to add to recruitment efforts by using social media platforms to post recruitment videos and promote recruitment through local partnerships that display materials. This initiative will continue to be funded through vacancy savings.	Above Current	175,000	0.00
Honor Guard Vehicle and Trailer	This request is for a 12-passenger Honor Guard van and a trailer with a rear ramp. The Honor Guard does not have a designated vehicle and relies on a combination of vehicles loaned from precincts, as well as personal vehicles to complete their assignments	Above Current	69,595	0.00
Total POLICE			**244,595**	**0.00**
PUBLIC WORKS				
Special Events Team Additional FTEs	Public Works requested funding for six full-time positions to include: one Maintenance Supervisor, one Traffic Signs and Markings Mechanic II, one Traffic Signs and Markings Mechanic I, and three Traffic Signs and Markings Aides. Three of the six requested positions are included in the proposed budget.	Above Current	200,066	3.00
Residential Beaches Service Program	Public Works requested staff and equipment to provide additional support to the current Residential Beach Service Program. Currently, the General Fund supports a staffing level of four operators responsible for maintaining the City's outer beaches, including Croatan, Cape Henry, Ocean Park, the North End, and Chesapeake Beach. These areas encompass approximately nine miles of shoreline and more than 60 public access points. Public Works requested funding for three Motor Equipment Operator II positions, one Maintenance Supervisor position, and essential equipment. These resources are necessary to adequately support and sustain operational demands.	Above Current	1,298,770	4.00
Additional Fund for Custodial Services	Public Works requested additional funding for its custodial group to support both custodial services and custodial supplies. Although several positions were approved in the FY2025–26 budget to accommodate the addition of multiple buildings in recent years, no corresponding funds were requested or approved for expanded cleaning services or increased supply needs. This has resulted in ongoing shortages within the custodial unit. Additionally, the Facilities Division has exceeded its entire operating budget over the past two years, driven primarily by rising utility costs and custodial service expenses. While the department as a whole has been able to absorb these overruns, there is growing concern that the funds used to cover these shortfalls may be coming from dedicated sources such as the Stormwater Lockbox and VDOT street maintenance funding.	Current	250,000	0.00
Total PUBLIC WORKS			**1,748,836**	**7.00**

SHERIFF				
HR Fitness Test Machine	Request of funding for replacement equipment used to support annual physicals. OSHA mandates that the VBSO conduct annual physicals for deputies, including fitness tests. The old devices were different technology and the new devices have significantly upgraded to cost $16,235, plus an extra $5,915 for a five-year warranty that covers cleaning, calibration, and repairs. The Sheriff handles annual physicals for over 500 deputies, therefore the machine gets a lot of use.	Above Current	22,500	0.00
Deception Detection	Request for funding to reinstate polygraph assessments as part of the pre-employment screening process for uniform and other appointees. With a rotating workforce of retirees and new hires, along with increased recruitment efforts, it is essential to thoroughly vet their selection process for uniform staff to hire the right candidates.	Above Current	31,000	0.00
Total SHERIFF			**53,500**	**0.00**
VOTER REGISTRATION & ELECTIONS				
Additional Staffing - Deputy Registrar	The Voter Registrations & Elections requested three new FTEs. These additional positions include: two Deputy Registrar I, a Deputy Registrar II, and Overtime for Deputies.	Above Current	149,891	3.00
Election Officials	Voter Registration & Elections requested additional funding for budgeted court services needs. The department uses court services funds to pay election officials who staff polling locations during the early in-person voting period and on election day. The department only budgets funding in this account for November general elections. If primary or special elections are called, the department requests additional funding for election officials mid-year.	Above Current	20,942	0.00
Administrative Specialist	The Voter Registrar requested an additional Administrative Specalist II. The position's responsibilities would include scheduling and assisting with meetings, as well as booking conference rooms in the new location. Coordinate with the Chief Deputy and assist with annual budget preparation. Assist with HR functions, including but not limited to the hiring of temporary staff. Additionally, would assist with the candidate paperwork, qualifying candidates, and assist in determining ballot order.	Above Current	70,714	1.00
Total VOTER REGISTRATION & ELECTIONS			**241,547**	**4.00**
Total Requested But Not Funded			**22,178,739**	**123.84**

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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 family, and to provide citizens and visitors with the opportunity to purchase and consume fresh locally grown agriculture products as well as 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 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 zone 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 program has played a key role in regard to helping mitigate recurrent flooding and providing land for rainwater absorption and runoff control.

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 about 3,500 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 starting in April. 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 as well as key programs such as the Master Gardner's programs (Rain Barrel, Tree Stewards, Farmers Market educational gardens, citizen help desk for plant, grass, and shrub topics).

Key Performance Measures

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

Departmental Performance Metrics	FY 2023	FY 2024	FY 2025	FY 2026 EST	FY 2027 PROJ
Total market space leased at Farmers Market	100%	94%	88%	100%	100%
Total acres in the Agricultural Reserve Program	10,662	10,818	11,129	11,220	11,429
Total annual visitors to the Agriculture Educational Heritage Center	2,150	2,300	3,430	3,500	3,500

In 2025, 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	72%	36%	39%
Overall image of the City	78%	65%	53%
How well the City is managing growth	24%	32%	39%

Trends and Issues

Agricultural Reserve Program (ARP)

The Agricultural 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 January 2026, the interest rate was approximately 5%.

The acreage in the ARP as of February 2026, is 11,220 with 978 development rights purchased. The currently established goal of the program is to enroll 300 acres per year to increase the number of acres in the ARP to 20,000 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 recurring flooding.

Currently, $500,000 is transferred annually from the ARP to the Parks and Recreation CIP section as pay-as-you-go funding through FY 2029-30. There is also an annual transfer of $990,000 to the Stormwater Capital Projects Fund through FY 2044-45. With these transfers, the Fund is still projected to meet the goal of 300 acres per year of enrollment.

Farmers Market Activities

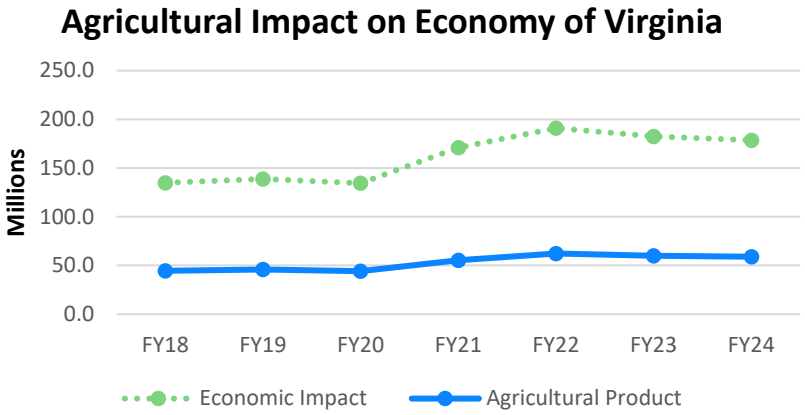
As of February 2026, the Farmers Market has two open spaces with proposals under review. The Farmers Market hosts eight special themed events with over 100 crafters and sponsors attending each event. Friday Night Hoedowns are held every week from April through October with a loyal following of citizens 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. Rain barrel workshops are held at Farmers Market starting March.

The Farmers Market generates approximately $183,000 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 $59 million drove an estimated impact of $178.6 million for the Virginia Beach economy in 2024. 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 $1.82 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 Agriculture 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.



Source: Virginia Cooperative Extension

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 that 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 2024-25, the department had 914 volunteers with 47,471 hours that were valued at $1,651,524. Agriculture is routinely one of the top five departments in the City for the use of volunteers.

Major Budget Changes

Update of Citywide Lease Revenue - ($138,712)

Beginning in FY 2026-27, lease revenue was removed from specific departments to be placed with General Government with other general taxes and fees. This accounting change better reflects the multitude of departments that take part in the leasing and maintenance process.

City of Virginia Beach, Virginia
AGRICULTURE - Departmental Resource Summary

		FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
Program Summary					
100 GENERAL FUND					
Expenditures					
Agriculture		425,677	407,991	407,321	(670)
Cooperative Extension		278,743	331,515	331,763	248
Farmer's Market		343,597	371,701	374,905	3,204
	Total Expenditures	1,048,017	1,111,207	1,113,989	2,782
Revenues					
Local Revenue		329,932	322,527	183,815	(138,712)
	Total Revenues	329,932	322,527	183,815	(138,712)
190 GENERAL DEBT FUND					
Expenditures					
Transfers		2,442,859	2,166,758	3,644,389	1,477,631
	Total Expenditures	2,442,859	2,166,758	3,644,389	1,477,631
Revenues					
Specific Fund Reserves		0	2,166,758	3,644,389	1,477,631
	Total Revenues	0	2,166,758	3,644,389	1,477,631
221 AGRICULTURE RESERVE PROGRAM SRF					
Expenditures					
Agriculture		205,497	287,518	269,938	(17,580)
Debt Service		5,920,538	6,198,180	7,807,821	1,609,641
Transfer to Parks and Recreation CIP		500,000	500,000	500,000	0
Transfer to Stormwater CIP		990,000	990,000	990,000	0
Reserves		0	0	509,927	509,927
	Total Expenditures	7,616,035	7,975,698	10,077,686	2,101,988
Revenues					
Local Revenue		1,306,907	680,774	1,306,094	625,320
Transfers		2,442,859	2,166,758	3,644,389	1,477,631
Specific Fund Reserves		0	176,000	0	(176,000)
	Total Revenues	3,749,766	3,023,532	4,950,483	1,926,951
270 CONSOLIDATED GRANTS SRF					
Revenues					
State Revenue		27,462	0	0	0
	Total Revenues	27,462	0	0	0
Total Department Expenditure		11,106,911	11,253,663	14,836,064	3,582,401
Total Department Revenue		4,107,160	5,512,817	8,778,687	3,265,870
Position Summary by Program					
100 GENERAL FUND					
Agriculture		2.52	2.40	2.40	0.00
Cooperative Extension		2.00	2.00	2.00	0.00
Farmer's Market		3.00	3.00	3.00	0.00
	Total	7.52	7.40	7.40	0.00
221 AGRICULTURE RESERVE PROGRAM SRF					
Agriculture		1.48	1.60	1.60	0.00
	Total	1.48	1.60	1.60	0.00
Total Position Summary		9.00	9.00	9.00	0.00

	FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
Expenditure Category by Department				
AGRICULTURE				
Reserves	0	0	509,927	509,927
Operating	364,488	496,247	492,843	(3,404)
Transfers	3,932,859	3,656,758	5,134,389	1,477,631
Debt	5,920,538	6,198,180	7,807,821	1,609,641
Personnel	889,026	902,478	891,084	(11,394)
Total Expenditures:	11,106,911	11,253,663	14,836,064	3,582,401

Revenue Category by Department				
Charges for Services	47,785	50,090	61,574	11,484
Fines and Forfeitures	21,090	25,249	25,249	0
Miscellaneous Revenue	70,742	53,970	68,206	14,236
Specific Fund Reserves	0	2,342,758	3,644,389	1,301,631
State Revenue	27,462	0	0	0
Transfer In	2,442,859	2,166,758	3,644,389	1,477,631
Use of Money and Property	1,497,222	873,992	1,334,880	460,888
Total Revenue:	4,107,160	5,512,817	8,778,687	3,265,870

VIRGINIA AQUARIUM

The mission of 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 Virginia Aquarium & Marine Science Center operates under a public-private partnership between the City of Virginia Beach and the Virginia Aquarium and Marine Science Center Foundation, a 501(c)(3) nonprofit organization. The Aquarium benefits from both municipal support and a dedicated nonprofit partner. The City owns and maintains the Aquarium's facilities and provides administrative support, while the Foundation manages the animal collection, procures and curates exhibits, and leads efforts in research, education, and conservation programs through fundraising efforts.

800,000 gallons of water throughout the campus, coastal boat trips, a zip line and aerial adventure park, and a rotating collection of new exhibits are some of the attractions for visitors and residents of Virginia Beach. Together, the City and Foundation drive educational, conservation, and economic benefits for Virginia Beach through this partnership, advancing marine science research, protecting marine wildlife, and promoting sustainable practices within the community.

Key Performance Measures

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

Departmental Performance Metrics	FY 2023	FY 2024	FY 2025	FY 2026 EST	FY 2027 PROJ
Total visitors to Aquarium	592,578	636,962	645,356	595,350	585,750
Total membership	7,961	8,741	8,685	7,900	7,980
Aquarium revenue generated per visitor (total)	$18.50	$19.05	$18.67	$19.23	$20.82
Admissions	$14.33	$14.89	$14.69	$15.08	$16.87
Store	$4.17	$4.18	$3.98	$4.15	$3.95
Total earned revenue by the Aquarium in millions	$12.64	$14.16	$14.11	$13.28	$13.99

In 2025, 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	72%	36%	39%
Overall quality of services provided by the City	75%	52%	49%
As a place you would recommend family and friends to visit	80%	61%	58%

Trends and Issues

Global Leadership in Research and Conservation

The Virginia Aquarium has evolved into a hub for marine research and conservation. It leads initiatives such as coral restoration, species survival programs, and the nationally recognized Stranding Response Program. In fiscal year 2024-25, the Aquarium responded to 58 marine mammal strandings and 328 sea turtle strandings, providing critical care and data that advances marine science globally.

Education and Community Impact

Marine Science Learning

The Virginia Aquarium offers immersive marine science education, benefiting students and educators through interactive exhibits, guided tours, and school partnerships.

Curriculum Integration

Collaborating with schools, the Aquarium delivers programs aligned with curriculum standards, enhancing real-world learning in biology, ecology, and environmental science.

Outreach Programs

Through workshops and presentations in schools and community centers, the Aquarium reaches diverse audiences beyond its physical campus, expanding access to marine science education.

Conservation Awareness

Visitors gain insights into challenges facing ocean ecosystems, biodiversity, and practical conservation actions.

Professional Development

The Aquarium supports teachers by offering professional development programs, helping them integrate marine science education into classrooms to meet Virginia Standards of Learning and inspiring a new generation of conservation leaders.

Audience Engagement & Visitation

To sustain and grow visitation, the Virginia Aquarium is focusing on regularly changing exhibits, investing in visitor experience upgrades, and ensuring attractions remain accessible to a diverse audience. Guests today expect new and exciting experiences, not just a repeat of previous visits. To meet these expectations, the Aquarium continuously refreshes exhibits, introduces seasonal events, and offers interactive programs to visitors.

Major Budget Changes

Additional Position for Building Maintenance

In FY 2026, one full-time position was transferred from the Public Works Department to the Aquarium to assist with building maintenance. This change is reflected in the amended position count on the following page.

City of Virginia Beach, Virginia
VIRGINIA AQUARIUM - Departmental Resource Summary

		FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
Program Summary					
100 GENERAL FUND					
Expenditures					
Administration		269,485	364,771	0	(364,771)
Programming		2,328,538	2,244,803	1,572,994	(671,809)
Marketing		1,395,310	1,660,476	1,703,726	43,250
Gift Store		1,678,511	1,745,871	1,786,395	40,524
Science Education		1,383,603	96,988	114,992	18,004
Life Support		1,316,384	1,538,839	1,607,942	69,103
Research & Stranding		595,184	356,901	380,551	23,650
Guest Engagement		2,213,963	1,028,710	1,253,826	225,116
Aquarium Foundation		908,614	1,306,994	1,284,873	(22,121)
Animal Care & Conservation		2,300,838	3,009,475	3,451,479	442,004
Veterinary Services		643,525	640,764	786,803	146,039
Facilities		0	883,032	929,863	46,831
Volunteer Engagement		0	161,980	175,124	13,144
Technical Exhibits		0	1,114,381	1,009,160	(105,221)
Quarantine & Acquisitions		0	307,265	322,409	15,144
Guest Services		0	1,585,726	1,657,926	72,200
	Total Expenditures	15,033,957	18,046,976	18,038,063	(8,913)
Revenues					
Local Revenue		15,012,236	14,588,755	15,281,914	693,159
	Total Revenues	15,012,236	14,588,755	15,281,914	693,159
Total Department Expenditure		15,033,957	18,046,976	18,038,063	(8,913)
Total Department Revenue		15,012,236	14,588,755	15,281,914	693,159
Position Summary by Program					
100 GENERAL FUND					
Programming		16.00	10.00	11.00	1.00
Marketing		6.00	6.00	6.00	0.00
Gift Store		5.00	5.00	5.00	0.00
Science Education		12.40	1.00	1.00	0.00
Life Support		9.00	11.00	11.00	0.00
Research & Stranding		7.00	2.00	2.00	0.00
Guest Engagement		19.00	8.00	10.00	2.00
Aquarium Foundation		17.20	18.20	17.20	(1.00)
Animal Care & Conservation		30.00	34.00	32.00	(2.00)
Veterinary Services		4.00	4.00	5.00	1.00
Facilities		0.00	4.40	4.40	0.00
Volunteer Engagement		0.00	1.00	1.00	0.00
Technical Exhibits		0.00	7.00	6.00	(1.00)
Quarantine & Acquisitions		0.00	3.00	3.00	0.00
Guest Services		0.00	12.00	12.00	0.00
	Total	125.60	126.60	126.60	0.00
Total Position Summary		125.60	126.60	126.60	0.00

	FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
Expenditure Category by Department				
VIRGINIA AQUARIUM				
Operating	4,828,735	5,734,298	5,796,162	61,864
Leases	3,102	18,100	30,016	11,916
Capital Outlay	7,289	679,077	300,000	(379,077)
Personnel	10,194,831	11,615,501	11,911,885	296,384
Total Expenditures:	15,033,957	18,046,976	18,038,063	(8,913)
Revenue Category by Department				
Charges for Services	14,020,884	13,197,503	13,913,763	716,260
Miscellaneous Revenue	908,516	1,311,252	1,288,151	(23,101)
Permits Fees and Regulatory Licenses	50,880	50,000	50,000	0
Use of Money and Property	31,956	30,000	30,000	0
Total Revenue:	15,012,236	14,588,755	15,281,914	693,159

BUDGET AND 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 conduct 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 2023	FY 2024	FY 2025	FY 2026 EST	FY 2027 PROJ
Total Fiscal Impacts Completed	3	6	5	6	6
Number of Community Organization Grants	18	20	24	25	30
Total adjustments made to CIP and budget	464	455	384	390	390

In 2025, 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
Opportunities for resident participation in City policy development & decision making	31%	38%	34%
Effectiveness of City communication with the public	48%	48%	37%
Overall value received for City tax dollars and fees	48%	31%	33%

Trends and Issues

Major Initiatives

The Department of Budget and Management Services is actively involved in the implementation of various City initiatives, such as fiscal impact studies on potential economic development opportunities and the Flood Protection Bond Referendum. Other major projects include analysis of the City's special service districts, updating the City and School Revenue Sharing Policy, and assisting with rate analysis for various City funds.

Community and Regional Grants

Budget and Management Services provides staff support for the Community Organization Grant (COG) Program, a Council-appointed committee. COG provides an opportunity for non-profit agencies to allocate 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.

In addition to COG, Budget and Management Services oversees the Regional Grant Program, an umbrella term for funds provided by City Council to non-profit organizations, regional colleges and universities, and government agencies that support City Council goals and complement City services. Beginning in FY 2026-27, the Regional Grant process falls under the COG Review and Allocation Committee. These applications will follow the same guidelines and processes as COG, with a thorough review of the applications, at a minimum of every five years by formal committee, as directed by the City Council.

City of Virginia Beach, Virginia
BUDGET & MANAGEMENT SERVICES - Departmental Resource Summary

	FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
Program Summary				
100 GENERAL FUND				
Expenditures				
Budget and Management Services	1,638,198	1,644,026	1,635,582	(8,444)
Total Expenditures	1,638,198	1,644,026	1,635,582	(8,444)
Total Department Expenditure	1,638,198	1,644,026	1,635,582	(8,444)
Total Department Revenue	0	0	0	0
Position Summary by Program				
100 GENERAL FUND				
Budget and Management Services	13.00	13.00	13.00	0.00
Total	13.00	13.00	13.00	0.00
Total Position Summary	13.00	13.00	13.00	0.00
Expenditure Category by Department				
BUDGET & MANAGEMENT SERVICES				
Operating	262,286	237,819	242,829	5,010
Personnel	1,375,912	1,406,207	1,392,753	(13,454)
Total Expenditures:	1,638,198	1,644,026	1,635,582	(8,444)

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 four 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 Interests Act (COIA), Freedom of Information Act (FOIA), the Americans 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 of Engineers 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 and land use ordinances and regulations. They assist with all legal aspects of numerous city programs and initiatives including compliance with the Air Installation Compatible Use Zone (AICUZ) Ordinance, Chesapeake Bay Preservation Ordinance, the Agricultural Reserve Program, 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 2023	FY 2024	FY 2025	FY 2026 EST	FY 2027 PROJ
Percent of all legal services provided in house	95%	95%	95%	95%	95%
Effective hourly rate of all City legal services	$125	$135	$120	$120	$122
Number of FOIA requests	2,034	2,100	2,420	2,400	2,400
Number of hours of direct legal services	49,920	49,920	49,920	49,920	52,000

In 2025, 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%	52%	49%
Overall value received for City tax dollars and fees	48%	31%	33%

Trends and Issues

Major Initiatives

The Office of the City Attorney represents the City and City departments, officials, employees and volunteers in a broad range of cases and issues. To accomplish its mission, the office is divided into sections or practice areas, but inter-sectional cooperation is frequent and contributes to the delivery of timely and efficient legal services. The Litigation Section is engaged day-to-day in defending a docket of over 50 civil cases in federal and state courts and more than 150 other matters including workman's compensation cases, personnel board hearings, Virginia Employment Commission appeals, condemnation matters, collections and code enforcement cases. Perhaps most notable among the pending civil cases is the ongoing defense of multiple cases challenging the City's municipal election system. Another core litigation service area involves working with City social workers prosecuting hundreds of cases annually seeking to protect vulnerable children and elderly or disabled adults from abuse or neglect.

The Policy and Administration attorneys are actively engaged in advising and assisting City staff in the implementation of various City initiatives including the Americans with Disabilities Act settlement, addressing homelessness and housing affordability and ensuring compliance with federal executive orders. These attorneys supervise bond counsel and provide legal advice to the Commissioner of the Revenue, Treasurer, Budget and Management Services, and the Atlantic Park Community Development Authority, which plays a key role in facilitating the Atlantic Park Project. These attorneys are also engaged in drafting ordinances and resolutions, reviewing City contracts, assisting with telecommunication franchise matters, and facilitating the expansion of broadband.

The Real Estate Section continues to experience a heavy workload associated with road construction and maintenance projects, Clean Water Act mandates, and the City Council's $567 million flood protection infrastructure bond issuance to address sea level rise and flooding from storm and wind events. Real Estate lawyers are also engaged in supporting economic development through representing the Virginia Beach Development Authority and working in support of projects such as redevelopment of the Dome site and the Pembroke Mall area. These attorneys are also working with City staff on numerous other potential development projects that are in the conceptual stage and are expected to come forward in the coming years.

Attorneys in the Land Use Section continue to support the Planning Department, Planning Commission, Board of Zoning Appeals, Chesapeake Bay Area Preservation Board, Wetlands Board, and other Council-appointed boards and commissions addressing land use issues. Significant projects include assisting with development of the Comprehensive Plan and drafting code amendments proposed by the City Council appointed Task Forces.

The City Attorney's Office is home to the Commonwealth's first Freedom of Information Act (FOIA) Office. In calendar year 2025, the FOIA Office responded to 2,463 records requests and reviewed and produced over 192,627 pages of public documents, including 675 video files. In addition, the deputy city attorney in this practice area provides annual training on FOIA and COIA to City departments, employees, and officials.

Major Budget Changes

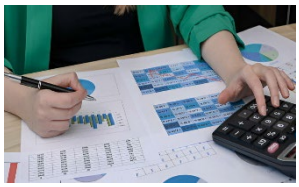
Staffing

In FY 2026, a part-time Associate City Attorney was converted to a full-time position to support the increased workload in the real estate section. This change is reflected in the amended position count on the following page.

City of Virginia Beach, Virginia
CITY ATTORNEY - Departmental Resource Summary

		FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
Program Summary					
100 GENERAL FUND					
Expenditures					
City Attorney		6,345,990	6,454,377	6,512,477	58,100
	Total Expenditures	6,345,990	6,454,377	6,512,477	58,100
Revenues					
Local Revenue		3,129	0	0	0
	Total Revenues	3,129	0	0	0
270 CONSOLIDATED GRANTS SRF					
Expenditures					
Grants		1,514	0	0	0
	Total Expenditures	1,514	0	0	0
Total Department Expenditure		6,347,504	6,454,377	6,512,477	58,100
Total Department Revenue		3,129	0	0	0
Position Summary by Program					
100 GENERAL FUND					
City Attorney		39.60	40.00	40.00	0.00
	Total	39.60	40.00	40.00	0.00
Total Position Summary		39.60	40.00	40.00	0.00
Expenditure Category by Department					
CITY ATTORNEY					
Operating		378,046	438,456	454,732	16,276
Personnel		5,969,458	6,015,921	6,057,745	41,824
	Total Expenditures:	6,347,504	6,454,377	6,512,477	58,100
Revenue Category by Department					
Charges for Services		3,129	0	0	0
	Total Revenue:	3,129	0	0	0

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 engagement, and performance audits of the 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.

Key Performance Measures

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

Departmental Performance Metrics	FY 2023	FY 2024	FY 2025	FY 2026 EST	FY 2027 PROJ
Number of audits scheduled each year	16	18	18	18	18
Number of audits completed each year	15	17	16	17	17
Percent of audits completed within budgeted hours	94%	94%	90%	95%	94%
Number of audit recommendations accepted	100%	100%	100%	100%	100%
Cases originating from the Fraud, Waste, and Abuse Hotline	73	60	60	65	60

In 2025, 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	77.6%	64.7%	53.4%
Overall quality of services provided by the City	74.8%	51.6%	49.0%
Overall value that you receive for your City tax dollars	47.9%	31.1%	32.9%

Trends and Issues

New Technologies and Risks Demand New Skills

The fast-expanding risk landscape requires internal audit teams to develop or source new skills in critical areas such as cybersecurity, AI, data privacy, advanced technology adoption, sustainability, and others. The Institute of Internal Auditors (IIA) identified expanding internal audit's skills as a key challenge and opportunity: 42% of respondents to an IIA survey reported lacking needed skill sets within their teams. Unfortunately, ongoing resource constraints and talent shortages mean it's not reasonable for most teams to develop or acquire all needed skills in-house. Thus, the Office of the City Auditor will face challenges of leveraging in-house resources and working with strategic partners.

Cybersecurity & Technology Risk

Many localities, including Virginia Beach, rely heavily on digital applications, cloud services, and data analytics, increasing exposure to cyber risks. Auditors may need to provide more thorough and more frequent audits to help mitigate risks.

Fraud, Waste, and Abuse Reports

The amount of complex cases reported to the mandated Fraud, Waste, and Abuse Hotline continues to increase. 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. Prolonged economic pressures tend to increase the risk of fraud, requiring enhanced detection methods and additional resources to address.

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. The standards were revised in 2024 to include enhancements that strengthen an audit organization's framework for conducting high-quality government audits through its system of quality management. An effective system of quality management provides an audit organization with reasonable assurance that it and its personnel fulfill their responsibilities in accordance with professional standards and perform and report on engagements in accordance with such standards and requirements.

Peer Review

Government Auditing Standards require that the office undergo an external peer review every three years. The Standards provide a framework for performing high-quality audit work with competence, integrity, and independence. The Peer Review is conducted by a team of experienced local government auditors independently selected by the Association of Local Government Auditors (ALGA). The office received the highest level of assurance, validating that the audits are conducted in strict adherence to Government Auditing Standards, on November 7, 2025.

Major Budget Changes

Staffing Changes

Following the retirement of the Deputy City Auditor, in January 2026, the Office of the City Auditor received one additional FTE through a mid-year City Council action. The additional FTE is reflected within the "FY 2026 Adjusted" column on the following Departmental Resource Summary. The additional FTE is to assist the Office of the City Auditor with fraud, waste, and abuse cases. Additionally, in January 2026, the Office of the City Auditor reclassified one Auditor IV position to one Auditor I position through a mid-year City Council action. The reclassification of the position results in a slight overall reduction in the departmental personnel costs in the FY 2026-27 Operating Budget. Due to receiving one additional FTE, the Office of the City Auditor no longer requires the use of contracted manpower to assist with fraud, waste, and abuse cases. This resulted in a budgeted reduction of $27,495 in contracted manpower.

City of Virginia Beach, Virginia
CITY AUDITOR - Departmental Resource Summary

	FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
Program Summary				
100 GENERAL FUND				
Expenditures				
City Auditor	1,188,699	1,169,405	1,096,627	(72,778)
Total Expenditures	1,188,699	1,169,405	1,096,627	(72,778)
Total Department Expenditure	1,188,699	1,169,405	1,096,627	(72,778)
Total Department Revenue	0	0	0	0
Position Summary by Program				
100 GENERAL FUND				
City Auditor	8.00	9.00	9.00	0.00
Total	8.00	9.00	9.00	0.00
Total Position Summary	8.00	9.00	9.00	0.00
Expenditure Category by Department				
CITY AUDITOR				
Operating	51,014	73,629	75,574	1,945
Personnel	1,137,685	1,095,776	1,021,053	(74,723)
Total Expenditures:	1,188,699	1,169,405	1,096,627	(72,778)

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.

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 manages City Council-appointed boards, commissions, authorities, and committees.

Key Performance Measures

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

Departmental Performance Metrics	FY 2023	FY 2024	FY 2025	FY 2026 EST	FY 2027 PROJ
Legal documents notarized, scanned, and returned to departments	635	687	758	760	760
Number of passport applications processed and mailed on the same day	3,141	3,000	3,806	3,800	3,800
Notices of public hearings prepared and forwarded to the newspaper	61	80	74	75	75

In 2025, 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	72%	36%	39%
Overall quality of services provided by the City	75%	52%	49%
Effectiveness of City communication with the public	48%	48%	37%
Availability of information about local government	49%	50%	46%
Opportunities for resident participation in City policy development and decision making	31%	38%	34%

Trends and Issues

The City Clerk's office continues to explore opportunities for improving City Council meetings and agenda management by:

- Simplifying the management of public meetings with an easy way to prepare agendas and minutes.
- Achieving easy agenda building and distribution with automatic routing of agenda items.
- Developing Microsoft Office integration with the ability to format agenda items and easily import files.
- Institute web and mobile approvals of agenda items on the go.
- Enhancing 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.

City of Virginia Beach, Virginia
CITY CLERK - Departmental Resource Summary

	FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
Program Summary				
100 GENERAL FUND				
Expenditures				
City Clerk	787,100	797,750	841,427	43,677
Total Expenditures	787,100	797,750	841,427	43,677
Total Department Expenditure	787,100	797,750	841,427	43,677
Total Department Revenue	0	0	0	0
Position Summary by Program				
100 GENERAL FUND				
City Clerk	6.00	6.00	6.00	0.00
Total	6.00	6.00	6.00	0.00
Total Position Summary	6.00	6.00	6.00	0.00
Expenditure Category by Department				
CITY CLERK				
Operating	175,046	198,001	240,936	42,935
Personnel	612,054	599,749	600,491	742
Total Expenditures:	787,100	797,750	841,427	43,677

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 residents 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 five program 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.

Management Leadership Team (MLT)

Consists of the City Manager, Deputy City Managers, and Chief of Staff. Together they work collaboratively to create the policies, procedures, programs, and resourcing strategies to support the vision, goals, and priorities of the City Council.

City Manager's Office Support Team (CMOST)

Consists of the administrative support for the department. They work collaboratively to enhance the delivery of support services to the City Manager's Office and to achieve the mission of the City.

Community Affairs Team

Oversees the intake, investigation, initiation of action, and resolution of public complaints and requests for services from residents and visitors that are referred by City Council members or directed to the City Manager. In addition, this team oversees the City's Americans with Disabilities Act (ADA) program ensuring the organization is in compliance with federal law.

Independent Citizen Review Board (ICRB)

Ensures 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.

Legislative Affairs Team

Oversees briefing schedules and preparation of City Council agendas for workshops and formal sessions; manages local, state, and federal intergovernmental relations working with the U.S. Congress and Virginia General Assembly members and staff. Represents the City to regional stakeholder groups and military installations within the City and provides support for grant funding initiatives and changes to state and federal law affecting residents and businesses of Virginia Beach.

Key Performance Measures

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

Departmental Performance Metrics	FY 2023	FY 2024	FY 2025	FY 2026 EST	FY 2027 PROJ
Response to citizen concerns/inquiries	2,340	2,450	2,450	2,400	2,450
Number of grant opportunities identified	-	400	422	345	193

In 2025, 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	72%	36%	39%
Overall quality of services provided by the City	75%	52%	49%
Virginia Beach as a place to live	87%	58%	49%
Overall value received for City tax dollars & fees	48%	31%	33%

Trends and Issues

- Ensuring appropriate executive oversight/support and strategic deployment of resources to achieve City Council's Focused Action Plan goals, deliver high quality services to the public, and maintain high-level resident satisfaction while being responsive to the financial environment of high inflation, cost escalations, and desire for a lower cost of living.

Enhance Council Support and Responsivness

- Council members are increasingly focused on addressing the unique priorities of their districts, creating opportunities for more tailored and responsive service. To meet these expectations, the City Manager's Office has strengthened its role in clear communication, timely follow-up, and proactive problem-solving. Community Affairs has evolved into a strategic partner, ensuring that inquiries are addressed promptly, community concerns are heard, and projects are managed efficiently. This shift reflects a commitment to exceptional customer service and localized responsiveness, requiring continued investment in staff capacity and tools that enable effective coordination and delivery.

Expanded Role in Accessibility Compliance

- The Community Affairs team has assumed responsibility for investigating and addressing ADA-related concerns, ensuring that city facilities and services meet accessibility standards. This proactive approach strengthens the City's commitment to inclusive and responsive customer service.

Federal Grant Overight and Review Changes

- Recent federal actions indicate increased oversight of federal grant funding, which may affect grant timelines, availability, and compliance requirements. In January 2025, a memorandum temporarily freezing certain federal loans and grants pending alignment review with executive priorities was issued, later blocked by a federal judge, and subsequently rescinded by the Office of Management and Budget. In August 2025, an executive order directed federal agencies to designate senior officials to review grant opportunities and discretionary awards for alignment with agency priorities and national interests, while also emphasizing clearer, plain-language announcements. These developments signal a shift toward more structured federal grant review processes, and the department will continue monitoring potential impacts on grant-funded programs.

Strategic Management Objectives

The focus of the Management Agenda for FY 2026-27 will include:

- Deliver a high level of customer service in support of City Council and their constituents.
- Develop leadership capacity and workforce efficiency with administrative services throughout the organization.
- Lobby for and implement City Council's Legislative Agenda through building intergovernmental relationships between local, state, federal and tribal agencies.
- Operationalize the Independent Citizen Review Board (ICRB) and implement the ICRB adopted communication and outreach plan.

Major Budget Changes

Office Transition 4.0 FTE - Volunteer Resources and Resiliency (OVRR) - $414,713

The Office of Volunteer Resources moved from the City Manager's Office to Communications. OVRR engages approximately 120 departmental Volunteer Resource Managers overseeing an annual average of 11,000 volunteers in meaningful City services and programs. This division supports the ongoing recovery and resiliency of those impacted by the May 31, 2019, mass violence event, working with cross-departmental teams and non-government agencies to create pathways for healing. OVRR has proven to be critical in emergency operations, disaster relief, and long-term recovery. OVRR also oversees the HOPE Initiative. The HOPE Initiative works towards building and increasing capacity for mental and physical health, mentorship, and workforce development within the City of Virginia Beach.

Reduction in Legislative Affairs Budget - $30,000

As a part of the FY 2026-27 budget process, the City Managers Office reduced $30,000 of funds to a Lobby and Advocate Services contract to better align the budget with actual expenditures.

City of Virginia Beach, Virginia
CITY MANAGER - Departmental Resource Summary

	FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
Program Summary				
100 GENERAL FUND				
Expenditures				
City Manager's Office	3,611,045	2,429,583	2,408,702	(20,881)
Community Affairs	362,494	412,903	420,086	7,183
Legislative Affairs	293,601	541,351	518,754	(22,597)
Citizen Review Panel	113,989	140,812	134,015	(6,797)
Office of Volunteer Resources	449,250	456,339	0	(456,339)
Total Expenditures	4,830,379	3,980,988	3,481,557	(499,431)
270 CONSOLIDATED GRANTS SRF				
Expenditures				
Grants	261,015	0	0	0
Total Expenditures	261,015	0	0	0
Total Department Expenditure	5,091,394	3,980,988	3,481,557	(499,431)
Total Department Revenue	0	0	0	0
Position Summary by Program				
100 GENERAL FUND				
City Manager's Office	11.00	11.00	11.00	0.00
Community Affairs	4.00	4.00	4.00	0.00
Legislative Affairs	2.00	2.00	2.00	0.00
Citizen Review Panel	1.00	1.00	1.00	0.00
Office of Volunteer Resources	5.00	4.00	0.00	(4.00)
Total	23.00	22.00	18.00	(4.00)
Total Position Summary	23.00	22.00	18.00	(4.00)
Expenditure Category by Department				
CITY MANAGER				
Operating	783,398	606,207	484,180	(122,027)
Capital Outlay	20,391	0	0	0
Personnel	4,287,605	3,374,781	2,997,377	(377,404)
Total Expenditures:	5,091,394	3,980,988	3,481,557	(499,431)

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 assessment.

Department Overview

City Real Estate Assessor

The City Council of Virginia Beach appoints the City Real Estate Assessor to oversee and administer the functions of the office, which receives its funding by the general city revenue. The office is responsible for the discovery, classification, data management, and analysis to maintain fair and equitable valuation of all property in Virginia Beach for tax purposes with a focus on customer satisfaction, transparency, and continual improvement. Responsibilities include an annual inventory and appraisal of over 163,000 parcels. Quarterly inspection of new construction is ongoing to capture additional value, including the measurement, classification, documentation, and appraisal of newly constructed buildings and additions and renovations to existing structures. Valuation analysis includes review/classification of all property transfers, studies of Income & Expense Statements, rent rolls, cost figures, and model development while following mass appraisal standards. Additional responsibilities include maintaining accurate ownership inventory and processing all parcel inventory (i.e., parcels created from development). In addition, the Assessor's Office manages special programs, including Land Use Valuation, Energy Efficient Buildings, Historic Landmark Reductions, Historic & Special District Rehabilitations, and the Annual Land Book production. The office also provides the opportunity for an informal review of assessments for citizens and other parties before an appeal to the Board of Equalization.

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, an owner 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. Starting in 2025, appeals applications are due by June 30.

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 2023	FY 2024	FY 2025	FY 2026 EST	FY 2027 PROJ
Number of residential parcels	163,041	163,265	163,435	163,666	163,900
Number of residential parcels per appraiser	11,668	11,669	11,683	11,700	11,715
Number of commercial parcels	11,352	11,567	11,555	11,569	11,600
Number of commercial parcels per appraisers	2,270	2,313	2,311	2,314	2,320
Number of new housing units built (calendar year)	734	431	500	345	500
Average increase in residential property assessments	11%	10%	7%	6%	6%
Average increase in commercial property assessments	-0.1%	5%	8%	3%	5%
New Construction Value Added (Millions by calendar year)	$441	$551	$525	$705	$550
BOE Reviews (Calendar Year)	48	36	55	48	50

In 2025, 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	72%	36%	39%
Overall quality of services provided by the City	75%	52%	49%
Overall value received for City tax dollars & fees	48%	31%	33%

Trends and Issues

Technology

- The Real Estate Assessor's Office is in the process of procuring new residential cost tables that will reduce expenditures by nearly 50 percent compared to their current annual costs. Beyond the immediate savings, the new tables offer a more streamlined implementation process and simplified annual updates, which will reduce ongoing maintenance costs and staff time. The Real Estate Assessor anticipates full implementation by late FY27 or early FY28, with recurring savings realized thereafter.
- The City Real Estate Assessor is actively pursuing artificial intelligence (AI) initiatives designed to improve efficiency and reduce personnel-intensive processes. Several key staff members have taken advantage of the City's PowerBI training and have implemented process improvements as a result. The Real Estate Assessor is also targeting a solution that will utilize AI to automatically import deeds from the Clerk's office, extract data fields, and populate fields in the CAMA system. Automating this function will significantly reduce manual data entry time, allowing Real Estate Technicians to redirect their efforts toward quality control and other program administration without increasing staffing levels.
- The Real Estate Assessor is evaluating several commercial income analysis tools and movement towards supplying online Income and Expense reporting forms. These tools, particularly when integrated with AI functionality, have the potential to solicit greater feedback from Virginia Beach residents, improve data accuracy, reduce follow-up and correction time, and streamline the commercial valuation process—resulting in long-term operational efficiencies and cost avoidance.
- In partnership with the Treasurer, Commissioner of the Revenue, and Information Technology, the Office of the Real Estate Assessor is nearing the final phase of our analysis to modernize the City's Computer Assisted Mass Appraisal (CAMA) system. Modernization is critical to maintain system stability, reducing long-term support and maintenance costs, minimizing risk associated with aging technology, and ensuring the City's assessment infrastructure remains sustainable and efficient.

Assessments

- The Real Estate Assessor's Office is projecting a 6.0% increase in total taxable assessments for FY26-27, with the median residential increase at 5.29%. Due to low inventory the residential market continues to maintain the increase. The overall growth in Virginia Beach is projected to be 0.8%, while appreciation is projected to be 5.2%. Growth continues to remain limited due to lack of available developable land.

Foreclosures

- Foreclosure and Foreclosure Sale activity has lowered for various reasons. Owners in distress are more likely to sell the property to an investor. Unemployment levels nationally have remained low in 2024-2025 compared to recessionary periods. Foreclosures are most closely tied to job loss. Lenders also offer more programs to handle potential foreclosures, such as modifying the loan or repayment plan.

Sale Type	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Foreclosure	799	664	548	497	193	99	164	199	82	92
Foreclosure Sales	725	536	447	341	212	61	85	100	72	65

City of Virginia Beach, Virginia
CITY REAL ESTATE ASSESSOR - Departmental Resource Summary

	FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
Program Summary				
100 GENERAL FUND				
Expenditures				
City Real Estate Assessor	4,137,956	4,418,497	4,467,462	48,965
Board of Equalization	3,586	2,518	2,386	(132)
Total Expenditures	4,141,542	4,421,015	4,469,848	48,833
Total Department Expenditure	4,141,542	4,421,015	4,469,848	48,833
Total Department Revenue	0	0	0	0
Position Summary by Program				
100 GENERAL FUND				
City Real Estate Assessor	35.00	35.00	35.00	0.00
Total	35.00	35.00	35.00	0.00
Total Position Summary	35.00	35.00	35.00	0.00
Expenditure Category by Department				
CITY REAL ESTATE ASSESSOR				
Operating	702,665	829,260	881,972	52,712
Personnel	3,438,877	3,591,755	3,587,876	(3,879)
Total Expenditures:	4,141,542	4,421,015	4,469,848	48,833

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 statues governing the investment of public funds have been met.

Key Performance Measures

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

Departmental Performance Metrics	FY 2023	FY 2024	FY 2025	FY 2026 EST	FY 2027 PROJ
Number of personal property bills generated	576,307	573,605	567,521	561,505	555,553
Number of real estate bills generated	195,753	198,546	198,085	197,461	198,031
Number of trustee bills generated	47,494	47,968	37,196	35,000	33,000
Number of miscellaneous bills generated	41,967	39,576	39,508	40,000	41,200
Number of parking tickets referred to Treasurer	19,439	19,074	29,799	29,000	32,000
Amount of court costs & fines collected	$1,638,918	$2,010,178	$3,264,794	$3,200,000	$3,200,000
Total number of payments processed	2,478,921	2,476,921	2,435,489	2,500,000	2,500,000
Number of online payments	1,287,576	1,295,719	1,344,914	1,400,000	1,500,000

In 2025, 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	77.6%	64.7%	53.4%
Overall quality of services provided by the City	74.8%	51.6%	49.0%
Overall value that you receive for your City tax dollars	47.9%	31.1%	32.9%

Trends and 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 City Treasurer will continue to generally enforce wage liens at the reduced rate of 25%, rather than the 100% of wages allowable by State Code. The City 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 City Treasurer continues DMV Stops in the collection of personal property and parking tickets.

Tax Liens

Tax liens constitute bank liens and wage lines. The City Treasurer is continuing to focus on high dollar delinquencies that approach the statute of limitations but also include any other associated delinquent items in the same collection activity. There are several process improvements in the making that will allow the City Treasurer to produce more tax liens in not only Court Costs and Fines but in all taxes and miscellaneous collections.

Debt Set Off

The City Treasurer also intercepts state refunds, lottery winnings, sports betting winnings, casino winnings, and rebates as another collection tool by including new delinquent items in the City Treasurer's yearly claims. The City Treasurer saw a significant increase last year in the number of successful matches with the increase in sports betting, Virginia casinos, as well as the Virginia Lottery Online.

City Treasurer Charges

After the due date of delinquent notices, a $30 administrative collection fee is added. The City Treasurer has implemented a regular schedule of mailing these delinquent notices and will continue to perform this function after each major billing.

Enterprise Revenue Management - Technology Advancements

The City 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. Internally, the Office continues to redevelop legacy applications to keep technologies current and continues to advance functionality in partnership with the Department of Information Technology, Commissioner of the Revenue, and Real Estate Assessor to gain efficiencies through software business processes. Currently underway is a fit/gap analysis of the real estate tax billing and collection software to upgrade to the latest platform since the original software was initially implemented in 2007. The work is being done in partnership with the Real Estate Assessor's assessment software upgrade. Additionally, analysis of the personal property and business revenue system is on-going to determine modernization next steps. This research is being done in partnership with the Commissioner of the Revenue's Office. Online payment availabilities also continue to expand. Within the last several years, the Office has added trust taxes, school board invoices, police department FOIA, false alarms, fire inspection, red light, and school bus stop arm camera citation payment options and will be adding school zone speeding citations by the end of FY26.

E-billing Initiative

The City Treasurer's Office was approved 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 citizens. This project is intended to provide citizens with the option to receive their personal property and/or real estate bills in an electronic/email form. It is expected that the e-billing solution is to be able to be expanded upon to other types of bills sent by the City Treasurer. This project is currently in the process of engaging vendors with an estimated roll out of e-billing for real estate and personal property bills at a later date in CY 2026.

Court Costs & Fines and Restitution Collections

In 2019 the Courts removed the ability to suspend driver's licenses for the non-payment of court costs and fines. This affected the Office's revenue stream significantly. While the City Treasurer's Office experienced a slight increase in FY 2022, FY 2023 brought the City Treasurer's Office closer to returning to pre-pandemic revenue. In FY 2025, the City Treasurer's Office surpassed that and have returned to FY 2019 revenues. The success has been twofold – The City Treasurer's Office is currently fully staffed and have implemented a significant process change that allowed more liens to be generated. Like the collection of taxes, the City Treasurer's Office is only enforcing liens at the reduced rate of 25% and works with citizens by offering payment plans.

Major Budget Changes

Increased Revenue - $407,235

The City Treasurer has estimated department specific revenue to increase by $407,235 in FY 2027. This increase is largely due to the City Treasurer's Court Costs and Fines Department. A significant process change was made that allowed the Court Costs and Fines Department to produce more liens which resulted in an increase in revenue for the City Treasurer, reducing the department's reliance on General City support.

City of Virginia Beach, Virginia
CITY TREASURER - Departmental Resource Summary

	FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
Program Summary				
100 GENERAL FUND				
Expenditures				
City Treasurer	8,694,190	8,904,223	9,240,901	336,678
Total Expenditures	8,694,190	8,904,223	9,240,901	336,678
Revenues				
Local Revenue	3,181,931	2,871,600	3,210,800	339,200
State Revenue	1,009,504	1,056,139	1,087,000	30,861
Transfers	563,396	598,180	635,354	37,174
Total Revenues	4,754,831	4,525,919	4,933,154	407,235
Total Department Expenditure	8,694,190	8,904,223	9,240,901	336,678
Total Department Revenue	4,754,831	4,525,919	4,933,154	407,235
Position Summary by Program				
100 GENERAL FUND				
City Treasurer	76.60	76.60	76.60	0.00
Total	76.60	76.60	76.60	0.00
Total Position Summary	76.60	76.60	76.60	0.00
Expenditure Category by Department				
CITY TREASURER				
Operating	1,846,316	1,801,191	2,169,145	367,954
Leases	75,611	81,000	82,900	1,900
Capital Outlay	1,628	0	0	0
Personnel	6,770,636	7,022,032	6,988,856	(33,176)
Total Expenditures:	8,694,190	8,904,223	9,240,901	336,678
Revenue Category by Department				
Charges for Services	3,149,779	2,838,000	3,183,000	345,000
Permits Fees and Regulatory Licenses	32,152	33,600	27,800	(5,800)
State Revenue	1,009,504	1,056,139	1,087,000	30,861
Transfer In	563,396	598,180	635,354	37,174
Total Revenue:	4,754,831	4,525,919	4,933,154	407,235

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.

Key Performance Measures

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

Departmental Performance Metrics	FY 2023	FY 2024	FY 2025	FY 2026 EST	FY 2027 PROJ
Audits and Investigations	20,636	21,152	17,482	19,000	19,000
Personal property accounts assessed	544,995	568,870	552,886	560,000	560,000
DMV customer contacts	52,467	53,556	35,984	36,000	36,000
Direct customer contacts	341,760	352,013	473,292	485,000	485,000
Business licenses assessed	30,262	31,019	30,194	31,000	31,000
Business property accounts assessed	26,816	27,931	25,649	26,750	26,750
Military and volunteer exemptions processed	26,536	35,875	29,220	29,500	29,500
State income returns assessed	15,660	15,500	14,869	13,600	13,600

In 2025, 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	71.6%	36.3%	39.4%
Overall quality of services provided by the City	74.8%	51.6%	50.5%

Trends and Issues

Personal Property Tax Relief Credit

During the FY27 Budget Retreat, the City Council directed staff to explore tax relief in the FY2026-27 Operating Budget. To provide relief to as many residents as possible, the City Manager's Proposed Budget includes a personal property tax relief credit. Personal property tax assessments for the 2027 calendar year will include 10.1% tax relief credit for the first $20,000 of appraised value for a maximum credit of $80 per taxable item. The Commissioner of the Revenue is responsible for the assessment of personal property taxes and will coordinate with the City Treasurer to ensure the credit is applied to bill starting January 2027.

City of Virginia Beach, Virginia
COMMISSIONER OF THE REVENUE - Departmental Resource Summary

	FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
Program Summary				
100 GENERAL FUND				
Expenditures				
Commissioner of the Revenue	7,172,055	7,453,931	7,603,138	149,207
DMV Select	106,433	154,151	165,314	11,163
Total Expenditures	7,278,488	7,608,082	7,768,452	160,370
Revenues				
Local Revenue	364	0	0	0
State Revenue	1,036,213	1,095,095	1,095,095	0
Total Revenues	1,036,577	1,095,095	1,095,095	0
Total Department Expenditure	7,278,488	7,608,082	7,768,452	160,370
Total Department Revenue	1,036,577	1,095,095	1,095,095	0
Position Summary by Program				
100 GENERAL FUND				
Commissioner of the Revenue	61.50	61.50	61.50	0.00
DMV Select	3.43	3.43	3.43	0.00
Total	64.93	64.93	64.93	0.00
Total Position Summary	64.93	64.93	64.93	0.00
Expenditure Category by Department				
COMMISSIONER OF THE REVENUE				
Operating	1,329,701	1,468,417	1,582,388	113,971
Capital Outlay	0	10,000	0	(10,000)
Personnel	5,948,787	6,129,665	6,186,064	56,399
Total Expenditures:	7,278,488	7,608,082	7,768,452	160,370
Revenue Category by Department				
Charges for Services	364	0	0	0
State Revenue	1,036,213	1,095,095	1,095,095	0
Total Revenue:	1,036,577	1,095,095	1,095,095	0

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.

Key Performance Measures

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

Departmental Performance Metrics	FY 2023	FY 2024	FY 2025	FY 2026 EST	FY 2027 PROJ
Total number of felony cases opened	3,277	3,845	3,264	3,370	3,538
Total number of misdemeanor cases opened	4,135	4,520	4,411	4,631	4,852
Number of participants in the Drug Treatment Court	21	32	33	40	42
Number of Body-Worn and In-Car camera videos	68,816	75,698	63,790	66,980	70,329
Total hours of Body-Worn and In-Car camera videos	38,801	42,681	33,640	35,322	37,088
Number of jury trials	336	302	351	415	489

In 2025, 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 feeling of safety in Virginia Beach overall	81.6%	71.0%	66.0%

Trends and 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. The Police Department has deployed 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 Virginia Beach Fire Department has seven Fire Investigators who also have body-worn cameras. In the fall of 2023, the Virginia Beach Sheriff's Office completed their implementation of approximately 388 body-worn cameras.

The body-worn camera project directly impacts the workload of the Office of the Commonwealth's Attorney's 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. While this is a more efficient process, the Office of the Commonwealth's Attorney has taken on an augmented workload.

Changes in Jury Sentencing

The General Assembly enacted legislation in 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 participating in the sentencing portion of the trial, which redirected 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 change in legislation resulted in an increase in the scheduling of jury trials. The Office of the Commonwealth's Attorney prepared for approximately 225 scheduled jury trials in FY 2022. In FY 2023, the number of jury trials scheduled increased by 50% (336 jury trials). In FY 2024, there were 302 jury trials scheduled. In FY 2025, there were 351 jury trials scheduled. In FY 2026, there have been 268 jury trials scheduled, with another 147 jury trials scheduled for the remaining portion of the fiscal year.

SB1466 - Bill for Sealing Criminal Records

The Virginia General Assembly passed a bill in 2021 to expand eligibility for sealing criminal records. The bill, SB1466, is scheduled to take effect on July 1, 2026. The bill includes provisions for automatic sealing of some misdemeanor convictions and non-convictions. Certain misdemeanors will automatically be sealed while other felony charges will be eligible for petitioning to seal after a certain amount of time. This bill will

create a new burden in the Office of the Commonwealth's Attorney with new processes to include the physical and digital case evidence they may have.

Alternative Court Dockets

The City of Virginia Beach offers an alternative sentencing court docket related to adult drug offenders that is run by the Circuit Court and administered by Commonwealth's Attorney's Office. The City's Recovery Court helps reduce recidivism and allows participants the opportunity to obtain housing, adequate employment, and sustained sobriety upon graduation from the program. This initiative is part of a larger push within the legal system to add non-traditional methods of resolving offenses aside from normal criminal proceedings. In addition to the Recovery Court, specialty courts include a Veteran's Court and a Recovery Court solely for juveniles. Lastly, the Circuit Court is beginning a new Mental Health/Behavioral Docket that the Virginia Beach Commonwealth's Attorney's office will be involved in.

Additional Cases for Prosecution

The Office of the Commonwealth's Attorney is statutorily obligated to prosecute all felonies but not required to prosecute misdemeanor cases. The Office already prosecutes all misdemeanor cases that include domestic violence and driving under the influence. The Office has expanded this by prosecuting all misdemeanor charges related to school threats. In addition, the Office was awarded the CY 2024-26 Operation Ceasefire Grant to help prosecute misdemeanor concealed weapons charges specifically for adult offenders. The Office was also awarded the CY 2026-28 Operation Ceasefire Grant to help prosecute misdemeanor concealed weapons charges specifically for juvenile offenders. This grant funds an attorney and a part-time paralegal to assist with these cases.

Focus on Mental Health

In November 2023, the Virginia Beach Office of the Commonwealth's Attorney became certified through the Optima/Sentara Employee Assistance Program and the Virginia Department of Health to become the first accredited Peer Support Program (PSP) in a prosecutor's office in the state. The Peer Support Program provides office staff with a line of support for personal and professional hardships. The Office of the Commonwealth's Attorney also welcomed Zuhey, a new office facility dog, in the summer of 2023 as she calmed and comforted victims and witnesses during meetings and in preparation for court hearings. Zuhey and her handlers have completed training with the Service Dogs of Virginia (SDV) organization. The Peer Support Program and the office facility dog are both undertakings of the Commonwealth's Attorney's Office and are not funded by the City.

Major Budget Changes

Staffing Changes - $88,666

The Office of the Commonwealth's Attorney was awarded the CY 2024-26 Operation Ceasefire Grant starting on January 1, 2024. This grant currently funds two positions, an Assistant Commonwealth's Attorney and a Legal Information Clerk. This grant provides the Office of the Commonwealth's Attorney the additional staffing to prosecute misdemeanor weapons offenses for adult offenders. This grant expires December 30, 2026. In FY 2026-27, the positions will be converted to City staff effective January 2027 after the lapse of grant funding to continue to provide the Office of the Commonwealth's Attorney the staffing to continue to prosecute misdemeanor weapons offenses for adult offenders.

City of Virginia Beach, Virginia
COMMONWEALTH'S ATTORNEY - Departmental Resource Summary

	FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
Program Summary				
100 GENERAL FUND				
Expenditures				
Commonwealth's Attorney	13,939,789	14,717,198	14,990,151	272,953
Drug Court	1,725	0	2,500	2,500
Victim Witness	96,105	138,151	176,921	38,770
Total Expenditures	14,037,620	14,855,349	15,169,572	314,223
Revenues				
Local Revenue	3,961	0	2,500	2,500
State Revenue	3,742,471	4,040,747	4,067,419	26,672
Total Revenues	3,746,432	4,040,747	4,069,919	29,172
230 COMM ATTY FORFEITED ASSETS SRF				
Expenditures				
Forfeited Assets	179,870	100,000	100,000	0
Total Expenditures	179,870	100,000	100,000	0
Revenues				
Local Revenue	29,885	0	0	0
State Revenue	33,152	0	0	0
Specific Fund Reserves	0	100,000	100,000	0
Total Revenues	63,037	100,000	100,000	0
270 CONSOLIDATED GRANTS SRF				
Expenditures				
Grants	833,716	586,169	586,169	0
Total Expenditures	833,716	586,169	586,169	0
Revenues				
Local Revenue	100	0	0	0
State Revenue	382,198	234,640	319,462	84,822
Federal Revenue	492,382	351,529	266,707	(84,822)
Total Revenues	874,680	586,169	586,169	0
Total Department Expenditure	15,051,206	15,541,518	15,855,741	314,223
Total Department Revenue	4,684,149	4,726,916	4,756,088	29,172
Position Summary by Program				
100 GENERAL FUND				
Commonwealth's Attorney	110.91	112.96	113.91	0.95
Victim Witness	1.00	1.00	1.46	0.46
Total	111.91	113.96	115.37	1.41
270 CONSOLIDATED GRANTS SRF				
Grants	10.92	12.60	11.19	(1.41)
Total	10.92	12.60	11.19	(1.41)
Total Position Summary	122.83	126.56	126.56	0.00
Expenditure Category by Department				
COMMONWEALTH'S ATTORNEY				
Operating	1,291,263	1,378,047	1,438,371	60,324
Capital Outlay	1,617	0	0	0
Personnel	13,758,327	14,163,471	14,417,370	253,899
Total Expenditures:	15,051,206	15,541,518	15,855,741	314,223

	FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
Revenue Category by Department				
Charges for Services	4,061	0	2,500	2,500
Federal Revenue	492,382	351,529	266,707	(84,822)
Specific Fund Reserves	0	100,000	100,000	0
State Revenue	4,157,821	4,275,387	4,386,881	111,494
Use of Money and Property	29,885	0	0	0
Total Revenue:	4,684,149	4,726,916	4,756,088	29,172

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
- Manages volunteers citywide

Key Performance Measures

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

Departmental Performance Metrics	FY 2023	FY 2024	FY 2025	FY 2026 EST	FY 2027 PROJ
Number of website visitors per year	6,450,759	4,770,585	4,762,994	4,291,398	4,300,000
Number of plays of online files	857,189	813,641	3,357,080	3,942,066	4,000,000
Number of social media followers across all platforms	405,614	446,641	484,983	486,000	488,000
Number of visitors to SpeakUpVB.com	55,588	110,212	49,171	80,000	50,000
Number of complete surveys on SpeakUpVB.com	9,259	17,138	10,847	7,000	8,000

In 2025, 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	77.6%	64.7%	53.4%
Overall quality of services provided by the City	74.8%	51.6%	49.0%
Overall value that you receive for your City tax dollars	47.9%	31.1%	32.9%
Usefulness of City's website	53.7%	42.2%	42.4%
Effectiveness of City communication with the public	48.0%	48.1%	36.9%
Availability of info about local government services & activities	48.5%	50.0%	46.4%
Opportunity for resident participation in City policy development/decision making	30.8%	37.7%	33.9%

Trends and Issues

The Communications Office regularly monitors trends in the marketing communications industry to ensure local government is preparing for and keeping pace with rapidly evolving consumer media habits. The Public Relations Society of America, American Marketing Association and other industry research sources outline several key trends for communications professionals to consider in 2026.

Correcting Misinformation to Sustain Brand Trust

With the turnover in the media landscape, consistently educating new reporters and monitoring AI-generated content to ensure accuracy is a growing operational need. Google AI (AI Overviews) has also dramatically reduced organic traffic to websites, with some estimates ranging from 20% to 60% decline for publishers. AI summaries are replacing traditional link clicks, causing a "zero-click" trend; therefore, local government communicators must focus on updating the source information, which is often pulled from multiple third-party sources, to ensure accuracy.

Listen and Learn from Community Members to Build Brand Trust

In an era of misinformation and public mistrust in government entities, sustaining organizational reputation and brand identity is more important than ever. The American Marketing Association reports that trust is built through transparency, cultural fluency, and authentic participation in the rituals and values of digital communities rather than relying on traditional demographic targeting or broad messaging. The Communications Office continues efforts to enhance interactions with internal and external stakeholder groups to listen and learn from their collective experiences to shape local government communications. Staff seek to pilot new ways to reach underserved and/or unengaged communities to help better inform engagement strategies. Most recent efforts have included a pilot program for a Civic Leaders Academy program to build relationships at the neighborhood leadership level.

Navigating the AI Shift and Cultivating Productive Communication Teams

Industry leaders are redefining the use of AI from a tool to a teammate-while also stressing the importance of proper AI governance and maintaining opportunities for human creativity. Global Alliance research shows only 26% of communication leaders feel confident assessing AI risks, reflecting a need to establish ethical frameworks to mitigate bias and misinformation, while enabling trusted innovation. The Communications Office currently uses AI to automate repetitive workflows and serve as a collaborative thought partner. To address AI skill gaps in the team, the department will offer training and resources for employees through thoughtful professional development opportunities.

Major Budget Changes

Staffing Changes - 4.0 FTEs

Formerly, the Office of Volunteer Resources was a division within the City Manager's Office. The Office of Volunteer Resources will become a division within the Communications Office in FY 2027. The mission of Volunteer Resources aligns closely with the Community Engagement and Client Services functions of Communications. Combining the two offices allows for additional collaboration and administrative support.

City of Virginia Beach, Virginia
COMMUNICATIONS - Departmental Resource Summary

	FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
Program Summary				
100 GENERAL FUND				
Expenditures				
Communications Administration	4,227,610	889,557	895,547	5,990
Design and Brand Management	0	566,420	593,711	27,291
Channel Management	0	599,773	611,274	11,501
Video and Broadcast Services	0	758,487	659,486	(99,001)
Campaign and Client Services	0	891,618	1,006,077	114,459
Media and Speech Writing	0	309,854	311,557	1,703
Public Engagement	0	405,938	407,268	1,330
Member Communications	0	259,570	140,997	(118,573)
Office of Volunteer Resources	0	0	423,086	423,086
Total Expenditures	4,227,610	4,681,217	5,049,003	367,786
Total Department Expenditure	4,227,610	4,681,217	5,049,003	367,786
Total Department Revenue	0	0	0	0
Position Summary by Program				
100 GENERAL FUND				
Communications Administration	33.00	4.00	4.00	0.00
Design and Brand Management	0.00	5.00	5.00	0.00
Channel Management	0.00	5.00	5.00	0.00
Video and Broadcast Services	0.00	6.00	5.00	(1.00)
Campaign and Client Services	0.00	6.00	8.00	2.00
Media and Speech Writing	0.00	2.00	2.00	0.00
Public Engagement	0.00	3.00	3.00	0.00
Member Communications	0.00	2.00	1.00	(1.00)
Office of Volunteer Resources	0.00	0.00	4.00	4.00
Total	33.00	33.00	37.00	4.00
Total Position Summary	33.00	33.00	37.00	4.00
Expenditure Category by Department				
COMMUNICATIONS				
Operating	776,832	861,890	929,902	68,012
Personnel	3,450,778	3,819,327	4,119,101	299,774
Total Expenditures:	4,227,610	4,681,217	5,049,003	367,786

CONVENTION AND VISITORS BUREAU

The Virginia Beach Convention and Visitors 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 Visitors 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.

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 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.

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 special events organizers and the appropriate 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 cafes, 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 Coast Surf Championships, Neptune Festival, North American Sand Soccer Championship, and the Shamrock Marathon.

Key Performance Measures

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

Departmental Performance Metrics	FY 2023	FY 2024	FY 2025	FY 2026 EST	FY 2027 PROJ
Number of Convention Center visitors	388,266	452,723	415,414	393,966	405,785
Hotel room demand (in summer)	813,110	825,874	828,369	833,339	842,506
Hotel room demand (non-peak)	1,660,696	1,688,806	1,726,854	1,737,215	1,756,324
Number of international visitors to Virginia Beach	355,000	380,300	369,700	375,000	384,400
Number of visitors served at visitor center information locations	45,821	53,883	38,524	45,000	55,000
Sports Center estimated athletes	82,208	81,244	81,339	84,000	87,261
Sports Center estimated spectators	118,000	108,588	114,476	120,788	121,848
Number of estimated room nights based on Sports Center projected events	60,759	58,116	56,131	61,000	58,557

In 2025, 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	71.6%	36.3%	39.4%
Overall quality of services provided by the City	74.8%	51.6%	49%
Overall Image of the City	77.6%	64.7%	53.4%
Feeling of safety in retail areas	68%	67.3%	63.7%
Overall condition of City Sidewalks	48.5%	49.9%	46.7%
City Efforts to attract business/tourism	55%	-	-
Condition and Maintenance of City beaches	77%	-	-

Trends and Issues

Virginia Beach Sports Center

The Virginia Beach Sports Tourism team hosted 141 events in FY 2024-25 across the City of Virginia Beach, utilizing a variety of venues. The Sports Tourism team continues to attract new events while securing commitments from prestigious national competitions, including the Super Girl Sports Festival, the USA Volleyball Beach National Championship, the Stonewall Sports Tournament & Summit, the A-10 Men's and Women's Indoor Track & Field Championships, the CAA Men's & Women's Indoor Track & Field Championships and much more. The Virginia Beach Sports Tourism team has received multiple nominations from Sports Events Media Group, including All-Star Destination Partner, and is excited to continue elevating the city on a national stage. This year, Virginia Beach Sports Tourism will serve as the host destination for the 2026 S.P.O.R.T.S. The Relationship Conference, welcoming approximately 400 sports rights holders and destination representatives from across the country to the Virginia Beach Oceanfront.

Resort Area Initiatives and Special Events

In FY 2026-27, Virginia Beach will host the world's largest women's sports, music, and lifestyle festival when the Super Girl Festival arrives September 5-7, 2026. The Jackalope Action Sports Festival will return to the beach between 28th-31st Streets in June, followed by the North American Sand Soccer Championships, featuring youth, adult, and professional beach soccer players from 15th to 34th streets and then the Point Break Music Festival located between the jetty and 8th streets. The festival season continues to be a year-round program in Virginia Beach with the kick-off to the season in February with the Special Olympics of Virginia Polar Plunge and continuing through October with the annual Boardwalk Art Show. The celebrations wrap up with the Holiday Lights program and Last Night on the Town in Town Center.

Atlantic Park will continue to add a new guest and citizen experience to the City's portfolio. This state-of-the-art venue consists of mixed-use, high density development including space for residences, offices, retail, restaurants, a surf park, and The Dome live entertainment-venue. Virginia Beach continues to strengthen its place in the tourism industry as a destination for Festival and Entertainment Tourism and continuing the city's commitment to being a year-round destination providing a positive economic impact to the city, region, and state. There are new projects scheduled to be completed in time for the FY 2026-27 season including the installation of Virginia Beach Branded Banners on light poles throughout the Oceanfront.

The following table is the current list of festivals with City support, from the TIP Fund.

Festival	City Support
Boardwalk Art Show	$200,000
Neptune Festival	$525,000
Jackelope Festival	$1,000,000
Symphony By the Sea	$150,000
Point Break Festival	$750,000
East Coast Surfing Championship	$75,000
Concerts in the Sand	$126,000
Stars Stripes and Spurs	$114,000
Prodigal Son	$750,000

Convention Center Utilization

The Convention Center continues to demonstrate strong performance in the meetings and events sector. Since rebounding from the pandemic, the facility has maintained a steady level of business and successfully hosted a diverse range of events, including banquets, conventions, consumer shows, meetings, sporting events, trade shows, and other gatherings. Industry indicators point to continued growth in the meetings and events market, driven by demand from corporations, associations, and event-based travel. Global Growth Insights reports that the U.S. MICE (Meetings, Incentives, Conventions, and Exhibitions) market continues to gain momentum, with 62% of demand originating from the corporate travel sector and more than 48% of events held in major U.S. cities due to their infrastructure, accessibility, and hospitality capacity.

Event planners are increasingly focused on integrating technology, sustainability, and personalized exeriences to meet evolving attendee expectations.

To support long-term competitiveness, City Council approved increased funding in the prior fiscal year for Convention Center Capital Maintenance. Multiple projects are now underway as part of a comprehensive master plan to maintain and enhance the 20-year-old facility.

Economic Recovery

According to Tourism Economics, an Oxford Economics Company, the economic impact of the visitor to Virginia Beach, for calendar year 2024, there were 14.3 million visitors to the city, compared to 14.1 million in 2023 and 13.6 million in 2022, these included international and domestic day and overnight visitors. The study estimated direct visitor spending in Virginia Beach totaled $2.6 billion, compared to 2023 with $2.5 billion and $2.4 billion in 2022. Visitor spending includes the following industries: Lodging, including second home spending (upkeep costs for seasonal second home use for recreation), food and beverage, retail, recreation, and local transportation. Furthermore, visitor spending had an estimated total economic impact on Virginia Beach's economy of $3.9 billion 2024 (comprised of $2.6 billion in direct spending, with food and beverage leading the charge at $1,086.4 million). Visitor spending contributed $340.8 million in state and local tax revenues. The study indicated that visitor spending directly supported 34,076 jobs.

Major Budget Changes

Increased Marketing Opportunities - $1,941,131 (TAP Fund)

The marketing team has identified multiple avenues to improve the City's marketing efforts. This investment includes annualizing the Super Girl Festival, the addition of a new sports tourism event (MLS NEXT) event during the spring shoulder season, targeting additional investment in specific domestic markets, utilization of more intentional ad placement tools (Google AI MAX), investing in new media consumption avenues (podcasts and emails), and a mobile destination application. These investments are anticipated to create a more comprehensive marketing plan for the City to enhance the City's reach and promote the City as a premier travel destination.

Expanded Entertainment Contract and Events - $1,875,000 (TIP Fund)

Improving the entertainment offerings throughout the City is constantly being evaluated to identify opportunities to expand and enhance programming for citizens and guests during throughout the year. The additional investment in entertainment will include adding three additional Oceanfront Concert events, adding a third day to Funk Fest, establishing the East Coast Chess Championship, establishing the Sand Blast Jigsaw Puzzle Competition, adding a new event weekend activation, and adding one-time additional fireworks shows in celebration of the 250th anniversary of the United States.

Holiday Lights Rework - $1,010,000 (TIP Fund)

The Holiday Lights on the Boardwalk have been determined not to be feasible due to the strain the additional motor vehicle traffic puts on the Boardwalk, which primarily functions as a seawall. This has necessitated a rework of the Holiday Lights programming. The new Holiday Lights event will be a walking experience held at the Virginia Aquarium with some one-time initial set up costs. This rework will also annualize some holiday experiences including Santa Seaside Cinema, Santa Paws Tuesdays, and enhanced décor on Atlantic. Total ongoing cost of the program is $210,000.

Convention Center Revenues - $124,079

The Convention Center team annually evaluates fees associated with rental and usage of the Convention Center. These increases are designed to keep up with inflationary pressure on the cost to provide service without needing to increase general government support of the facility.

Streamlining General Fund Operations - ($151,196)

Convention and Visitor's Bureau evaluated internal operations to identify possible opportunities for minimize general government support. Through this analysis, reductions have been made to event services and professional development training.

City of Virginia Beach, Virginia
CONVENTION & VISITORS BUREAU - Departmental Resource Summary

		FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
Program Summary					
100 GENERAL FUND					
Expenditures					
Admin And Support		1,605,912	1,653,454	1,988,229	334,775
Programming And Operations		6,815,063	7,653,654	7,536,881	(116,773)
Special Events		12,362	160,069	68,333	(91,736)
Marketing		15,500	24,367	17,141	(7,226)
Convention Services		0	330,347	279,345	(51,002)
Sports Marketing		844,533	839,278	797,710	(41,568)
Convention Marketing		1,118,139	849,026	668,685	(180,341)
Tourism Marketing		450,830	441,513	413,017	(28,496)
	Total Expenditures	10,862,339	11,951,708	11,769,341	(182,367)
Revenues					
Local Revenue		4,613,789	4,847,820	4,971,899	124,079
	Total Revenues	4,613,789	4,847,820	4,971,899	124,079
240 TOURISM ADVERTISING PROGRAM SRF					
Expenditures					
Admin And Support		914,215	1,101,192	1,028,876	(72,316)
Marketing		12,146,799	12,554,779	13,830,680	1,275,901
Convention Services		0	550,990	486,349	(64,641)
Sports Marketing		1,407,369	1,450,781	2,197,919	747,138
Convention Marketing		902,828	791,127	1,054,247	263,120
Tourism Marketing		174,969	357,918	518,576	160,658
Visitor Information Center		560,197	686,304	682,204	(4,100)
Transfers		57,083	57,083	57,083	0
Reserves		0	0	63,197	63,197
	Total Expenditures	16,163,460	17,550,174	19,919,131	2,368,957
Revenues					
Local Revenue		1,057,821	53,100	1,012,100	959,000
Specific Fund Reserves		0	27,879	0	(27,879)
	Total Revenues	1,057,821	80,979	1,012,100	931,121
241 TOURISM INVESTMENT PROGRAM SRF					
Expenditures					
Programming and Operations		0	0	103,600	103,600
Resort Management		11,551,233	11,024,435	13,569,463	2,545,028
Marketing		486,249	614,896	509,870	(105,026)
Sports Marketing		35,243	0	0	0
Reserves		0	0	36,881	36,881
	Total Expenditures	12,072,725	11,639,331	14,219,814	2,580,483
Revenues					
Local Revenue		1,019,257	1,038,028	1,038,028	0
	Total Revenues	1,019,257	1,038,028	1,038,028	0
270 CONSOLIDATED GRANTS SRF					
Expenditures					
Sports Marketing		90,000	0	0	0
Convention Marketing		44,214	0	0	0
	Total Expenditures	134,214	0	0	0
Total Department Expenditure		39,232,738	41,141,213	45,908,286	4,767,073
Total Department Revenue		6,690,867	5,966,827	7,022,027	1,055,200

	FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
Position Summary by Program				
100 GENERAL FUND				
Admin And Support	11.00	11.00	13.00	2.00
Programming And Operations	55.89	53.17	53.17	0.00
Special Events	2.00	2.00	1.00	(1.00)
Convention Services	0.00	3.00	3.00	0.00
Sports Marketing	8.00	8.00	8.00	0.00
Convention Marketing	10.00	7.00	6.00	(1.00)
Tourism Marketing	4.00	3.00	3.00	0.00
Total	90.89	87.17	87.17	0.00
240 TOURISM ADVERTISING PROGRAM SRF				
Admin And Support	1.00	1.00	0.00	(1.00)
Marketing	12.00	12.00	11.00	(1.00)
Convention Marketing	0.00	0.00	1.00	1.00
Tourism Marketing	0.00	0.00	1.00	1.00
Visitor Information Center	5.39	6.25	6.25	0.00
Total	18.39	19.25	19.25	0.00
241 TOURISM INVESTMENT PROGRAM SRF				
Resort Management	10.00	10.00	10.00	0.00
Total	10.00	10.00	10.00	0.00
Total Position Summary	119.28	116.42	116.42	0.00
Expenditure Category by Department				
CONVENTION & VISITORS BUREAU				
Reserves	0	0	100,078	100,078
Operating	29,680,006	30,339,246	35,029,756	4,690,510
Leases	0	119,821	119,821	0
Transfers	57,083	57,083	57,083	0
Capital Outlay	20,182	971	971	0
Personnel	9,475,467	10,624,092	10,600,577	(23,515)
Total Expenditures:	39,232,738	41,141,213	45,908,286	4,767,073
Revenue Category by Department				
Charges for Services	987,807	1,205,396	1,335,582	130,186
Miscellaneous Revenue	1,675,720	1,805,954	1,672,123	(133,831)
Permits Fees and Regulatory Licenses	64,355	153,528	151,778	(1,750)
Specific Fund Reserves	0	27,879	0	(27,879)
Use of Money and Property	3,962,985	2,774,070	3,862,544	1,088,474
Total Revenue:	6,690,867	5,966,827	7,022,027	1,055,200

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. Some of these divisions have a separate state and city budget, as the State provides a large portion of the total funding for most. However, the Circuit Court Judges' Office is supported solely by the City's General Fund. 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. The Circuit Court stands as the sole institution authorized to conduct jury trials, necessitating the attendance of the public at designated times. 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

The Virginia Beach General District Court hears cases involving traffic violations, civil disputes (for claims up to $50,000), criminal misdemeanors, the preliminary hearings for criminal felonies, and bond hearings.

Virginia Beach Juvenile and Domestic Relations District Court

The Virginia Beach Juvenile and Domestic Relations District Court 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 seven 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 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, emergency protective orders, and more. Magistrates issue arrest and search warrants and can set bail or commit individuals to custody following an arrest.

Juvenile Probation

This unit provides supervision and service referrals 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.

Key Performance Measures

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

Departmental Performance Metrics	FY 2023	FY 2024	FY 2025	FY 2026 EST	FY 2027 PROJ
Number of hearings in the General District Court	159,210	178,301	200,212	200,212	200,212
Percent of youth assessed for detention	100%	100%	100%	100%	100%
Number of youths receiving supervision or unofficial counseling	280	230	300	325	475
Number of deeds recorded	50,972	57,416	56,238	58,440	60,000
New cases commenced in Circuit Court	13,900	14,445	14,529	15,000	15,000

In 2025, 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 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	66%	55%	49%
Enforcement of local traffic laws	54%	60%	50%
Overall quality of City customer service	72%	36%	39%

Trends and Issues

Circuit Court

Due to a legislative change allowing judge sentencing for jury trials, the amount of jury trial requests has increased dramatically. As a result, the Circuit Court Judge's Office is managing an increased workload associated with the large amount of jury trials. The Court is actively working on solutions to handle the large volume of cases in a more efficient manner and reduce the burden on current staff.

General District Court

The General District Court's overall workload has increased due to an increase in the number of civil filings and a legislative change that imposes additional requirements on the management of the Court's files. The increased workload has become a challenge when it comes to maintaining adequate staffing.

Juvenile Probation

To address an increase in juveniles charged with school-related threat offenses, Juvenile Probation has developed a program for first time offenders in partnership with the Virginia Beach Police Department. Juvenile Probation has seen an increase in violent felony and gang-related cases resulting in increased

spending on GPS monitoring to minimize public safety concerns. Due to the increase in these cases and the severity of the charges, the number of probation placements and the overall LOS (length of stay) on probation have increased.

CHINS (child in need of services/supervision) filings have also increased. Juvenile Probation guides need-specific services to address issues like truancy, mental health, substance abuse, and anger management. Shelter care is needed for some youth, but limited availability has impacted the ability to provide beds in some cases. As a result, Juvenile Probation is seeking to expand shelter care options for the Juvenile and Domestic Relations District Court.

Salary Supplements

In the FY 2021-22 budget, the City established a Memorandum of Understanding (MOU) in which the City would provide funding salary supplements for state employees of the Juvenile and Domestic Relations Court ($46,800) and the General District Court ($69,600) to address the high turnover rate by providing a retention incentive for court Clerks.

Fee Increase for Court Appointed Attorneys

The General Assembly passed legislation increasing the maximum allowable fee paid to court appointed attorneys. This change became effective January 2025, and the full fiscal impact has yet to be realized; however, it is expected that this change will increase expenditures for the General District and Juvenile and Domestic Relations Courts.

Critical Court Facility Safety and ADA Accessibility

The Courts are working with City staff to update court facilities and bring public and private spaces into compliance with modern ADA standards. The results of a Court Modernization Study was presented to the City Council in Spring of 2025 and implementation is ongoing. The FY 2027 Capital Improvement Program includes funding to replace elevators and establish ADA compliant courtrooms.

Major Budget Changes

Increase Travel for Continuing Legal Education- $14,000

The Juvenile & Domestic Relations Court requested to increase travel related expenses and professional development funding that is being shared by seven judges. Previously, $7,000 was budgeted for the judges to share which is not adequate to cover expenses and registration fees for each judge to attend even one conference per year. In July 2025, a judge was added to this court without any additional budget funds to cover their expenditures. The amount requested is similar to what other courts in the Hampton Roads area are receiving from their localities to support judges.

Increased Contracted Manpower- General District Court- Net $0

In order to offset the increased workload for the court related to red light cameras, speed cameras, and school bus-stop arm program, an additional $171,500 has been budgeted for contracted manpower for the court. Of this amount, $21,500 is funded by raised revenue estimates from the court, and an additional $150,000 is to be transferred from Virginia Beach City Public Schools.

City of Virginia Beach, Virginia
CIRCUIT COURT - Departmental Resource Summary

	FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
Program Summary				
100 GENERAL FUND				
Expenditures				
Circuit Court	1,681,676	1,648,329	1,619,979	(28,350)
Total Expenditures	1,681,676	1,648,329	1,619,979	(28,350)
270 CONSOLIDATED GRANTS SRF				
Expenditures				
Grants	4,377	0	0	0
Total Expenditures	4,377	0	0	0
Total Department Expenditure	1,686,053	1,648,329	1,619,979	(28,350)
Total Department Revenue	0	0	0	0
Position Summary by Program				
100 GENERAL FUND				
Circuit Court	13.50	13.50	13.50	0.00
Total	13.50	13.50	13.50	0.00
Total Position Summary	13.50	13.50	13.50	0.00
Expenditure Category by Department				
CIRCUIT COURT				
Operating	332,914	235,755	234,544	(1,211)
Capital Outlay	3,564	0	0	0
Personnel	1,349,575	1,412,574	1,385,435	(27,139)
Total Expenditures:	1,686,053	1,648,329	1,619,979	(28,350)

City of Virginia Beach, Virginia
CLERK OF THE CIRCUIT COURT - Departmental Resource Summary

	FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
Program Summary				
100 GENERAL FUND				
Expenditures				
Clerk of the Circuit Court	5,277,420	5,070,640	5,101,113	30,473
Total Expenditures	5,277,420	5,070,640	5,101,113	30,473
Revenues				
Local Revenue	158,215	208,468	208,468	0
State Revenue	2,786,163	3,220,717	3,220,717	0
Total Revenues	2,944,378	3,429,185	3,429,185	0
Total Department Expenditure	5,277,420	5,070,640	5,101,113	30,473
Total Department Revenue	2,944,378	3,429,185	3,429,185	0
Position Summary by Program				
100 GENERAL FUND				
Clerk of the Circuit Court	57.00	58.00	58.00	0.00
Total	57.00	58.00	58.00	0.00
Total Position Summary	57.00	58.00	58.00	0.00
Expenditure Category by Department				
CLERK OF THE CIRCUIT COURT				
Operating	860,406	480,125	414,571	(65,554)
Leases	5,040	0	0	0
Personnel	4,411,974	4,590,515	4,686,542	96,027
Total Expenditures:	5,277,420	5,070,640	5,101,113	30,473
Revenue Category by Department				
Charges for Services	55,580	98,008	98,008	0
Fines and Forfeitures	88,188	0	0	0
Permits Fees and Regulatory Licenses	14,447	110,460	110,460	0
State Revenue	2,786,163	3,220,717	3,220,717	0
Total Revenue:	2,944,378	3,429,185	3,429,185	0

City of Virginia Beach, Virginia
GENERAL DISTRICT COURT - Departmental Resource Summary

	FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
Program Summary				
100 GENERAL FUND				
Expenditures				
General District Court	385,358	491,097	613,753	122,656
Total Expenditures	385,358	491,097	613,753	122,656
Revenues				
Local Revenue	144,413	40,000	86,000	46,000
State Revenue	0	30,000	30,000	0
Transfers	0	0	150,000	150,000
Total Revenues	144,413	70,000	266,000	196,000
Total Department Expenditure	385,358	491,097	613,753	122,656
Total Department Revenue	144,413	70,000	266,000	196,000
Expenditure Category by Department				
GENERAL DISTRICT COURT				
Operating	268,993	393,875	345,031	(48,844)
Personnel	116,365	97,222	268,722	171,500
Total Expenditures:	385,358	491,097	613,753	122,656
Revenue Category by Department				
Charges for Services	60,975	40,000	86,000	46,000
State Revenue	0	30,000	30,000	0
Transfer In	0	0	150,000	150,000
Use of Money and Property	83,438	0	0	0
Total Revenue:	144,413	70,000	266,000	196,000

City of Virginia Beach, Virginia
JUVENILE & DOMESTIC RELATIONS - Departmental Resource Summary

	FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
Program Summary				
100 GENERAL FUND				
Expenditures				
Juvenile and Domestic Relations Court	212,591	195,199	168,811	(26,388)
Total Expenditures	212,591	195,199	168,811	(26,388)
Revenues				
Local Revenue	2,621	0	0	0
State Revenue	40,084	49,500	49,500	0
Total Revenues	42,705	49,500	49,500	0
270 CONSOLIDATED GRANTS SRF				
Expenditures				
Grants	5,660	0	0	0
Total Expenditures	5,660	0	0	0
Total Department Expenditure	218,252	195,199	168,811	(26,388)
Total Department Revenue	42,705	49,500	49,500	0
Expenditure Category by Department				
JUVENILE & DOMESTIC RELATIONS				
Operating	131,500	108,399	94,011	(14,388)
Personnel	86,751	86,800	74,800	(12,000)
Total Expenditures:	218,252	195,199	168,811	(26,388)
Revenue Category by Department				
Charges for Services	1,996	0	0	0
State Revenue	40,084	49,500	49,500	0
Use of Money and Property	625	0	0	0
Total Revenue:	42,705	49,500	49,500	0

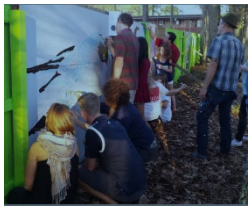
City of Virginia Beach, Virginia
JUVENILE PROBATION - Departmental Resource Summary

	FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
Program Summary				
100 GENERAL FUND				
Expenditures				
Juvenile Probation	792,031	964,720	966,410	1,690
CHINS Unit	128,679	0	0	0
Leases	47,419	0	0	0
CHINS	4,025	0	0	0
CHINS Unit	257,510	284,708	289,571	4,863
Total Expenditures	1,229,664	1,249,428	1,255,981	6,553
Total Department Expenditure	1,229,664	1,249,428	1,255,981	6,553
Total Department Revenue	0	0	0	0
Position Summary by Program				
100 GENERAL FUND				
Juvenile Probation	1.00	1.00	1.00	0.00
CHINS Unit	3.00	3.00	3.00	0.00
Total	4.00	4.00	4.00	0.00
Total Position Summary	4.00	4.00	4.00	0.00
Expenditure Category by Department				
JUVENILE PROBATION				
Operating	822,144	812,704	813,507	803
Leases	47,419	49,000	57,000	8,000
Personnel	360,101	387,724	385,474	(2,250)
Total Expenditures:	1,229,664	1,249,428	1,255,981	6,553

City of Virginia Beach, Virginia
MAGISTRATE - Departmental Resource Summary

	FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
Program Summary				
100 GENERAL FUND				
Expenditures				
Magistrate	41,426	43,982	39,097	(4,885)
Total Expenditures	41,426	43,982	39,097	(4,885)
Total Department Expenditure	41,426	43,982	39,097	(4,885)
Total Department Revenue	0	0	0	0
Expenditure Category by Department				
MAGISTRATE				
Operating	26,426	21,687	24,097	2,410
Personnel	15,000	22,295	15,000	(7,295)
Total Expenditures:	41,426	43,982	39,097	(4,885)

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 Cultural Affairs Department achieves its mission in multiple ways: public art, visual, performing, and cultural programming; the operations of the history museums; and serving as a resource for and liaison to the many cultural organizations serving in Virginia Beach. This is done in concert with the Virginia Beach Arts and Humanities Commission, which provides grants to local nonprofit organizations, and through the work of its Cultural Equity and Public Art committees. Cultural Affairs is responsible for multiple components of City Council's Focused Action Plan. The Department's focus areas include:

- Overseeing the City's Cultural Institutions & Programs
    - Managing the Sandler Center for the Performing Arts, a 1,300-seat theater at Town Center, operated by a private contractor.
    - Administering the Virginia Beach History Museums, including Francis Land House, Lynnhaven House Thoroughgood House, Princess Anne County Training School / Union Kempsville High School Museum (Renaissance Academy)
- Supporting public art initiatives, collaborating with the Public Art Committee to commission public art and develop community-based art projects.
- Funding and supporting Arts & Cultural Organizations
    - Providing grants to nonprofit arts organizations, individual artists, and community groups through the Arts and Humanities Commission and Cultural Affairs Department.
    - Administering city grants, including Virginia Museum of Contemporary Art (MOCA)'s Boardwalk Art Show
    - Supporting historic and cultural sites through Heritage CIP Project 100203 and general operating support, including: Atlantic Wildfowl Museum/deWitt Cottage, Ferry Plantation, Virginia Beach Surf & Rescue Museum, Whitehurst-Buffington House
- Managing Key Partnerships and Serving as the city's liaison to: ViBe Creative District, Virginia MOCA, Virginia African American Cultural Center, Zeiders American Dream Theater, and the Sandler Center Foundation
- Supporting the work of the 5/31 Memorial Committee.

Key Performance Measures

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

Departmental Performance Metrics	FY 2023	FY 2024	FY 2025	FY 2026 EST	FY 2027 PROJ
Programs funded by the Arts and Humanities Commission	901	992	1,418	1,197	1,200
Event days at the Sandler Center	340	350	343	337	337
Attendees at Sandler Center events	138,467	159,657	138,273	155,000	155,000
Visitors to the History Museums	6,307	7,015	6,819	7,194	7,200
Event days at the History Museums	66	73	79	78	81

In 2025, 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 the percentage of Virginia Beach residents who rated the items below on a scale of one to five, five being excellent and one being poor.

Resident Questionnaire Results	Excellent	Good	Neutral	Below Average / Poor
Quality of City cultural and entertainment venues	27%	50%	17%	6%
Availability of arts and cultural programs	18%	51%	23%	8%
Quality of arts and culture programs	15%	47%	30%	8%
Availability of culturally diverse art & cultural programs	16%	44%	30%	10%

Trends and Issues

Expansion of Arts & Culture Grants

With 20% of admission taxes dedicated to arts funding, the City has established a stable, long-term investment in arts and culture. These funds support a coordinated portfolio of initiatives designed to strengthen the entire cultural ecosystem:

- Individual Artists Support Grant Program: Direct investment in working artists to advance creative practice, professional development, and public engagement.
- Creative Neighborhoods Grant Program: Funding for community-driven arts projects that strengthen neighborhood identity, increase access to the arts, and encourage local participation.

- Performing Arts Partnership Grant Program: Support for collaborative performing arts projects developed in partnership with Cultural Affairs, expanding access to high-quality performances for residents and visitors.
- Sustainability Grant for Large Virginia Beach-Based Arts Institutions: Targeted support for major cultural organizations to strengthen long-term stability, operational capacity, and public impact.
- Large Scale Temporary Public Art Program: Launch of an annual, interactive public art initiative bringing fresh, engaging, and participatory art experiences to communities across the city.

Together, these initiatives ensure that Arts Dedication funding supports artists, organizations, neighborhoods, and major institutions while expanding access, strengthening capacity, and increasing public value.

Virginia Beach Arts & Humanities Commission Grants

The Virginia Beach Arts and Humanities Commission is a City Council-appointed body of 11 members, which awards three types of grants each fiscal year:

- Project Grants: Supporting specific arts and cultural projects.
- Leadership & Organizational Development (LOD) Grants: Strengthening nonprofit arts organizations.
- Community Cultural Grants: Funding cultural programming that benefits the broader community.

Key Accomplishments

- Francis Land House Restoration and Reopening: Completion of a major multi-year investment in one of the City's signature historic assets, featuring new exhibits, improved visitor amenities, and enhanced public programming.
- Completion of the City's Land Acknowledgment Statement: Successful development of a Citywide Land Acknowledgment Statement, establishing a framework for more inclusive and accurate historical interpretation across cultural programs.
- Launch and Implementation of New Arts Dedication Grant Programs: Successful rollout of new funding initiatives supporting artists, neighborhoods, performing arts partnerships, and major cultural institutions.

Upcoming Major Initiatives

- Historic Kempsville Public Art Initiative – Development of a significant site-specific public art project reflecting Kempsville's history and strengthening placemaking in one of the City's oldest communities.
- Artwork to improve the appearance of the Rosemont Road underpass

Major Budget Changes

Increased Dedicated Funding for Arts and Culture - $273,450

In FY 2026-27, the Arts and Culture Dedication increased by $273,450. Of the $2,168,091 budgeted in the dedication, $425,427 remains unallocated and its use will be directed by City Council. The current allocation is as follows:

Allocated Dedication Funding	FY 2027
Personnel/Operating Supplies	$191,001
Public Art and Placemaking	$300,886
Additional Funds to Arts and Humanities Commission for Project Grants	$245,777
Creative Neighborhoods, Individual Artists & Performing Arts Partnerships Grants	$250,000
Large Arts Organization and Sustainability Grants	$755,000
Non-Allocated Funds - Reserve	$425,427
Total	$2,168,091

Virginia MOCA Building Transition – ($75,000)

With Virginia MOCA's relocating from a City-owned facility, the City will no longer be obligated to reimburse the museum's utility costs. The elimination of this obligation reduced $75,000 from the Cultural Affairs budget.

City of Virginia Beach, Virginia
CULTURAL AFFAIRS & HISTORIC HOUSES - Departmental Resource Summary

	FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
Program Summary				
100 GENERAL FUND				
Expenditures				
Cultural Affairs	3,507,754	2,103,100	2,021,147	(81,953)
Arts and Culture	827,197	1,894,641	2,168,091	273,450
Board and Commissions	1,200	0	0	0
MOCA	115,000	115,000	115,000	0
Arts and Humanities Commission	928,726	479,223	479,223	0
Historic Museums	737,281	844,936	841,697	(3,239)
VA 250 Commission	3,543	0	0	0
Total Expenditures	6,120,702	5,436,900	5,625,158	188,258
Revenues				
Local Revenue	48,855	58,500	58,500	0
State Revenue	4,500	4,500	4,500	0
Total Revenues	53,355	63,000	63,000	0
241 TOURISM INVESTMENT PROGRAM SRF				
Expenditures				
Cultural Affairs	520,500	520,500	520,500	0
Total Expenditures	520,500	520,500	520,500	0
270 CONSOLIDATED GRANTS SRF				
Expenditures				
Cultural Affairs Grants	100,000	1,000,000	0	(1,000,000)
Total Expenditures	100,000	1,000,000	0	(1,000,000)
Revenues				
State Revenue	100,000	1,000,000	0	(1,000,000)
Total Revenues	100,000	1,000,000	0	(1,000,000)
Total Department Expenditure	6,741,202	6,957,400	6,145,658	(811,742)
Total Department Revenue	153,355	1,063,000	63,000	(1,000,000)
Position Summary by Program				
100 GENERAL FUND				
Cultural Affairs	7.00	7.00	7.00	0.00
Arts and Culture	2.00	2.00	2.00	0.00
Historic Museums	5.00	5.00	5.00	0.00
Total	14.00	14.00	14.00	0.00
Total Position Summary	14.00	14.00	14.00	0.00
Expenditure Category by Department				
CULTURAL AFFAIRS & HISTORIC HOUSES				
Reserves	0	0	425,427	425,427
Operating	5,563,719	5,521,357	4,298,987	(1,222,370)
Capital Outlay	5,743	0	0	0
Personnel	1,171,739	1,436,043	1,421,244	(14,799)
Total Expenditures:	6,741,202	6,957,400	6,145,658	(811,742)

	FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
Revenue Category by Department				
Charges for Services	42,270	43,500	43,500	0
Miscellaneous Revenue	2,978	5,000	5,000	0
State Revenue	104,500	1,004,500	4,500	(1,000,000)
Use of Money and Property	3,607	10,000	10,000	0
Total Revenue:	153,355	1,063,000	63,000	(1,000,000)

ECONOMIC DEVELOPMENT

The Virginia Beach Department of Economic Development drives economic vitality and inclusive prosperity in the City by fostering the attraction and creation of new investment, innovation, and jobs. The Department's mission is to foster a dynamic, diverse, and growing economy by developing and investing in new and targeted businesses, as well as supporting existing ones. Our goal is to create quality jobs, increase wages, expand and diversify the tax base, 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. Staff works closely with the business community to provide site selection, market information, financial guidance, and business assistance. This division also supports the Oceana Land Use Conformity Committee (OLUCC), the Military Economic Development Advisory Committee (MEDAC), and the Virginia Beach Development Authority (VBDA), including administration of the Economic Development Investment Program (EDIP).

The HIVE Small Business Resource Center

Since the HIVE Small Business Resource Center held its grand opening in August 2021, it has become a magnet for small businesses, existing businesses, and entrepreneurs across the City. In three years, it has created an innovative and entrepreneurial ecosystem in Hampton Roads through collaboration with various departments within the City of Virginia Beach, academic institutions, neighboring Hampton Roads municipalities, small business associations, and other entrepreneurial-related organizations. The HIVE is committed to serving small businesses, particularly those that are in socially and economically disadvantaged communities.

Project Development

The Project Development Division’s mission is to ensure Virginia Beach’s sustainable economic growth through the implementation of strategic developments and infrastructure projects that create places of sustained community value. Staff manage VBDA-owned assets, implement and oversee the Economic and Tourism Development portion of the City’s Capital Improvement Program, and play an active role in various Public/Private Partnerships initiatives.

Key Performance Measures

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

Departmental Performance Metrics	FY 2023	FY 2024	FY 2025	FY 2026 EST	FY 2027 PROJ
Existing companies expanded	10	4	10	16	20
Façade Improvement Grant	13	16	16	16	20
New companies located in Virginia Beach	15	7	8	12	16
Existing company prospects	50	50	50	15	25
New company prospects	35	40	30	40	45
Value of new capital investment (millions)	900	1,350	1,350	650	750
Business Workshops Held	152	172	185	200	300
One-on-One Counseling (HIVE)	848	864	875	400	500
Business Plans Completed	100	300	320	320	350
Virginia Wesleyan University Classes	N/A	N/A	N/A	160	160
Number of New Followers on LinkedIn	N/A	N/A	N/A	1,258	2,516
Economic Development Website Visits	N/A	N/A	N/A	156,265	200,000
Social Media Impressions	N/A	N/A	N/A	4,071,092	4,193,225

In 2025, 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	71.6%	36.3%	39.4%
Overall quality of services provided by the City	74.8%	51.6%	49%
How well the City is managing growth	23.5%	31.8%	38.9%
Overall Appearance of the City	77.6%	63.9%	54.7%
Overall Image of the City	77.6%	64.7%	53.4%
Feeling of Safety in Retail Areas	68%	67.3%	63.7%
Efforts to Attract New Business and Tourism	55%	-	-
Access to job opportunities that match your skills	54%	-	-
Efforts to assist small, women, and minority-owned (SWaM) businesses	40%	-	-
Access to job training programs	39%	-	-
Use of economic development incentives to support economic opportunity for residents	34%	-	-
Quality of new development in Virginia Beach	30%	-	-

Trends and Issues

Defense and Diversification

The Hampton Roads region continues to assess trends and strengths in economic development, especially given the dynamic changes within our global economy. Over $15.5 billion in government contracts and grants are allocated to Hampton Roads each year with Virginia Beach businesses receiving on average $4.4 billion from the Department of Defense (DoD). The region is the fifth largest U.S. metro for Defense contract spending and represents some of the largest investments by the DoD. It will be important for Virginia Beach to continue to understand the significance of the defense sector in the local economy and how to strengthen diversification efforts for both government and civilian purposes. The opportunities for growth are within several sectors including technology, research and development, energy, logistics, and workforce support.

Sites and Buildings

The availability of industrial and flex space is a critical factor in the future of economic development within the City of Virginia Beach. Potential opportunities for business expansion pose a significant challenge for business recruitment and diversification. Additional assessment of industrial growth opportunities within the City is ongoing, including adaptive reuse and vertical expansion, transforming underutilized commercial properties, vacant “big box” spaces, or modernizing office spaces for industrial use. Following the Central Beach Small Area Plan, redevelopment efforts around the Convention and Sports Centers are underway at the Oceanfront.

Offshore Wind

Dominion Energy is currently underway on construction of the Coastal Virginia Offshore Wind (CVOW) Project, the largest offshore wind farm in the United States with expected completion in 2027. Once constructed, the Project's ongoing operations will support 1,100 direct and indirect jobs in the Region annually, and almost $210 million in economic output. In addition, CVOW's construction, operations and maintenance phase will generate a multitude of business opportunities to warrant the City's continued involvement in economic development efforts surrounding offshore wind.

Town Center

Over the last 20 years, Virginia Beach Town Center has evolved into a vibrant urban center, attracting residents, businesses, and visitors alike. The development has been a focal point for economic growth and has contributed to the city's efforts to create a more dynamic and diverse urban environment. The funding mechanism that has historically supported the infrastructure development of Town Center is the Central Business District Tax Increment Financing Fund (TIF) and Town Center Special Services District (SSD). As 20-year debt is retired with the TIF, capacity is projected to exist for future allocation.

Major Budget Changes

Town Center SSD Reorganization - ($3,698,789)

The Town Center SSD has been managed between Economic Development and Public Works; however, funding has been exclusively funded in Economic Development. Public Works is responsible for parking enforcement, street as well as general maintenance and as such the funding for these services are now reflected in Public Works. Transfers to CIP are also being moved to the General Government department as the funding is not associated with one specific department. Economic Development will continue to manage the Block-by-Block contract, Westin contribution, and entertainment contract.

General Fund Efficiencies - ($274,519)

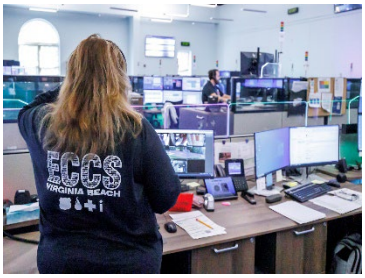
After an initial reorganization within Economic Development improving marketing efforts. Efficiencies found through this effort resulted in a lessened need for additional business travel and consultation needs.

City of Virginia Beach, Virginia
ECONOMIC DEVELOPMENT - Departmental Resource Summary

	FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
Program Summary				
100 GENERAL FUND				
Expenditures				
Economic Development	3,915,921	3,758,106	3,284,124	(473,982)
Project Development	0	758,646	767,005	8,359
EVRIFA	0	4,000	4,000	0
The Hive	59,145	321,835	287,939	(33,896)
GrowSmart	274,226	0	0	0
Strategic Growth Areas	5,659	0	0	0
Total Expenditures	4,254,951	4,842,587	4,343,068	(499,519)
Revenues				
State Revenue	463,405	0	0	0
Total Revenues	463,405	0	0	0
251 TOWN CENTER SSD SRF				
Expenditures				
Town Center SSD Administration	1,455,755	0	0	0
Strategic Growth Areas	1,512,165	3,087,050	1,010,000	(2,077,050)
Programming and Operations	178,722	0	0	0
Transfers	72,000	72,000	0	(72,000)
Transfer to Economic and Tourism Development CIP	502,726	502,726	0	(502,726)
Transfer- Street Sweeping	31,000	31,000	0	(31,000)
Transfer- Landscaping	40,250	44,000	0	(44,000)
Total Expenditures	3,792,618	3,736,776	1,010,000	(2,726,776)
Revenues				
Local Revenue	558,949	559,800	0	(559,800)
Transfers	150,000	1,150,000	0	(1,150,000)
Total Revenues	708,949	1,709,800	0	(1,709,800)
540 PARKING ENTERPRISE FUND				
Expenditures				
Facilities and Fleet Management	26,187	0	0	0
Debt Service	24,790	0	0	0
Total Expenditures	50,976	0	0	0
Revenues				
Local Revenue	861,910	0	0	0
Total Revenues	861,910	0	0	0
Total Department Expenditure	8,098,546	8,579,363	5,353,068	(3,226,295)
Total Department Revenue	2,034,264	1,709,800	0	(1,709,800)
Position Summary by Program				
100 GENERAL FUND				
Economic Development	15.00	13.00	13.00	0.00
Project Development	0.00	7.00	7.00	0.00
The Hive	1.00	2.00	2.00	0.00
Total	16.00	22.00	22.00	0.00
Total Position Summary	16.00	22.00	22.00	0.00

	FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
Expenditure Category by Department				
ECONOMIC DEVELOPMENT				
Operating	5,461,899	5,328,701	2,812,984	(2,515,717)
Transfers	645,976	649,726	0	(649,726)
Debt	24,790	0	0	0
Personnel	1,965,881	2,600,936	2,540,084	(60,852)
Total Expenditures:	8,098,546	8,579,363	5,353,068	(3,226,295)
Revenue Category by Department				
Charges for Services	348,886	194,300	0	(194,300)
Fines and Forfeitures	618,905	0	0	0
Miscellaneous Revenue	902	0	0	0
Permits Fees and Regulatory Licenses	5	0	0	0
State Revenue	463,405	0	0	0
Transfer In	150,000	1,150,000	0	(1,150,000)
Use of Money and Property	452,161	365,500	0	(365,500)
Total Revenue:	2,034,264	1,709,800	0	(1,709,800)

EMERGENCY COMMUNICATIONS AND CITIZEN SERVICES



The mission of Emergency Communications and Citizen Services (ECCS) is to provide efficient, accurate, and professional processing of emergency, non-emergency, and informational 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 seven main program areas:

VB 9-1-1 - Emergency Communications

Receives and processes citizens' calls for emergency and non-emergency public safety service requests requiring a 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, and Landscape Services.

Director's Office

Provides oversight, leadership, and executive-level assistance for ECCS, as well as management of the Commission on Accreditation for Law Enforcement accreditation program, which consists of an organization-wide annual file review and on-site assessment and evaluation.

Administration

Provides support for the day-to-day business affairs for ECCS financials to include budget, procurement, payroll, accounts payable/receivable, and human resources. Provides data analysis support by gathering and evaluating data to assist with staffing projections, call processing, retention, and more, creating data visualizations that drive organizational outcomes.

Training

Includes entry-level and classroom training, along with learning and professional development tracking for all ECCS employees. This division also assists with policy development.

Technology

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

Support

Oversees ongoing hiring, community outreach, and public education. This division also houses the Watch Desk unit, an initiative launched in 2024. Watch Desk staff augment Public Safety efforts by monitoring video feeds, radios, and multiple software applications such as Computer-Aided Dispatch (CAD), and respond to all Rave Panic button activations, including situation follow-up.

Key Performance Measures

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

Departmental Performance Metrics	FY 2023	FY 2024	FY 2025	FY 2026 EST	FY 2027 PROJ
Average wait time for VB 3-1-1 calls (in seconds)	17	30	16	16	16
3-1-1 online inquiries	11,048	10,722	7,095	10,343	10,343
Service request handled for City agencies	10,025	10,801	8,579	9,953	9,953
Total incoming calls to VB 9-1-1	611,041	627,202	540,792	603,698	603,698
Public safety calls received and dispatched	416,542	413,957	393,526	408,769	408,769
9-1-1 average wait time (in seconds)	23	19	21	21	21

In 2025, 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	48%	48%	37%
Overall quality of customer service you receive from City employees	72%	36%	39%
Overall quality of services provided by the City	75%	52%	49%
Response time for fire services	87%	79%	72%
Response time for ambulance services/EMS	83%	78%	69%
Response time for police services	65%	70%	56%

Trends and Issues

Enhancing Use of AI Tools

ECCS continues to explore AI solutions to address challenges in recruiting to streamline and assist administrative workloads. The department continues to use Amazon Connect for providing automated responses and assisting in diverting non-emergency call volume. Emerging AI technologies offer significant opportunities to enhance operational efficiency and effectiveness by aiding in identifying performance insights, trends, compliance monitoring, and by partially automating the quality assurance review process. By leveraging enhanced AI capabilities, ECCS can reallocate personnel currently dedicated to manual quality assurance and training support back to core 9-1-1 operations. This would not only improve workforce optimization but also increase consistency, scalability, and overall service quality.

Recruitment and Retention

ECCS developed a recruitment and retention program that offers progressive hiring bonuses of up to $5,000 for 9-1-1 operational staff based on career progression milestones. While this incentive remains in place, ECCS is exploring additional funding sources to further support employee recognition and retention efforts. The Fireside Chat program was implemented for staff representatives to provide an open forum for questions and answers, idea sharing, and employee-driven recommendations. ECCS Director and Deputy Director also conduct stay interviews with department staff for feedback and information sharing. Additionally, ECCS has a recognition team that is run by the operations staff members who provide recognition to department members for various events. The team plans special events for staff and family members to help with stress reduction and comradery.

Watch Desk Staffing

The Watch Desk, which was started in 2024, maintains situational awareness across the City, supporting incident responses and improving public communications. Watch Desk staff work cohesively with ECCS Operations and Emergency Management personnel to monitor, interpret, and relay critical information, which has led to reduced reaction times. Current staffing hours are Monday through Friday for a total of sixteen hours of coverage each day of the workweek and ECCS aims to have the ability to provide Watch Desk coverage 24/7 eventually. Positions within this division were established by transferring vacancies from other divisions within the department.

Major Budget Changes

AI Quality Assurance Software - $84,000

The FY 2027 budget includes funds to support the annual maintenance of a new AI software program that will improve timeliness and efficiency with 9-1-1 quality assurance and training. The current quality assurance workflow requires a minimum of four staff members to complete each review cycle prior to supervisor and employee feedback. This diverts a significant amount of staff time away from other mission-critical responsibilities. The AI software, which is to be implemented in 2026, will allow staff to focus on other responsibilities and on quality assurance cases that have been flagged with criteria not being met.

Transfer from Water and Sewer Fund - $83,424 in Revenue

ECCS provides the Public Utilities Department (PUD) coverage for calls made to the 3-1-1 program overnight and on the weekends. PUD transfers ECCS funds from the Water and Sewer Fund for this service. The transfer has increased by $83,424, from $141,396 to $224,820. This is the first time the amount has increased since FY 2018. The increase reflects a 59% increase in personnel costs since 2018 and will be increased by 3% each fiscal year.

Vacant Positions - $488,978 Reduction

Seven vacant Public Safety Emergency Telecommunicator (PSET) positions were reduced in the FY 2027 budget and transferred to meet operational needs in other City departments. Due to the number of remaining vacancies and AI capabilities, a reduction in services is not anticipated. Additionally, four vacant PSET positions were moved to staff the Watch Desk for FY 2027 to bring its coverage closer to 24/7.

City of Virginia Beach, Virginia
EMERGENCY COMMUNICATIONS - Departmental Resource Summary

	FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
Program Summary				
100 GENERAL FUND				
Expenditures				
Director's Office	1,892,962	1,899,510	2,706,906	807,396
Program Support	0	923,234	1,301,013	377,779
Training	80,421	100,997	100,739	(258)
Technology	1,016,392	668,155	677,185	9,030
Citizen Services	1,174,696	1,204,886	1,247,267	42,381
Emergency Communications	8,136,003	8,844,947	7,196,837	(1,648,110)
Total Expenditures	12,300,473	13,641,729	13,229,947	(411,782)
Revenues				
Transfers	141,396	141,396	224,820	83,424
Total Revenues	141,396	141,396	224,820	83,424
270 CONSOLIDATED GRANTS SRF				
Expenditures				
ECCS Grants	5,000	4,000	5,000	1,000
Total Expenditures	5,000	4,000	5,000	1,000
Revenues				
State Revenue	10,000	4,000	5,000	1,000
Total Revenues	10,000	4,000	5,000	1,000
Total Department Expenditure	12,305,473	13,645,729	13,234,947	(410,782)
Total Department Revenue	151,396	145,396	229,820	84,424
Position Summary by Program				
100 GENERAL FUND				
Director's Office	6.75	6.75	8.75	2.00
Program Support	0.00	10.00	15.00	5.00
Technology	8.00	4.00	4.00	0.00
Citizen Services	18.00	18.00	18.00	0.00
Emergency Communications	83.00	77.00	63.00	(14.00)
Total	115.75	115.75	108.75	(7.00)
Total Position Summary	115.75	115.75	108.75	(7.00)
Expenditure Category by Department				
EMERGENCY COMMUNICATIONS				
Operating	2,308,994	2,589,753	2,626,756	37,003
Capital Outlay	12,129	0	0	0
Personnel	9,984,349	11,055,976	10,608,191	(447,785)
Total Expenditures:	12,305,473	13,645,729	13,234,947	(410,782)
Revenue Category by Department				
State Revenue	10,000	4,000	5,000	1,000
Transfer In	141,396	141,396	224,820	83,424
Total Revenue:	151,396	145,396	229,820	84,424

EMERGENCY MANAGEMENT

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

Department Overview

The Department of Emergency Management (VBEM) is responsible for coordinating all citywide emergency management and security initiatives. The department is organized into two divisions, Emergency Management and Security, and oversees the City's incident management system, emergency operations planning, business continuity, enterprise resiliency, disaster recovery coordination, community preparedness, natural hazard mitigation support, enterprise security, and critical asset protection.

The Director serves as the City's designated Emergency Management Coordinator under Virginia State Code, providing strategic oversight and coordinating of emergency operations during significant incidents and planned events. Each VBEM division is led by a Deputy Coordinator responsible for daily operations, staff supervision, and program execution.

Emergency Management (EM) Division

The Emergency Management Division consists of three program managers who are led by the Deputy Emergency Management Coordinator. The program managers are responsible for emergency preparedness, planning, training and exercises, community outreach, incident management, disaster recovery coordination, mitigation support, and enterprise resiliency. This division ensures the City remains compliant with federal and state preparedness requirements while maintaining operational readiness for large-scale incidents.

Security Division

The Security Division is led by the Deputy Security Coordinator and includes two program managers responsible for workforce security, physical security planning, and critical asset protection. The division conducts threat and vulnerability assessments, develops security recommendations, and serves as the City's subject matter expert for safety and security coordination with departments and external infrastructure partners.

Partnerships

VBEM maintains strong working relationships with regional, state, federal, nonprofit, and private-sector partners to enhance preparedness and continuity of operations. The department represents the City on multiple state and regional committees and collaborates closely with community partners including the Virginia Beach Community Emergency Response Team Foundation (VBCERT) and the Virginia Beach Amateur Radio Club (VBARC). These programs provide trained volunteers who can support neighborhoods during large-scale incidents when public safety resources are strained.

Key priorities include:

- Strengthening technology and data systems that support response, recovery, and situational awareness.
- Expanding community and business preparedness and outreach.

- Intensifying the City's all-hazards training and exercise program.
- Advancing enterprise resiliency and crisis management capabilities.
- Ensuring a safe and secure workplace for employees and visitors.

Key Performance Measures

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

Departmental Performance Metrics	FY 2023	FY 2024	FY 2025	FY 2026 EST	FY 2027 PROJ
Completion rate of the Emergency Operating Plan (EOP) including annexes	100%	100%	100%	95%	95%
All-Hazards Emergency Preparedness presentations given to the community	20	25	19	21	16
Exercises annually that include more than five departments	5	6	5	5	5
Number of CERT members trained for support activities in Virginia Beach	1,600	1,600	1,600	1,600	1,600

In 2025, 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	**77.6%**	**64.7%**	**53.4%**
Overall quality of services provided by the City	**74.8%**	**51.6%**	**49.0%**
Feeling of safety in the City overall	**81.6%**	**71.0%**	**66.0%**
Efforts to ensure the community is prepared for emergencies	**63.3%**	**42.3%**	**42.5%**

Trends and Issues

Technology Enhancements

VBEM continues a multi-year modernization effort focused on replacing legacy systems, improving data integration, and strengthening Emergency Operations Center (EOC) resiliency. In coordination with the Department of Information Technology, the department is deploying enterprise-wide emergency management tools and upgrading EOC infrastructure to ensure redundancy and sustained operations during prolonged or austere incidents.

Resiliency

VBEM is leading efforts to strengthen the City's ability to absorb, adapt, and recover from major emergencies while maintaining essential services. This includes the development and maintenance of evacuation procedures, sheltering and mass care, recovery, housing, continuity of operations, and enterprise disaster recovery frameworks that align with best practices and federal guidance.

Training and Exercise

Training and exercises remain foundational to the City's readiness posture. VBEM delivers a comprehensive all-hazards training and exercise program for City departments and external partners to ensure staff are prepared to operate within the National Incident Management System (NIMS) and comply with federal preparedness standards.

Increasing federal requirements, combined with uncertainty in FEMA preparedness and mitigation grant funding, have significantly increased administrative and compliance demands on the department. FEMA grant programs require documented training, exercises, after-action reporting, corrective action tracking, and multi-year preparedness planning. These requirements must be met regardless of grant funding continuity to maintain eligibility and operational readiness.

In recent years, VBEM has lost grant-funded staffing support due to the expiration of federal funding streams, shifting these critical responsibilities onto existing staff. This has reduced capacity to sustain required training cycles, manage corrective actions, and fully execute a citywide exercise program without impacting other core emergency management functions.

Community and Business Preparedness

VBEM continues their effort to expand and improve emergency preparedness outreach and engagement focusing on preparing residents, visitors, and businesses for the unique hazard landscape of the City. VBEM works with the Communications Department to create Virginia Beach-specific hazard guides, improve crisis communication capabilities and the preparedness website to engage residents and guests in a meaningful way. There is an ongoing effort with the Economic Development Department to implement the Business Emergency Preparedness Program to ensure the business community is equally prepared to withstand a significant incident and remain open to support our community.

Major Budget Changes

Information Technology Charges - $254,103

The Department of Emergency Management's budget was increased by $254,103 due to the increase in costs for Information Technology Charges. The majority of the increase ($188,142) provides the department with the ability to fund the costs of the licenses to use the ESRI program in FY 2026-27. ESRI is a shared Emergency Management platform for situational reports and consolidates 14 dashboards into one for a city-wide view of operations, and allows the Department of Emergency Management to communicate between other City departments, military partners, and federal task forces.

City of Virginia Beach, Virginia
EMERGENCY MANAGEMENT - Departmental Resource Summary

		FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
Program Summary					
100 GENERAL FUND					
Expenditures					
Emergency Management		908,459	931,627	1,175,579	243,952
Security		835,474	1,168,063	1,169,138	1,075
	Total Expenditures	1,743,932	2,099,690	2,344,717	245,027
Revenues					
Local Revenue		0	2,000	2,000	0
State Revenue		91,134	0	0	0
Federal Revenue		5,832	1,000	1,000	0
	Total Revenues	96,966	3,000	3,000	0
270 CONSOLIDATED GRANTS SRF					
Expenditures					
Flood Mitigation Grants		895,530	0	0	0
Emergency Management Grants		110,624	102,914	102,914	0
	Total Expenditures	1,006,154	102,914	102,914	0
Revenues					
Federal Revenue		730,502	102,914	102,914	0
	Total Revenues	730,502	102,914	102,914	0
Total Department Expenditure		2,750,086	2,202,604	2,447,631	245,027
Total Department Revenue		827,468	105,914	105,914	0
Position Summary by Program					
100 GENERAL FUND					
Emergency Management		7.00	6.00	6.00	0.00
Security		6.00	3.00	3.00	0.00
	Total	13.00	9.00	9.00	0.00
Total Position Summary		13.00	9.00	9.00	0.00
Expenditure Category by Department					
EMERGENCY MANAGEMENT					
Operating		1,597,103	1,037,799	1,278,565	240,766
Personnel		1,152,983	1,164,805	1,169,066	4,261
	Total Expenditures:	2,750,086	2,202,604	2,447,631	245,027
Revenue Category by Department					
Federal Revenue		736,334	103,914	103,914	0
Miscellaneous Revenue		0	2,000	2,000	0
State Revenue		91,134	0	0	0
	Total Revenue:	827,468	105,914	105,914	0

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

Administrative Services Division

Provides for coordination, direction, and support through the provision of personnel (human resources), development of policies, management of departmental budgets and finances, administration of grant programs, processing of public inquiries, gathering and analysis of data and research, and development of programs.

Field Services

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 the use of a full career EMS workforce and coordination with ten independent Volunteer Rescue Squads, who are distributed throughout the City's EMS stations. This helps to ensure a minimum staffing level of at least 12 ambulances daily, with up to 18 during peak demand periods, with the goal of one ambulance per 3,000 calls for service.

Integrated Health Services

Provides the oversight of permitted commercial ambulance agencies within the city and oversees the mobile integrated healthcare programs and health informatics. This unit also conducts quality assurance assessments, oversees the Aging-in-Place programs, opioid abatement, vaccination programs, emergency medical records, and continuous quality improvements.

Member Services

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. Oversees volunteer recruitment and retention as well as member programs. Member Services also oversees member health and wellness programs.

Special Operations

This division provides for and coordinates the in-house Sandbridge Beach lifeguard program and administers the contract for lifeguard services at the oceanfront resort beach area. Other programs within special operations include special event planning and management, logistics, SWAT Medic, Marine Medic, mass casualty preparedness, and the civil disturbance response team medical component.

Key Performance Measures

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

Departmental Performance Metrics	FY 2023	FY 2024	FY 2025	FY 2026 EST	FY 2027 PROJ
Probability that patients' conditions are stabilized or improved in care of EMS	99%	99%	98%	98%	98%
Percent of priority one calls with the first medical help on scene in 6 minutes or less	60.1%	44.1%	44.84%	44.84%	44.84%
Percent of priority one calls with an ambulance on scene within 12 minutes of dispatch (Advance Life Support calls)	75.6%	79.2%	82.14%	82.14%	82.14%
Number of Advance Life Support transports	9,174	9,847	13,470	14,288	16,376
Number of Basic Life Support transports	28,503	28,439	30,466	30,566	31,258
Number of calls for ambulance services	53,570	55,785	57,821	58,262	59,402
Number of marine rescue response requests	161	172	263	273	283
Number of EMS SWAT Team response requests	64	38	229	237	246
Applicants attended orientation	985	1,201	1,202	1,202	1,202
New Attendants In Charge certified	135	160	117	135	136
Average number of total certified ambulance volunteers	371	313	282	232	196
Total EMS volunteer members all types	829	763	797	727	692
Sudden cardiac arrest survival rate	42%	42%	35%	35%	35%

In 2025, 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	**74.8%**	**51.6%**	**49.0%**
Overall value that you receive for your City tax dollars	**47.9%**	**31.1%**	**32.9%**
Response time for ambulance services/EMS	**83.3%**	**78.1%**	**70.5%**
Overall quality of ambulance services/EMS	**83.8%**	**77.7%**	**70.5%**

Trends and Issues

Ambulance Staffing

At least one staffed ambulance is needed for every 3,000 calls-for-service on average. With 59,000 calls-for-service expected in FY 2027, the system needs to ensure at least twenty (20) ambulances staffed during demand periods. Currently volunteer members can provide four (4) to five (5) staffed ambulances each operational period. This means, with volunteer staffing being considered, at least 150 full-time EMS providers are required for ambulance staffing. Continued investment in ambulance staffing, by the City, is expected to remain an on-going trend until volunteerism returns to a higher level.

Ambulance Fleet

There have been great strides in improving the ambulance fleet situation in recent years. With current inventory and pending orders, the ambulance fleet should consist of forty-five (45) ambulances within the next fiscal year. A recent fleet study conducted by a third-party consultant recommends maintaining a fleet of 47 ambulances for the VBEMS system. To achieve optimal fleet inventory, an additional two (2) ambulances will be needed. In addition, the consultant recommends that there be significant strides made in standardizing the entirety of the ambulance fleet and maintaining adequate parts inventory onsite. The size of the fleet, the daily challenges with readiness, and the dynamicity of a fleet owned and managed by individual rescue squads, will require a new full-time fleet coordinator position included in the proposed budget. The fleet coordinator role will oversee implementation of a standardized ambulance plan, track fleet metrics, develop centralized purchasing specifications and coordinate across operations, rescue squads, and fleet services.

EMS Station Facilities

EMS currently operates out of three (3) rescue squad owned facilities, one city EMS station, and thirteen (13) shared fire and EMS facilities. In many of the shared facilities, EMS is relegated to operating multiple personnel out of one to two rooms. These stations were built at a time when 24/7 career staffing was not foreseeable. There are not adequate sleeping arrangements, support (i.e. exercise, showers, gear storage, etc.) or restroom facilities for 24/7 EMS staff in several facilities. In addition, there is only garage bay space for 46 ambulances, and EMS is continually challenges to find space to store support vehicles, equipment trailers, boats, and jet skis. With the implementation of an EMS pharmacy and centralized medical supply program, there is need for considerably more storage and warehouse space. A full EMS facility needs assessment will need to be planned for in advance of needed investment(s). This issue will likely increase in scale and scope in coming years.

EMS Training Needs

The EMS Training demand has a correlated increase with the addition of new staff, with each staff member required to maintain certifications and continuing education hours. In addition, the department has had to take on the task for providing more initial advanced life support training certification programs. The current EMS HQ and Training center has no available space for the expansion of training programs. Even if more volunteers can be recruited, there is limited space and infrastructure to offer additional training capacity. EMS will evaluate outsourcing initial training certifications programs out of necessity. In addition, EMS facilities which need assessment should include evaluation of administrative and training space needs.

Major Budget Changes

EMS Compassionate Billing - 12.0 FTEs

EMS is expected to generate $14,900,000 in revenue in the Cost Recovery Special Revenue Fund. Revenue generated from the compassionate billing program provides relief to the City's General Fund and serves as a sustainable revenue source for continual service delivery. This funding is allocated according to the revenue sharing formula shown in the table below and administered through formal MOUs with the Volunteer Rescue Squads.

Location	Percentage
Dept. of EMS Operating Expenses	30%
Volunteer Rescue Squads (Grants)	30%
System-Wide Strategic Plan Initiatives and Needs	20%
Minimum Reserve Fund Allocation (Regular Reserve)	15%
Special Event Carts / ATV Replacement Fund	1%
Special Operations Teams (MRT, SWAT Medics, Honor Guard, CDRT) (Grant)	.55%
Rescue Council (Grant)	.45%
EMS Technology Fund (Cardiac Monitors Replacement) (CIP)	3%

The EMS Compassionate Billing Fund will support 12 new FTEs including eight Paramedics, two Special Operations Paramedics, one Fleet Manager, and one Volunteer Services Manager in FY 2026-27. The Fleet Manager is to manage the facilities and the fleet without having to utilize a uniformed person to complete these duties and responsibilities. The Volunteer Services Manager will be responsible for the oversight and administration of Volunteer Recruitment and Retention, Training, and Volunteer Programs. The Volunteer Services Manager will prioritize volunteer activities and develop policies and procedures that align with EMS' mission, ensuring that the volunteer activities meet both organizational needs and volunteer expectations. Specifically, two of the ten paramedics are to be two Special Operations Paramedics. The Special Operations Paramedics will assist with daily staffing coverage as well as respond to calls for special operations' needs. The remaining eight paramedics are to cover base shifts to meet baseline staffing.

City of Virginia Beach, Virginia
EMERGENCY MEDICAL SERVICES - Departmental Resource Summary

	FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
Program Summary				
100 GENERAL FUND				
Expenditures				
Administration	647,788	746,171	1,021,928	275,757
Business Center	576,494	1,067,542	1,135,584	68,042
Training, Learning, and Development - Admin	889,345	0	0	0
Personnel	632,044	440,642	495,433	54,791
Emergency Services- Logistics Admin	3,675	0	0	0
Administration and Executive	2,255,737	1,111,085	1,102,048	(9,037)
Operations	1,964,007	1,834,320	1,938,273	103,953
EMS Business Center	135	0	0	0
Emergency Response System- Operations	13,986,484	15,424,867	14,570,692	(854,175)
Training, Learning, and Development - Operations	466,258	1,832,436	1,935,457	103,021
Sandbridge Lifeguard	323,968	711,209	601,218	(109,991)
Mobile Integrated Health	0	147,934	140,132	(7,802)
Personnel	39,608	0	0	0
Emergency Services- Logistics Operations	2,124,989	2,129,648	2,154,271	24,623
Pharmaceutical	1,319,456	81,610	90,386	8,776
Operational Management Administration	770	0	0	0
Special Operations	0	311,068	341,809	30,741
Lifeguard Services	2,480,531	2,028,694	2,029,258	564
Total Expenditures	27,711,289	27,867,226	27,556,489	(310,737)
Revenues				
Local Revenue	86,027	144,238	144,238	0
Total Revenues	86,027	144,238	144,238	0
234 EMS COST RECOVERY				
Expenditures				
Administration	0	1,232,244	1,732,066	499,822
Business Center	0	5,365,410	4,706,742	(658,668)
Emergency Response System	0	1,006,564	599,421	(407,143)
Training, Learning, and Development	0	250,000	175,000	(75,000)
Emergency Services - Logistics Admin	0	1,153,756	1,155,250	1,494
Emergency Response System Operations	0	1,462,260	3,302,540	1,840,280
Training, Learning, and Development Operations	0	124,322	72,914	(51,408)
Pharmaceutical	0	544,350	766,383	222,033
Special Operations	0	332,775	388,809	56,034
Mobile Integrated Health	0	163,780	40,000	(123,780)
Transfer to IT CIP	0	420,352	420,352	0
Reserve	0	2,693,376	1,540,523	(1,152,853)
Total Expenditures	0	14,749,189	14,900,000	150,811
Revenues				
Local Revenue	0	14,749,189	14,900,000	150,811
Total Revenues	0	14,749,189	14,900,000	150,811
241 TOURISM INVESTMENT PROGRAM SRF				
Expenditures				
Lifeguard Services	970,780	1,228,647	1,215,132	(13,515)
Total Expenditures	970,780	1,228,647	1,215,132	(13,515)

	FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
270 CONSOLIDATED GRANTS SRF				
Expenditures				
Emergency Medical Services Grants	382,262	388,000	388,000	0
Total Expenditures	382,262	388,000	388,000	0
Revenues				
Local Revenue	19,270	0	0	0
State Revenue	773,000	388,000	388,000	0
Total Revenues	792,270	388,000	388,000	0
Total Department Expenditure	29,064,331	44,233,062	44,059,621	(173,441)
Total Department Revenue	878,297	15,281,427	15,432,238	150,811
Position Summary by Program				
100 GENERAL FUND				
Business Center	6.00	9.00	9.00	0.00
Personnel	6.00	3.00	3.00	0.00
Administration and Executive	5.50	6.00	6.00	0.00
Emergency Response System- Operations	109.00	113.00	114.99	1.99
Training, Learning, and Development - Operations	23.00	16.00	15.00	(1.00)
Sandbridge Lifeguard	11.62	11.62	10.63	(0.99)
Mobile Integrated Health	0.00	1.00	1.00	0.00
Emergency Services- Logistics Operations	6.00	4.00	4.00	0.00
Pharmaceutical	2.00	1.00	1.00	0.00
Operational Management Administration	1.00	0.00	0.00	0.00
Special Operations	0.00	2.00	2.00	0.00
Total	170.12	166.62	166.62	0.00
234 EMS COST RECOVERY				
Administration	0.00	1.00	3.00	2.00
Business Center	0.00	3.00	3.00	0.00
Emergency Response System	0.00	12.00	6.00	(6.00)
Emergency Services - Logistics Admin	0.00	2.00	2.00	0.00
Emergency Response System Operations	0.00	17.00	31.00	14.00
Training, Learning, and Development Operations	0.00	1.00	1.00	0.00
Pharmaceutical	0.00	2.00	2.00	0.00
Special Operations	0.00	0.00	2.00	2.00
Total	0.00	38.00	50.00	12.00
270 CONSOLIDATED GRANTS SRF				
Emergency Medical Services Grants	3.00	3.00	3.00	0.00
Total	3.00	3.00	3.00	0.00
Total Position Summary	173.12	207.62	219.62	12.00
Expenditure Category by Department				
EMERGENCY MEDICAL SERVICES				
Reserves	0	2,693,376	1,540,523	(1,152,853)
Operating	8,946,599	15,894,075	16,207,859	313,784
Leases	4,879	10,900	9,500	(1,400)
Transfers	0	420,352	420,352	0
Capital Outlay	725,238	947,817	88,000	(859,817)
Personnel	19,387,614	24,266,542	25,793,387	1,526,845
Total Expenditures:	29,064,331	44,233,062	44,059,621	(173,441)

	FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
Revenue Category by Department				
Charges for Services	5,350	14,815,689	14,966,500	150,811
Miscellaneous Revenue	27,275	53,738	53,738	0
Permits Fees and Regulatory Licenses	72,672	24,000	24,000	0
State Revenue	773,000	388,000	388,000	0
Total Revenue:	878,297	15,281,427	15,432,238	150,811

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 improved 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 and monthly interim financial reports to City Council. 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 all processes and programs included in or related to the procurement cycle. Oversees the small business participation in City contracting.

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.

Key Performance Measures

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

Departmental Performance Metrics	FY 2023	FY 2024	FY 2025	FY 2026 EST	FY 2027 PROJ
Dollar volume of purchase orders in millions	$676	$860	$820	$975	$1,004
Number of formal purchasing solicitations	260	210	220	275	284
Number of workers compensation claims	1,009	549	1,114	1,080	1,070
Value of workers compensations claims in millions	$11.1	$9	$11.2	$11.3	$10.9
Dollar volume of invoices processed in millions	$1,312	$1,440	$1,594	$1,843	$2,121
Number of invoices processed	210,712	218,000	213,206	232,000	238,960
Dollar value of payroll payments issued to employees in millions	$445	$445	$506	$500	$515
Number of payroll payments issued to employees	244,262	261,106	265,767	272,000	280,160

In 2025, 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	**72%**	**36%**	**39%**
Overall quality of services provided by the City	**75%**	**52%**	**49%**
Overall value received for City tax dollars & fees	**48%**	**31%**	**33%**

Trends and Issues

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

For seventeen consecutive years, 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 service 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.

The HIVE - Small Business Resources Center

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 assist with regarding funding sources, federal, state, and local government procurement process assistance, assistance with workforce development and Small, Women and Minority-owned Business (SWaM) certification.

New Human Capital Management System

The City's new Human Capital Management (HCM) system, Workday, integrates core HR, payroll, talent management, recruiting, performance, and benefits administration and related function into a single unified cloud-based platform. It significantly enhances organizational efficiency by streamlining HR, payroll, and workforce processes, eliminating manual and repetitive tasks, and enabling data-driven decision making through real-time insights and analytics. This system will go live in Summer 2026.

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. New regulations issued by the U.S. Treasury Department, Securities and Exchange Commission and Municipal Securities Rulemaking Board could have significant impacts on tax-exempt debt and disclosures. Additional resources may be required to implement the new standards in the future.

Contracting and Procurement Staffing Trends

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, 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 solicitations. The City will continue to monitor the staffing needs for contracting and procurement.

Major Budget Changes

Departmental Reductions - $45,865

As a part of the FY2026-27 budget process, the Finance Department reduced their Software Maintenance Services and Computer Software & Financial and Management Services budget by $45,865 to better align with departmental expenditures.

Financial Services Reorganization 6.0 FTEs - $721,078

This division moved from the Finance Department into Information Technology to enhance strategic planning, implementation, optimization, and continuous improvement of the City's Enterprise Financial System. The team will oversee system modifications ensuring alignment with organizational business practices and leverage technology capabilities to provide centralized data & visibility, increased productivity and efficiency and improved decision-making.

City of Virginia Beach, Virginia
FINANCE - Departmental Resource Summary

		FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
Program Summary					
100 GENERAL FUND					
Expenditures					
Administration		1,966,296	1,736,047	1,406,337	(329,710)
Accounting		1,407,373	1,337,726	1,342,559	4,833
Accounts Payable		457,469	465,918	471,443	5,525
Payroll		1,007,782	927,250	1,556,388	629,138
Purchasing		1,504,323	1,802,131	1,810,280	8,149
SWAM Office		792,542	461,367	464,421	3,054
Financial Services		691,398	721,078	0	(721,078)
	Total Expenditures	7,827,184	7,451,517	7,051,428	(400,089)
Revenues					
Local Revenue		213,443	271,642	311,989	40,347
	Total Revenues	213,443	271,642	311,989	40,347
602 RISK MANAGEMENT ISF					
Expenditures					
Risk Management		17,767,922	19,198,169	20,415,279	1,217,110
Reserves		0	0	27,319	27,319
	Total Expenditures	17,767,922	19,198,169	20,442,598	1,244,429
Revenues					
Local Revenue		24,018,575	16,000,036	19,019,839	3,019,803
State Revenue		0	200,000	0	(200,000)
Specific Fund Reserves		0	2,998,133	1,422,759	(1,575,374)
	Total Revenues	24,018,575	19,198,169	20,442,598	1,244,429
Total Department Expenditure		25,595,106	26,649,686	27,494,026	844,340
Total Department Revenue		24,232,018	19,469,811	20,754,587	1,284,776
Position Summary by Program					
100 GENERAL FUND					
Administration		7.00	7.00	7.00	0.00
Accounting		11.00	11.00	11.00	0.00
Accounts Payable		6.00	6.00	6.00	0.00
Payroll		9.00	9.00	9.00	0.00
Purchasing		16.00	16.00	16.00	0.00
SWAM Office		4.00	4.00	4.00	0.00
Financial Services		6.00	6.00	0.00	(6.00)
	Total	59.00	59.00	53.00	(6.00)
602 RISK MANAGEMENT ISF					
Risk Management		7.00	7.00	7.00	0.00
	Total	7.00	7.00	7.00	0.00
Total Position Summary		66.00	66.00	60.00	(6.00)

	FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
Expenditure Category by Department				
FINANCE				
Reserves	0	0	27,319	27,319
Operating	19,018,255	19,655,699	21,111,364	1,455,665
Leases	0	1,000	0	(1,000)
Personnel	6,576,851	6,992,987	6,355,343	(637,644)
Total Expenditures:	25,595,106	26,649,686	27,494,026	844,340
Revenue Category by Department				
Charges for Services	20,586,158	16,000,436	17,020,239	1,019,803
Miscellaneous Revenue	226,856	262,492	311,589	49,097
Permits Fees and Regulatory Licenses	75	8,750	0	(8,750)
Specific Fund Reserves	0	2,998,133	1,422,759	(1,575,374)
State Revenue	0	200,000	0	(200,000)
Use of Money and Property	3,418,929	0	2,000,000	2,000,000
Total Revenue:	24,232,018	19,469,811	20,754,587	1,284,776

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.

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 2023	FY 2024	FY 2025	FY 2026 EST	FY 2027 PROJ
Fire deaths	4	2	5	4	4
Fire injuries	20	33	24	26	30
Building and property saved	80%	94%	96%	92%	92%
Total response time of 1st unit to moderate risk structure fires – urban (time)	8:33	8:37	8:43	8:43	8:43
EMS rescue response	27,833	28,510	27,121	27,821	27,821
Fire response	770	769	718	752	752
False alarm response	4,153	4,065	4,054	4,091	4,091
Good intent response	5,713	5,776	5,883	5,791	5,791
Hazardous conditions response	1,249	1,282	1,251	1,261	1,261
Rupture/explosion response	77	79	102	86	86
Service call response	4,305	4,547	4,596	4,483	4,483
Other Response	79	79	88	82	82

In 2025, 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	90.9%	85.3%	76.6%
Response time for fire services	86.6%	79.1%	71.7%
Fire inspection and permitting services – Excellent Rating	65.8%	N/A	N/A
Efforts to ensure the community is prepared for emergencies/disasters	63.3%	42.3%	42.5%

Trends and Issues

Firefighter Health

The International Agency for Research on Cancer 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. To combat these risks, the Virginia Beach Fire Department utilizes Self-Contained Breathing Apparatus (SCBA) and the associated equipment daily. SCBA is vital piece of equipment that enables firefighters to work in immediately dangerous to life or health environments. In FY 2027 CIP funding was appropriated to replace all of the current SCBA units and required accessories that will be at the end of their serviceable life in 2028. This includes 350 SCBA units with Universal Rescue Connection, 700 Facepieces, 661 SCBA cylinders, batteries, and other required associated accessories.

In FY 2026, funding was identified to outsource firefighter physicals to an outside medical provider. Physicals will now include ultrasounds, a multi-cancer test that screens for over 50 types of cancer, polyfluoroalkyl substances monitoring, enhanced stress tests and coronary artery calcium scoring. Additional funding was also needed to modernize records management systems to streamline workflows, enhance reporting associated with occupational exposures and personal protective equipment inspections, and consolidate health and safety data to improve operational efficiency and long-term risk tracking.

Staffing Challenges

The Fire Department has experienced staffing shortages that have caused significant overtime costs and excessive personnel work hours. The department did not have adequate staffing reserve capacity to cover daily leave, family medical leave, military duty, injury leave, and limited duty demands. Other contributing factors have been an increase in retirements and resignations of current uniformed staff members and increases in firefighter recruits separating from the department prior to graduation. These vacancies are leading to the need for more frequent and larger fire academies, requiring the movement of personnel from fire operations to training to assist with the education of recruits. On average, 42 firefighters are reassigned to "desk duties" instead of their normal firefighter roles due to an injury, with an average duration of 99 days. The department obtained 30 firefighter recruit FTEs to address these staffing challenges during the FY 2025 budget process. These recruits graduated from the Fire Training Academy in March 2025, once reassigned to the field, the need for overtime callback and mandatory holdover to meet minimum staffing requirements decreased by 55%. During the FY 2026 budget process the department obtained an additional 30 firefighter recruit FTEs, however only 17 are projected to graduate from the Fire Training Academy in April 2026. The additional staff should continue to assist with reducing overtime hours worked. The Fire Department will continue to try to recruit qualified applicants with the goal of limiting the number of vacant uniformed FTEs.

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 from 12-18 months to 36-48 months. 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. An additional impact this year has come from the tariffs creating additional cost increases. In FY 2026 and FY 2027, additional funds were allocated to the Fire Apparatus Capital Improvement. Additionally, the

department has experienced issues due to staffing shortages in other City departments. Two additional emergency vehicle mechanic positions were added to Public Works which remain unfilled.

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. While decreasing the number of re-inspections needed was a proactive step in trying to decrease the amount of additional time inspectors spend with individual businesses, given current staffing levels the Fire Prevention Bureau has only been able to inspect about 40% of the commercial properties in the City each year. The department is currently working on gathering data on ways to increase revenue generated by inspection fees based on business square footage rather than the flat $50 rate currently charged to all businesses. Large commercial properties can take twice as long to inspect as smaller businesses.

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, devices on apparatus that communicate with traffic lights, and iPhones/iPads used for real time incident command, incident reporting, documentation, preplanning, and navigation.

The increases in technology have 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.

The Fire Department has embraced the use of unmanned aerial systems for emergency scene, special event, and significant weather event usage. As of May 2024, the department has one drone operator assigned to each of the three operational shifts. This technology is rapidly advancing requiring the acquisition of additional equipment as technological advancements are made. Another cost associated with this technology is the abundance of batteries, which must be replaced on a rotating basis to maintain a sufficient operational schedule.

Over the last two years, the Fire Department has worked with and relied heavily on Center for Geospatial Information Systems (CGIS) personnel. This partnership has resulted in several initiatives utilizing various Esri platforms to help improve data capture and reporting. Understanding the importance of these initiatives and the underutilization of said platforms, the Fire Department was able to upgrade a vacant Administrative Specialist II position to a Public Safety Systems Analyst in FY 2026. This position was filled with a GIS Analyst in November of 2025, who has already significantly enhanced the Fire Department's use and understanding of GIS data, layers, and initiatives, including risk assessment and reaccreditation efforts.

The Fire Department is also transitioning to a new records management system (RMS). The current RMS has been used by the department since at least 2003. The new system offers enhanced accessibility through a cloud-based service and mobile applications and will be used for real time incident command, incident reporting, preplanning, hydrant maintenance, inspections, investigations, permitting, invoicing, and analytics. The system will also offer a citizen facing Community Connect program that allows members of the community to create profiles with household and business information that is valuable to the Fire

Department during incident response. This includes contact information, hazardous materials on site, floor plans, and special needs.

Major Budget Changes

Positions moved from Grant Fund to the General Fund

The Fire Department previously had 4.10 FTEs in the grant fund, with 3.10 FTEs allocated in the Emergency FEMA Grant Fund and 1.0 FTE in the Fire Programs (Aid to Localities) Grant Fund. Due to how the Virginia Department of Emergency Management (VDEM) disperses reimbursements, it was determined that the 3.10 FTEs within the Emergency FEMA Grant Fund should be fully housed within the General Fund, as these positions are supported through reimbursements following the FEMA sponsored deployment. For this reason, the positions were moved to reflect in the General Fund, but the General fund support of the positions will not ultimately change.

Increased Overtime - $912,280

The department's overtime budget was increased by $912,280 in order to provide additional funding related to the pay increases approved in July 2025 for public safety employees. As hourly wages increased an average of 11%, additional overtime funds were necessary to ensure the department has sufficient budgeted resources.

City of Virginia Beach, Virginia
FIRE - Departmental Resource Summary

	FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
Program Summary				
100 GENERAL FUND				
Expenditures				
Administration	6,043,807	6,920,364	8,319,357	1,398,993
Program Support	0	4,000	4,000	0
Fire Operational Management	0	2,619	0	(2,619)
Fire Operations	71,975,182	77,696,837	77,161,320	(535,517)
Training	2,473,142	2,794,878	3,116,916	322,038
Fire Prevention	4,359,921	4,614,180	4,807,195	193,015
Total Expenditures	84,852,051	92,032,878	93,408,788	1,375,910
Revenues				
Local Revenue	546,550	506,200	606,200	100,000
Total Revenues	546,550	506,200	606,200	100,000
270 CONSOLIDATED GRANTS SRF				
Expenditures				
Fire Grants	2,484,102	2,912,992	2,572,966	(340,026)
Grants Logistics	175,384	0	0	0
Fire - Executive Management	41,805	0	0	0
Incident Response Team	14,249	0	0	0
FEMA	59,973	0	0	0
Emergency Response Team	774	0	0	0
Grants Training L&D	51,376	0	0	0
Training	47,386	0	0	0
Transfer to Buildings CIP	300,000	300,000	300,000	0
Total Expenditures	3,175,048	3,212,992	2,872,966	(340,026)
Revenues				
Local Revenue	5,447	0	0	0
State Revenue	2,354,749	2,354,749	2,357,490	2,741
Federal Revenue	2,153,818	858,243	515,476	(342,767)
Total Revenues	4,514,014	3,212,992	2,872,966	(340,026)
271 EMERGENCY FEMA GRANT SRF				
Expenditures				
FEMA Deployment Grant	5,845,470	500,000	500,000	0
Total Expenditures	5,845,470	500,000	500,000	0
Revenues				
Federal Revenue	5,603,488	500,000	500,000	0
Total Revenues	5,603,488	500,000	500,000	0
Total Department Expenditure	93,872,568	95,745,870	96,781,754	1,035,884
Total Department Revenue	10,664,052	4,219,192	3,979,166	(240,026)

	FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
Position Summary by Program				
100 GENERAL FUND				
Administration	24.10	31.50	37.60	6.10
Fire Operational Management	4.00	0.00	0.00	0.00
Fire Operations	510.40	537.00	529.00	(8.00)
Training	14.00	15.00	19.00	4.00
Fire Prevention	34.63	33.63	34.63	1.00
Total	587.13	617.13	620.23	3.10
270 CONSOLIDATED GRANTS SRF				
Fire Grants	2.60	4.10	1.00	(3.10)
FEMA	1.50	0.00	0.00	0.00
Total	4.10	4.10	1.00	(3.10)
Total Position Summary	591.23	621.23	621.23	0.00
Expenditure Category by Department				
FIRE				
Operating	13,542,321	11,769,403	13,353,450	1,584,047
Leases	569,938	584,184	395,760	(188,424)
Transfers	600,000	300,000	300,000	0
Capital Outlay	238,315	430,691	0	(430,691)
Personnel	78,921,995	82,661,592	82,732,544	70,952
Total Expenditures:	93,872,568	95,745,870	96,781,754	1,035,884
Revenue Category by Department				
Charges for Services	332,964	321,000	421,000	100,000
Federal Revenue	7,757,306	1,358,243	1,015,476	(342,767)
Miscellaneous Revenue	16,448	14,000	14,000	0
Permits Fees and Regulatory Licenses	202,585	171,200	171,200	0
State Revenue	2,354,749	2,354,749	2,357,490	2,741
Total Revenue:	10,664,052	4,219,192	3,979,166	(240,026)

PUBLIC HEALTH

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 7.00 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 2023	FY 2024	FY 2025	FY 2026 EST	FY 2027 PROJ
Number of unduplicated routine immunization clients	1,789	2,210	2,210	2,210	2,210
Number of unduplicated COVID immunization clients	2,483	2,000	2,000	2,000	2,000
Number of unduplicated MPOX immunization clients	2,242	50	50	50	50
Number of community vaccination events	75	40	40	40	40
Number of children dental patients who received care	838	830	830	830	830
Number of laboratory patients served	10,164	8,400	8,400	8,400	8,400
Number of clinic patients who received care	1,145	1,460	1,460	1,460	1,460
Number of restaurants permitted	1,735	2,000	2,000	2,000	2,000
Number of health screenings provided to elderly citizens	854	850	850	850	850

In 2025, 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	63.3%	42.5%	42.3%
As a place to raise children	84.4%	67.3%	61.4%
Overall quality of services provided by the City	75.3%	53.6%	50.5%

Trends and Issues

Infectious Disease Response

The Virginia Beach Department of Public Health focuses on the monitoring, awareness, and prevention of a variety of infectious diseases, including COVID-19, Measles, HIV, Tuberculosis, and M-Pox. VBDPH provides a variety of services including case tracking and reporting, accessible information on diseases and vaccines, support for vulnerable populations in the City, and immunization through clinics, school events, and other providers.

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 Healthy Families programs.

Aging in Place

In August 2023, VBDPH launched the Aging in Place program in collaboration with the City's Fire and EMS departments, funded through a grant from the Center for Disease Control. The program aims to support residents who previously relied on 911 for non-emergent needs related to falls and lift assist through home visits by trained staff and other fall-prevention services. This is a precursor program to a broader Mobile Integrated Health strategy being developed in partnership with EMS, Fire, Police, and the Department of Human Services. In 2025, the federal government reduced funding for the program. This does not impact anticipated services or City funding in FY 2025-26, and the Health Department will explore alternate funding sources through the Public Health Foundation.

City of Virginia Beach, Virginia
HEALTH DEPARTMENT - Departmental Resource Summary

		FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
Program Summary					
100 GENERAL FUND					
Expenditures					
Health Department		4,365,679	4,392,931	4,409,267	16,336
	Total Expenditures	4,365,679	4,392,931	4,409,267	16,336
Revenues					
Local Revenue		611,904	434,190	434,190	0
State Revenue		12,964	13,000	13,000	0
Federal Revenue		99,171	98,428	98,428	0
	Total Revenues	724,039	545,618	545,618	0
Total Department Expenditure		4,365,679	4,392,931	4,409,267	16,336
Total Department Revenue		724,039	545,618	545,618	0
Position Summary by Program					
100 GENERAL FUND					
Health Department		7.00	7.00	7.00	0.00
	Total	7.00	7.00	7.00	0.00
Total Position Summary		7.00	7.00	7.00	0.00
Expenditure Category by Department					
HEALTH DEPARTMENT					
Operating		3,785,199	3,819,685	3,834,122	14,437
Personnel		580,480	573,246	575,145	1,899
	Total Expenditures:	4,365,679	4,392,931	4,409,267	16,336
Revenue Category by Department					
Charges for Services		611,011	429,190	429,190	0
Federal Revenue		99,171	98,428	98,428	0
Miscellaneous Revenue		893	5,000	5,000	0
State Revenue		12,964	13,000	13,000	0
	Total Revenue:	724,039	545,618	545,618	0

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 enforces the Virginia Maintenance Code and the City's Property Maintenance Codes. Responsibilities include citywide patrol inspections; response to citizen complaints, systematic exterior inspections of entire neighborhoods, Certificate of Compliance rental inspections, monitoring commercial trash collection in the resort area, and issuing citations for code violations. Violations may include the accumulation of trash and debris, overgrown grass and 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 multiple rental subsidy programs that provide affordable housing opportunities. It oversees the federal Section 8 Housing Choice Voucher (HCV) Program, including special allocations for populations such as individuals with disabilities and homeless veterans, as well as the Family Self-Sufficiency Program, portability program, Foster Youth Initiative vouchers, and project-based vouchers. The division is also responsible for conducting HCV property inspections for program participants and administers two state-funded rental housing programs.

Housing Development

This division manages all aspects of federally and City-funded homeowner rehabilitation programs, including the Community Development Block Grant (CDBG) and the optional relocation program. It is responsible for developing and coordinating new housing initiatives and implementing the City's neighborhood revitalization strategy. The division also identifies and leverages additional funding sources for housing improvements, collaborates with housing development organizations to support the creation of new housing in the City, and coordinates with the Department of Planning and Community Development to review proposed housing developments. In early 2024, the division partnered with the Virginia Center for Housing Research at Virginia Tech on an affordable housing study presented to City Council.

Homeless Services

This division is responsible for achieving the goals of the City's Community of One-All In Strategic Plan to reduce homelessness. In addition to managing and operating the Housing Resource Center which provides day services, meals, and overnight shelter for the homeless, the division also operates several programs to prevent, divert and house the homeless. The division oversees contracts for services for multiple non-profits, coordinates the work of the BEACH Community Partnership and sub-groups, and coordinates the community-wide application for funds under the Continuum of Care grant. The division also oversees the homeless system of services goals and objectives in partnership with homeless service providers.

Director's Office

This office contracts key services and provides overall direction, resource development, and administrative support for the department. Responsibilities include obtaining, administering, ensuring compliance with, and reporting on multiple federal grants, including the Community Development Block Grant, HOME Investment Partnerships Program, Emergency Solutions Grant, and Housing Opportunities for Persons With AIDS (HOPWA) grant. The HOPWA grant is a regional program that provides short and long-term housing assistance and supportive services to more than 300 households. Federal and state funding comprise approximately 80% of the department's total funding. In addition, the Director's Office oversees the Housing and Neighborhood Preservation component of the City Council Focused Action Plan.

Key Performance Measures

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

Departmental Performance Metrics	FY 2023	FY 2024	FY 2025	FY 2026 EST	FY 2027 PROJ
Unique properties inspected	17,255	16,694	15,937	16,464	16,464
Code violations corrected	29,755	28,210	26,193	27,946	27,946
Building maintenance code violations cited	6,081	7,014	6,686	6,307	6,307
Property maintenance code violations cited	16,714	14,751	11,932	14,717	14,717
Unsafe equipment violations cited	902	1,097	1,135	985	985
Waste management violations cited	4,029	3,513	4,401	3,709	3,709
Inoperable vehicle violations cited	2,931	2,932	3,174	3,212	3,212
Nuisance cases abated by contractor	491	461	529	469	506
Graffiti cases abated by contractor	637	493	317	477	151
Inoperable vehicles towed	44	66	65	65	54
Certificate of compliance inspections	59	31	219	85	85
Households provided long-term housing stability	2,425	2,806	2,662	2,549	2,624
Affordable housing units created or preserved	N/A	128	N/A	38	38
Homes improved or provided rehab or emergency repairs	48	31	26	29	25
Years of housing stability created	3,145	7,111	3,052	4,124	4,139
Persons accessing prevention services	414	195	184	200	200
Persons accessing homeless services	2,200	2,340	2,340	2,340	2,340

Numbers of days persons remain homeless in emergency shelter programs	126	136	118	126	N/A
Homeless households sheltered	337	387	376	400	396
Households served with day support	660	623	980	1,000	N/A
Percentage of persons from street outreach successfully placed into housing or shelter	35%	46%	39%	40%	40%
Percentage of sheltered persons successfully placed into permanent housing	41%	43%	45%	45%	N/A

In 2025, 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 Virginia Beach	80%	64%	55%
Overall appearance of your neighborhood	71%	N/A	N/A
Mowing & tree trimming along City streets & other public areas	72%	62%	55%
Enforcing mowing & cutting of weeds on private property	45%	44%	46%
Enforcing exterior maintenance of commercial/business property	43%	49%	46%
Enforcing junk & debris cleanup on private property	36%	53%	45%
Quality and condition of housing in your neighborhood	82%	N/A	N/A
Variety of housing options	32%	N/A	N/A
Affordability of housing options	16%	N/A	N/A

Trends and Issues

Housing Instability

One in three households (62,000 out of 180,000 households) in Virginia Beach are housing cost-burdened, meaning they pay 30% or more of their income for housing costs. The number of housing-cost burdened households are almost evenly split between renters and homeowners, but proportionally renters are more cost burdened.

Almost 40% of seniors who are 75 and older are housing cost-burdened. Seniors who own their homes may still face the challenge of affording ongoing housing costs such as property taxes, homeowner/hazard insurance and maintenance. Those who rent are also impacted by rising prices and a limited supply of senior

housing options. Seniors are more likely than other age groups to live alone. For those who do, housing cost burden is most severe.

Homelessness

In Virginia Beach, the number of individuals experiencing homelessness has risen modestly, with 327 persons identified during the January 2025 Point-in-Time count, an increase from 311 in 2024. Despite this recent uptick, the City has experienced a 34% reduction in unsheltered homelessness over the past decade by enhancing shelter capacity and expanding permanent housing options.

Key Demographic Trends

- Aging Population: Individuals aged 55 and older constitute the fastest-growing segment among those experiencing homelessness in Virginia Beach; this concerning development is predominantly attributed to fixed incomes not keeping pace with escalating housing expenses.

- Disproportionate Representation: Minority groups remain overrepresented within the homeless population relative to their proportion in the City's general demographic makeup.

- Single Adults: Approximately 75% of people experiencing homelessness are single men and women.

- Chronic Homelessness: Over the past five years, targeted interventions have yielded a 9 % decline in chronic homelessness.

Core Issues & Challenges

- Affordability Crisis: The primary factor contributing to homelessness continues to be limited access to affordable housing. In 2024 approximately 60% of households seeking shelter were at risk of homelessness due to significant rent cost burdens.

- Barriers to Shelter: A considerable number of unsheltered individuals opt out of traditional shelters because they cannot bring pets or must restrict personal belongings. The City is actively exploring solutions such as pet-friendly fostering and additional storage provisions to mitigate these concerns.

- Mental Health and Substance Use: These challenges remain prevalent among the unsheltered population, necessitating integrated support services in conjunction with housing initiatives.

- Encampments: In 2024, the City cleared more than 100 encampments, using a trauma informed and housing first approach. However, many of the individuals living in those encampments have declined offers of shelter.

Affordable Housing

Homebuyers and renters continue to face competitive rental and homeownership markets. Increases in housing prices coupled with relatively high interest rates are making it difficult for first-time and moderate-income homebuyers to purchase homes. Median home prices have increased 5% each of the past 2 years. The median sales price for an existing home in Virginia Beach was almost $400,000 in 2025.

Vacancy rates for the rental market continue to remain low at about 5%. A shortage of rental housing options that are affordable to median-income households is also creating competition among renters and making it especially challenging for those with the lowest incomes to find quality, affordable units. In 2024, the median monthly rent increased to $1,750, requiring an income of $70,000/year or a full-time hourly

wage of $33.65/hour. Workers who do not earn high enough wages cannot afford to rent on their own in the City and often bear the burden of high housing costs to remain in Virginia Beach.

The Department of Housing and Neighborhood Preservation is pursuing new strategies to increase affordable housing options in the city. In September 2025, the Department of Housing and Neighborhood Preservation in partnership with the Virgina Beach Development Authority, launched the Attainable Workforce Housing Performance Grant program to incentivize the construction of affordable rental housing. The Department of Housing and Neighborhood Preservation also plans to partner with a local agency to offer down payment and closing cost assistance using federal funding to help low-income first-time homebuyers afford a home.

The Department of Housing and Neighborhood Preservation continues to assist homeowners through a City and federally funded owner-occupied rehabilitation program to help low-income homeowners maintain decent, safe, and affordable housing. Additionally, the Department of Housing and Neighborhood Preservation's federal Housing Choice Voucher Program continues to implement small area fair market rents for all zip codes in the City of Virginia Beach to ensure voucher holders have more options to locate and rent affordable housing. The Department of Housing and Neighborhood Preservation also continues to allocate its federal funds to non-profit and for-profit developers to assist them in developing more affordable rental housing units in the city.

Major Budget Changes

Code Enforcement - City Detect Pilot- $110,000

This is a limited pilot program for the City Detect platform to evaluate the effectiveness of AI-driven imagery for proactive code enforcement. The Pilot will use two vehicle-mounted cameras to test the platform's ability to detect various types of property maintenance code violations, improve inspection efficiency, and be integrate into existing City systems including Accela Civic Platform and ESRI GIS. This project is primarily funded through vacancy savings

Code Enforcement Positions Moved to the General Fund

Six Code Enforcement positions have been transferred from the Community Development Block Grant to the General Fund. This change frees up federal funding for the homeowner rehabilitation program and other eligible programs. The transition strategically aligns local and federal program services with their appropriate funding sources, maximizing the impact of both local and federal resources.

		FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
Program Summary					
100 GENERAL FUND					
Expenditures					
Admin And Support		50,157	100,000	96,000	(4,000)
Community Rehabilitation		70,265	0	0	0
Code Enforcement		2,886,018	2,904,284	3,455,790	551,506
Homeless Services		5,210,035	5,781,832	6,302,632	520,800
Planning Program		113,045	0	0	0
Supportive Living		15,529	0	0	0
	Total Expenditures	8,345,049	8,786,116	9,854,422	1,068,306
Revenues					
Local Revenue		232,548	320,000	400,000	80,000
	Total Revenues	232,548	320,000	400,000	80,000
260 FEDERAL SECTION 8 PROGRAM SRF					
Expenditures					
Rental Housing - Family Self Sufficiency		50,215	71,565	72,915	1,350
Rental Housing - Administration		5,191,307	2,687,025	2,429,004	(258,021)
Rental Housing - Cloverleaf 2		55,568	93,898	105,189	11,291
Rental Housing - Portability		1,586,438	1,900,000	1,620,000	(280,000)
Rental Housing - Vouchers		23,248,768	25,510,000	26,585,387	1,075,387
Rental Housing - Cloverleaf 3		48,160	46,365	47,836	1,471
Rental Housing - Mainstream 5		657,452	1,025,949	854,868	(171,081)
Rental Housing - Emergency Voucher		580,490	549,860	93,463	(456,397)
	Total Expenditures	31,418,398	31,884,662	31,808,662	(76,000)
Revenues					
Local Revenue		2,050,225	2,100,000	2,100,000	0
Federal Revenue		29,544,331	29,423,450	29,423,450	0
Transfers		76,000	76,000	0	(76,000)
Specific Fund Reserves		0	285,212	285,212	0
	Total Revenues	31,670,556	31,884,662	31,808,662	(76,000)
261 STATE RENTAL ASSISTANCE PROGRAM SRF					
Expenditures					
State Rental Assistance Program		917,983	1,592,698	1,590,946	(1,752)
Reserves - State Rental Assistance Program		0	0	5,678	5,678
	Total Expenditures	917,983	1,592,698	1,596,624	3,926
Revenues					
Local Revenue		300,382	0	0	0
State Revenue		1,565,979	1,592,698	1,596,624	3,926
	Total Revenues	1,866,361	1,592,698	1,596,624	3,926
270 CONSOLIDATED GRANTS SRF					
Expenditures					
Housing Grants		3,090,404	3,617,617	1,844,959	(1,772,658)
Emergency Housing Voucher		792,387	0	0	0
Housing Grants - Reserves		0	0	8,298	8,298
	Total Expenditures	3,882,790	3,617,617	1,853,257	(1,764,360)
Revenues					
Local Revenue		0	9,068	0	(9,068)
State Revenue		0	200,000	0	(200,000)
Federal Revenue		8,091,328	3,408,549	1,853,257	(1,555,292)
	Total Revenues	8,091,328	3,617,617	1,853,257	(1,764,360)

		FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
272 FEDERAL HOUSING ASSISTANCE GRANT SRF					
Expenditures					
Home Program		2,087,163	1,107,479	1,104,828	(2,651)
Prevention		37,226	0	0	0
Reserves - Home Program		0	0	2,651	2,651
	Total Expenditures	2,124,389	1,107,479	1,107,479	0
Revenues					
Local Revenue		47,431	20,000	20,000	0
Federal Revenue		1,998,098	1,087,479	1,087,479	0
	Total Revenues	2,045,529	1,107,479	1,107,479	0
273 COMMUNITY DEVELOPMENT GRANT SRF					
Expenditures					
CARES Relief		616,421	0	0	0
CDBG - Inspections		423,456	636,104	0	(636,104)
CDBG - Community Rehabilitation		328,480	772,096	1,264,415	492,319
CDBG - Administration		530,026	681,311	650,257	(31,054)
CDBG - Housing Development		172,454	436,001	546,813	110,812
Reserves - CDBG - Administration		0	0	69,857	69,857
Reserves - CDBG - Housing Development		0	0	9,192	9,192
	Total Expenditures	2,070,837	2,525,512	2,540,534	15,022
Revenues					
Local Revenue		28,095	40,000	150,000	110,000
Federal Revenue		1,912,964	2,116,284	2,390,534	274,250
Transfers		435,513	369,228	0	(369,228)
	Total Revenues	2,376,572	2,525,512	2,540,534	15,022
Total Department Expenditure		48,759,447	49,514,084	48,760,978	(753,106)
Total Department Revenue		46,282,894	41,047,968	39,306,556	(1,741,412)

	FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
Position Summary by Program				
100 GENERAL FUND				
Code Enforcement	24.89	24.95	31.00	6.05
Homeless Services	26.80	27.70	28.40	0.70
Total	51.69	52.65	59.40	6.75
260 FEDERAL SECTION 8 PROGRAM SRF				
Rental Housing - Family Self Sufficiency	0.94	1.00	1.00	0.00
Rental Housing - Administration	21.23	22.06	21.22	(0.84)
Rental Housing - Cloverleaf 2	0.14	0.12	0.12	0.00
Rental Housing - Cloverleaf 3	0.06	0.05	0.05	0.00
Rental Housing - Mainstream 5	0.61	0.78	0.58	(0.20)
Rental Housing - Emergency Voucher	0.00	0.00	0.05	0.05
Total	22.98	24.00	23.02	(0.98)
261 STATE RENTAL ASSISTANCE PROGRAM SRF				
State Rental Assistance Program	0.38	0.60	1.13	0.53
Total	0.38	0.60	1.13	0.53
270 CONSOLIDATED GRANTS SRF				
Housing Grants	1.20	1.50	2.04	0.54
Total	1.20	1.50	2.04	0.54
272 FEDERAL HOUSING ASSISTANCE GRANT SRF				
Home Program	0.70	1.20	0.40	(0.80)
Total	0.70	1.20	0.40	(0.80)
273 COMMUNITY DEVELOPMENT GRANT SRF				
CARES Relief	0.70	0.00	0.00	0.00
CDBG - Inspections	5.91	5.75	0.00	(5.75)
CDBG - Administration	4.89	5.40	4.81	(0.59)
CDBG - Housing Development	5.55	4.90	5.20	0.30
Total	17.05	16.05	10.01	(6.04)
Total Position Summary	94.00	96.00	96.00	0.00

Expenditure Category by Department				
HOUSING & NEIGHBORHOOD PRESERVATION				
Reserves	0	0	95,676	95,676
Operating	40,659,129	40,844,520	40,045,831	(798,689)
Capital Outlay	33,840	0	0	0
Personnel	8,066,478	8,669,564	8,619,471	(50,093)
Total Expenditures:	48,759,447	49,514,084	48,760,978	(753,106)

Revenue Category by Department				
Charges for Services	2,084,292	2,420,000	2,500,000	80,000
Federal Revenue	41,546,721	36,035,762	34,754,720	(1,281,042)
Miscellaneous Revenue	177,385	69,068	170,000	100,932
Permits Fees and Regulatory Licenses	11,343	0	0	0
Specific Fund Reserves	0	285,212	285,212	0
State Revenue	1,565,979	1,792,698	1,596,624	(196,074)
Transfer In	511,513	445,228	0	(445,228)
Use of Money and Property	385,661	0	0	0
Total Revenue:	46,282,894	41,047,968	39,306,556	(1,741,412)

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

The Human Resources Department is primarily funded through general City revenues and offers a range of essential services:

Staffing and Compensation

Oversees recruitment, test administration, selection processes, maintenance of personnel records, and management of the City's compensation system. This division provides technical assistance on employee selection, classification, and compensation, ensures pay equity through position evaluations, and undertakes salary analyses.

Learning and Development

Delivers Citywide learning opportunities, fostering a comprehensive development continuum for all City employees. This initiative underscores the City's commitment to leadership and continuous learning, enabling employees to reach their full potential throughout their careers.

Workforce Planning and Development

Develops departmental plans to anticipate and address the current and future workforce needs of the City.

Human Rights Commission

Engages in educational programs to promote mutual understanding among citizens, serves as a forum for human rights discussions, conducts studies, proposes solutions to improve human relations, and offers referral assistance to individuals who believe their rights have been violated.

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

Provides consultative services to departments on managing EEO, ADA, and diversity programs. The staff advises on and investigates related complaints, offering training to raise awareness among employees and managers.

Employee Relations

Focuses on maintaining effective management-employee relationships by offering technical advice on human resource policies, performance management, counseling, disciplinary actions, alternative dispute resolution, leave management, and work-life balance issues.

Occupational Safety and Health Services

Conducts pre-placement and annual medical examinations for public safety and safety-sensitive positions, including fitness-for-duty assessments and substance abuse testing. Coordinates Department of Motor Vehicles checks and supports City operations through ergonomic evaluations, indoor air quality testing, job hazard analyses, 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 2023	FY 2024	FY 2025	FY 2026 EST	FY 2027 PROJ
Number of Participants attending Learning & Development instructor led courses	3,050	3,500	4,200	4,500	4,000
Number of Participants attending Learning & Development e-learning course	5,066	5,500	6,000	6,000	5,500
Number of participants attending Occupational Health and Safety Training	3,700	3,429	5,065	5,100	5,100
Number of medical exams/nursing services	15,000	15,500	12,162	15,500	13,000
Number of employee injuries reported	1,000	980	1,114	1,100	1,000
Percent of positions filled within 60 days of initial advertisement	53%	53%	55%	55%	55%

The increase in number of participants attending Occupational Health and Safety Training between FY 2024 and FY 2025 can be attributed to the increased number of training opportunities offered, the addition of new courses and certifications, and conducting more training in house rather than outsourcing.

In 2025, 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	72%	36%	39%
Overall quality of services provided by the City	75%	52%	49%
Effectiveness of City communication with the public	48%	48%	37%
Availability of information about local government	49%	50%	46%
Usefulness of the City's website	54%	42%	42%

Trends and Issues

Continuing Efficiency through Deployment of Technology

In partnership with Information Technology, Benefits, and Finance, Human Resources (HR) has been actively implementing the Human Capital Management System, Workday, which is scheduled to go live Summer 2026. Workday will better enable the City to manage people activities associated with lifecycle employment. The current system, Oracle EBS (Insite), has been used since 2008.

The Talent Acquisition Team has engaged multiple social media platforms and a virtual Q&A platform to engage directly with passive and active career seekers, thereby enhancing recruitment efforts.

Learning & Development continues to offer more in-person classes while leveraging virtual instructor led training, e-learning platforms, and VB Online (asynchronous training) to allow members multiple access points for continuous professional and organizational development.

Recruitment

Human Resources leverages strong partnerships with local colleges and universities, military transition programs, apprenticeship initiatives, and workforce development organizations to attract qualified talent. HR works closely with City departments to proactively address hiring needs, support internal open houses, and host the City's annual career fair to engage prospective candidates. In addition, HR participates in networking events and outreach efforts across Hampton Roads, both virtually and in person, to connect with job seekers and provide guidance on career opportunities with the City.

The City is an approved SkillBridge provider and, in partnership with the local workforce council, HireVetsNow, and other military-focused networks, offers internships to transitioning service members in fields such as information technology, human resources, emergency management, and other critical areas. In addition, Human Resources maintains strong partnerships with colleges and universities to support and expand the City's broader internship program. Together, these military and collegiate internship pipelines continue to grow and have successfully resulted in multiple entry-level and professional hires, strengthening the City's talent pipeline.

Employee Compensation

Human Resources remains current on employment laws that may impact employee compensation and reviews multiple classifications each year to ensure alignment with appropriate market rates. During FY 2024-25 City Council approved the solicitation of a consultant to evaluate the City's market competitiveness via a market salary survey. Human Resources engaged with Segal to measure the City's market position for base and supplemental pay, benefits, and working arrangements to provide the City Council recommendations to be as competitive as possible in the market. The market salary survey benchmarked the City with ten Virginia public sector employers, five municipalities across the country, and five private sector data sources. The survey indicated that 48% of the workforce were below the market average. Funding limitations prevented the full implementation; however, funding was provided in FY 2026 for adjustments to those further behind market as well as all public safety identified.

Employee Safety and Wellness

Occupational Health continues to provide medical and health services by managing work-related injuries and workers' compensation cases, coordinating return-to-work and light-duty programs, and offering health screenings, immunizations, and physical exams when appropriate.

Industrial hygiene assessments of worksites addressing asbestos, lead, poor indoor air quality due to 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, 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

Staffing Changes - Learning and Development

In FY 2026, two full-time positions were transferred from the Office of Performance and Accountability to Human Resources. This change is reflected in the amended position count on the following page.

Internal Service Charges - Workday Licensing - $836,138

In FY 2027, for the first year of implementation of Workday, the new Human Capital Management System for the City, HR's charge for its licensing is $611,466. The annual cost of Workday licensing will be shared across all City Departments through the Internal Service Charge starting in FY 2028. Workday implementation will not take place until Summer 2026, and Taleo Recruit will be utilized until that time. The increase in Internal Service Charges accounts for licensing for both systems.

City of Virginia Beach, Virginia
HUMAN RESOURCES - Departmental Resource Summary

	FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
Program Summary				
100 GENERAL FUND				
Expenditures				
Administration	1,581,632	924,471	1,957,136	1,032,665
Employee Relations	2,491,000	2,857,456	2,865,655	8,199
Employee Services	16,593	0	0	0
Learning and Development	849,760	1,189,823	1,192,727	2,904
Occupational Safety And Health	201,377	0	0	0
Occupational Health	870,809	1,234,117	1,170,501	(63,616)
Occupational Safety	782,964	818,297	848,171	29,874
Staffing And Compensation	2,630,086	3,110,305	3,188,772	78,467
Market Salary Survey	190,000	0	0	0
Human Rights Commission	94,086	103,506	103,908	402
Total Expenditures	9,708,306	10,237,975	11,326,870	1,088,895
Revenues				
Local Revenue	11,700	14,453	24,453	10,000
Transfers	62,900	81,900	60,300	(21,600)
Total Revenues	74,600	96,353	84,753	(11,600)
Total Department Expenditure	9,708,306	10,237,975	11,326,870	1,088,895
Total Department Revenue	74,600	96,353	84,753	(11,600)
Position Summary by Program				
100 GENERAL FUND				
Administration	6.00	4.00	4.00	0.00
Employee Relations	24.00	23.00	23.00	0.00
Learning and Development	7.00	9.00	9.00	0.00
Occupational Health	8.00	8.00	8.00	0.00
Occupational Safety	6.00	6.00	6.00	0.00
Staffing And Compensation	26.00	29.00	29.00	0.00
Human Rights Commission	1.00	1.00	1.00	0.00
Total	78.00	80.00	80.00	0.00
Total Position Summary	78.00	80.00	80.00	0.00
Expenditure Category by Department				
HUMAN RESOURCES				
Operating	1,441,043	1,861,294	2,918,337	1,057,043
Personnel	8,267,264	8,376,681	8,408,533	31,852
Total Expenditures:	9,708,306	10,237,975	11,326,870	1,088,895
Revenue Category by Department				
Miscellaneous Revenue	11,700	13,253	23,253	10,000
Transfer In	62,900	81,900	60,300	(21,600)
Use of Money and Property	0	1,200	1,200	0
Total Revenue:	74,600	96,353	84,753	(11,600)

HUMAN SERVICES

The mission of the Department of Human Services is to provide Virginia Beach residents 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.
- Federal benefit programs include Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance to Needy Families, 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.

Community Justice

- 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.
- Community Corrections and Pre-Trial services work collaboratively with the local court system to find alternatives to incarceration and reduce recidivism for eligible adults convicted of non-violent crimes. The Community Corrections and Pretrial Program provide investigations, risk assessments, supervision, and referrals for individuals referred by the court who have non-violent misdemeanors and felony charges with a focus on safety and meeting individual needs to support success.

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

The Behavioral Health Division provides a continuum of services designed to prevent, treat, and support ongoing recovery for adults and youth experiencing mental health conditions, substance use disorders, or co-occurring disorders. The Developmental Services Division provides an array of services for individuals with intellectual and developmental disabilities that includes service coordination, skill building and

residential care with the goal of achieving the highest level of independence possible.

Programs include, but are not limited to:

- Prevention and education services in schools and throughout the community to increase awareness, offer training and resource information, and promote healthy lifestyles.
- Outpatient services for children and adults which include Same Day Access to a behavioral health assessment and an array of services including psychiatric care and medication management, nursing and primary care health screenings, peer support, and trauma-informed therapy modalities.
- Specialized substance use disorder services to promote recovery, including medication-assisted treatment, intensive outpatient programs, residential treatment opportunities, peer support services, and a Peer Drop-In Center.
- Person-centered case management services to promote recovery and resiliency and provide the necessary care coordination to connect individuals to services that promote wellness and stability in a community setting.
- Day support and psycho-social rehabilitation services for adults with serious mental illnesses and/or intellectual disabilities that build daily living skills, enhance social engagement, and foster independent living.
- Discharge assistance planning for individuals returning to the community from state hospitals or correctional facilities to facilitate successful re-entry into the community.
- Assertive Community Treatment consists of an interdisciplinary team that provides comprehensive services including medication management, case management, counseling, and skill-building in the community for individuals with severe behavioral health conditions that have not improved with traditional outpatient services.
- Emergency Services responds 24/7 to behavioral health emergencies by providing consultation, referrals, assessment, and prescreening services.
- The Mobile Co-Responder Team (MCRT) provides a community response to behavioral health crisis situations. It includes an Emergency Services Clinician and a Crisis Intervention Team Police Officer co-responding to offer safe, therapeutic interventions to stabilize situations and prevent escalation leading to hospitalization or incarceration.
- Mobile Crisis Response and Community Stabilization provide rapid response, assessment, and early intervention to de-escalate behavioral health crises and warmly hand off to ongoing community-based services.
- Adult Correctional Services that provide screening, care coordination, assessment, relapse prevention, restoration to competency, re-entry planning and peer support for adults in the Virginia Beach Correctional Center with a behavioral health condition.
- Outreach and assistance to adults with a serious mental illness and/or substance use disorder who are experiencing or are at risk for homelessness.
- Care coordination and an array of supportive services for pregnant and parenting women and their children whose lives have been impacted by substance use.
- Commission on Accreditation of Rehabilitation Facilities (CARF) -accredited vocational services for

individuals with behavioral health and/or developmental disabilities to assist with meaningful employment opportunities.

- Early intervention services include assessment, care coordination, and a variety of therapies for children from birth to age three with developmental delays and/or disabling conditions that may result in a delay.
- 24-hour group home residential settings for individuals with developmental disabilities that provide a safe and supportive living environment while fostering independence.
- Intermediate Care Facilities provide 24/7 residential care and support for individuals with intellectual disabilities, physical impairment, and/or chronic health conditions.
- Supported in-home services for adults with developmental or intellectual disabilities customized to the needs of the individual to promote independence and maintain community housing.

Key Performance Measures

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

Departmental Performance Metrics	FY 2023	FY 2024	FY 2025	FY 2026 EST	FY 2027 PROJ
Clients with developmental disabilities in residential services	97	93	87	87	89
Number of Child Protective Service complaints assessed	1,512	1,498	1,616	1,734	1,750
Number Served by Same Day Access in Behavioral Health	1,414	1,234	1,255	1,255	1,255
Number Served by BHDS Community Employment Services	322	326	342	325	325
Number of children served in Child Care Services	2,795	3,028	3,003	3,686	3,686
Number of juvenile offenders detained in temporary and safe custody	408	458	380	420	450

Resident Satisfaction Results	Virginia Beach	Atlantic Region	National Average
Percent of citizens satisfied with the overall quality of services provided by the City	74.8%	51.6%	49%
Percent who view the City as a place to live	86.5%	58%	48.5%
Percent who view the City as a place to raise children	84.4%	67.3%	6.4%

Trends and 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 1,530 per month in State FY 2024. For Medicaid, applications received averaged about 1,374 per month in State FY 2024. Medicaid numbers decreased from FY 2024 to FY 2025 due to Medicaid unwinding and Medicaid cases being closed. Medicaid and SNAP numbers are expected to continue decreasing as a result of the One Big Beautiful Bill which increased eligibility requirements and reporting requirements for both programs and was signed into law on July 4, 2025.

SNAP and Medicaid Recipients by Fiscal Year	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27 (EST)
SNAP	33,967	34,952	34,226	33,322	31,000	30,000
Medicaid	97,495	109,032	93,292	82,655	88,000	88,000

Child Welfare Trends

Child Protective Services (CPS) validated referrals have increased between FY 2020 and FY 2025. The CPS referrals are increasingly complex due to decreased caretaker capacity to safely parent their children. The increase in valid CPS referrals is also a factor in the increased number of children entering Foster Care. There are currently 195 children under the age of 18 in Foster Care. There are currently 33 young adults receiving Fostering Futures services. The CPS In-Home Services unit regularly has 88 cases open and Family Support unit regularly has 35 open cases. Both programs provide case management services designed to strengthen families and reduce the risk of future child abuse neglect.

Adult and Aging Trends

The Adult and Aging program has implemented a multidisciplinary team to assist with residents who have complex needs. The following data is compiled from the Commonwealth's case management system:

Adult and Aging Trends	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 26 (EST)
Reports received for investigation	2,283	2,117	2,320	2,547	2,874	3,702

As data shows, 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.

Employment Trends

There is a monthly Hiring Event at the Housing Resource Center (HRC) which offers employment opportunities to job seekers receiving services from the Department of Human Services and the

Department of Housing and Neighborhood Preservation. Outcomes include strengthening partnerships with employers in Hampton Roads who are invited from various industry sectors with the goal of 50% conditional job offers. The Hiring Event at the HRC has continued to be a major success as the event has successfully connected citizens facing employment barriers with employers facing critical shortages in the community. From January 2025 to November 2025, 338 citizens attended the event with 208 conditional offers of employment given, for an average of 62%. The list of employers includes Goodwill of Central and Coastal Virginia, Landmark Hotel Group, Hampton Roads Connector Partners, and the Virginia Department of Parks & Recreation and many more.

Children's Services Act Trends

The Children's Services Act (CSA) is a law (§ 2.2-5200) that continues to create a collaborative system of services and funding that are child-centered, family focused, and community based when addressing the strengths and needs of youth and their families in the Commonwealth. Children's Services Act created the structures and functions to operate its program from the State Executive Council for children, Appropriations Act, State and Local Advisory Team, Office of Children's Services, and the Community Policy and Management Team (CPMT).

The CPMT)is the governing body for the local CSA program. CPMT provides oversight, fiscal responsibility, and delivery of services for the City of Virginia Beach CSA program.

At First Glance	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Youth and Families served	462	448	456	461	463

Opioid Abatement

Juvenile Detention Center

The Juvenile Detention facility has seen an increase in detainees due to changes with the Administrative Directive A-2022-005, which was signed in 2022. This change created stricter laws for juveniles facing weapons charges. The juvenile may be detained pending a detention hearing based on the new directive. Additionally, the Juvenile Detention Center received $150,000 in Opioid Abatement funds to bring in a contractor to the facility for substance abuse counseling for residents and families. Efforts are being made with Business Management and procurement teams to locate a vendor for these services.

Virginia Opioid Abatement Authority

The HSD continues to lead the management of opioid settlement funds received by the City of Virginia Beach through litigation with prescription opioid manufacturers and distributors. These funds are dedicated to preventing, treating, and reducing opioid use disorders and are distributed across three categories: direct distribution, individual distribution, and regional collaborative partnerships.

In FY 2026, the Human Services Department collaborated with stakeholders for cooperative grants, an example would be the Regional Recovery High School. Utilizing additional direct distribution funds, the new EMS IMPACTS Co-Response Team was initiated to provide post-overdose follow-up services. The HSD Prevention Van and the Regional Collaborative Mobile Wellness and Treatment Vehicle are currently in the implementation phase.

The Virginia Opioid Abatement Authority approved six Virginia Beach grant projects to begin utilizing Individual Distribution funds in FY 2025. These projects are managed by Human Services, and include projects with other stakeholders, including Virginia Beach Police Department, Parks and Recreation, VB City Public Schools, VB Public Health, and the Juvenile Detention Center. The projects include the following:

- Hiring a new peer position within HSD specific to work with youth.
- Starting the Law Enforcement Against Drugs program within the school system.
- Purchase of community engagement vehicles for both Prevention and Police.
- Online curriculum for students who have substance use issues within the school system.
- Contracting with a Substance Use provider to provide intervention and training within the juvenile detention center.
- An educational program for Parks and Recreation to utilize with student athletes who may be at risk of opioid use.
- Contracting of two community engagement specialists within the Health Department and launching a social media "Teen to Teen" campaign.

Five of these projects were renewed for FY 2026 (the Parks and Recreation project did not require further funding), and planning is underway to renew at least four of the projects for FY 2027.

Increased Community Engagement

Social Services

To increase awareness of Social Services programs and services, social services staff members attend numerous community events and meetings. Multi-Disciplinary teams bring several community partners to the table and join resources for the best possible outcome for our customers. The adult services division was featured on WAVY News 10 for the work they do in adult foster home placements and finding homes. Social Services is working on additional informational videos to be posted on the webpage and social media sites.

Behavioral Health

The Behavioral Health Division has significantly expanded community outreach and engagement through in-person trainings, community events, and digital education efforts. In FY 2025, the Division recorded 136,167 community contacts, up from 6,207 in FY 2021, representing an average annual growth rate of approximately 85% over five years.

In FY 2025, key initiatives included expanding mental health awareness activities to Emergency Medical Services and Police precincts, delivering WORKS System trainings to inmates participating in Jail Education Services, and leading the SPARK suicide prevention campaign in partnership with regional and community organizations.

Behavioral Health also launched the Safe Homes, Safe Conversations and Gun Safety Initiative during Suicide Prevention Awareness Month, distributing gun locks and educational materials through city staff field visits to promote safety and community well-being. Additionally, Behavioral Health staff participated in school-based activities to support student wellness and prevention efforts.

The Child and Youth Behavioral Health Services has continued to collaborate with Virginia Beach Public Schools and other community partners to provide education, prevention and breakout sessions at community events related to mental health and wellness. These events have included teaching breakout sessions, providing information about 988 and crisis services, along with education about public mental health services available through CYBH.

Child and Youth Behavioral Health Services

CYBH continues to serve approximately 400 youth per month in its clinic and has focused on service expansion and enhancement. Beginning this school year, brief therapy services expanded from serving only Renaissance students to being available within all elementary schools. This service has received referrals from nine different elementary schools to date and 30 youth in total have been referred to receive these services within the school setting, reducing barriers to treatment.

The Rapid Response program continues to provide free assessment and recommendations for elementary students in the school environment. This program provides free 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 work with the youth and family to identify the best resources to meet behavioral health needs. The program has grown, receiving 210 referrals since the program's inception, with 34 occurring this school year.

Through the use of Opioid Abatement funding, CYBH was able to hire its first Peer Recovery Specialist to work specifically with youth in the City. The peer provides this service free of charge to youth within CYBH that have substance use issues and also provides community outreach. A peer led substance-use prevention and education group is currently being developed to serve youth within the Juvenile Detention Center.

The Early Intervention/Infant Program

The Early Intervention/Infant Program supports children from birth to age three who experience developmental delays, exhibit atypical behaviors, or have medical conditions that may result in developmental challenges. Families may initiate referrals directly, and all referred children receive a comprehensive eligibility determination at no cost. Eligible children receive individualized services based on assessed needs, including developmental evaluations, service coordination, and access to specialized therapies such as speech, physical, and occupational therapy, along with caregiver education and support resources.

The program serves approximately 850 children each month, reflecting consistent and increasing demand for early childhood developmental services in Virginia Beach. In 2025, approximately 420 children "graduated" from the program, either by achieving their established goals or by reaching the program's age-out threshold.

Referral volume has continued to increase, consistent with statewide and national trends emphasizing early identification and intervention. At the same time, the program is experiencing capacity pressures related to workforce shortages, particularly among licensed therapy providers. These shortages may impact on the timeliness of evaluations and service initiation, requiring ongoing monitoring and adaptive service delivery strategies.

Developmental Services Case Management

Developmental Services Case Management provides care coordination, monitoring, and linkage to community resources for approximately 1,500 individuals, primarily diagnosed with developmental disabilities. Case managers support individuals and families in navigating complex systems, including Medicaid waivers, residential services, employment support, healthcare coordination, and crisis response.

The program focuses on meeting and sustaining compliance with Commonwealth standards established under the Department of Justice Settlement Agreement. In January 2025, the Commonwealth entered into a Permanent Injunction, concluding the settlement while affirming its continued commitment to high-quality, person-centered services.

While compliance efforts have strengthened system oversight, trends impacting case management include

increasing caseload complexity, workforce vacancies, and retention challenges. These factors can affect the timeliness of service planning, monitoring, and responsiveness, particularly for individuals with high support or crisis needs. Continued investment in staffing stability, training, and administrative support remains essential to sustaining compliance and service quality.

In FY 2026, the Commonwealth approved funding to hire Case Managers as more waiver slots were allocated. Virginia Beach received $50,000 in grant funds to help cover onboarding expenses.

Integrated Services for Adults with Developmental Disabilities

The Developmental Services Division is committed to enhancing the quality of life and outcomes for adults with developmental disabilities, particularly those facing co-occurring conditions such as serious mental illness and substance use disorders. The prevalence of these dual diagnoses has risen significantly in recent years, creating a pressing need for specialized clinical expertise and well-coordinated service delivery models that address the complexities of these intertwined challenges.

To address this need, the City of Virginia Beach has taken proactive measures by hiring a Clinician III, funded through state grant resources. Additionally, the division has allocated a Clinician II position to support the creation of the new initiative, Developmental Services Integrated Counseling Services. This innovative program will provide outpatient services that address both substance use and mental health issues, ensuring a holistic approach to treatment. To facilitate the launch of this service, a formal request for a licensure modification has been submitted to the Commonwealth, marking an essential step toward enhancing the range of services available to this population.

The new clinical staff has been granted access to advanced databases. Training sessions have been completed for approximately 120 staff members to identify the critical early signs of substance use, equip employees with the skills to identify and respond to these issues before they escalate. The clinical team has also provided valuable consultation to team members directly engaged with dually diagnosed individuals. This collaborative effort helps identify and implement the most effective strategies and individualized approaches to support this unique and vulnerable population, ensuring they receive the comprehensive care they need to flourish. Through these initiatives, the Developmental Services Division is making significant strides toward a more inclusive and supportive environment for adults with developmental disabilities and co-occurring conditions.

Enhanced Employment Services

Supported employment services are a critical component of community integration for individuals with developmental disabilities, promoting independence, economic stability, and meaningful participation in the workforce. These services rely on individualized job development, job coaching, employer engagement, and ongoing follow-along support to ensure successful, sustained employment outcomes. The City of Virginia Beach helped approximately 200 people achieve their employment goals in 2025.

A primary challenge for supported employment services is workforce capacity, particularly in recruiting and retaining qualified coaches and employment specialists. Low reimbursement rates, high caseload expectations, and competition from other sectors offering higher wages and more flexible schedules have limited providers' ability to maintain sufficient staffing levels. As a result, waitlists for employment services and reduced intensity of job coaching supports are increasingly common in the region.

Transportation barriers continue to pose significant challenges to competitive employment, particularly for individuals with limited access to reliable public transportation or those working non-traditional hours. These barriers can restrict job placement options, increase reliance on natural support, and contribute to job instability.

Individuals with higher support needs, including those with co-occurring behavioral health conditions or

complex medical needs, face additional barriers to employment. Supported employment models for these individuals often require more intensive, long-term support that is difficult to sustain under current staffing and funding constraints.

Systemic factors, including complex benefit regulations and fear of losing public assistance, often affect employment decisions for individuals and families. To help clients navigate benefits planning, Virginia Beach has three certified professionals trained in this area. Benefit planning helps safeguard public benefits, but higher minimum wages impose financial constraints on employers seeking to employ individuals with varying abilities.

Residential Services for Individuals with Developmental Disabilities

Residential services support adults with developmental disabilities in community-based settings, including group homes, intermediate care facilities, and supported living arrangements, and are designed to promote health, safety, stability, and community integration. The City of Virginia Beach serves approximately 84 people in this capacity. These services rely heavily on the availability of qualified direct support professionals (DSPs) to provide consistent, around-the-clock care.

A significant and ongoing trend impacting residential services is persistent staffing shortages, particularly among DSPs. Providers continue to experience challenges recruiting and retaining staff due to low wages relative to job demands, competition from other industries, burnout, and limited workforce pipelines. These challenges are most pronounced on the second shift and on weekends. Residential teams have operated with approximately a 20% vacancy rate over the last year. Sustaining residential services will require continued focus on workforce stabilization strategies.

In collaboration with the facility landlords, the West Neck Intermediate Care Facility has undergone significant renovations to enhance its functionality and comfort. Notably, the facility has received a modern kitchen, allowing for improved meal preparation and nutrition services. Additionally, one bathroom has been fully remodeled to ensure accessibility and comfort. In addition, upgraded medical equipment has improved resident care. This includes purchasing new shower gurneys to facilitate easier patient transfers, medication carts designed for efficiency and safety, and advanced vital-sign monitors that provide precise health monitoring. These upgrades reflect a commitment to providing a higher standard of care and a better living environment for all residents.

SkillQuest Day Support Services

Day support services at SkillQuest have undergone significant improvements through the establishment of specialized programming rooms to meet participants' diverse needs. These rooms are designed for individuals requiring sensory accommodation, as well as older adults, fostering an inclusive environment that emphasizes personalized care. This person-centered approach not only highlights participants' strengths but also effectively addresses their specific challenges, creating a more supportive atmosphere for their development. Currently, the program supports approximately 80 individuals, each with distinct needs and goals.

As participants age and their circumstances become more complex, the program is dedicated to navigating this shift by balancing the growing behavioral and medical challenges with effective, adaptive strategies. This ensures that participants continue to receive the necessary support to not only grow but also maintain their daily living skills and enhance their social interactions. The program strives to provide a nurturing environment where individuals can thrive, regardless of the complexities that may arise.

Expansion of Substance Use Disorder Services

A Regional Recovery High School was successfully opened this school year, The Harbor Hope Center, a regional collaborative project led by Virginia Beach City Public Schools. The Center includes collaboration with four additional localities, including Norfolk, Portsmouth, Chesapeake, and Suffolk. The Center is

physically housed in Chesapeake, and the clinical positions for the school are funded through an Opioid Abatement grant with fiscal agent oversight by Virginia Beach. Currently there are 10 students enrolled, four from Virginia Beach.

Crisis Service Expansion

As behavioral health crisis response receives increased attention statewide, the City of Virginia Beach continues to advance an integrated and effective crisis response system. The City's award-winning Mobile Co-Responder Team has demonstrated strong outcomes since its launch in 2018, with average diversion rates exceeding 95% from arrest and 90% from involuntary hospitalization, reflecting its success in stabilizing individuals and connecting them to appropriate care.

In November 2023, the Department of Human Services Emergency Services, in partnership with Emergency Communications and Citizen Services (ECCS), launched a pilot embedding a licensed clinician within ECCS to support 911 calls involving behavioral health needs. Due to positive outcomes, the pilot has been extended indefinitely and continues to enhance diversion by connecting callers to services when police or Emergency Medical Services (EMS) response is not required.

To further expand capacity and coordination, the adult and child mobile crisis hubs merged operations, enabling increased holiday coverage and planned weekend response. As crisis services have expanded—including Marcus Alert, 988, Mobile Crisis Response, and ECCS/HSD collaboration—MCRT dispatches have decreased, indicating earlier intervention and reduced reliance on police-involved behavioral health responses.

Growth of Permanent Supportive Housing

The development of affordable, permanent housing paired with supportive services for individuals with serious mental illness (SMI) remains a priority across the state due to significant unmet need and a limited inventory of available housing. In response to this need, the Virginia Department of Behavioral Health and Developmental Services (DBHDS) has made substantial investments to expand Permanent Supportive Housing (PSH) capacity. As a result, in FY 2027 the Department of Human Services PSH program will support a total of 202 slots, with an annual operating budget of $3,933,619.

At the state level, DBHDS established a PSH Steering Committee comprised of Regional Partnerships to promote investment in affordable housing development through DBHDS funding that supports residency for PSH recipients. Over the past year, HSD leadership—serving as local liaisons—has collaborated on the development of a regional Supportive Housing Development Plan. This plan outlines the allocation of $10.3 million in restricted PSH-SMI state general funds to support regional affordable housing investments across Hampton Roads. Funds will be used to advance the construction of Low-Income Housing Tax Credit developments and to provide ongoing supportive services for individuals living with serious mental illness.

Expansion of Forensic Services

The Department of Human Services' Adult Correctional Services continues to represent a significant area of growth and innovative collaboration within the City's behavioral health system. The strong partnership between HSD and the Virginia Beach Sheriff's Office (VBSO) remains focused on advancing integration among behavioral health clinicians, sworn deputies, jail medical providers, and other key stakeholders.

Through the Jail and Re-entry Services program, HSD provides comprehensive care to individuals with behavioral health and substance use disorders during incarceration at the Virginia Beach Correctional Center and supports a coordinated transition back into the community. In FY 2025, 2,111 behavioral health screenings were completed, with 90 individuals actively enrolled in the program. Program outcomes demonstrate notable success, with a recidivism rate of just 2% among enrolled participants, underscoring the effectiveness and value of these services.

With the addition of Opioid Abatement Funds, the program has expanded its capacity to support individuals with opioid use disorder by funding clinical staff and medications for opioid use disorder. This expansion strengthens continuity of care, supports successful community reentry, and further reduces recidivism among individuals impacted by opioid addiction.

In FY 2026 HSD, in partnership with VBSO, also received grant funding to develop an innovative Jail-Based Competency Restoration Program. This initiative will establish a therapeutic environment within one of the jail's mental health pods, designed to more closely resemble a hospital setting rather than a traditional correctional environment. HSD will staff the pod with a clinician, case manager/educator, and psychiatric nurse practitioner to support competency restoration on site, reducing the need for state hospital placement and improving timely access to care.

In addition, HSD partnered with the Circuit Court, the Commonwealth's Attorney's Office, the Public Defender's Office, Community Corrections and Pretrial Services, and State Probation to establish a Behavioral Health Docket. This specialized docket is designed to enhance coordination across the justice and behavioral health systems, promote timely identification of individuals with behavioral health needs, and connect participants to appropriate treatment and supervision. Through this collaborative approach, the Behavioral Health Docket supports improved case outcomes, increased system efficiency, and reduced recidivism by addressing underlying behavioral health needs alongside legal accountability.

Major Budget Changes

One Additional Family Support Specialist III Position - Net Cost $29,454 - 1.00 FTE

This position will provide additional supervisory and caseload support as part of a planned restructuring of the adult Social Services Employment Unit. This unit is responsible for monitoring and supporting new Medicaid mandatory work requirements. Increases in these work requirements and new limitations on exemptions are expected to quickly increase the caseload for this unit several fold. Restructuring will allow development and staffing of specialized teams and supervisory support to maintain quality services after the new requirement is set in place. The cost of this position is $84,154 and is 35% funded by state and federal funds.

Two Additional Benefits Program Assistant Positions - Net Cost $0 - 2.00 FTEs

These positions will improve the department's capacity to lower benefit error rates in advance of new and significant financial penalties that will be imposed in the upcoming year. Without the sufficient capacity necessary to achieve and maintain an acceptably low error rate, the penalties that would be imposed are many times more expensive than the cost of these positions. The cost for the two new Benefit Program Assistants is $109,176 and is funded through an equal reduction in contracted manpower.

Use of Restricted Fund Balance - $2,413,001

The planned use of fund balance is a strategic approach that allows the department to maintain continuity of operations. It ensures that state funds are applied to their designated programs and ultimately reduces the department's reliance on General Government resources. Fund balance will be used to support the Permanent Supportive Housing program and the Substance Abuse Intensive Outpatient program (SAIOP).

Gresham Group Home Closure

The Department of Human Services will end its lease for the Gresham Group Home. The five individuals currently residing there will transition to other group homes to ensure continuity of care and services. The seven affected staff members will be reassigned to other areas within the department to support operational needs. Any associated personnel costs will be absorbed within the existing budget through vacancy savings.

	FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
Program Summary				
100 GENERAL FUND				
Expenditures				
Director's Office	5,218,914	4,958,212	6,507,248	1,549,036
Quality Improvement	2,784,966	3,045,548	3,201,986	156,438
Personnel	489,598	414,152	417,903	3,751
BHDS Administration	1,160,987	1,560,731	1,279,276	(281,455)
Accounts Payable	853,576	833,536	857,733	24,197
Reimbursement	936,252	1,066,350	1,134,383	68,033
Transportation	914,699	1,523,049	1,524,136	1,087
Facilities and Fleet Management	914,105	886,834	898,471	11,637
Payroll Program	350,243	328,241	330,146	1,905
OBAT Program	328,472	313,296	446,691	133,395
Adult Outpatient Services	6,000	0	0	0
Medically Assisted Treatment	147,799	405,087	405,087	0
SA Residential Purchased Services	57,875	156,763	156,343	(420)
Adult Day Treatment	5,074	0	0	0
Prevention	798,937	735,985	712,612	(23,373)
Adult Correctional Services	1,110,245	1,414,128	1,473,238	59,110
HIV Prevention	112,318	108,015	112,417	4,402
Project Link	352,165	294,514	441,646	147,132
Regional Opioid Recovery	0	175,740	0	(175,740)
Drop In	105,683	221,273	216,725	(4,548)
IOP	1,647,265	2,363,990	2,454,760	90,770
Adult Mobile Crisis	273,054	1,199,002	1,239,355	40,353
Senior Adult Services	1,483	0	0	0
Adult Outpatient Services	7,051,577	9,076,501	9,534,108	457,607
Community Rehabilitation	1,270,270	1,588,693	1,618,600	29,907
Emergency Services	2,355,176	2,466,208	2,500,628	34,420
Child and Youth Services	4,944,014	4,967,296	5,205,380	238,084
Permanent Supportive Housing	2,075,366	3,646,899	3,040,015	(606,884)
Crisis Management	857,198	1,097,129	1,034,545	(62,584)
Residential Services	1,719,450	1,929,908	1,931,863	1,955
PATH	333,405	405,346	404,699	(647)
PACT	1,891,470	2,085,056	2,076,169	(8,887)
Complex Care	48,742	94,255	56,000	(38,255)
OFCA	227,040	224,441	231,480	7,039
Behavioral Health Case Management	2,295,721	3,367,364	3,337,336	(30,028)
Marcus Alert	515,903	687,941	717,117	29,176
Behavioral Health- Administration	616,877	949,654	832,602	(117,052)
Child Welfare- Youth Services	4,654,323	0	0	0
Child Welfare- Adoption	6,961,356	6,835,137	6,635,137	(200,000)
Child Welfare- Foster Care	8,114,563	13,133,096	13,524,739	391,643
Children's Services Act	15,686,121	16,022,441	16,048,953	26,512
Behavioral Health Employment Services	1,769,425	1,919,796	2,032,121	112,325
Developmental Services Case Management	4,109,500	4,692,982	4,659,996	(32,986)
Skillquest	3,960,514	3,976,485	3,955,665	(20,820)
Respite Care	137,153	0	50	50
Infant Program	3,947,956	3,524,216	3,547,196	22,980
Supportive Living	2,890,613	3,162,801	3,098,575	(64,226)
Family Support	61,323	38,783	38,783	0
Group Homes	2,917,120	3,057,831	2,950,093	(107,738)

	FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
Intermediate Care Facilities	10,090,507	10,889,171	10,417,977	(471,194)
Developmental Services Administration	641,302	912,743	871,853	(40,890)
Benefit Program	11,127,555	11,326,399	11,717,722	391,323
Benefits Administration	3,040,086	2,284,724	2,801,744	517,020
Benefit Fraud Investigation	502,563	458,196	464,559	6,363
Juvenile Detention Center	7,022,233	7,871,739	7,978,622	106,883
Social Services Support Services- Administration	2,103,685	3,046,359	2,281,950	(764,409)
Social Services Employment Services	3,295,544	3,594,628	3,635,020	40,392
Social Services Adult Services	3,782,721	3,843,668	4,225,401	381,733
Community Justice Administration	0	140,857	279,643	138,786
Total Expenditures	141,588,082	155,323,189	157,496,497	2,173,308
Revenues				
Local Revenue	26,677,818	30,382,031	30,017,857	(364,174)
State Revenue	49,535,003	48,211,023	47,405,563	(805,460)
Federal Revenue	27,485,837	25,329,437	27,059,365	1,729,928
Transfers	206,890	250,000	250,000	0
Specific Fund Reserves	0	597,149	2,413,001	1,815,852
Total Revenues	103,905,547	104,769,640	107,145,786	2,376,146
270 CONSOLIDATED GRANTS SRF				
Expenditures				
Human Services Grants	2,797,582	2,491,001	2,976,390	485,389
OBAT Program	51,777	62,818	78,871	16,053
Sheriff's Jail Program	482,950	956,066	956,066	0
Grants Emergency Services	4,846	0	0	0
Residential Services	1,646	0	0	0
PATH Outreach Grant	55,335	0	0	0
State Opioid Response	3,473	0	64,152	64,152
Adult Correctional Services	48,225	201,954	461,037	259,083
Substance Abuse	24,388	33,568	34,584	1,016
Substance Use - IOP	0	16,722	17,055	333
Total Expenditures	3,470,222	3,762,129	4,588,155	826,026
Revenues				
Local Revenue	927,710	355,062	454,180	99,118
State Revenue	2,747,755	2,328,283	3,222,233	893,950
Federal Revenue	80,663	0	0	0
Transfers	267,539	1,078,784	1,078,784	0
Total Revenues	4,023,667	3,762,129	4,755,197	993,068
817 SOCIAL SERVICES GIFT FUND				
Expenditures				
Human Services Gift Fund - Holiday Project	6,000	15,350	15,350	0
Human Services Gift Fund - Pennies for Prescriptions	297	23,760	23,760	0
Human Services Gift Fund - DV Assistance	880	7,600	7,600	0
Total Expenditures	7,177	46,710	46,710	0
Revenues				
Local Revenue	7,291	0	23,760	23,760
Specific Fund Reserves	0	46,710	22,950	(23,760)
Total Revenues	7,291	46,710	46,710	0
Total Department Expenditure	145,065,481	159,132,028	162,131,362	2,999,334
Total Department Revenue	107,936,505	108,578,479	111,947,693	3,369,214

Position Summary by Program

100 GENERAL FUND				
Director's Office	7.00	7.00	7.00	0.00

Quality Improvement	18.90	18.90	19.90	1.00
Personnel	5.00	5.00	5.00	0.00
BHDS Administration	11.00	11.00	11.00	0.00
Accounts Payable	10.00	10.00	10.00	0.00
Reimbursement	13.00	13.00	14.00	1.00
Transportation	25.67	24.67	24.67	0.00
Facilities and Fleet Management	12.00	12.00	12.00	0.00
Payroll Program	5.00	5.00	5.00	0.00
OBAT Program	3.00	3.00	4.00	1.00
Prevention	6.00	6.00	6.00	0.00
Adult Correctional Services	14.00	15.00	15.00	0.00
HIV Prevention	1.00	1.00	1.00	0.00
Project Link	3.00	3.00	3.00	0.00
Drop In	2.00	2.00	2.00	0.00
IOP	17.37	19.37	19.37	0.00
Adult Mobile Crisis	7.78	7.78	7.78	0.00
Adult Outpatient Services	67.06	65.06	63.06	(2.00)
Community Rehabilitation	14.00	14.00	14.00	0.00
Emergency Services	18.54	18.54	18.54	0.00
Child and Youth Services	42.25	43.25	43.25	0.00
Permanent Supportive Housing	12.00	12.00	12.00	0.00
Crisis Management	9.25	9.25	9.25	0.00
Residential Services	10.13	8.13	8.13	0.00
PATH	3.00	4.00	4.00	0.00
PACT	17.00	17.00	17.00	0.00
Complex Care	0.00	0.65	0.00	(0.65)
OFCA	2.00	2.00	2.00	0.00
Behavioral Health Case Management	34.00	33.00	33.00	0.00
Marcus Alert	5.00	5.00	5.00	0.00
Behavioral Health- Administration	4.00	4.00	4.00	0.00
Child Welfare- Youth Services	110.00	0.00	0.00	0.00
Child Welfare- Foster Care	0.00	109.00	109.00	0.00
Children's Services Act	6.00	6.00	6.00	0.00
Behavioral Health Employment Services	20.00	20.00	20.00	0.00
Developmental Services Case Management	44.00	43.00	43.00	0.00
Skillquest	44.71	44.71	44.71	0.00
Infant Program	27.50	27.50	27.50	0.00
Supportive Living	41.80	40.80	39.80	(1.00)
Group Homes	34.05	33.05	32.05	(1.00)
Intermediate Care Facilities	114.50	114.85	116.50	1.65
Developmental Services Administration	5.00	6.00	6.00	0.00
Benefit Program	142.00	142.00	144.00	2.00
Benefit Fraud Investigation	5.00	5.00	5.00	0.00
Juvenile Detention Center	72.56	73.56	73.56	0.00
Social Services Support Services- Administration	3.00	4.00	4.00	0.00
Social Services Employment Services	33.00	33.00	34.00	1.00
Social Services Adult Services	31.00	33.00	33.00	0.00
Community Justice Administration	0.00	2.00	2.00	0.00
Total	1,134.07	1,137.07	1,140.07	3.00
270 CONSOLIDATED GRANTS SRF				
Human Services Grants	24.25	29.00	28.00	(1.00)
OBAT Program	1.00	1.00	1.00	0.00
Sheriff's Jail Program	12.00	12.00	12.00	0.00
Residential Services	5.00	0.00	0.00	0.00
PATH Outreach Grant	2.00	0.00	0.00	0.00
State Opioid Response	1.00	1.00	2.00	1.00
Adult Correctional Services	2.50	5.00	5.00	0.00

Substance Abuse		0.50	0.50	0.50	0.00
Substance Use - IOP		0.00	0.25	0.25	0.00
	Total	48.25	48.75	48.75	0.00
Total Position Summary		1,182.32	1,185.82	1,188.82	3.00

Expenditure Category by Department					
HUMAN SERVICES					
Operating		44,510,415	46,327,362	47,023,824	696,462
Leases		2,237,126	2,156,000	2,225,240	69,240
Capital Outlay		81,573	0	0	0
Personnel		98,236,367	110,648,666	112,882,298	2,233,632
	Total Expenditures:	145,065,481	159,132,028	162,131,362	2,999,334

Revenue Category by Department					
Charges for Services		25,180,743	28,066,276	28,165,394	99,118
Federal Revenue		27,566,500	25,329,437	27,059,365	1,729,928
Miscellaneous Revenue		2,365,545	2,399,360	2,058,946	(340,414)
Permits Fees and Regulatory Licenses		66,531	271,457	271,457	0
Specific Fund Reserves		0	643,859	2,435,951	1,792,092
State Revenue		52,282,758	50,539,306	50,627,796	88,490
Transfer In		474,429	1,328,784	1,328,784	0
	Total Revenue:	107,936,505	108,578,479	111,947,693	3,369,214

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.

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 2023	FY 2024	FY 2025	FY 2026 EST	FY 2027 PROJ
Percent of availability of municipal center-based WAN	99.8%	99.6%	99.9%	99.9%	99.9%
Percent of trouble calls resolved as very satisfied	88.9%	94.3%	94.7%	95.3%	95.0%
Percent of all computers under 5 years of age at the end of the fiscal year	85.6%	89.0%	72.0%	61.0%	67.0%
Computer devices supported	6,495	6,953	6,953	7,780	7,477
Service tickets closed	98.8%	97.1%	97.9%	98.3%	97.0%
Buildings with free WiFi	131	143	150	150	150
Free WiFi access points	780	868	900	925	1,200

In 2025, 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
Usefulness of City's website	**53.7%**	**42.2%**	**42.4%**
Overall quality of customer service you receive from City employees	**71.6%**	**36.3%**	**39.4%**
Availability of info about local government services & activities	**48.5%**	**50.0%**	**46.4%**

Trends and Issues

Smart City Evolution Continues

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. The City of Virginia Beach will continue activities around the Regional Connectivity Ring, engaging the private sector as part of the public- private partnership. The middle mile strategy will assist enabling all constituents to meet their household and or business needs. Additionally, the recent Cable Landing Station at Sandbridge brings new subsea cables to the City of Virginia Beach. Having the capability to connect to the other three existing subsea cables landed at Camp Pendleton, Virginia Beach and offering 400Tb/s bandwidth will not only provide additional layers of redundancy and resiliency but will offer high-capacity internet to all of the southside, and eventually, all of Hampton Roads through the middle mile strategy. The high-capacity subsea cables will contribute to the RVA757 connects project by expanding to Richmond as the I-64 Innovation Corridor making us an integral part in the region to become one of the world's recognized Global internet Hubs. The advanced internet speed and capabilities will support high-tech data centers, advanced internet connectivity with more options and competitive pricing.

IT Modernization Resilience, Disaster Recovery, and Business Continuity

IT continues to create opportunities to modernize the way the city conducts its business. Artificial Intelligence (AI) is quickly becoming a major part of municipal operations, revolutionizing the way municipalities are managed, and services are delivered. From streamlining processes to improving decision making, AI offers countless possible benefits to the City of Virginia Beach. By leveraging AI, administrative tasks, such as data collection and analysis can be automated, clearing precious time and resources. This allows City employees to focus on more complex and strategic issues, leading to increased efficiency and productivity in operations. AI will enhance the quality and effectiveness of City services. For example, AI chatbots can provide citizens with 24/7 assistance and information, reducing the need for human interaction and improved customer service. AI analyzes vast amounts of data to identify patterns and trends, enabling data driven decisions in areas such as planning, public safety, and resource allocation. As the City diligently investigates AI use cases, it is more important than ever to ensure that those AI systems are effective and trustworthy. Simultaneously the City has established the governance to ensure that AI use is properly regulated. The City is targeting several business areas that could benefit from AI: including the first project non-emergency calls to the city, while also evaluating other use cases to utilize AI capabilities. The FY 2026-27 budget includes a reserve of $250,000 for exploration of AI in department budgets.

Major Budget Changes

Information Technology Internal Service Fund - $9,428,336

To more accurately reflect the cost of information technology services across all funds and departments within the city, the Information Technology Internal Service Fund was established in the FY 2024-25 Operating Budget. The IT ISF serves as a more accurate reflection of costs by departments and various year-to-year increases for technology contracts like Microsoft, Amazon Web Services, and Adobe. In FY 2026-27, the following are four of the programs that received increased funding based on identified needs or gaps in service for Globalinx, InSITE, Oracle Financials Cloud, and Workday, including managed services for long term support.

In a better effort to track annual subscriptions and improve operational efficiency, the Telecommunications Internal Service Fund was merged with the Information Technology Internal Service Fund. The increase in costs and positions for FY 2026-27 in the Information Technology Internal Service Fund can partially be attributed to the merging with the Telecommunications Fund.

Financial Services - 6.0 FTEs

This division moved from the Finance Department into the Department of Information Technology to enhance strategic planning, implementation, optimization, and continuous improvement of the City's Enterprise Financial System. The Financial Services Division will oversee system modifications to ensure alignment with organizational business practices and leverage technology capabilities to provide centralized data and visibility, increased productivity and efficiency, and improved decision-making.

City of Virginia Beach, Virginia
INFORMATION TECHNOLOGY - Departmental Resource Summary

		FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
Program Summary					
100 GENERAL FUND					
Expenditures					
Mail Service		256,317	244,766	234,642	(10,124)
Business Center		2,809,757	2,907,779	2,904,610	(3,169)
Data and Information Management		3,763,197	0	32,422	32,422
Center for GIS		1,702,348	0	22,804	22,804
Infrastructure and Operations		5,009,050	0	57,727	57,727
Information Systems		1,258,790	0	0	0
Data and Information Management		0	3,402,775	3,301,845	(100,930)
Center for GIS		0	1,753,569	1,729,339	(24,230)
IT Security		740,090	1,431,570	1,432,060	490
Strategy and Architecture		1,725,565	1,554,359	1,486,916	(67,443)
Applications Support		9,899,448	9,535,133	9,477,185	(57,948)
Infrastructure & Operations		117	5,537,017	5,777,077	240,060
Financial Services		0	0	723,840	723,840
	Total Expenditures	27,164,678	26,366,968	27,180,467	813,499
Revenues					
Local Revenue		164	0	0	0
Transfers		57,083	57,083	57,083	0
	Total Revenues	57,247	57,083	57,083	0
270 CONSOLIDATED GRANTS SRF					
Expenditures					
Information Technology Grants		0	90,000	0	(90,000)
	Total Expenditures	0	90,000	0	(90,000)
Revenues					
State Revenue		23,985	0	0	0
Federal Revenue		0	90,000	0	(90,000)
	Total Revenues	23,985	90,000	0	(90,000)
605 TELECOMMUNICATIONS ISF					
Expenditures					
Telecommunications		1,118,288	3,361,235	0	(3,361,235)
	Total Expenditures	1,118,288	3,361,235	0	(3,361,235)
Revenues					
Local Revenue		3,558,578	3,360,946	0	(3,360,946)
Specific Fund Reserves		0	289	0	(289)
	Total Revenues	3,558,578	3,361,235	0	(3,361,235)
606 INFORMATION TECHNOLOGY ISF					
Expenditures					
Computer Replacements		2,473,479	3,439,159	3,857,899	418,740
Subscriptions		16,951,784	25,004,186	30,660,771	5,656,585
Information Services		1,260,883	0	15,457	15,457
Information Systems Telecom Charges		13,266	0	3,275,404	3,275,404
Reserves		0	0	62,150	62,150
	Total Expenditures	20,699,411	28,443,345	37,871,681	9,428,336
Revenues					
Local Revenue		22,268,745	28,443,345	37,871,681	9,428,336
	Total Revenues	22,268,745	28,443,345	37,871,681	9,428,336
Total Department Expenditure		48,982,377	58,261,548	65,052,148	6,790,600

	FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
Total Department Revenue	25,908,555	31,951,663	37,928,764	5,977,101

Position Summary by Program

100 GENERAL FUND				
Mail Service	3.00	3.00	3.00	0.00
Business Center	23.00	23.00	23.00	0.00
Data and Information Management	21.00	0.00	0.00	0.00
Center for GIS	14.00	0.00	0.00	0.00
Infrastructure and Operations	32.00	0.00	0.00	0.00
Data and Information Management	0.00	20.82	20.82	0.00
Center for GIS	0.00	14.00	14.00	0.00
IT Security	5.00	9.00	9.00	0.00
Strategy and Architecture	9.00	9.00	9.00	0.00
Applications Support	67.00	67.00	67.00	0.00
Infrastructure & Operations	0.00	32.00	32.00	0.00
Financial Services	0.00	0.00	6.00	6.00
Total	174.00	177.82	183.82	6.00
270 CONSOLIDATED GRANTS SRF				
Information Technology Grants	0.00	0.18	0.18	0.00
Total	0.00	0.18	0.18	0.00
605 TELECOMMUNICATIONS ISF				
Telecommunications	9.00	9.00	0.00	(9.00)
Total	9.00	9.00	0.00	(9.00)
606 INFORMATION TECHNOLOGY ISF				
Computer Replacements	5.00	5.00	5.00	0.00
Subscriptions	0.00	7.00	7.00	0.00
Information Services	11.00	0.00	0.00	0.00
Information Systems Telecom Charges	0.00	0.00	9.00	9.00
Total	16.00	12.00	21.00	9.00
Total Position Summary	199.00	199.00	205.00	6.00

Expenditure Category by Department

INFORMATION TECHNOLOGY				
Reserves	0	0	62,150	62,150
Operating	20,635,693	28,828,265	34,556,744	5,728,479
Leases	651,243	1,281,033	1,460,879	179,846
Capital Outlay	1,269,938	1,923,781	2,370,169	446,388
Personnel	26,425,503	26,228,469	26,602,206	373,737
Total Expenditures:	48,982,377	58,261,548	65,052,148	6,790,600

Revenue Category by Department

Charges for Services	25,761,541	31,789,291	37,871,681	6,082,390
Federal Revenue	0	90,000	0	(90,000)
Specific Fund Reserves	0	289	0	(289)
State Revenue	23,985	0	0	0
Transfer In	57,083	57,083	57,083	0
Use of Money and Property	65,946	15,000	0	(15,000)
Total Revenue:	25,908,555	31,951,663	37,928,764	5,977,101

LIBRARIES

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:

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 2023	FY 2024	FY 2025	FY 2026 EST	FY 2027 PROJ
Number of outreach events	1,373	1,450	1,562	1,500	1,500
Total items circulated	1,433,124	1,615,000	1,765,795	1,875,000	2,000,000
Total Items downloaded	593,970	650,000	675,000	825,000	925,000
Volunteer hours	11,602	12,415	13,205	15,000	15,600
Early literacy programs offered	2,077	2,250	2,205	2,220	2,300
Children's programs offered	3,501	5,000	4,3111	4,500	4,500
Teen programs offered	591	700	745	700	750
Total number of library visits	799,323	815,000	1,020,734	1,080,000	1,150,000
Active Customers	83,817	85,000	85,744	80,000	85,000
Virtual Visits (Website)	2,710,210	1,717,816	1,903,521	1,400,000	1,700,000

In 2025, 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 Virginia Beach Library services	88.0%	70.2%	63.9%
Overall quality of customer service you receive from City employees	73%	38%	40.6%
Virginia Beach Library as a resource for access to digital resources and online materials	83%	N/A	N/A
Virginia Beach Library as a community resource for helping children 0-8 years of age learn to read	78%	N/A	N/A

Trends and Issues

Expanding and Removing Barriers to Access

VBPL is committed to providing access to library services for all community members through physical and digital resources, safe and welcoming spaces, outreach services, and award-winning programs. In 2025, VBPL expanded the Library of Things - first launched in 2023 with circulating surfboards - to include a wider range of items to spark curiosity and remove barriers to access. New additions include sewing machines, needlecraft supplies, Discovery Backpacks with state park passes, American Girl dolls, Tonieboxes and characters, accessibility kits, and reintroduced Wi-Fi hotspots.

VBPL also continues to launch new programs and initiatives alongside the over 6,000 programs offered annually. GrowSmart, which became a division of VBPL in FY 2025-26, leads early-literacy initiatives, including the Celebrating Children event, which serves more than 3,000 residents each year, and Read Across America, which distributes 6,000 books to preschoolers citywide. GrowSmart is on track to expand its reach to additional preschools and childcare centers in FY 2026-27.

In January 2026, VBPL launched 100 Books Before Graduation to encourage teens to read regularly and earn prizes as they reach milestones. Across all services and programs, VBPL continues to seek creative ways to raise awareness, increase active cardholders, and support lifelong learning for the entire community.

Sustaining and Fostering New Partnerships

VBPL utilizes cross-departmental partnerships to broaden service delivery and amplify impactful work underway across Virginia Beach. In FY 2025-26, VBPL strengthened cross-departmental collaboration with several citywide programs, including partnering with Parks and Recreation to host an author series during the Winter Wildlife Festival and contributing program support for both the Cherry Blossom Festival and Autumn in the Air.

Through its partnership with Virginia Beach City Public Schools, the library hosted a wide range of programs including Preschool Class Tours, School Literacy Nights, Summer Learning Camp at Title I schools, a Career Explorations Series for seventh graders, Battle of the Books, 100 Books Before Graduation events, the 1st Grade Reads tutoring program, and year-round participation in career days, family events for English language learners, and STEM nights.

In FY 2026-27, VBPL aims to strengthen existing partnerships, including Health Hubs with the Virginia Beach Department of Public Health and Community Baby Showers with Human Services, WIC, Early Intervention, Military Fleet and Family Services, and VBCPS. The library is also cultivating new partnerships, such as the potential initiative like Beds Over Books with the Department of Housing & Neighborhood Preservation and expanding connections through the GrowSmart division and other community partners.

Major Budget Changes

Elimination of Printing and Duplication Fees - ($87,140)

In an effort to make branch operations cashless and streamlined and provide better access to an important Library amenity, Virginia Beach Public Libraries is eliminating its printing and duplication fees. To ensure that this change remains sustainable and prevent abuse, the Library will pilot a daily page limit depending on the type of paper and ink used.

Inflation Adjustment for Books and Subscriptions - $350,000

The cost of materials for libraries has grown incredibly quickly over the past five years, outpacing the general inflation rate. Inflation was especially high for digital materials. Between FY 2019-20 and FY 2024-25 the average cost of e-books increased by 51% and audiobooks increased by 150%. Exacerbating this issue is the fact that demand for digital media relative to physical media also greatly increased during that period. To keep up with inflationary pressures, keep a robust collection of materials, and meet the expectations of residents, the department's Books and Materials budget has been increased by $350,000.

Non-Virginia Beach Resident Fees for Streaming Services

In FY 2021-22, Virginia Beach Public Libraries made library cards free to all Virginia residents, following industry trends. Since then, demand for digital materials from streaming services and database has rapidly increased for libraries all across the country. Consequently, while users from outside of Virginia Beach did not noticeably contribute to the Library's digital materials budget in 2022, their impact is highly pronounced now, with Virginia Beach Public Libraries estimating that $202,647 of its digital media costs were going to users outside the City in FY 2025-26. As both the cost of and demand for digital media continue to rise, the Library would struggle to meet the demands of City residents within current budget constraints. In order to ensure that digital media demands are met and sustainably funded, Virginia Beach Public Libraries will introduce a fee to any users outside of Virginia Beach to access services including Hoopla, Overdrive, and Kanopy. Nonresident users can pay $10 to access these services for three months or $35 for twelve months.

City of Virginia Beach, Virginia
LIBRARY - Departmental Resource Summary

		FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
Program Summary					
100 GENERAL FUND					
Expenditures					
Administration		2,512,646	2,854,229	3,232,884	378,655
Records Management		512,341	492,658	492,505	(153)
Support Services		3,308,520	3,197,021	3,486,647	289,626
Programming		12,423,400	12,364,660	12,071,724	(292,936)
GrowSmart		30,653	441,733	0	(441,733)
Community Outreach		1,997,443	2,295,541	2,432,990	137,449
Technical Services		1,087,043	1,073,018	1,187,011	113,993
	Total Expenditures	21,872,046	22,718,860	22,903,761	184,901
Revenues					
Local Revenue		148,859	187,140	100,000	(87,140)
State Revenue		365,621	365,621	363,619	(2,002)
Federal Revenue		384	20,000	20,000	0
	Total Revenues	514,864	572,761	483,619	(89,142)
222 LAW LIBRARY SRF					
Expenditures					
Law Library		10	0	0	0
Programming		230,552	243,892	273,390	29,498
	Total Expenditures	230,562	243,892	273,390	29,498
Revenues					
Local Revenue		268,543	243,892	273,390	29,498
Transfers		57,702	0	0	0
	Total Revenues	326,245	243,892	273,390	29,498
270 CONSOLIDATED GRANTS SRF					
Expenditures					
Grants		6,497	0	0	0
	Total Expenditures	6,497	0	0	0
Revenues					
Local Revenue		10,000	0	0	0
	Total Revenues	10,000	0	0	0
818 VIRGINIA BEACH LIBRARY GIFT FUND					
Expenditures					
Administration		284,708	0	0	0
Programming		26,966	112,000	112,000	0
	Total Expenditures	311,674	112,000	112,000	0
Revenues					
Local Revenue		56,754	112,000	112,000	0
	Total Revenues	56,754	112,000	112,000	0
Total Department Expenditure		22,420,779	23,074,752	23,289,151	214,399
Total Department Revenue		907,863	928,653	869,009	(59,644)

	FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
Position Summary by Program				
100 GENERAL FUND				
Administration	13.50	15.00	20.00	5.00
Records Management	3.00	3.00	3.00	0.00
Support Services	14.50	13.50	12.00	(1.50)
Programming	177.00	171.00	166.00	(5.00)
GrowSmart	3.00	3.00	0.00	(3.00)
Community Outreach	22.00	22.00	24.50	2.50
Technical Services	5.00	5.50	7.50	2.00
Total	238.00	233.00	233.00	0.00
222 LAW LIBRARY SRF				
Programming	2.50	2.50	2.50	0.00
Total	2.50	2.50	2.50	0.00
Total Position Summary	240.50	235.50	235.50	0.00
Expenditure Category by Department				
LIBRARY				
Operating	4,239,113	4,680,034	5,084,445	404,411
Capital Outlay	283,412	0	0	0
Personnel	17,898,254	18,394,718	18,204,706	(190,012)
Total Expenditures:	22,420,779	23,074,752	23,289,151	214,399
Revenue Category by Department				
Charges for Services	336,264	331,032	273,390	(57,642)
Federal Revenue	384	20,000	20,000	0
Miscellaneous Revenue	67,946	112,000	112,000	0
Permits Fees and Regulatory Licenses	79,231	100,000	100,000	0
State Revenue	365,621	365,621	363,619	(2,002)
Transfer In	57,702	0	0	0
Use of Money and Property	715	0	0	0
Total Revenue:	907,863	928,653	869,009	(59,644)

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 long-term and short-term goals and policies, interprets, and represents the community's needs, and promotes the economic, social, educational, and physical quality of the City.

Meeting Schedule

City Council holds formal sessions, which are open to the public, on the first four Tuesdays each month in City Hall (Building 1), Virginia Beach, Virginia, with the exception of Federal holidays and the following:

- The last two Tuesdays in July and December.
- The first Tuesday in August, in recognition of National Night Out.
- Instances where the first Tuesday of November is the date of the General Election.

City Council holds informal sessions in the City Council Conference Room #2034, as scheduled in the published agenda, to discuss matters of interest to the Council and receive briefings and reports from those requested by City Council and the City Manager.

City Council holds formal sessions in the City Council Chamber on the first and third Tuesday at 6:00 PM to take public input and action on items posted in the published agenda.

City Council holds formal sessions in the City Council Conference Room #2034 on the second and fourth Tuesdays of each month. These formal sessions are held at the conclusion of the informal session for the purpose of convening into closed session to consider appointments to City Council Appointive Agencies.

Council meetings are cablecast live on VBTV Cox Cable channel 48 and Verizon Cable channel 45. The City of Virginia Beach broadcasts Council meetings live on the City website, Facebook, and YouTube as well, and uploads recordings of the sessions on the City's YouTube page. Meetings are rebroadcast on Cox channel 48 and Verizon channel 45 the following Thursday at 7:00 PM, Friday at 9:00 AM, and Sunday at 9:00 AM.

Archival Documents

Agendas, summaries, and meeting minutes of past City Council sessions going as far back as 1903 are available on the City's eDocs website. Public presentations to Council from 2024 and later can be found on eDocs within the "Presentations" folder and are uploaded to the website within 24 hours of the Council meeting; Council presentations prior to 2024 may be found within the minutes of a given meeting.

Resident Satisfaction Survey

In 2025, 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 positive image of the City	78%	65%	53%
Perception of the City as a good place to live	87%	58%	49%
Perception of the City as a good place to raise children	84%	67%	61%
Perception of the City as a good place to retire	65%	55%	52%
A place you would recommend family and friends to visit	80%	61%	58%
Percent of residents who feel safe in the City	82%	71%	66%
Overall satisfaction with quality of services provided by the City	75%	52%	49%

Major Budget Changes

The City Council recieves donations specifically for the Mayor's Commission on Aging, which is placed in the Mayor's Committee Trust Fund. Prior to FY 2026-27, this donation and its related expenses were reflected as non-departmental expenditures but have been changed to reflect under departmental contributions.

The Mayor's Commission on Aging guides planning and programming to meet the needs of seniors in the City, and covers topics such as emergency preparedness, housing, health, safety, transportation, and community concerns. Meetings are open to the public and are typically held from 2:00 to 4:00 p.m. on the last Wednesday of each month in City Hall (Building 1) Room #1009. No meetings are held in May, July, and December. The Commission also hosts the annual Senior Showcase, which is an opportunity to get information out to seniors, families, and caregivers on City resources and tips on independent living.

City of Virginia Beach, Virginia
MUNICIPAL COUNCIL - Departmental Resource Summary

	FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
Program Summary				
100 GENERAL FUND				
Expenditures				
City Council	785,655	891,291	947,481	56,190
Total Expenditures	785,655	891,291	947,481	56,190
811 MAYOR'S COMMITTE TRUST FUND				
Expenditures				
Mayor's Committee Trust Fund	0	0	15,000	15,000
Total Expenditures	0	0	15,000	15,000
Revenues				
Local Revenue	0	0	15,000	15,000
Total Revenues	0	0	15,000	15,000
Total Department Expenditure	785,655	891,291	962,481	71,190
Total Department Revenue	0	0	15,000	15,000
Position Summary by Program				
100 GENERAL FUND				
City Council	11.00	11.00	11.00	0.00
Total	11.00	11.00	11.00	0.00
Total Position Summary	11.00	11.00	11.00	0.00
Expenditure Category by Department				
MUNICIPAL COUNCIL				
Operating	212,219	202,685	265,530	62,845
Personnel	573,435	688,606	696,951	8,345
Total Expenditures:	785,655	891,291	962,481	71,190
Revenue Category by Department				
Miscellaneous Revenue	0	0	15,000	15,000
Total Revenue:	0	0	15,000	15,000

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

Regional Grants and Community Organization Grants (COG)

Regional 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.

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.

Citywide Leases

Provides the necessary leases for office space for departments not located on the Municipal Campus.

Key Performance Measures

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

Departmental Performance Metrics	FY 2023	FY 2024	FY 2025	FY 2026 EST	FY 2027 PROJ
Number of regional organizations funded	36	46	34	38	27
Number of community organizations funded	18	28	28	28	28
Number of participants in veterans tax relief	4,106	5,106	6,243	7,581	9,301

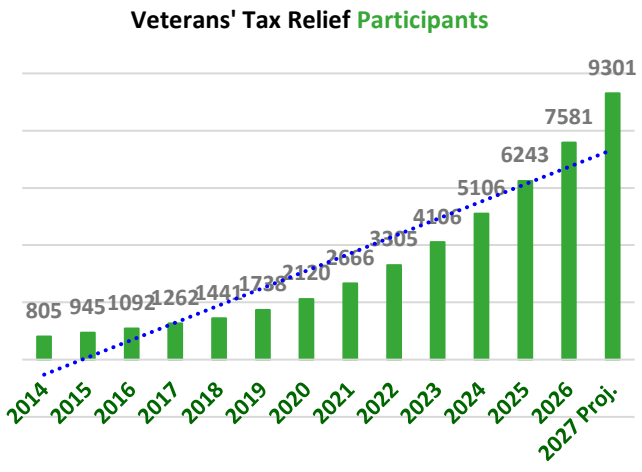
In 2025, the City contracted with ETC Institute to undergo a Resident Satisfaction Survey. The survey included standardized questions used in communities across the country, to allow Virginia Beach to benchmark the city against average ratings in other communities, and it also included questions developed 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	47.9%	31.1%	32.9%

Trends and Issues

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. A constitutional amendment was approved by voters in the November 2024 General Election which expanded tax relief eligibility to spouses of service members who were killed in the line of duty. Program participation in the Veterans Real Estate Tax Relief Program has risen by 6,636 individuals since 2015. Total relief provided by this program is estimated to be $46.0 million in FY 2026-27, equal to 5.4 cents of the real estate tax.



Regional Grants

The funding level for the ongoing regional organizations receiving grants in the FY 2024-25 Adopted Budget was reduced by 2% unless formula driven or modified by an existing agreement between the City and the organization. The FY 2023-24 Budget required those organizations to report on use of funds for the first time consistent with Community Organization Grants. Starting in FY 2025-26, the Community Organization Grant (COG) Committee is responsible for reviewing every non-MOU driven Regional Grant recipient at least once every five years. As of March 2026, the COG Committee is still in the review process and will provide recommendations to the City Council in April 2026. A final list of awards will be announced in time for potential inclusion in the FY 2026-27 Adopted Budget. All MOU-driven Regional Grants that are included in the proposed budget are included below:

Regional Organization	FY 2026-27
Hampton Roads Alliance	$459,470
Hampton Roads Planning District Commission	$543,558
Hampton Roads Workforce Council	$113,412
Hampton Roads Military and Federal Facility Alliance	$226,806
Sister Cities/Sister Cities Dues	$50,880
Public Defender Salary Stipends	$500,000
Old Dominion University	$70,000
Total	$1,964,126

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 funding was historically capped at $1.1 per capita. In FY 2024-25, the total amount dedicated to these grants remained the $707,960, and in FY 2024-25, the total amount was increased one-time to $750,000. City Council directed the City Manager to reassess the funding in order to sustain a $750,000 budget. In FY 2026-27, the COG Program maintains the $750,000 budget. Awards from the first rounds of applications for the FY 2025-26 grant process are listed below. The second round of grantees will be announced in Spring 2026.

Community Organization	FY 2025-26 Round 1
Armed Services YMCA of Hampton Roads	$50,000
Chesapeake Care	$10,000
Communities in Schools of Hampton Roads	$20,000
Endependence Center	$25,000
Families of Autism Coming Together	$25,000
Horizons Hampton Roads	$10,000
Legal Aid Society of Eastern Virginia	$30,000
PIN Ministry	$50,000

Primeplus Senior Center	$20,000
Samaritan House	$20,000
Senior Services of Southeastern Virginia	$65,000
Seton Youth Services	$30,000
Team Hoyt VB	$2,000
Tidewater Rehabilitation and Environmental Education	$4,000
Trails of Purpose	$50,000
Total	$441,000

Reserve for Contingencies by Fund

Fund and Purpose	Amount
General Fund (100)	
Regular	$1,500,000
Compensation	$17,300,000
Market Adjustments	$7,500,000
Attrition	(10,000,000)
Fuel/Energy	$2,500,000
Unallocated Revenue Sharing	$1,376,520
Arts and Culture	$425,427
Regional Grants	$2,054,561
AI Initiatives	$250,000
Flood Protection Referendum Fund (150)	
Reserve for Future Debt Service	$7,918,250
Agriculture Reserve Program (221)	
Reserve for Future Debt Service	$500,363
Compensation	$9,564
Open Space and Parks SRF (223)	
Compensation	$17,787
Reserve for Future Capital Projects	$1,642,373
Parks and Recreation SRF (224)	
Compensation	$793,637
Reserve for Future Capital Projects	$2,403,524

Fund and Purpose	Amount
EMS Cost Recovery (234)	
Regular	$1,481,792
Compensation	$58,731
Tourism Advertising Program (240)	
Compensation	$63,197
Tourism Investment Program (241)	
Reserve for Future Capital Projects	$4,165,043
Atlantic Park Performance	$3,000,000
Compensation	$167,110
Major Projects (242)	
Reserve for Future Capital Projects	$9,533,804
Atlantic Park Development Agreement (243)	
Reserved for Future Use	$762,080
CBD South TIF SRF (250)	
Cityview Payment	$1,000,000
Town Center SSD (251)	
Reserve for Future Use	$121,723
Sandbridge SSD (252)	
Compensation	$15,718
Reserve for Future Capital Projects	$5,562,353
Pembroke Square SSD (255)	
Reserve for Future Use	$477,159
State Rental Assistance Program SRF (261)	
Compensation	$5,678
Consolidated Grants SRF (270)	
Compensation (Housing)	$8,298
Federal Housing Assistance Grant SRF (272)	
Compensation	$2,651
Community Development Grant SRF (273)	
Compensation	$79,049
Old Donation Dredging SSD SRF (310)	

Fund and Purpose	Amount
Reserve for Future Capital Project	$95,924
Bayville Creek Dredging SSD SRF (311)	
Reserve for Future Capital Project	$103,789
Shadowlawn Dredging SSD SRF (312)	
Reserve for Future Capital Project	$46,515
Harbour Point Dredging SSD SRF (314)	
Reserve for Future Capital Project	$35,526
Gills Cove Dredging SSD SRF (315)	
Reserve for Future Capital Project	$52,461
Hurds Cove Dredging SSD SRF (316)	
Reserve for Future Capital Project	$301,742
Water and Sewer Enterprise Fund (510)	
Regular	$1,125,000
Compensation	$1,348,716
Rolling Stock	$1,000,000
Storm Water Utility Enterprise Fund (520)	
Compensation	$559,036
Reserve for Future Debt Service	$600,000
Waste Management Enterprise Fund (530)	
Compensation	$667,322
Parking Enterprise Fund (540)	
Compensation	$43,606
City Garage ISF (600)	
Compensation	$244,476
Fuel ISF (601)	
Compensation	$30,963
Risk Management ISF (602)	
Compensation	$27,319
Landscaping ISF (603)	
Compensation	$165,185
Information Technology ISF (606)	

Fund and Purpose	Amount
Compensation	$62,150
Tree Mitigation (822)	
Compensation	$2,522
Total	$ 69,208,644

Major Budget Changes

Elderly/Disabled Veterans Tax Relief - $11,967,695

Due to expanded eligibility and increased enrollment in the City's tax relief programs for seniors and disabled veterans and increased assessments, total tax relief is expected to grow just over $11.9 million in FY 2026-27 to a total of $62,767,396, or 7.4 cents of the real estate tax.

Line of Duty Act - $1,200,000

The Virginia Line of Duty ACT (LODA) entitles public safety personnel or their families to benefits in the event that they are disabled or die in the line of duty. Localities are required to pay into a State fund for LODA benefits at a rate established by the Virginia Retirement System (VRS). Starting in FY 2026-27, VRS is increasing the rate from $995 per eligible employee to $1,385. To account for this change, the City's LODA budget will increase from $1,800,000 to $3,000,000 annually.

Retiree Health Insurance - $2,222,541

The City offers continued health insurance coverage to eligible retired personnel. For General Fund departments, Retiree Health Insurance is funded as a non-departmental cost. In FY 2026-27 the cost of health insurance per full-time employee has been adjusted from $7,561 to $8,469 to account for year-over-year inflation. For current employees, the increased insurance costs are budgeted at the department level. For retirees, this cost is reflected in a $2,222,541 line-item increase in the non-departmental budget.

Regional Grants Reserve - $2,054,561

During the FY 2025-26 Reconciliation process, the City Council directed the Community Organization Grant (COG) Committee to review every non-MOU driven Regional Grant application. In order to ensure that the COG Committee has enough time to thoroughly review each applicant, the Committee is still in the review process and will provide recommendations to the City Council in April 2026. In the meantime, in order to ensure sufficient funds are available, City staff have created a $2,054,561 reserve, equal to non-MOU regional grant funding in FY 2025-26, to be allocated as grants are awarded.

Leases - ($978,000)

The leases for four locations not in the municipal center expire by the end of FY 2025-26. The City will not renew the leases for these locations, which previously housed divisions of the Public Works and Planning departments. Recent expansion and refurbishment of facilities in the municipal center provide enough space for affected staff to work in the municipal center and eliminate the cost of these leases.

Revenue Reimbursements - Change in Accounting

The City of Virginia Beach has a locally administered real estate tax relief program for the elderly and disabled. Prior to FY 2026-27, the revenue associated with this program was estimated as part of the total real estate revenue, then treated as an expense to the General Fund. This practice caused the General Fund to bear the full cost of the tax relief program and overstate the budgeted appropriations supporting general government services. Starting in FY 2026-27, this program will be budgeted in the same way as the state mandated Disabled Veterans Tax Relief Program, wherein the anticipated revenue is not estimated then taxed. This change allows for the true cost of the tax relief program to be shared among all dedications and the Revenue Sharing Formula.

Hampton Roads Transit - $67,299

Each year, the City provides support for the Hampton Roads Transit (HRT) in accordance with service needs outlined in the HRT's Transportation Service Plan and 10-year Transit Strategic Plan. Increase in the City's base revenue hours coupled with inflation-driven cost escalation and an expansion of Route 33 is responsible for the additional $67,299 in General Fund support in the FY 2026-27 budget and $229,300 in Tourism Investment Program Fund support.

Mayor's Committee Trust Fund – ($15,000)

The Mayor's Committee Trust Fund provides major funding for several committees and events hosted through the office of the Mayor, including the Mayor's Committee for Persons with Disabilities, the Mayor's Committee for Veterans, and the Mayor's Committee on Aging. Previously, this fund's expenses were budgeted as Non-Departmental, but starting in FY 2026-27 it will be housed in the Municipal Council department. The amount of funding provided will remain the same.

	FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
Program Summary				
100 GENERAL FUND				
Expenditures				
Computer Replacement Program	897,575	0	0	0
External Audit	194,866	199,736	204,929	5,193
Subscriptions	75,804	0	0	0
Employee Services	26,177	0	0	0
Public Defender Pay Supplement	226,750	500,000	500,000	0
Retiree Health Insurance	419,145	5,777,459	8,000,000	2,222,541
Employee Special Benefits	7,852,898	2,391,502	3,590,402	1,198,900
Benefits Administration	735,538	735,538	735,538	0
Employment Services	286,500	0	0	0
Leases	3,682,942	3,780,869	2,855,265	(925,604)
Vehicle Replacements	6,812,433	7,500,000	7,500,000	0
Revenue Reimbursements	14,705,743	16,348,702	0	(16,348,702)
Local Vehicle Registration	1,498,519	1,610,000	1,610,000	0
Community And Organization Contributions	825,000	46,200	0	(46,200)
VA Sports Hall of Fame	50,000	0	0	0
Eggleston	24,500	24,500	0	(24,500)
Virginia Wesleyan	441,000	441,000	0	(441,000)
Lynnhaven River Now	178,202	178,202	0	(178,202)
Tidewater Community College	5,880	5,880	0	(5,880)
Virginia Health Science at ODU	450,348	450,348	0	(450,348)
HR Planning District Commission	544,326	543,558	543,558	0
Virginia Dare Soil and Water Conservation	7,840	7,840	0	(7,840)
USO	19,600	19,600	0	(19,600)
Virginia Beach SPCA	29,400	29,400	0	(29,400)
Hampton Roads Alliance	459,470	459,470	459,470	0
Students on the Swim	19,600	19,600	0	(19,600)
Virginia Arts Festival	343,000	343,000	0	(343,000)
Hampton Roads Military and Federal Facilities Alliance	227,693	226,806	226,806	0
Square One	51,940	51,940	0	(51,940)
Virginia Symphony	24,500	24,500	0	(24,500)
Virginians for High Speed Rail	9,800	0	0	0
Navy League	20,825	20,825	0	(20,825)
Elizabeth River Project	19,600	19,600	0	(19,600)
Virginia Center for Inclusive Communities	1,960	1,960	0	(1,960)
Southeast 4-H	9,800	9,800	0	(9,800)
Court Appointed Special Advocates	47,040	47,040	0	(47,040)
American Red Cross	19,600	0	0	0
Hampton Roads Workforce Council	113,903	113,412	113,412	0
Hampton Roads Chamber	9,800	9,800	0	(9,800)
Sister Cities	49,500	49,500	49,500	0
Sister Cities Dues	1,380	1,380	1,380	0
STOP Inc.	13,426	13,426	0	(13,426)
Museum of Contemporary Art	132,300	132,300	0	(132,300)
Virginia African American Cultural Center	99,000	49,000	0	(49,000)
Hampton Roads Pride	99,800	100,000	0	(100,000)
Hampton Roads Transit	7,688,304	8,038,579	8,105,878	67,299
Old Dominion University	70,000	70,000	70,000	0
Men of Faith	30,000	30,000	0	(30,000)
Parks and Recreation Foundation	0	25,000	0	(25,000)

	FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
The Lambs Foundation	100,000	0	0	0
Urban League of Hampton Roads, Inc.	0	25,000	0	(25,000)
Sonrise Music Festival	0	50,000	0	(50,000)
Great Neck Athletic Association	36,858	41,400	0	(41,400)
Community Organization Grant Program	750,000	750,000	750,000	0
Total Expenditures	50,440,086	51,313,672	35,316,138	(15,997,534)
Revenues				
Local Revenue	1,798,429	2,263,500	2,235,000	(28,500)
Federal Revenue	831,208	0	0	0
Total Revenues	2,629,637	2,263,500	2,235,000	(28,500)
241 TOURISM INVESTMENT PROGRAM SRF				
Expenditures				
Hampton Roads Transit	1,415,384	1,259,361	1,488,661	229,300
Total Expenditures	1,415,384	1,259,361	1,488,661	229,300
270 CONSOLIDATED GRANTS SRF				
Expenditures				
Grants Departmental Contributions	4,014,982	0	0	0
Foodbank of Southeastern Virginia & The Eastern Shore	8,572	0	0	0
Total Expenditures	4,023,555	0	0	0
811 MAYOR'S COMMITTE TRUST FUND				
Expenditures				
Mayor's Committee Trust Fund	1,822	15,000	0	(15,000)
Total Expenditures	1,822	15,000	0	(15,000)
Revenues				
Local Revenue	(100)	0	0	0
Specific Fund Reserves	0	15,000	0	(15,000)
Total Revenues	(100)	15,000	0	(15,000)
Total Department Expenditure	55,880,846	52,588,033	36,804,799	(15,783,234)
Total Department Revenue	2,629,537	2,278,500	2,235,000	(43,500)

Expenditure Category by Department				
NON DEPARTMENTAL				
Operating	36,313,017	32,821,271	14,721,100	(18,100,171)
Leases	3,501,578	3,780,869	2,675,265	(1,105,604)
Capital Outlay	7,452,719	7,500,000	7,500,000	0
Personnel	8,613,533	8,485,893	11,908,434	3,422,541
Total Expenditures:	55,880,846	52,588,033	36,804,799	(15,783,234)

Revenue Category by Department				
Business License Tax	18,571	0	0	0
Charges for Services	961,392	1,610,000	1,610,000	0
Federal Revenue	831,208	0	0	0
Miscellaneous Revenue	794,569	500,000	500,000	0
Permits Fees and Regulatory Licenses	23,797	125,000	125,000	0
Specific Fund Reserves	0	15,000	0	(15,000)
Use of Money and Property	0	28,500	0	(28,500)
Total Revenue:	2,629,537	2,278,500	2,235,000	(43,500)

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 2023	FY 2024	FY 2025	FY 2026 EST	FY 2027 PROJ
Number of initiatives managed in the Focused Action Plan	N/A	69	69	45	45
Number of initiatives completed in the Focused Action Plan	N/A	35	52	20	35
Percentage of departments reporting to the City Manager that have Departmental Performance Plans	100%	100%	100%	100%	100%
Number of action items managed stemming from Departmental Performance Plan Meetings	N/A	N/A	N/A	80	95
Number of action items completed stemming from Departmental Performance Plan meetings	N/A	N/A	N/A	60	71
Number of open audit findings monitored/tracked	N/A	12	35	23	N/A

In 2025, 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 image of Virginia Beach	77.6%	64.7%	53.4%

Trends and Issues

Focused Action Plan

In FY 2025-26, the Office of Performance and Accountability worked with City Council to develop the FY 2026-27 Focused Action Plan, actionable strategy that guides the organization's focus, work, and resource alignment. OPA monitors the execution of the Focused Action Plan throughout the year and provides annual performance reports to City Council to document the progress of each initiative.

Resident Survey

Starting in FY 2022-23, the Office of Performance and Accountability took primary responsibility for the biannual Resident Survey. The survey aims to capture citizen satisfaction with the state of the City, its services, and its governance, and includes key geographical and population benchmarking. In 2025 the department facilitated an updated Resident Survey. Data from this survey will be used to support multiple strategic planning efforts, including this budget document, and is of significant interest to the City Council.

Major Budget Changes

Departmental Reorganization - ($298,053) - (2.0 FTEs)

In September 2025, in order better meet organizational needs, City leadership reorganized portions of the Engagement and Support Services Portfolio of departments, which includes OPA, Cultural Affairs, Information Technology, Human Resources, Finance, and Communications. Two FTEs and OPA's continuous improvement activities were moved to Human Resources' Learning and Development division as reflected in the amended budget on the following page.

As a result of these changes, OPA will have a more streamlined focus, prioritizing deeper work on core tasks including Departmental Performance Plans, the Focused Action Plan, the Resident Survey, and special projects as assigned by the City Manager's Office.

City of Virginia Beach, Virginia
PERFORMANCE & ACCOUNTABILITY - Departmental Resource Summary

	FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
Program Summary				
100 GENERAL FUND				
Expenditures				
Performance and Accountability	977,322	776,801	658,726	(118,075)
Total Expenditures	977,322	776,801	658,726	(118,075)
Total Department Expenditure	977,322	776,801	658,726	(118,075)
Total Department Revenue	0	0	0	0
Position Summary by Program				
100 GENERAL FUND				
Performance and Accountability	8.00	5.00	5.00	0.00
Total	8.00	5.00	5.00	0.00
Total Position Summary	8.00	5.00	5.00	0.00
Expenditure Category by Department				
PERFORMANCE & ACCOUNTABILITY				
Operating	115,369	143,688	129,490	(14,198)
Personnel	861,953	633,113	529,236	(103,877)
Total Expenditures:	977,322	776,801	658,726	(118,075)

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 a mix of user fees, dedicated referendum funding from the real estate tax, the general fund, and support 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, department performance plans, 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 programs, special events, shelter reservations, event permitting, operations of a boat ramp and marina, 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 leased facilities, athletics, therapeutic recreation, early childhood education, and inclusion services.

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 2023	FY 2024	FY 2025	FY 2026 EST	FY 2027 PROJ
Number of days in average mowing cycle for divided roadways	22	18	19	18	18
Miles of bikeways, trails, and wide sidewalks	309	311	311	312	312
Percent of residents within a 10-minute walk to a park	69%	69%	69%	69%	69%
Number of unique recreation center members	90,575	99,450	98,136	99,500	99,500

In 2025, 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 parks & recreation programs & facilities	88.1%	48.9%	49.2%
Overall quality of customer service received from City employees	71.6%	36.3%	39.4%
Feeling of Safety in City Parks	73.5%	60.9%	54.6%
Mowing & tree trimming along City streets & other public areas	71.6%	61.9%	55.4%
Physical condition of City parks, trails or other outdoor facilities	87%	-	-
Physical condition of City indoor recreation facilities	88%	-	-
Availability of Parks and Recreation programming for children	82%	-	-
Availability of Parks and Recreation programming for adults	79%	-	-
Availability of Parks and Recreation programming for senior citizens	75%	-	-

Trends and Issues

Department Programs and Services

The department continues to experience record-breaking visitation, to both recreation centers and parks. Once again recreation centers exceeded 1.8 million scans (visits by members) and membership exceeded 118,000 members (exceeding the previous year's 99,400 members). The department acquired technology in FY 2024-25, which now enables the department to measure park visitation, as well as look back over previous years. Visitation to parks classified as City-wide parks, natural areas, and special-use facilities (23 of the system's 290+ parks) exceeded 5.6 million, up 7.8% from the previous year. Some parks experienced visitation increases of 15-40% in just over three years. While the health and social benefits of spending time outdoors in parks are well documented and are being realized by over 90% of residents, one negative impact of increased visitation is the increased wear and tear on amenities, increased vandalism and increased calls for service. Requests by the public for new facilities continue as demand grows, especially for popular amenities such as dog parks, pickleball courts, and trails. The newly approved Parks System Needs Assessment and Strategy provides prioritization and recommendations based on equity-needs analysis for future park investments when and if funding becomes available for new amenities and the development of new parks on currently undeveloped park properties.

Recreation Center Maintenance

Three recreation centers are reaching 30 years in age and maintenance is becoming more costly. Various systems are beginning to fail, such as roof, electrical, and plumbing, and, due to their age, replacement parts are difficult to obtain. This is especially true for the aquatic amenities due to their corrosive environment. Additionally, in the thirty-plus years since the facilities were constructed, recreation trends have changed dramatically. To maintain viable, appealing, high cost-recovery facilities into the future, significant reinvestments are necessary. A modernization study was completed in 2020, and design work for the first of the centers, Great Neck, began in the winter of 2026. It is anticipated sufficient funding is available for this center as well as Bayside and Princess Anne, which will follow in that order over the next 4-6 years. Additional details about these projects can be found in the CIP document.

Significant Park Projects

Several significant park projects are under design or under construction. The first is the Bow Creek Stormwater Park. This project is transforming a 100-acre golf course into a recreational amenity and stormwater retention area. The project is one of the Flood Protection Program Bond Referendum projects that will help to alleviate flooding in the Princess Anne Plaza/Windsor Woods neighborhoods. Phase I is slated to be completed in 2026 with Phase II starting construction afterwards. Further, the VBTrail project will create a 12-mile, multipurpose trail along the former Southern Norfolk Railroad through the heart of Virginia Beach, stretching from the Norfolk border all the way to the oceanfront. Phase I of the project was awarded a $14.9 million federal grant in FY 2023-24. Combined with the local match, additional local funding, and prior federal funding, the first phase is fully funded and now under design which will include an above grade crossing over Independence Boulevard at Town Center. Phase IV of the project was awarded $23.8 million in SMART SCALE funding by the Commonwealth in 2025, which fully funds that phase. Additional grants are being pursued for the remaining two phases. Finally, in FY 2023-24, City Council approved the transformation of Rudee Loop at the southern end of the boardwalk into a world-class iconic park. Significant public input guided the development of the park design, which was approved by Council in 2025. The project is currently in the due diligence and construction drawings phase and should go out to bid for construction in 2027.

Major Budget Changes

Various Recreation Center Fee Changes (Special Revenue Fund) - Revenue: $360,246

Parks and Recreation's FY 2025-26 budget includes fee increases to several of the department's programs and services within the Special Revenue Fund, including a $5 increase to the resident membership fee for recreation centers. A full list of adopted fee increases can be found in the Executive Summary document. These include fee adjustments will be used to offset the cost increases associated with various programs, space rentals, and aquatics certification courses.

Out of School Time (General Fund) - Revenue: $817,076

Out of School Time has multiple different fees for child-care services, based on several factors (before vs after school services, number of contact hours, a registration fee, summer camp fees, etc.) These fee increases would result are being implemented to bring the fees closer in alignment with the cost to provide the service. These adjustments coupled with expenditure realignments will reduce the estimated General Fund subsidy from $3.2 million in FY 2025-26 to approximately $1.3 million in FY 2026-27.

Early Childhood Fee Increase (General Fund) - Revenue: $67,980

Parks and Recreation will increase the monthly fee for all day childcare. Programs remain competitively priced for the level of service being provided, and the fee increase helps to offset the program's reliance on General Fund resources.

Natural Resource Management Unit - $241,013 (Net)

Parks and Recreation is converting 4.0 equivalent of part time staff into full time positions to manage the Bow Creek Stormwater Park's native plants, vegetation, and greenery while mitigating invasive species in and around the stormwater pond. This funding enhances the program that began in FY 2025-26, with a $100,000 transfer from Stormwater. $83,060 is for one-time costs related to vehicle and IT equipment needed to establish the team.

Reorganization of the Parks Maintenance Teams: $148,957 (Net)

Parks and Recreation is converting 4.5 equivalent of part-time staff into 4 full-time positions and 0.5 in part-time staffing to facilitate a reorganization. Amenity adds in parks over the last year have resulted in a need to separate the maintenance team into east and west zones to effectively maintain the City's parks to continue to provide the level of service currently being provided to each City park. $56,500 is for one-time costs related to vehicle and IT equipment needed to reorganize the team.

PAAC Field Maintenance and Field Support Enhancements - $43,093 (Net)

Parks and Recreation is converting 3.0 equivalent of part time staff into full time positions to enhance the ability to maintain the Princess Anne Athletic Complex for faster field grooming between games and field turnover between rentals. $750 is for one-time costs related to IT equipment needed to expand the team.

Citizen & Park Safety Initiative - $575,000

Park locations throughout the City have seen a growing level of vandalism and other more serious issues. Staff have identified several "high priority" parks and locations in those parks which could present a serious safety risk issue should an incident occur, and this funding will provide the resources needed to expand camera surveillance in several parks, and continues to fund the initiative initially funded in FY 2025-26.

Parks Ranger Program - $790,343 - 3.0 FTEs

This program will add a dedicated security presence within the largest parks in the City while alleviating the need for police officers to respond to every non-violent call for service. This program is planned to be implemented in multiple phases, with the first phase adding a Chief Ranger and two park rangers to establish standards of practice for the future full-scale implementation. $251,500 is for one-time costs related to vehicle and IT equipment needed to establish the team.

Early Childhood Program Reorganization - ($297) - (0.41 FTE)

Parks and Recreation is converting 1.41 equivalent of part time staff into a 1.0 full time position equivalent to improve the ability to hire and retain staff. Parks and Recreation has encountered increasing difficulty in meeting state mandated standards with part-time staff positions and full-time staff have been more consistently filled and retained.

Open Space Management and Maintenance Team Reorganization (Open Space) - ($32) - (0.32 FTE)

Parks and Recreation is converting 1.32 equivalent of part time staff into a 1.0 full time position equivalent to improve the ability to hire and retain staff in a difficult to fill position.

	FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
Program Summary				
100 GENERAL FUND				
Expenditures				
Director's Office	1,040,248	575,000	1,365,343	790,343
Business Center	8,790	0	0	0
Registration Management	0	340,373	346,738	6,365
IT Program	2,759	0	0	0
Landscape Services- Asset Management	3,340,892	4,191,056	4,266,651	75,595
Landscape Services - Maintenance and Operations	9,827,677	11,275,278	11,108,572	(166,706)
Landscape Services - Life Cycle	3,675,012	4,110,641	4,676,468	565,827
Sports Management	0	1,823,487	1,733,265	(90,222)
Landscape Services -Park Services	2,086,210	1,920,274	2,635,603	715,329
Landscape Services - Special Zones	2,301,900	2,467,432	2,642,912	175,480
Early Childhood	1,944,072	2,058,120	2,090,459	32,339
Inclusion Services	974,745	1,070,363	1,093,457	23,094
Sports Management	1,380,514	0	0	0
Parks After Dark	529,541	1,159,765	1,169,663	9,898
Out of School Time	7,794,997	9,708,144	9,366,281	(341,863)
Therapeutic Services	773,245	822,746	848,218	25,472
Youth Opportunities Office	900,395	745,524	750,458	4,934
Administration	0	756,116	972,098	215,982
Outdoor Programming and Special Events	800,391	826,209	0	(826,209)
Parks and Natural Areas	1,149,680	1,184,926	2,341,768	1,156,842
Total Expenditures	38,531,068	45,035,454	47,407,954	2,372,500
Revenues				
Local Revenue	9,762,220	9,724,230	11,440,658	1,716,428
State Revenue	7,299,311	7,506,035	7,744,048	238,013
Transfers	981,006	1,242,311	1,211,022	(31,289)
Total Revenues	18,042,537	18,472,576	20,395,728	1,923,152
223 OPEN SPACE & PARKS SRF				
Expenditures				
Administration	13,653	15,770	23,730	7,960
Debt Service	1,211,728	586,101	515,383	(70,718)
Open Space Planning	203,384	259,654	310,696	51,042
Open Space Management and Maintenance	225,038	305,392	247,805	(57,587)
Transfer to Parks and Recreation CIP	3,000,000	700,000	500,000	(200,000)
Reserves	0	1,279,638	1,660,160	380,522
Total Expenditures	4,653,803	3,146,555	3,257,774	111,219
224 PARKS AND RECREATION SRF				
Expenditures				
Director's Office	1,710,150	2,451,250	2,905,841	454,591
Marketing	296	0	0	0
Business Services	3,456	0	0	0
Business Services - Budget and Finance	769,550	836,559	744,207	(92,352)
Business Services - HR	1,063,451	1,246,547	1,252,573	6,026
Marketing	835,797	1,096,347	1,037,021	(59,326)
Strategic Initiatives	290,495	313,805	308,622	(5,183)
IT Program	968,863	1,157,494	1,142,882	(14,612)
Debt Service	3,546,251	3,494,066	3,329,193	(164,873)
Planning, Design, and Development	1,058,050	1,120,664	1,108,684	(11,980)
Recreation Center Landscaping	193,296	214,595	245,678	31,083

		FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
Park Maintenance		16	0	0	0
Independent Financial Services		291	0	0	0
Inclusion Services		2,335	0	0	0
Sports Management		740	0	0	0
Member Services		2,666,608	3,202,823	3,169,293	(33,530)
Recreation Centers		5,696,223	6,259,976	6,085,835	(174,141)
Aquatics		4,822,772	5,352,947	5,302,949	(49,998)
Fitness		1,876,114	1,914,429	1,901,177	(13,252)
Out of School Time		(47)	0	0	0
Programming Administration		429,711	572,398	552,817	(19,581)
Outdoor Events		30,179	38,300	0	(38,300)
Parks and Natural Areas		431	0	38,300	38,300
Transfers to Other Funds		377,500	274,000	274,000	0
Transfer to Parks and Recreation CIP		197,000	0	0	0
Transfer to Parks and Recreation CIP		1,000,000	1,000,000	1,000,000	0
Reserves		0	1,960,454	3,183,395	1,222,941
	Total Expenditures	27,539,529	32,506,654	33,582,467	1,075,813
Revenues					
Local Revenue		7,791,604	7,999,266	8,274,628	275,362
	Total Revenues	7,791,604	7,999,266	8,274,628	275,362
241 TOURISM INVESTMENT PROGRAM SRF					
Expenditures					
Landscape Services- Resort Area		1,117,552	1,380,538	1,390,265	9,727
Reserves		0	0	31,359	31,359
	Total Expenditures	1,117,552	1,380,538	1,421,624	41,086
251 TOWN CENTER SSD SRF					
Expenditures					
Landscape Services - Town Center		98,610	148,550	168,110	19,560
	Total Expenditures	98,610	148,550	168,110	19,560
270 CONSOLIDATED GRANTS SRF					
Expenditures					
Grants		83,479	0	0	0
Grants Asset Mgmt		71,272	0	0	0
	Total Expenditures	154,751	0	0	0
Revenues					
Local Revenue		496,520	0	0	0
State Revenue		18,550	0	0	0
	Total Revenues	515,070	0	0	0
603 LANDSCAPING ISF					
Expenditures					
Landscape Services - Schools		6,792,939	5,841,328	5,852,820	11,492
Reserves		0	0	165,185	165,185
	Total Expenditures	6,792,939	5,841,328	6,018,005	176,677
Revenues					
Local Revenue		5,582,772	5,841,328	6,018,005	176,677
	Total Revenues	5,582,772	5,841,328	6,018,005	176,677
801 CITY BEAUTIFICATION FUND					
Expenditures					
Landscape Services - Beautification		3,970	50,000	50,000	0
	Total Expenditures	3,970	50,000	50,000	0
Revenues					
Local Revenue		10,802	50,000	50,000	0
	Total Revenues	10,802	50,000	50,000	0

		FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
814 PARKS AND RECREATION GIFT FUND					
Expenditures					
Gift Fund		6,505	84,000	84,000	0
	Total Expenditures	6,505	84,000	84,000	0
Revenues					
Local Revenue		49,178	84,000	84,000	0
	Total Revenues	49,178	84,000	84,000	0
822 TREE MITIGATION					
Expenditures					
Dominion Tree Mitigation		235,086	0	0	0
Landscape Services - Tree Mitigation		145,926	411,719	411,861	142
Reserves		0	2,664	2,522	(142)
	Total Expenditures	381,012	414,383	414,383	0
Revenues					
Local Revenue		225,019	414,383	414,383	0
	Total Revenues	225,019	414,383	414,383	0
Total Department Expenditure		79,279,738	88,607,462	92,404,317	3,796,855
Total Department Revenue		32,216,982	32,861,553	35,236,744	2,375,191

		FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
Position Summary by Program					
100 GENERAL FUND					
Director's Office		0.00	0.00	3.00	3.00
Registration Management		0.00	5.00	5.00	0.00
Landscape Services- Asset Management		24.00	24.00	24.00	0.00
Landscape Services - Maintenance and Operations		80.00	80.00	80.00	0.00
Landscape Services - Life Cycle		38.00	38.00	38.00	0.00
Sports Management		0.00	22.92	21.42	(1.50)
Landscape Services -Park Services		26.12	26.12	34.62	8.50
Landscape Services - Special Zones		31.00	31.00	34.00	3.00
Early Childhood		31.59	31.59	31.68	0.09
Inclusion Services		16.62	16.62	16.62	0.00
Sports Management		22.92	0.00	0.00	0.00
Parks After Dark		12.13	12.13	12.13	0.00
Out of School Time		177.37	172.37	160.40	(11.97)
Therapeutic Services		13.18	13.18	13.18	0.00
Youth Opportunities Office		7.10	7.10	7.10	0.00
Outdoor Programming and Special Events		10.06	10.06	0.00	(10.06)
Parks and Natural Areas		14.51	14.51	26.04	11.53
	Total	504.60	504.60	507.19	2.59
223 OPEN SPACE & PARKS SRF					
Open Space Planning		2.00	2.00	3.00	1.00
Open Space Management and Maintenance		4.40	4.40	3.08	(1.32)
	Total	6.40	6.40	6.08	(0.32)
224 PARKS AND RECREATION SRF					
Director's Office		4.00	4.00	5.00	1.00
Business Services - Budget and Finance		5.00	5.00	4.00	(1.00)
Business Services - HR		13.02	13.02	13.02	0.00
Marketing		7.00	7.00	7.00	0.00
Strategic Initiatives		3.00	3.00	3.00	0.00
IT Program		4.00	4.00	4.00	0.00
Planning, Design, and Development		8.00	8.00	8.00	0.00
Member Services		50.65	50.65	50.65	0.00
Recreation Centers		90.93	90.93	90.93	0.00
Aquatics		91.14	91.14	91.14	0.00
Fitness		25.25	25.25	25.25	0.00
Programming Administration		3.00	3.00	3.00	0.00
	Total	304.99	304.99	304.99	0.00
241 TOURISM INVESTMENT PROGRAM SRF					
Landscape Services- Resort Area		12.00	12.00	12.00	0.00
	Total	12.00	12.00	12.00	0.00
603 LANDSCAPING ISF					
Landscape Services - Schools		62.00	63.00	63.00	0.00
	Total	62.00	63.00	63.00	0.00
822 TREE MITIGATION					
Landscape Services - Tree Mitigation		1.00	1.00	1.00	0.00
	Total	1.00	1.00	1.00	0.00
Total Position Summary		890.99	891.99	894.26	2.27

	FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
Expenditure Category by Department				
PARKS AND RECREATION				
Bad Debt	3,308	0	0	0
Reserves	0	3,242,756	5,042,621	1,799,865
Operating	17,493,614	22,173,472	23,576,413	1,402,941
Leases	23,445	27,858	27,572	(286)
Transfers	4,574,500	1,974,000	1,774,000	(200,000)
Debt	4,757,979	4,080,167	3,844,576	(235,591)
Capital Outlay	1,240,598	575,000	965,250	390,250
Personnel	51,186,294	56,534,209	57,173,885	639,676
Total Expenditures:	79,279,738	88,607,462	92,404,317	3,796,855

Revenue Category by Department				
Charges for Services	21,153,265	21,836,317	23,884,483	2,048,166
Miscellaneous Revenue	132,892	84,000	84,000	0
Permits Fees and Regulatory Licenses	45,717	42,000	36,000	(6,000)
State Revenue	7,317,861	7,506,035	7,744,048	238,013
Transfer In	981,006	1,242,311	1,211,022	(31,289)
Use of Money and Property	2,586,241	2,150,890	2,277,191	126,301
Total Revenue:	32,216,982	32,861,553	35,236,744	2,375,191

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.

Long Range Planning

Includes Comprehensive Planning 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 2023	FY 2024	FY 2025	FY 2026 EST	FY 2027 PROJ
Number of inspections	77,231	73,154	74,616	75,362	76,115
Permits issued	35,476	33,252	33,617	33,953	34,292
Zoning inspections	2,164	4,591	4,360	4,200	4,000
Zoning permits issued*	2,331	1,068	1,014	1,200	1,200
Cases heard by the Board of Zoning Appeals	75	74	92	100	100
Plans reviewed in the Development Services Center	2,705	3,026	2,655	2,750	2,750
Applications heard by the Planning Commission and City Council	170/174	149/122	149/113	140/120	140/120
Applications heard by the Wetlands Board	36	53	42	40	40
Applications heard by the Chesapeake Bay Preservation Board	93	59	34	50	50
Joint Waterfront Review permit applications	116	210	153	145	145
Number of small cell towers received	1	7	10	10	10
Number of Short-Term Rental applications	604	1,185	1,257	1,400	1,500

*The decline in the zoning permits issued measure is due to a policy change that no longer requires permit issuance for certain fences

In 2025, 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	71.6%	36.3%	39.4%
Overall quality of services provided by the City	74.8%	51.6%	49%
How well the City is managing growth	23.5%	31.8%	38.9%
Overall Appearance of Virginia Beach	79.8%	63.9%	55%
Adequacy of Transit Services	30.2%	45.3%	37.1%
Enforcing mowing & cutting of weeds on private property	44.7%	44.3%	46.1%
Enforcing exterior maintenance of commercial/business property	42.8%	48.9%	46.3%
Enforcing junk & debris cleanup on private property	36.2%	52.5%	45.1%

Trends and Issues

Implementation of Revised Stormwater Management Regulations

The Virginia Department of Environmental Quality (DEQ) combined the Erosion and Sediment Control and Stormwater Management Programs. Planning staff worked with Public Works staff to update and adopt Virginia Beach's combined Erosion and Stormwater Management Ordinance.

VBStat 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. The Department continued improvements to Accela workflow management system to improve data accuracy and reporting capability. A federated technology model has been implemented within the Planning Department in which dedicated positions from Planning and IT support data reporting and tracking through Accela. This information is provided to the City Manager and Management Leadership Team (MLT) to make strategic decisions regarding the operations of the Planning Department.

The Planning Department also continues with performance tracking and details on work product and service. Customer service dashboards were created to analyze data and automate reports related to site plan review timeliness and is now on the Planning Department's website.

Comprehensive Plan Update

The update of the Comprehensive Plan is underway utilizing the consulting services of Renaissance Planning. Several rounds of public engagement meetings, focus groups, and workshops have been held to gain feedback from the community on the City's Comprehensive Plan. The final format of the Comprehensive Plan, including the Master Transportation Plan, is set for adoption by City Council in 2026.

Staffing

While the filled positions rate has increased in the previous year, the Planning Department continues having difficulty finding qualified candidates with the right skill set for select roles, such as Planners, Construction Inspectors, and Plans Examiners. The Department partnered with the Human Resources Department to implement targeted strategies such as streamlining hiring processes, increasing utilization of hiring bonuses and hiring above minimums, and fostered partnerships with talent recruiters.

Short-Term Rental Enforcement

Short-Term Rental (STR) Enforcement continues to be a high priority with regulations and processes set in place. As a result, a Short-Term Rental Manager position was implemented to provide oversight of the STR staff and program. In addition, City Council adopted an ordinance to appoint a Task Force to review STR regulations and processes. The Short-Term Rental Enforcement Task Force met several times and engaged in a deep dive into the enforcement and permitting policies and procedures of the Short-Term Rental program. Nineteen recommendations for improvement were drafted and were presented to City Council in January 2025. Some of the recommendations included additional Zoning Inspector positions, increased annul permit fee, and non-refundable application fee were adopted in August 2025.

VA250 Commission

The VA250 Commission is a state appointed Commission that was established by the Virginia General Assembly in 2020 to commemorate the 250th anniversary of the Declaration of Independence. The Virginia Beach committee consists of 16 appointed members who meet regularly to plan and facilitate events for this occasion. The focus of VB VA250 is to coordinate with City departments and community organizations to encourage, support, and facilitate public events.

VB VA250 has been working with Beach Events to plan enhancements to events at the Oceanfront as part of the VA250 commemorations. In addition to planning for a larger than usual fireworks display and patriotic events for July 4, 2026, VB VA250 also helped to sponsor the Native American Pow Wow that the Parks and Recreation Department presented in cooperation with the Nansemond Indian Nation at Mount Trashmore in May 2025. VB VA250 has supported the planning of several events carried out by local/regional chapters of the Sons and the Daughters of the American Revolution. These events have included commemorations of the Battle of the Virginia Capes, Skirmish at Kemp's Landing, and the Skirmish at James's Plantation.

The major event held away from the Oceanfront was the 250th Anniversary Commemoration of the Skirmish at Kemps Landing at City View Park in November 2025. The historical reenactment was presented by the 7th Virginia Regiment. The Skirmish was one of the most historical events to have occurred in Virginia Beach. The commemorative event was presented in collaboration with other regional commemorations related to Virginia Royal Governor Lord Dunmore's military campaign here in 1775.

Customer Service

The Planning Department is tracking monthly front counter visits and incoming phone calls to strengthen operational awareness and service delivery. By consistently capturing this information, the Planning Department is able to quantify public engagement, identify service demand trends, allocate staff resources more effectively, and evaluate service fluctuations over time. This data supports informed decision-making, enhanced transparency, and provides measurable insight into how Planning is serving the community. This effort reflects a commitment to accountability, continuous improvement, and responsive public service.

Historical Highway Markers

Staff initiated a condition assessment for each of the 26 state historical highway markers located in Virginia Beach and will coordinate an initiative with the Historic Preservation Commission to accomplish refurbishment of damaged markers.

Major Budget Changes

Zoning Ordinance Study - $1,750,000

Part of the updated Comprehensive Plan recommendations have identified the need to update the Zoning Ordinance. The current zoning ordinance was adopted in 1988 and focuses on greenfield and suburban development patterns. As land in Virginia Beach becomes an increasingly limited resource, the predominant development style is shifting to infill and denser development. The update would promote City Council initiatives to encourage affordable housing and development within the Strategic Growth Areas. Resources allocated for this would be used for public engagement, consultants for drafting local zoning codes, and outside legal counsel to review proposed code compliance with local and state laws.

North Landing River/Albemarle Sounds Estuarine Symposium - Net $0

The North Landing River & Albemarle Sound Estuarine Symposium is an annual conference hosted by the Green Ribbon Committee to bring together professionals working in the Southern Rivers Watershed to share work being done in the area and foster discussion and collaboration. This event has been absorbed by the Planning Department in recent years and has become an annual event anticipated by the community stakeholders. This budget change will allow Planning reflect the Symposium as a planned and funded event.

City of Virginia Beach, Virginia
PLANNING - Departmental Resource Summary

		FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
Program Summary					
100 GENERAL FUND					
Expenditures					
Administration		2,936,298	3,803,416	3,819,062	15,646
Southern Rivers Watershed Symposium		0	0	10,000	10,000
Planning Administration		1,661,950	1,683,260	1,723,272	40,012
Va250 Commission		42,511	50,000	0	(50,000)
Chesapeake Bay		5,272	0	0	0
Wetlands		8,368	8,700	13,400	4,700
Zoning Code Enforcement		528	0	0	0
Zoning Administration		2,082,629	2,416,177	4,143,399	1,727,222
Chesapeake Bay		14,256	16,200	16,500	300
Permits And Inspections		4,983,356	5,122,416	5,170,124	47,708
Strategic Growth Areas		560,788	0	0	0
Transportation Planning		350,000	0	0	0
Development Services		2,939,879	2,924,713	3,069,411	144,698
Public Utilities Program		411,020	418,474	421,287	2,813
	Total Expenditures	15,996,854	16,443,356	18,386,455	1,943,099
Revenues					
Local Revenue		6,586,725	6,917,342	7,032,480	115,138
Transfers		553,362	546,215	843,711	297,496
	Total Revenues	7,140,087	7,463,557	7,876,191	412,634
270 CONSOLIDATED GRANTS SRF					
Expenditures					
Grants		115,857	0	0	0
	Total Expenditures	115,857	0	0	0
Revenues					
Federal Revenue		11,700	0	0	0
	Total Revenues	11,700	0	0	0
Total Department Expenditure		16,112,711	16,443,356	18,386,455	1,943,099
Total Department Revenue		7,151,787	7,463,557	7,876,191	412,634
Position Summary by Program					
100 GENERAL FUND					
Administration		19.00	23.00	23.00	0.00
Planning Administration		15.00	15.00	15.00	0.00
Zoning Administration		20.00	23.00	23.00	0.00
Permits And Inspections		60.00	56.00	56.00	0.00
Strategic Growth Areas		7.00	0.00	0.00	0.00
Development Services		25.00	25.00	25.00	0.00
Public Utilities Program		3.00	3.00	3.00	0.00
	Total	149.00	145.00	145.00	0.00
Total Position Summary		149.00	145.00	145.00	0.00

	FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
Expenditure Category by Department				
PLANNING				
Operating	2,315,605	2,127,728	3,951,522	1,823,794
Capital Outlay	0	9,000	0	(9,000)
Personnel	13,797,106	14,306,628	14,434,933	128,305
Total Expenditures:	16,112,711	16,443,356	18,386,455	1,943,099

Revenue Category by Department				
Charges for Services	294,590	293,234	259,862	(33,372)
Federal Revenue	11,700	0	0	0
Permits Fees and Regulatory Licenses	6,292,135	6,612,068	6,772,618	160,550
Transfer In	553,362	546,215	843,711	297,496
Use of Money and Property	0	12,040	0	(12,040)
Total Revenue:	7,151,787	7,463,557	7,876,191	412,634

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:

Operations Division

The Operations Division is divided into four precincts and the Special Operations Bureau, to include response to criminal incidents, calls for service, traffic control, and enforcement.

Operations Division officers are trained in techniques of de-escalation, mental health, first aid, crisis intervention, policing from the juvenile perspective, and communication, so they are prepared to address the varying needs of the community.

Administration Division

The Administrative Division includes the Professional Standards Bureau (including the Internal Affairs and Planning & Research Units), and the Animal Services Bureau.

Investigative Division

Responsible for investigating crimes, collecting evidence, conducting interviews, and assisting prosecutors in building cases in the pursuit of justice for victims. The division includes the Detective Bureau, Special Investigations Bureau, and the Forensic Services Unit.

Support Division

The support Division includes the Training Bureau, Citizen Services Unit, Property & Evidence Unit, Uniform & Supply, Technology Unit, and the Youth Services Unit. This division is responsible for maintaining police records; property and evidence storage; entering data such as protective orders and other warrants into local, state, and national systems; conducting criminal history checks; administering the "PHOTO*Safe*" red light camera, "Stop Arm" school bus camera, speed cameras, and false alarm programs.

Key Performance Measures

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

Departmental Performance Metrics	FY 2023	FY 2024	FY 2025	FY 2026 EST	FY 2027 PROJ
Clearance rate of Part 1 Violent Crimes	68%	71%	77%	77%	77%
Clearance rate of Part 1 Property Crimes	19%	25%	22%	22%	22%
Number of emergency calls for service	10,838	9,705	9,066	9,066	9,066
Average response time to emergency calls	7	7:42	7:42	7:42	7:42
Number of fatal crashes	28	29	27	27	27
Resident positive response to Police efforts to collaborate with the public to address concerns	64%	64%	64%	64%	64%
Police relationship with the community	74%	74%	74%	74%	74%

In 2025, 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	80%	60%	53%
City's overall efforts to prevent crime	66%	55%	49%
Response time for police services	65%	70%	56%
Enforcement of local traffic laws	54%	60%	50%
Animal Control Services	65%	58%	49%
Feeling of safety in Virginia Beach overall	82%	71%	66%

Trends and Issues

Recruitment and Staffing Efforts

The VBPD is not immune to the staffing crisis that most large police agencies have experienced nationwide. In 2025, the VBPD entered a partnership with an advertising firm. A strategic recruitment plan was implemented to help address staffing concerns and boost recruitment efforts. This plan included the updating of a new ad campaign which targets women, minorities, veterans, and certified officers from other parts of the country. These recruiting campaigns have launched on the internet, live tv, streaming networks, billboards, and various radio markets targeting a wide variety of demographics in hopes of filling current vacancies. As a result, the department has seen a 15% increase in applications.

Real Time Crime Center

The Real Time Crime Center (RTCC) is fully staffed and operational, providing real-time support to patrol daily. Professional analysts utilize state-of-the-art technology to include the FUSUS situational awareness platform, Peregrine, FirstTwo, mobile and fixed ALPR cameras, citywide security cameras, and police records systems, to provide officers with intelligence and real-time information as they respond to active calls for service. The RTCC will also operate VBPD's Drones as a First Responder (DFR) program as it comes online in the near future.

Reduction in Part I & Violent Crime

In 2025, the City of Virginia Beach experienced an 11.5% reduction in Part I crime overall. Notably, violent crime fell by 6.6% compared to 2024, including a 6.3% reduction in homicides. Additionally, property crime was down 11.8% compared to 2024. These reductions can be attributed to outstanding police work, community partnerships, a prioritized focus on violent offenders, and the use of advanced technology.

Major Budget Changes

Recruiting Initiatives - $175,000 (net $0)

In September and October of 2025, the Police Department partnered with an advertising firm to assist with producing several recruiting videos and related marketing initiatives. The videos target females, military veterans, certified/lateral officers and general recruitment. There are multiple issues that contribute to the difficulties in hiring and retaining quality police officers. The hiring process is significantly longer than traditional jobs, negative media coverage discourages policing as a career choice, and Millennials and Generation Z value flexible hours with guaranteed holidays and days off. These issues have created a very challenging environment for recruitment. These funds will help to continue recruiting efforts to modernize and target a different audience. This initiative is being funded through the Police Department's vacancy savings.

Peregrine Software Platform - $179,000

Peregrine is a data integrator technology that allows personnel to easily search across various siloed datasets in one simplified, easy to use platform. Peregrine enhances investigations by easily locating critical information, simplifies and interprets difficult digital evidence and provides streamlined analytical dashboards for data consumption. This software is essential to the daily operations of the Real Time Crime Center and enables staff streamline information to officers out in the field.

Special Conservator of the Peace Position 6.0 FTEs - $485,730 (net $0)

During the FY 2026-27 budget process, the VBPD requested implementation of a program to have six dedicated Special Conservators of the Peace (SCOP) officers to assume the transportation and custody duties for individuals experiencing a mental health crisis that meets the criteria for involuntary hospitalization but refuses voluntary treatment, therefore have been placed under an Emergency Custody Order (ECO). To support this, the Police Department will convert six vacant sworn positions to SCOP positions.

Drone Program - $418,510

In FY 2026-27, the Police Department will continue efforts to deploy a Drone as Frist Responder (DFR) program. This will provide overwatch and situational awareness for staff responding to calls and for PD leadership to gain an enhanced operating picture. DFR will autonomously launch drones to specific calls for service in designated areas, which are: drone pilot located within Real Time Crime Center, drones geographically dock on rooftops for rapid deployment, and drones will fly to call for service and flight can be assumed by pilot.

Increased Department Specific Revenue - $418,510

Year-over-year revenue increases for the department are just over $1 million. Major increases include $169,824 in transfers from School for the cost of reviewing bus-stop arm footage. Previously these expenses were reputed as $0, the FY 2027 budget will show the revenue and expense to reflect the true cost of service. Other increases include $200,000 in red light camera fees and $695,200 in speed enforcement revenue.

City of Virginia Beach, Virginia
POLICE - Departmental Resource Summary

	FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
Program Summary				
100 GENERAL FUND				
Expenditures				
Director's Office	2,056,767	3,140,047	3,328,469	188,422
Technology and Special Projects	465,994	0	0	0
Training, Learning And Development	41,092	0	0	0
Support Division	6,460,496	5,967,906	813,787	(5,154,119)
Technology and Special Projects	1,032,610	9,269,143	13,425,651	4,156,508
False Alarm Unit	4,068	7,307	0	(7,307)
Training Bureau	1,785,493	5,952,319	6,289,882	337,563
Red Light Camera Unit	975,267	1,791,236	0	(1,791,236)
Speed Enforcement Unit	0	792,452	0	(792,452)
Child & Youth Services	0	0	892,486	892,486
Administrative Division	2,356,658	2,630,311	509,159	(2,121,152)
Animal Services Bureau	4,244,693	4,380,338	4,498,232	117,894
Technology and Special Projects Unit	6,293,049	0	0	0
Training, Learning And Development	4,442,438	0	0	0
Police Services	0	0	5,324,041	5,324,041
Red Light Camera Unit	0	0	1,931,036	1,931,036
Speed Enforcement Unit	0	0	1,447,716	1,447,716
Professional Standards	0	0	1,912,890	1,912,890
Investigative Division	14,720,756	16,947,492	14,197,173	(2,750,319)
Forensic Services	2,814	0	1,766,484	1,766,484
Special Investigations Bureau	7,302,512	6,553,943	7,033,548	479,605
Extraditions	64,978	0	0	0
Operations Division	69,033,564	76,519,765	68,078,863	(8,440,902)
Animal Control	3,766	0	0	0
Crime Prevention	927,649	0	0	0
Helicopter Unit	905,231	1,175,730	2,256,223	1,080,493
K9 Unit	2,663,787	2,649,560	2,833,883	184,323
Marine Patrol Unit	1,377,507	1,332,220	1,364,038	31,818
Mounted Patrol Unit	1,559,322	1,462,226	1,559,997	97,771
School Resource Officers	3,259,967	3,275,717	3,427,799	152,082
Extradition Unit	180,753	404,097	404,143	46
Police Special Operations	0	0	7,017,323	7,017,323
Total Expenditures	132,161,231	144,251,809	150,312,823	6,061,014
Revenues				
Local Revenue	4,157,859	4,434,887	5,321,137	886,250
State Revenue	211,411	350,000	350,000	0
Federal Revenue	172,540	213,000	163,000	(50,000)
Transfers	0	0	169,824	169,824
Total Revenues	4,541,810	4,997,887	6,003,961	1,006,074
231 POLICE FORFEITED ASSETS SRF				
Expenditures				
Admin And Support	375,618	0	0	0
Total Expenditures	375,618	0	0	0
Revenues				
Local Revenue	134,753	0	0	0
State Revenue	110,450	0	0	0
Federal Revenue	136,246	0	0	0
Total Revenues	381,449	0	0	0

	FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
270 CONSOLIDATED GRANTS SRF				
Expenditures				
Police Grants	672,317	0	0	0
K9 Unit	1,575	0	0	0
Transfer to CIP	5,584,266	0	0	0
Total Expenditures	6,258,159	0	0	0
Revenues				
State Revenue	548,208	0	0	0
Federal Revenue	186,132	0	0	0
Total Revenues	734,340	0	0	0
Total Department Expenditure	138,795,008	144,251,809	150,312,823	6,061,014
Total Department Revenue	5,657,599	4,997,887	6,003,961	1,006,074
Position Summary by Program				
100 GENERAL FUND				
Director's Office	22.00	25.00	25.00	0.00
Support Division	73.50	74.60	5.00	(69.60)
Technology and Special Projects	0.00	4.00	30.40	26.40
Training Bureau	38.72	38.72	37.72	(1.00)
Red Light Camera Unit	4.00	7.20	0.00	(7.20)
Speed Enforcement Unit	0.00	3.20	0.00	(3.20)
Child & Youth Services	0.00	0.00	10.70	10.70
Administrative Division	23.80	20.80	3.80	(17.00)
Animal Services Bureau	48.50	48.50	49.50	1.00
Technology and Special Projects Unit	3.00	0.00	0.00	0.00
Police Services	0.00	0.00	63.90	63.90
Red Light Camera Unit	0.00	0.00	7.20	7.20
Speed Enforcement Unit	0.00	0.00	3.20	3.20
Professional Standards	0.00	0.00	14.00	14.00
Investigative Division	129.10	129.10	109.10	(20.00)
Forensic Services	0.00	0.00	19.00	19.00
Special Investigations Bureau	60.00	51.00	51.00	0.00
Operations Division	590.07	599.07	519.67	(79.40)
Helicopter Unit	7.00	8.00	8.00	0.00
K9 Unit	17.00	17.00	17.00	0.00
Marine Patrol Unit	10.46	9.46	9.46	0.00
Mounted Patrol Unit	11.00	11.00	11.00	0.00
School Resource Officers	30.00	30.00	28.00	(2.00)
Police Special Operations	0.00	0.00	54.00	54.00
Total	1,068.15	1,076.65	1,076.65	0.00
Total Position Summary	1,068.15	1,076.65	1,076.65	0.00
Expenditure Category by Department				
POLICE				
Operating	23,412,381	25,154,859	29,242,918	4,088,059
Leases	453,420	604,560	604,560	0
Transfers	5,584,266	0	0	0
Capital Outlay	530,957	7,454	5,692	(1,762)
Personnel	108,813,984	118,484,936	120,459,653	1,974,717
Total Expenditures:	138,795,008	144,251,809	150,312,823	6,061,014

	FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
Revenue Category by Department				
Charges for Services	345,999	366,100	338,700	(27,400)
Federal Revenue	494,918	213,000	163,000	(50,000)
Fines and Forfeitures	0	0	3,387,652	3,387,652
Miscellaneous Revenue	642,570	350,000	384,000	34,000
Permits Fees and Regulatory Licenses	3,157,463	3,709,687	1,199,385	(2,510,302)
State Revenue	870,069	350,000	350,000	0
Transfer In	0	0	169,824	169,824
Use of Money and Property	146,580	9,100	11,400	2,300
Total Revenue:	5,657,599	4,997,887	6,003,961	1,006,074

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, 13 middle schools, 11 high schools, one charter school, and a number of specialty centers.

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 24, 2026, the Superintendent of VBCPS presented the proposed Estimate of Needs (SEON) to the School Board. The net budget, including the General Fund, Categorical Grants, and other funds, totals $1.2 billion and includes several initiatives as outlined on the following pages.

Key Performance Measures

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

Departmental Performance Metrics	FY 2023	FY 2024	FY 2025	FY 2026 EST	FY 2027 PROJ
Student enrollment	63,598	63,132	62,873	62,012	62,129
Per pupil expenditure	$17,029	$17,012	$17,599	$17,719	$19,103
On-time graduation rate	95.4%	96.1%	96.8%	96.8%	96.8%

In 2025, 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
Quality of public schools in Virginia Beach	71%	48%	46%
Satisfaction as a place to raise children	84%	67%	61%

Trends and Issues

Employee Compensation and Workforce Challenges

The nationwide teacher shortage continues to pose a significant challenge for school divisions nationwide, including VBCPS. Each year, divisions work to staff schools with educators and non-instructional personnel in a market where demand outweighs supply. The U.S. Department of Education reported a slight increase in teacher preparation program enrollment in 2024. Approximately 8,700 individuals entered preparation programs in Virginia, but only 3,135 completed licensure requirements by year's end. With 134 divisions statewide, the average is 23 licensed teachers per division. Critical shortage areas in Virginia remain widespread, spanning elementary and middle school education, special education, mathematics, secondary science, English, career and technical education, history, social sciences, and foreign language. These shortages continue to strain divisions already competing for a dwindling workforce. Nationally, non-competitive salaries, housing costs, and intensifying job market competition threaten the quality of education for millions of students.

Although teachers received a 4.5% salary increase over the last year, entry-level teacher salaries in VBCPS rank seventh place out of seven school divisions in the local market for the second consecutive year. Entry level salaries in neighboring divisions are 2% to 8.2% higher than in VBCPS. Despite this, the school division continues to attract talent through its strong reputation and issuing Letters of Intent, which remain crucial in recruiting teachers ahead of the competition despite salary disparities.

Employees on the Unified Experience-Based Step Pay Scale received an average salary increase of 4.1%, which included a 3% adjustment to entry-level salaries. As a result, the minimum hourly wage rose to 15.75 on July 1, 2025, benefiting the division's lowest-paid workers, such as bus assistants, cafeteria assistants, and custodians.

Effective January 1, 2026, employees experienced an increase in health insurance premiums, which may affect the overall competitiveness of total compensation.

The City of Virginia Beach and VBCPS continue to work collaboratively with the benefits consultant to explore options for employee health care costs, which may have budget implications.

Employee Benefits

VBCPS utilizes a health fund to provide health insurance to staff. This fund allows the VBCPS to be self-insured and control many aspects of health benefit offerings to staff. The fund is supported by employee and employer contributions. Over the last several years, the health insurance plan experienced higher than projected cost trends and current indicators suggest that costs will continue to rise. As a result, the health fund balance declined and is below desired reserves, necessitating premium increases. Beginning in January, 2026, employee premiums have increased, and incremental premium increases are expected year over year as costs continue to rise.

The Benefits Executive Committee (a group of leadership members from the city and school), along with Mercer, the 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, plan design changes and/or premium contributions.

Enrollment and Student Learning Needs

The VBCPS Operating Budget was developed using the Governor's student membership projection of 61,298.65, which varies from the local projection. Projections indicate a small increase in the first forecast year, followed by a decline in each year after. The impact of this declining enrollment will depend on several factors, including economic conditions, shifts in the federal workforce, and evolving student needs.

While average daily membership has decreased in recent years, the number of English Learners and students receiving special education services continues to rise. In the last two fiscal years, the number of economically disadvantaged students has declined by approximately 1% each year. However, it is still higher than the two previous years before the decline. Enrollment data indicates a continued decline in this population, but it is being monitored closely as economic conditions and changes in federal policy could reverse these changes. Increasingly complex student needs, including greater demands for academic intervention, specialized services, and social-emotional support are expected to drive future budget pressures.

Categorical Grant Funding

Supplementary state funding through the Virginia ALL In initiative is set to expire on June 30, 2026. This program has been vital in bridging the gap to sustain critical support despite the loss of temporary federal funding. It has supported high-impact tutoring in reading and math, extended summer learning opportunities, implementation of the Virginia Literacy Act, and initiatives to reduce chronic absenteeism. With the three-year program ending, the division remains focused on strategic planning and targeted resource allocation.

Princess Anne High School Replacement Project

The Princess Anne High School replacement project is a priority project in the current six-year CIP. As the City's oldest operating high school, the facility faces significant infrastructure, capacity, and modernization challenges that limit its ability to support today's instructional and operational needs. Replacing the building represents a critical investment, and with competing budget priorities and other capital demands, VBCPS must carefully balance maintaining existing facilities with funding new construction.

School Safety

It is proven that education in a safe and secure environment facilitates effective learning. School safety and the security of children are priorities that are routinely analyzed and enhanced at every opportunity. This past year, the Office of Security and Emergency Management (OSEM) expanded the armed security officer program. This program allows former law enforcement officers who qualify by the state and internal standards, to carry a firearm while working in a security capacity. OSEM is working with the School's Department of Human Resources and building principals to provide an armed security officer at each secondary school. Additionally, OSEM will participate in the School Safety Task Force (SSTF). The SSTF will assign training and physical security topics specific to OSEM. Subcommittees will be tasked with researching and providing the committee with a detailed evaluation of these selected topics. VBCPS has consistently demonstrated its commitment to proactive and progressive school safety measures by investing in advanced security initiatives.

Technology

VBCPS oversees one of Hampton Roads' largest technology infrastructures, boasting a 160-mile fiber network across Virginia Beach, supporting over 120,000 computers and other tech equipment. Their strategy, Compass to 2030, emphasizes enhancing the use of technology for personalized student learning.

As part of this, VBCPS maintains a 1:1 device program, offering Chromebooks to all students, with the Department of Technology supporting and repairing these devices. Funding from various sources has also enabled the replacement of older whiteboards with interactive displays, benefiting both students and staff. Additionally, the division invests in adaptive software to cater to students' diverse needs. The division remains committed to leveraging technology to optimize operations further and enhance student and staff productivity.

State and Federal Mandates

VBCPS must comply with state and federal mandates impacting division-wide needs and priorities. Mandates are not always funded and can financially burden localities and school divisions. These mandates range from new reporting requirements to new policies and procedures to unfunded equipment requirements. VBCPS is opposed to new state mandates requiring local school divisions to assume additional responsibilities or provide additional services without the state's share of funding such mandates.

State Funding Deficiencies

Virginia's nonpartisan research agency, the Joint Legislative Audit and Review Commission (JLARC) has provided a blueprint for how policymakers can improve the school funding formula to ensure that the state pays its fair share. The report issued in July 2023 by the JLARC study highlighted significant disparities in funding for Virginia school divisions compared to several benchmarks, including the 50-state average, the regional average, and three of Virginia's neighboring states.

The JLARC report noted that Virginia school divisions receive substantially less funding per K-12 student when compared to other states. This underfunding is a critical issue with far-reaching implications for the quality of education that students receive.

A significant factor contributing to the underfunding is the inadequacies of the SOQ formula. The SOQ formula substantially underestimates the staffing requirements necessary to ensure a high-quality education for students, as it fails to accurately account for the workforce needed to meet educational standards. Furthermore, the formula underestimates salaries and related compensation costs for most SOQ-recognized positions.

Compounding these issues, the SOQ formula does not adequately account for students with higher needs, including at-risk students, those in special education, and English learners. The state's funding allocations for these specific student populations fall significantly short of the funding levels established as necessary by comprehensive cost studies conducted in other states. This deficiency threatens the ability of Virginia schools to provide the essential resources and support required to ensure an equitable and inclusive education for all students.

While the two prior state budget cycles have made notable progress towards implementing some of the recommendations, considerable work remains to ensure sufficient state financial support for ongoing operational and educational needs.

VBCPS Achievements and Initiatives

- VBCPS has continued to lead the region and a prestigious group of comparable, high performing divisions in student performance on the State Standards of Learning Tests.
- For the 16th consecutive year, VBCPS reached a record-high On-Time Graduation (OTG) rate, which now stands at 96.8%. In addition, the division's dropout rate remained at 2.2% outperforming Virginia's rates of 92.4% for OTG and 5.1% for dropouts.

- The push to increase the rigor and opportunity to take advanced courses for all students resulted in a significant increase in not only students enrolled in Advanced Placement (AP) and Dual Enrollment (DE) courses, but also in participation and performance. More students (7,004) took AP courses in 2024-25 than at any time since 2017-18, with 73% taking the corresponding AP exam, the highest exam participation rate in ten years. In terms of AP performance, 74% of AP exam test-takers scored a 3 or higher, the highest pass rate in over ten years. At the same time, participation in DE courses increased to its highest level ever with 2,158 students enrolled in a DE class. Ninety-three percent of those students earned a C or higher in the DE class, thus earning a college credit. Collectively, almost 50% of the total high school population is enrolled in AP or DE classes, evidence of our push to increase rigor and opportunity for all students.
- For the 16th straight year, VBCPS been named one of the Best Communities for Music Education by the National Association of Music Merchants (NAMM) Foundation for outstanding commitment to music education.
- This year, 37 VBCPS schools earned the VDOE Purple Star Designation, bringing the total to 72 schools that have been named in the past. The Purple Star is awarded to military-friendly schools that have demonstrated their commitment to meeting the needs of military families. There are nearly 14,000 military-connected students in VBCPS..
- The Office for Opportunity and Achievement (OOA) has focused on scaling up what has been working with students, while expanding activities for staff and families. In July, the CARE Continuum, a framework which guides stakeholders in implementing strategies to ensure that all students, staff, and families feel seen, known, and heard, was officially launched. To support this initiative, the CARE Collaborative, comprised of students, teachers, administrators, central office staff, and community members, was created to identify opportunities for growth, plan professional development, and review areas of concern.
- This year the TIDE Coalition kicked off year three in high schools and year one in middle schools. This group of student leaders focus on solving school-based issues to create an environment that is inclusive of all students and staff.
- Since the industry credential program began in 2002, nearly 182,000 industry credentials have been earned by VBCPS students. Each year, students have access to over 131 different credentials that link to career fields free of charge. Students build their resume by collecting stackable credentials that prove the professional skills they can demonstrate. During the 2024-25 school year, high school students earned over 14,540 industry credentials.
- The Office of Career and Technical Education has established new dual enrollment programs in Aviation Maintenance and Medical Assisting, linking students to high-demand pathways with new higher education partnerships.
- VBCPS is scheduled to open a third welding lab and classroom centrally located at the Renaissance Academy and Adult Learning Center in July 2026 to meet student and industry demand for sought after welding training targeted at supporting the Regional Maritime Training System. This new training facility represents an additional $2 million investment by the U.S. Navy and the Hampton Roads Workforce Council into VBCPS facilities. Programs in the new space will serve high school students during the day and adult students at night.
- Ten of the 11 VBCPS comprehensive high schools earned the National Gold Council of Excellence Award from the National Association of Student Councils (NASC) in 2024. This award

recognizes student councils for their records of leadership, service and activities that improve the school and community.

- Kellam and Tallwood High Schools both received the VHSL's Claudia Dodson Sportsmanship, Ethics, and Integrity Award for the 2024-25 school year. Only six schools across the Commonwealth achieved this distinction, and two of them were from Virginia Beach. Both of these schools also received the VHSL's Stay in the Game Award, given to schools that have no player or coach ejections during the school year.
- Kellam High School led all Class 5 schools in athletic excellence during the 2024- 25 school year by receiving the VHSL's Virginia National Guard Cup. Points are awarded to each school during the year based on each teams' level of advancement in post-season play.
- VBCPS continues to lead the Virginia Beach School Safety Task Force and partner with the Virginia Beach Police Department for the School Resource Officer (SRO) program.
- VBCPS is consistently recognized for excellence in financial reporting from the Government Finance Officers Association and the Association of School Business Officials International. This year, VBCPS received the Distinguished Budget Award for the first time in several years.

City/School Revenue Sharing Formula (RSF)

The City Council implemented the City/School Revenue Sharing Policy in 1997 to establish a framework for distributing local tax revenues between the City and School division. The primary goal of this policy is to maintain a balance in funding for School and City programs by incorporating a diverse revenue stream that can mitigate significant changes in the economy. Initially, the policy distributed seven of the fastest growing and most stable revenue sources between City and School services and programs. Over time, the formula underwent multiple revisions to align with changes in state law and revenue streams. A new revenue-sharing formula was adopted by the City Council and School Board in FY 2013-14, with further modifications in November 2015. The formula remained unchanged through FY 2018-19 and was last adjusted in FY 2019-20 in preparation for the FY 2020-21 budget. Initially set to be effective until June 30, 2024, the policy received an extension until June 30, 2025, June 30, 2026, and June 30, 2027 through the Proposed Budget. For FY 2026-27, the Revenue Sharing Formula remains virtually unchanged, except for a requirement that City and Schools will match annual health insurance premiums to the greatest extent possible, and not be below that of City employees.

Virginia school divisions 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. These funds are initially allocated to debt service and Pay-As-You-Go (PAYGO) for the Capital Improvement Program (CIP). Debt service involves repaying bonds issued for capital projects like facility renovations or new school construction, while PAYGO allows VBCPS to invest in capital projects without incurring additional debt. The remaining resources are appropriated to the School Operating fund after allocating funds for debt service and PAYGO in the CIP. This fund supports day-to-day operations, covering expenses such as salaries, instructional materials, utilities, transportation, and other operational costs. A full accounting of this formula can be found in the appendix section of this document.

Major Budget Changes

Increase in City Support Through the Revenue Sharing Formula - $8.5 million

School Operating Fund local revenue generated through the Revenue Sharing Formula totals $559,522,641, an increase of approximately $8.5 million.

Increase in State Revenue - $18.9 million

Proposed State revenue for FY 2026-27 increased by $18.9 million, compared to the Amended FY 2025-26 budget of $532.0 million. The FY 2026-27 total is $550.9 million. The Superintendent's Estimate of Needs was based on the Governor's budget, but funding amounts could change depending on upcoming General Assembly actions, yet to be adopted. The House version of school funding would include additional support to VBCPS.

Compensation Increase - $33.7 million

VBCPS has directed nearly $34 million to increased compensation across the division. This increase consists of a 2% and $1,000 increase for entry level and a 1.5% step increase for teachers for an overall average increase of 5.2%. In addition, there is an increase of 2% with an additional 1% for entry level and 1% for steps 1-14 and 1.5% for steps 15 and above for non-instructional staff for an overall average increase of 4.2%.

Staffing Reduction

VBCPS has a net staffing reduction of 52.75 positions. 30.20 of these positions were Federal grant funded positions. An additional 17.9 positions were reduced from grants and other funded positions. Of the General Fund funded positions, there was a net reduction of 4.65 positions. This consists of decreases of 3.55 in Instruction, 3.50 in Administration, Attendance and Health, 0.50 in Operations Maintenance, 3.00 in Technology, and an increase of 5.00 in Pupil Transportation and 0.90 in Green Run Collegiate.

		FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
Program Summary					
115 SCHOOL OPERATING FUND					
Expenditures					
Instruction		677,434,701	724,561,886	748,212,677	23,650,791
Technology		44,619,987	46,590,554	50,288,061	3,697,507
Transportation		51,816,202	53,138,445	54,614,418	1,475,973
Administration		43,829,088	47,087,006	47,867,629	780,623
Operations & Maintenance		112,369,877	117,829,913	121,769,399	3,939,486
Debt Service		44,443,018	50,071,611	50,071,611	0
Transfers		16,146,252	17,312,402	17,727,913	415,511
Transfer to Schools CIP		3,000,000	8,954,741	5,000,000	(3,954,741)
	Total Expenditures	993,659,125	1,065,546,558	1,095,551,708	30,005,150
Revenues					
Local Revenue		4,136,945	4,457,538	5,457,538	1,000,000
State Revenue		479,581,220	495,364,644	515,077,422	19,712,778
Federal Revenue		17,501,446	14,744,107	15,494,107	750,000
Transfers		488,468,727	550,980,269	559,522,641	8,542,372
	Total Revenues	989,688,338	1,065,546,558	1,095,551,708	30,005,150
201 GREEN RUN COLLEGIATE CHARTER SOP					
Expenditures					
Instruction		4,240,099	4,611,076	4,686,957	75,881
Technology		41,286	39,387	39,387	0
Transportation		306,102	336,578	336,578	0
	Total Expenditures	4,587,486	4,987,041	5,062,922	75,881
Revenues					
Transfers		4,587,472	4,987,041	5,062,922	75,881
	Total Revenues	4,587,472	4,987,041	5,062,922	75,881
203 INSTRUCTIONAL TECHNOLOGY SOP					
Expenditures					
Technology		0	1,000,000	1,500,000	500,000
	Total Expenditures	0	1,000,000	1,500,000	500,000
Revenues					
Local Revenue		1,660,980	0	910,666	910,666
Specific Fund Reserves		0	1,000,000	589,334	(410,666)
	Total Revenues	1,660,980	1,000,000	1,500,000	500,000
204 ATHLETICS SOP					
Expenditures					
Instruction		6,445,554	6,761,688	6,234,539	(527,149)
Technology		0	0	22,000	22,000
Operations & Maintenance		0	0	880,649	880,649
	Total Expenditures	6,445,554	6,761,688	7,137,188	375,500
Revenues					
Local Revenue		892,823	824,100	1,199,600	375,500
Transfers		5,464,726	5,937,588	5,937,588	0
	Total Revenues	6,357,549	6,761,688	7,137,188	375,500

		FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
210 EQUIPMENT REPLACEMENT SRF					
Expenditures					
Technology		166,702	400,000	110,688	(289,312)
	Total Expenditures	166,702	400,000	110,688	(289,312)
Revenues					
Local Revenue		18,791	0	0	0
Specific Fund Reserves		0	400,000	110,688	(289,312)
	Total Revenues	18,791	400,000	110,688	(289,312)
211 VENDING OPERATIONS SRF					
Expenditures					
Instruction		142,181	150,000	250,000	100,000
	Total Expenditures	142,181	150,000	250,000	100,000
Revenues					
Local Revenue		256,171	150,000	200,000	50,000
Specific Fund Reserves		0	0	50,000	50,000
	Total Revenues	256,171	150,000	250,000	100,000
212 CELL TOWER TECH SRF					
Expenditures					
Technology		0	2,953,127	0	(2,953,127)
Operations & Maintenance		0	0	1,500,000	1,500,000
	Total Expenditures	0	2,953,127	1,500,000	(1,453,127)
Revenues					
Local Revenue		1,127,848	628,000	1,000,000	372,000
Specific Fund Reserves		0	2,325,127	500,000	(1,825,127)
	Total Revenues	1,127,848	2,953,127	1,500,000	(1,453,127)
213 CAFETERIAS SRF					
Expenditures					
Technology		0	391,400	451,400	60,000
Food Services		44,324,685	49,763,037	49,703,037	(60,000)
	Total Expenditures	44,324,685	50,154,437	50,154,437	0
Revenues					
Local Revenue		9,822,755	14,150,890	12,700,000	(1,450,890)
State Revenue		1,403,675	855,000	1,005,000	150,000
Federal Revenue		28,071,459	30,300,000	31,681,966	1,381,966
Specific Fund Reserves		0	4,848,547	4,767,471	(81,076)
	Total Revenues	39,297,889	50,154,437	50,154,437	0
214 GRANTS SRF					
Expenditures					
Instruction		77,096,987	91,121,957	87,896,753	(3,225,204)
Technology		0	9,675,151	12,073,228	2,398,077
Transportation		0	775,811	189,764	(586,047)
Administration		0	2,799,149	3,101,967	302,818
Operations & Maintenance		0	4,601,403	47,146	(4,554,257)
	Total Expenditures	77,096,987	108,973,471	103,308,858	(5,664,613)
Revenues					
Local Revenue		1,946,940	3,776,076	2,179,428	(1,596,648)
State Revenue		20,398,050	30,012,084	29,140,010	(872,074)
Federal Revenue		49,342,973	59,541,868	55,581,841	(3,960,027)
Transfers		6,094,054	6,387,773	6,407,579	19,806
Specific Fund Reserves		0	9,255,670	10,000,000	744,330
	Total Revenues	77,782,016	108,973,471	103,308,858	(5,664,613)
215 TEXTBOOKS SRF					

		FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
Expenditures					
Instruction		3,520,378	9,490,976	2,891,600	(6,599,376)
Technology		0	0	6,242,581	6,242,581
Operations & Maintenance		0	42,238	0	(42,238)
	Total Expenditures	3,520,378	9,533,214	9,134,181	(399,033)
Revenues					
Local Revenue		465,156	60,225	118,121	57,896
State Revenue		5,879,387	5,889,269	5,694,899	(194,370)
Specific Fund Reserves		0	3,583,720	3,321,161	(262,559)
	Total Revenues	6,344,543	9,533,214	9,134,181	(399,033)
650 RISK MANAGEMENT ISF - SCHOOLS					
Expenditures					
Technology		0	113,670	90,700	(22,970)
Administration		9,557,649	15,882,249	16,568,026	685,777
	Total Expenditures	9,557,649	15,995,919	16,658,726	662,807
Revenues					
Local Revenue		10,284,637	8,995,919	8,995,919	0
Specific Fund Reserves		0	7,000,000	7,662,807	662,807
	Total Revenues	10,284,637	15,995,919	16,658,726	662,807
651 FLEXIBLE BENEFITS FORFEITURE ISF					
Expenditures					
Administration		0	100,000	100,000	0
	Total Expenditures	0	100,000	100,000	0
Revenues					
Local Revenue		466,220	0	0	0
Specific Fund Reserves		0	100,000	100,000	0
	Total Revenues	466,220	100,000	100,000	0
652 HEALTH INSURANCE ISF					
Expenditures					
Administration		112,838,055	132,109,540	146,060,969	13,951,429
	Total Expenditures	112,838,055	132,109,540	146,060,969	13,951,429
Revenues					
Local Revenue		103,392,220	117,109,540	140,060,969	22,951,429
Specific Fund Reserves		0	15,000,000	6,000,000	(9,000,000)
	Total Revenues	103,392,220	132,109,540	146,060,969	13,951,429
653 HEALTH INSURANCE ISF - CITY					
Expenditures					
Administration		76,691,812	89,173,245	92,291,614	3,118,369
	Total Expenditures	76,691,812	89,173,245	92,291,614	3,118,369
Revenues					
Local Revenue		72,603,658	74,173,245	85,945,864	11,772,619
Specific Fund Reserves		0	15,000,000	6,345,750	(8,654,250)
	Total Revenues	72,603,658	89,173,245	92,291,614	3,118,369
Total Department Expenditure		1,329,030,614	1,487,838,240	1,528,821,291	40,983,051
Total Department Revenue		1,313,868,332	1,487,838,240	1,528,821,291	40,983,051

		FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
Position Summary by Program					
115 SCHOOL OPERATING FUND					
Instruction		6,975.25	7,009.35	7,005.80	(3.55)
Technology		189.50	187.50	184.50	(3.00)
Transportation		693.88	693.54	698.54	5.00
Administration		403.90	405.30	401.80	(3.50)
Operations & Maintenance		1,172.20	1,114.50	1,114.00	(0.50)
	Total	9,434.73	9,410.19	9,404.64	(5.55)
201 GREEN RUN COLLEGIATE CHARTER SOP					
Instruction		41.00	40.00	40.90	0.90
	Total	41.00	40.00	40.90	0.90
213 CAFETERIAS SRF					
Food Services		589.62	589.62	589.62	0.00
	Total	589.62	589.62	589.62	0.00
214 GRANTS SRF					
Instruction		544.50	577.40	530.80	(46.60)
	Total	544.50	577.40	530.80	(46.60)
215 TEXTBOOKS SRF					
Instruction		1.50	1.50	0.00	(1.50)
	Total	1.50	1.50	0.00	(1.50)
650 RISK MANAGEMENT ISF - SCHOOLS					
Administration		5.00	5.00	5.00	0.00
	Total	5.00	5.00	5.00	0.00
652 HEALTH INSURANCE ISF					
Administration		8.50	8.50	4.25	(4.25)
	Total	8.50	8.50	4.25	(4.25)
653 HEALTH INSURANCE ISF - CITY					
Administration		0.00	0.00	4.25	4.25
	Total	0.00	0.00	4.25	4.25
Total Position Summary		10,624.85	10,632.21	10,579.46	(52.75)
Expenditure Category by Department					
PUBLIC EDUCATION					
Reserves		0	0	0	0
Operating		357,422,895	429,585,758	452,009,054	22,423,296
Leases		358,418	0	0	0
Transfers		19,146,252	26,267,143	22,727,913	(3,539,230)
Debt		44,443,018	50,071,611	50,071,611	0
Capital Outlay		15,981,207	8,959,520	4,627,673	(4,331,847)
Personnel		891,678,824	972,954,208	999,385,040	26,430,832
	Total Expenditures:	1,329,030,614	1,487,838,240	1,528,821,291	40,983,051
Revenue Category by Department					
Charges for Services		195,525,077	214,579,594	246,340,398	31,760,804
Federal Revenue		94,915,877	104,585,975	102,757,914	(1,828,061)
Miscellaneous Revenue		2,426,210	3,836,301	2,197,549	(1,638,752)
Specific Fund Reserves		0	58,513,064	39,447,211	(19,065,853)
State Revenue		507,262,331	532,120,997	550,917,331	18,796,334
Transfer In		504,614,979	568,292,671	576,930,730	8,638,059
Use of Money and Property		9,123,857	5,909,638	10,230,158	4,320,520
	Total Revenue:	1,313,868,332	1,487,838,240	1,528,821,291	40,983,051

PUBLIC UTILITIES

The mission of the Department of Public Utilities is to provide safe and reliable water and wastewater services to our community through valued employees, innovation, and quality work. The goals for the department include: 1) invest in attracting, developing, and retaining an empowered and well-trained team; 2) promote trust within our community through our outreach and educational programs, ensuring that our customers understand the essential services we provide; 3) innovate by continually improving and making data-driven decisions; 4) invest responsibly to ensure that our infrastructure is reliable and resilient to meet our current and future needs; 5) responsible for our entrusted water resources, and protect public health and the environment; 6) meet the operating and capital investment needs of our organization while assuring long-term affordability for our customers.

Department Overview

The Department of Public Utilities provides water and sanitary sewer services to the residents of Virginia Beach. The water distribution system receives potable water from Norfolk's Moore's Bridges Water Treatment Facility and delivers it to customers. The system also provides adequate capacity for fire protection. The sanitary sewer system collects and conveys wastewater from individual properties to the Hampton Roads Sanitation District for sewer treatment and disposal.

Public Utilities operates as an enterprise fund supported primarily by monthly charges for both water and sanitary sewer services. In addition, the department assesses capital recovery fees for new connections to the system. Together, these charges provide the necessary revenue to fund departmental operations and maintenance and the capital improvement program. In turn, these investments provide customers with safe and reliable water and sanitary sewer 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 billed on behalf of the Department of 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 (EPA) and the Virginia Department of Environmental Quality's 2007 Hampton Roads Regional consent order; compliance with the EPA's revised Lead and Copper Rule; assessment of the city's water supply needs; operation and maintenance of the Lake Gaston and Stumpy Lake supply projects; and provision of engineering expertise in other areas such as water quality, groundwater monitoring, and regional water and sanitary sewer issues.

Operations and Maintenance

Includes provision of continuous 24-hour-per-day water and sanitary sewer collection services to support customer needs. This includes the monitoring, repair, and maintenace of key infrastructure, including: eight treated and two raw water pump stations, 11 water storage tanks, 414 sanitary sewer pump stations, 8,798 public fire hydrants, and 3,000 miles of water and sewer mains. The department also is responsible for the protection of the utility systems and required markings of utility assets in accordance with the

Underground Utility Damage Prevention Act; compliance with the Safe Drinking Water Act by collecting and analyzing various water samples on a monthly, quarterly, semi-annual, and annual basis; and flushing water distribution lines to optimize 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 135,332 accounts (i.e. account initiation, billings, payment arrangements, revenue collection); sending monthly paper and electronic bill statements and delinquent notices for water, sewer, stormwater and waste collection services; annual billed revenues exceeding $200 million 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

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

Departmental Performance Metrics	FY 2023	FY 2024	FY 2025	FY 2026 EST	FY 2027 PROJ
Number of sewer stoppages	1,915	1,800	2,172	2,000	1,767
Number of sewer overflows	2	2	4	4	3
Number of Fats, Oils, and Grease (FOG) program inspections	1,323	1,200	1,325	1,250	1,272
Number of fire hydrants serviced	436	400	508	1,500	1,500
Water meter reading error rate per 1,000 readings	2	2	4	4	2
Number of water meter readings	1,062,128	1,065,000	1,046,362	1,000,000	1,085,125
Number of water meters replaced	5,297	5,000	6,815	6,500	6,269

In 2025, 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	73.2%	56.2%	52.8%%
Overall quality of tap water	68.6%	60.0%	59.1%
Confidence and trust that tap water is safe	69.9%	N/A	N/A
Overall quality of customer service received from City employees	72%	36%	39%

Trends and Issues

Economic Trends

As an enterprise operation, the Water and Sewer Fund must align operating expenses to meet anticipated revenues. The estimated revenue increase in the department's FY 2026-27 budget is driven primarily by an increase in the sale of water and service charges related to the approved 5-year water and sewer rate adjustment program. FY 2026-27 is the fourth year of the five-year program approved in the adopted FY 2023-24 budget.

Several underlying trends are expected to continue to have downward pressure on revenue, 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. The approved 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 service provision, public health and safety, and infrastructure upgrades and replacement.

Additionally, inflation in the construction industry has driven up the price of capital projects. Much of the Water and Sewer Utility sections of the FY 2027-32 Capital Improvement Plan are dedicated to the repair and replacement of aging infrastructure, meaning there is limited flexibility in when projects are scheduled; therefore, the Water and Sewer Fund must incur additional costs as construction bids come in above prior estimates. Because both the Public Utilities Department and the Water and Sewer CIP sections are funded through the Water and Sewer Fund, any increases to CIP costs affects the Department's operating budget. The rate adjustment program helps cover some of these increases, but in turn its ability to enhance departmental operations is diminished.

Cost of Services

The department experienced several significant expenditure increases reflected in the department's FY 2026-27 budget, including (a) an increase in the cost of the Water Services Contract and Water Sales Agreement with the City of Norfolk of $2.0 million, (b) higher personnel costs of $0.5 million to support wage increases, and (c) increase of $0.5 million in operating and maintenance costs primarily related to the maintenance and modernization of pump stations.

EPA's Lead and Copper Rule Revision

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 revised in December 2020 to better protect children at elementary schools and childcare facilities, strengthen various drinking water 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

Additional Meter Operations Personnel and Equipment - $0 - 7.0 FTEs

In FY 2025-26, the City established Capital Project #100685 "Water Meter Replacement Program" to provide a consistent and timely source of funding to upgrade approximately 130,000 aging and outdated direct read water meters and other equipment necessary for the operation of water meters as needed.

In order to keep pace with the needs of the City's water infrastructure, Public Utilities will hire seven additional positions: three Utility Crew Leaders, three Utility Mechanics, and one Utility Mechanic Supervisor. In order for the new employees to reach sites around the City, Public Utilities will also purchase three additional pickup trucks. The new positions and equipment cost $730,129 but is funded through savings from the VRS rate reduction and a reduction to the payroll reserve, resulting in a net cost of $0.

3-1-1 Call Center Direct Cost Inflation Adjustment - $83,424

Outside of Public Utilities' normal operating hours, Emergency Communications and Citizen Services (ECCS) handles calls regarding utility services through the 3-1-1 call center. Since FY 2008-09, Public Utilities compensated ECCS for this service with an annual transfer. Since FY 2017-18, the transfer rate has remained fixed at $141,396, though since then the program's personnel costs have increased by 59%. In order to ensure that the program is sustainably funded, the transfer will increase to $224,820 in FY 2026-27 and grow by 3% annually to keep pace with personnel costs.

Water Commodity Rate

The water commodity rate is a usage rate based on water consumption. The FY 2026-27 budget includes an increase to the water rate by $0.31 and is the fourth of a five-year rate increase adopted by City Council in the FY 2023-24 budget.

Fiscal Year	Fee
FY 2023-24	$5.20
FY 2024-25	$5.74
FY 2025-26	$6.23
FY 2026-27	**$6.54**
FY 2027-28	$6.87

Increase Water Service Availability Charge

The water service availability charge is a fixed monthly charge based on the water meter size. The FY 2026-27 budget includes an increase to the water service availability charge by $0.30 and is the **fourth** of a five-year rate adopted by City Council in the FY 2023-24 budget.

Fiscal Year	Fee
FY 2023-24	$5.00
FY 2024-25	$5.53
FY 2025-26	$6.00
FY 2026-27	**$6.30**
FY 2027-28	$6.61

Sewer Fee Structure Modifications - $125,000

Public Utilities proposed a slight modification to the City's sewer fee structure, eliminating the Pump Station Fee and incorporating the cost into the Sewer Capital Recovery Fee. Additionally, changes to the code make provisions for the application of the Sewer Capital Recovery Fee to allow for a reduced rate for properties planned to be connected to the sewer system, but either will not discharge through a City pump station or the property owner is required to construct or modify a pump station to increase capacity. These changes bring the City's rate structure more in line with industry standards, reduce administrative burden on staff, and provide developers a more upfront understanding of connection fee costs. The net impact of this change is expected to be $125,000 in additional revenue in FY 2026-27.

Impact of Code Changes on Water and Sewer Enterprise Fund Revenues

Line Item	FY 2025-26 Amended	FY 2026-27 Proposed	Change
Sewer Pump Station Flow Fees	$257,088	$0	($257,088)
Sewer Capital Recovery Fee	$1,156,786	$1,538,874	$382,088
		Total Change	**$125,000**

	FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
Program Summary				
510 WATER AND SEWER ENTERPRISE FUND				
Expenditures				
Director's Office	1,186,141	1,352,837	1,742,862	390,025
Administration	674,942	618,292	579,414	(38,878)
Customer Service	9,147,299	10,818,320	10,540,639	(277,681)
Water Services	5,949,500	6,127,985	6,315,960	187,975
Water Services Contract	31,214,704	33,461,776	35,549,827	2,088,051
Business Center	82,470	0	0	0
Debt Service	18,996,207	19,062,900	23,868,396	4,805,496
Retiree Health Insurance	282,945	0	300,000	300,000
Regulatory Management	5,038,679	6,876,250	6,585,214	(291,036)
Engineering - Lake Gaston	2,603,523	3,182,603	3,359,225	176,622
Engineering - Administration	9,612,858	10,583,167	9,605,352	(977,815)
Operational Management	21,648	0	0	0
Operations - Sewer Collection	7,182,498	7,957,446	6,939,140	(1,018,306)
Operations - Water Distribution	6,251,209	6,386,112	6,618,443	232,331
Meter Operations	5,835,809	5,616,182	6,621,929	1,005,747
Pump Stations	10,564,156	10,775,216	11,793,921	1,018,705
Electrical Support	2,732,816	2,959,759	2,758,850	(200,909)
Operations - Administration	20,744,762	5,845,913	5,675,729	(170,184)
Technical Services - Administration	2,355,658	3,873,587	3,725,365	(148,222)
Transfer to Water Utility CIP	2,400,000	5,339,698	3,004,533	(2,335,165)
Transfer to Sewer Utility CIP	5,600,000	5,945,821	4,995,467	(950,354)
Transfer - Building Maintenance	72,539	145,000	100,000	(45,000)
Transfer - Water Assistance Program	206,890	250,000	250,000	0
Transfer - Right of Way	4,000,000	4,000,000	4,000,000	0
Transfer - Direct Cost	141,396	141,396	224,820	83,424
Transfer - Indirect Cost	3,003,539	3,000,000	2,500,000	(500,000)
Transfer - Office Rent	127,660	230,340	384,084	153,744
Transfer - Landscaping	674,915	815,141	768,612	(46,529)
Transfer - Treasurer Support	512,810	538,180	557,854	19,674
Transfer - Occupational Health	21,000	40,000	30,000	(10,000)
Transfer - DSC	411,020	403,891	430,128	26,237
Reserves	0	2,086,183	3,473,716	1,387,533
Total Expenditures	157,649,592	158,433,995	163,299,480	4,865,485
Revenues				
Local Revenue	158,810,617	155,936,666	160,740,320	4,803,654
Transfers	2,365,634	2,497,329	2,559,160	61,831
Total Revenues	161,176,251	158,433,995	163,299,480	4,865,485
Total Department Expenditure	157,649,592	158,433,995	163,299,480	4,865,485
Total Department Revenue	161,176,251	158,433,995	163,299,480	4,865,485

	FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
Position Summary by Program				
510 WATER AND SEWER ENTERPRISE FUND				
Administration	3.00	3.00	3.00	0.00
Customer Service	73.00	74.00	73.00	(1.00)
Engineering - Administration	76.00	76.00	77.00	1.00
Operations - Sewer Collection	56.00	57.00	57.00	0.00
Operations - Water Distribution	45.00	46.00	46.00	0.00
Meter Operations	28.00	28.00	35.00	7.00
Pump Stations	58.00	58.00	58.00	0.00
Electrical Support	27.00	27.00	27.00	0.00
Operations - Administration	24.00	24.00	24.00	0.00
Technical Services - Administration	27.00	27.00	27.00	0.00
Total	417.00	420.00	427.00	7.00
Total Position Summary	417.00	420.00	427.00	7.00
Expenditure Category by Department				
PUBLIC UTILITIES				
Bad Debt	359,590	550,000	500,000	(50,000)
Reserves	0	2,086,183	3,473,716	1,387,533
Operating	83,472,326	71,326,649	75,844,365	4,517,716
Leases	658,698	372,240	0	(372,240)
Transfers	17,171,768	20,849,467	17,245,498	(3,603,969)
Debt	18,996,207	19,062,900	23,868,396	4,805,496
Capital Outlay	510,430	1,737,000	2,056,000	319,000
Personnel	36,480,572	42,449,556	40,311,505	(2,138,051)
Total Expenditures:	157,649,592	158,433,995	163,299,480	4,865,485
Revenue Category by Department				
Charges for Services	144,037,790	150,257,887	154,645,660	4,387,773
Miscellaneous Revenue	3,780,708	3,078,364	3,474,539	396,175
Permits Fees and Regulatory Licenses	2,125	0	0	0
Transfer In	2,365,634	2,497,329	2,559,160	61,831
Use of Money and Property	10,989,994	2,600,415	2,620,121	19,706
Total Revenue:	161,176,251	158,433,995	163,299,480	4,865,485

PUBLIC WORKS

The mission of the skilled and professional people of the Department of Public Works is to serve the residents, visitors, and businesses of the City of Virginia Beach by providing total life cycle management of public infrastructure, assets and key essential services.

Department Overview

Public Works Director's Office and Business Center

The Public Works Director's Office and Business Center deliver centralized oversight and management of all Public Works Groups, such as records and storage, administrative, financial, budgetary, information technology support, customer relations, human resources, administrative/data/statistical analysis, payroll, and purchasing functions. The Business Center also encompasses the Public Works Contracts Division, which provides support services for Public Works standalone and Annual Services Contracts for construction and design, as well as processing contract changes and other related contract functions, including contract payment applications from contractors and vendors. They also assist the City's Purchasing Division with solicitations for construction and design contracts.

Public Works Engineering

The Public Works Engineering Group consists of seven divisions: Coastal, Construction and Surveys, Engineering Support, Stormwater Engineering Center, Stormwater Management Regulatory, Traffic Engineering, and Transportation Engineering. It handles a wide range of infrastructure services, including beach replenishment, navigational dredging, roadway design and construction, stormwater system upgrades such as drainage improvements, tide gates, pump stations, and flood barriers, as well as sidewalks, trails, streetscapes, Parks and Recreation projects, and Economic Development projects. The group manages the Flood Protection Program and the Capital Improvement Programs for Coastal, Stormwater, and Roadways, in addition to overseeing MS4 permit compliance, water quality assessments, pollutant reduction efforts, and stormwater utility fee discounts. Transportation and traffic engineering continue to lead major City and grant-funded roadway projects, ensuring the safe and efficient movement of vehicles, bicycles, and pedestrians across the city.

Public Works Facilities

The Public Works Facilities Group has five divisions: Facilities Planning and Development, Design and Construction, Operations and Maintenance, Energy Management, and the Facilities Central Business and Administrative Division. Facilities is responsible for the complete capital and operational lifecycle of City-owned facilities, including facility capital and master planning, programming, and space management, professional engineering, design, and construction services, custodial services, maintenance, repair, and revitalization. In addition, the division provides event and program support, monitoring and management of energy usage, energy efficiency and conservation efforts, and utility billing. This group also manages, develops, and administers the City's Building and Assets CIP section.

Public Works Fleet Management

Public Works Fleet Management manages the entire life cycle of all city-owned or leased, licensed, and unlicensed motor vehicles and on/off-road equipment, including the white fleet, public safety,

heavy/construction, marine or aviation equipment, and small engines/generators. The vehicle and equipment life cycle includes acquisition, maintenance, repair, replacement, and disposal. Public Works Fleet Management also manages the City's fuel resources, fuel facilities, and storage tanks; operates satellite service 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 Management is responsible for maintaining the constructed public infrastructure within the public rights-of-way. Staff receive, record, investigate, and resolve reports of deficiencies that require maintenance, repair, and restoration. The division utilizes asset management methods to determine necessary maintenance cycles, identify required engineering needs, and develop solutions to support the life cycle of the public infrastructure. The group comprises three divisions: Stormwater Operations, Streets & Traffic Operations, and Operations Management. The Operations Group also supports numerous special events annually and works closely with Emergency Management and 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 properties owned by the City with the assistance of GIS, handling citizen requests for encroachments onto City property and Rights of Way, easements, unauthorized encroachments, and sale of excess City property.

Public Works Waste Management

Provides reliable and environmentally friendly solutions for managing 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 rentals. Waste Management operates the City's landfill and West Neck Recycling Center. Waste Management also provides education and outreach programs for its residents and serves City Council initiatives through the VB Clean Community Commission.

Public Works Parking Management

Public Works Parking Management is an Accredited Parking Organization (APO) awarded by the International Parking & Mobility Institute. Parking Management is responsible for the administration, operation, maintenance, and revenue collection for 13,300 on-street metered parking and off-street parking spaces located in municipal parking lots and garages at the Oceanfront, Croatan, Sandbridge, Little Island Park, Town Center, as well as the Residential Parking Permit Program at the Oceanfront.

Key Performance Measures

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

Departmental Performance Metrics	FY 2023	FY 2024	FY 2025	FY 2026 EST	FY 2027 PROJ
Fuel Usage - Gallons of Diesel, Marine, Jet Fuel and DEF	989,475	987,300	927,629	923,989	902,957
Fuel Usage - Gallons of Unleaded, Premium, Supreme Gas	1,298,076	1,287,902	1,289,831	1,301,407	1,320,948
Miles Driven	16,599,818	16,426,175	17,127,253	16,035,021	16,408,908
Cubic yards of debris removed during stormwater pipe cleaning	3,080	4,353	4,600	3,310	3,318
Linear feet of stormwater pipe cleaned (reactive and proactive)by In-House Crews	601,818	768,848	575,540	468,718	518,870
Linear feet of stormwater pipe inspected by CCTV by In-House Crews	86,911	103,082	53,992	85,804	94,358
Number of landfill visits by Virginia Beach residents	222,395	233,866	215,720	223,188	223,828
Tons of bulky items collected (on demand pick-up)	5,482	5,014	4,947	5,088	4,935
Tons of household hazardous waste and recyclable materials processed by the Landfill's Resource Recovery Center	1,489	1,813	1,788	1,576	1,667
Tons of household waste collected (via weekly curbside collection)	146,704	138,865	133,053	138,584	138,210
Tons of waste deposited in the Landfill	18,042	21,990	27,868	27,971	30,306
Tons of recycling collected via bi-weekly curbside collections	23,236	22,848	22,456	23,017	22,949
Tons of recycling collected via the Landfill & RRC & West Neck Recycling Center	541	592	528	513	506

In 2025, 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, as well as how residents rate some Virginia Beach specific services.

Resident Satisfaction Results	Virginia Beach	Atlantic Region	National Average
Residential trash/garbage collection services	77%	74%	68%
Residential curbside recycling services	74%	63%	56%
Bulky item pick-up/removal services	73%	42%	47%
City waste disposal & recycling centers	68%	40%	45%
Residential yard waste/leaf/brush collection services	67%	56%	54%
Conditions of streets in your neighborhood	63%	51%	49%
Overall condition of major City Streets	54%	57%	50%
Adequacy of lighting on Virginia Beach streets	51%	60%	59%
Overall condition of City sidewalks	49%	50%	47%
Accessibility of streets, sidewalks, & buildings for people with disabilities	41%	54%	52%
Condition & maintenance of Virginia Beach beaches	77%	-	-
Services offered at City landfill	74%	-	-
Stormwater management/flood control on major city streets	47%	-	-
Management of public stormwater runoff/drainage/flood control	45%	-	-
Stormwater management/flood control on neighborhood streets	38%	-	-

Trends and Issues

Market Conditions, Inflation, and Cost Increases in CIP

A significant challenge facing the Capital Improvement Program is the continued rise in construction bid prices, which are frequently coming in higher than the engineer's estimates and available funding on the projects. This trend is driven by market volatility, labor shortages, and material cost escalation, and it directly affects the Engineering's group ability to award projects on schedule. To keep critical infrastructure work moving forward, funds often must be transferred from other projects to cover the increased construction costs. This creates a cascading effect on the broader Capital Improvement Program, delaying other priority projects and requiring constant financial rebalancing. Looking ahead, Public Works must navigate these pressures while maintaining project delivery commitments, managing public expectations,

and ensuring that essential flood protection, transportation, facility, and stormwater improvements continue without interruption.

Waste Disposal Southeastern Public Service Authority (SPSA)

One major factor that will impact the Waste Management Fund in the next couple of years is the projected changes to the Use and Support Agreement with SPSA. SPSA serves as the regional solid waste management authority, responsible for providing waste disposal services to its member communities. This includes the operation of a network of transfer stations and a regional landfill. It is important to note that the SPSA does not provide curbside waste collection services for residents; this responsibility is managed by the City of Virginia Beach. To ensure SPSA's ability to provide Municipal Solid Waste for the length of the proposed Waste Supply and Services Agreement, SPSA has requested that each Member Locality amend their individual Use and Support Agreements to extend their term for twenty-five (25) years. Virginia Beach approved the extension amendment on October 7th, 2025. In 2024, SPSA issued a Request for Proposal for Solid Waste Disposal Services to extend the useful life of the Regional Landfill in Suffolk. As a result, SPSA and Commonwealth Sortation LLC are currently finalizing negotiations for a long-term Waste Supply and Services Agreement under which Commonwealth Sortation LLC will provide Solid Waste Disposal Services for a period of at least twenty-five (25) years. Commonwealth Sortation will provide a mixed waste sorting facility using AI robotics to remove recyclables and organics. This alternative waste disposal is expected to divert 50% of SPSA's waste from the Regional Landfill in Suffolk and extend the landfill capacity through 2095.

Currently, a third-party vendor collects and sorts all recyclables. The current term of this contract expires in 2028. While the contract will be available for renewal, the City is not anticipating continuing with recycling services in their current format as SPSA will utilize a single stream waste collecting and disposal services. SPSA tipping fees are anticipated to increase to accommodate the additional tonnage from recycling accepted at the sorting facility. Current SPSA tipping fee for municipal waste is $65 per ton. In addition, the Waste Management Fund may need additional staff and equipment to collect the increased residential waste.

Technology Implementations & Improvements

The level of budgeted funding and staffing resources that directly support the identification and implementation of data of technology-related solutions will continue to be a trend within Public Works as needs for technology-driven solutions and data-informed decision-making are identified and requirements for data, automation, and transparency grow. Technology implementation and staffing limit the capacity to utilize data captured by technology and analyze it for various audiences and needs. Data and technology efforts also tie into efforts to document policy, procedure, and standards in support of standardization, equity, and continued accreditation with the American Public Works Association. In addition to the Director's Office and Business Center, Public Works has seven distinct groups, each with unique data and technology needs. Longstanding technology needs to provide staff with the necessary and appropriate tools to perform essential job functions, which continue to be addressed while exploring and implementing modern solutions.

Both efforts require dedicated staff, time, funding, support, training, and documentation and have been identified as high-priority initiatives so that Public Works can fulfill the needs and requests of City Leadership and residents, allow for efficiency and the pursuit of continuous improvement, provide accurate and reliable data to inform decision making; demonstrate operational accomplishments and fiscal responsibility as stewards of taxpayer money; and support the City's Mission, Vision, and Values.

Parking Initiatives

As part of broader efforts to improve parking management and enhance visitor experience at high-demand areas at the Oceanfront, Public Works Parking Management staff is implementing a parking program scheduled to launch on April 1, 2026 - the Resident Parking Voucher Program.

The Resident Parking Voucher Program will provide eligible residents with vouchers for discounted or complimentary parking in designated areas at the Oceanfront. It is designed to improve accessibility and reduce parking costs for residents near high-demand locations.

Major Budget Changes - General Fund

Additional Funding for City Buildings Utilities - $2,185,682

The Public Works Department requested additional funding to address ongoing utility shortfalls across City facilities. Over the past five years, energy costs have continued to rise, without corresponding increases in funding. This increase in funding allows the Department to maintain service levels and support other operational priorities without having to divert funds to citywide utilities.

Additional Funding for Custodial Services - $200,000

In FY 2025-26, the Public Works Department was granted several custodial positions to accommodate the addition of multiple buildings in recent years. This increase in positions did not include an increase in funding for supplies, so the Public Works Department requested additional funding to cover the custodial supplies shortfall.

Special Events Support Group - $999,973 ($800,000 one-time) - 3.0 FTEs

The Public Works Department requested to establish a Special Event Team to effectively manage the growing special event demands associated with the City's year-round event driven schedule. Special event support has become a core function of the Traffic Signs Shop, and the new team will provide dedicated resources for temporary traffic control operations, temporary work zones, and for both permitted and non-permitted special events. This dedicated team will aid in enhancing the safety of motorists, pedestrians, bicyclists, and field personnel.

Virginia Department of Transportation (VDOT) Revenue Reallocation - ($9,102,976)

In order to better align VDOT revenue that is appropriated for the maintenance, construction, and reconstruction of roads and streets with where it is being spent, an accounting change was made to move the revenue from the Public Works General Fund budget to be redirected to general government to reflect as a transfer to the CIP.

Major Budget Changes - TIP Fund

Additional equipment for Beach Operations - $1,400,000 (one-time)

The Department of Public Works requested additional funds for a new tractor and beach cleaner. This equipment is critical to maintaining operational efficiency and supporting the growing amount of major events at the beach. The addition of this tractor will also add a contingency in the event that the current tractor goes down for maintenance at an inopportune time.

Increase in Recycling funds - $40,000

The Department of Public Works requested additional funds to address shortages in the recycling services supported by the Waste Management Fund. The recycling contract with TFC was renewed in FY 2024-25 with rate increases that nearly doubled. This request adjusts the budget to account for the recent increases.

Major Budget Changes - Stormwater Enterprise Fund

Pump Maintenance Electricians - $435,299 (net zero) - 2 FTEs

This request responds to the growing maintenance demands associated with the City's inventory of pump systems and flood protection gates currently in operation. These staffing additions are consistent with recommendations outlined in the Jacobs Operational Assessment Report and included in the funding plan for the rate increase authorized in FY 2025-26. They are also necessary to support the ongoing expansion of the Virginia Beach Flood Control Program. $272,700 of this request is one-time funding.

Pump Maintenance Mechanic - $216,752 (net zero) - 1 FTE

This request also responds to the growing maintenance associated with the City's inventory of pump systems and flood protection gates. This staffing addition is also consistent with recommendations outlined in the Jacobs Operational Assessment Report and included in the funding plan for the rate increase authorized in FY 2025-26. This position is also necessary to support the ongoing expansion of the Virginia Beach Flood Control Program. $152,600 of this request is one-time funding.

Technical Support for Stormwater Operations Control Center - $93,723 (net zero) - 1 FTE

The Department of Public Works requested a dedicated Business Application Specialist II to serve as the technology product owner for the Stormwater Operations Control Center. The Stormwater Operations Center will be the City's central hub for monitoring and managing stormwater infrastructure, flood control systems, and emergency management operations. These services depend on a complex set of technology platforms which must operate seamlessly and reliably during routine operations and critical storm events. The Business Applications Specialist II is a strategic necessity to safeguard the City's stormwater technology systems, ensure operational continuity, and support the community during both routine operations and emergency events. This position was included in the funding plan for the rate increase authorized in FY 2025-26.

Major Budget Changes - Waste Management Fund

Additional Motor Equipment Operator II Positions - $122,964 (net zero) - 2 FTEs

This request converts a portion of the contracted manpower budget into two full-time Motor Equipment Operator II positions. Since 2008, the Landfill has experienced a reduction of approximately 50% of its full-time workforce. To address these shortages, the Landfill has relied on contracted personnel. Temporary staff provides short-term operational support, but presents challenges in training consistency, workforce continuity, and long-term retention. Establishing these positions will enhance stability, ensure compliance with regulatory requirements, and reduce inefficiencies associated with turnover of contracted staff.

Refuse Containers Fee Increase - $75,000

The Waste Management division of the Public Works Department is requesting to increase the refuse container fee by $25 from $75 to $100. This fee has not been updated since 2004. The department currently provides delivery of trash bins for $75, with no additional charge for delivery and replacement of recycling bins. Revenue from this increase will cover costs including salary, vehicle maintenance, fuel, etc.

Yard Debris Trailer Fee Increase - $40,000

The Department of Public Works requested an increase in the fee for yard debris container rentals. The fee is currently set at $40 for a 24-hour period during the week, and $75 for containers delivered on Fridays and collected the following Monday. This fee has not been updated since 2008. The requested increase raises the fee to $50 per day during the week, and $150 for the weekend. The additional revenue will cover costs of continuing the program.

Major Budget Changes - Parking Management Enterprise Fund

Technical Support Business Application Specialist II - $93,723 (net zero) - 1 FTE

The Parking Management division of the Public Works Department requested the addition of a Business Application Specialist II to support the City's rapidly expanding parking technology programs and to ensure effective administration, integration, and maintenance of several critical parking systems. This position is funded by redirecting expenses in other areas of the division.

Major Budget Changes - Fuel Internal Services Fund

Landstown Fuel Tank Replacement - $1,500,000

The Public Works Department requested additional funding to replace the Landstown fuel tank. This tank has reached the end of its life cycle and requires replacement. Due to its age, it is more prone to structural failure, corrosion, and leakage. The current degradation can lead to fueling delays, system downtime, and safety hazards. This investment ensures that the fueling infrastructure is aligned with future municipal fleet needs.

Major Budget Changes - Town Center SSD

Town Center SSD Reorganization - $2,838,840

Beginning in FY 2026-27, funding associated with parking enforcement, general maintenance, and street maintenance that was previously funded in Economic Development has been moved to Public Works. This more effectively aligns the funding with the department that is primarily responsible for the service provided.

	FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
Program Summary				
100 GENERAL FUND				
Expenditures				
Director's Office	1,551,237	866,530	979,635	113,105
Contracts	600,071	705,629	543,550	(162,079)
Business Center	7,583,493	8,618,052	8,704,981	86,929
Technology and Support	0	811,239	896,905	85,666
Real Estate	1,090,370	1,291,184	1,298,922	7,738
Surveys	1,314,205	1,574,297	1,419,786	(154,511)
Transportation and Project Management	1,749,161	1,841,642	1,854,017	12,375
Management Services	2,638,568	2,398,848	0	(2,398,848)
Coastal Engineering	798,853	896,324	916,718	20,394
Street Lights	85,606	510,000	510,000	0
Construction Inspections	0	0	2,061,689	2,061,689
Environmental Management	261,146	377,595	383,888	6,293
Engineering Program Support	1,346,238	1,612,611	1,811,997	199,386
Engineering Traffic Management	1,920,942	2,110,941	2,142,368	31,427
Engineering Technology And Support	493,629	0	0	0
Facilities Design and Construction	1,751,526	1,579,426	1,684,335	104,909
Energy Management	284,330	290,495	295,346	4,851
Building Maintenance	11,188,182	11,060,789	13,355,021	2,294,232
Electrical Support	1,873,758	2,530,894	2,367,479	(163,415)
General Maintenance	3,794,214	4,211,440	4,273,905	62,465
Custodial Services	5,363,189	5,959,080	6,297,173	338,093
Resort Building Maintenance	488,133	578,178	586,724	8,546
Planning and Space Management	400,635	330,479	407,954	77,475
HVAC Support	2,706,362	2,617,922	2,627,591	9,669
Program Support	1,148,668	11,129	0	(11,129)
Street Maintenance	19,258,750	25,291,200	25,551,876	260,676
Dredge Maintenance	2,525,707	2,747,674	2,713,893	(33,781)
Traffic Management	7,546,483	8,105,565	9,267,899	1,162,334
Bridge Maintenance	728,371	856,230	1,240,845	384,615
Beach Operations	477,003	620,073	519,881	(100,192)
Program Support	841,504	1,115,259	1,127,614	12,355
Infrastructure Support	940,947	1,353,515	1,307,392	(46,123)
Inspections	0	1,136,255	1,166,453	30,198
Technology and Support	1,714,480	2,134,927	2,016,417	(118,510)
SWU Stormwater Engineering Center	4,076,123	4,893,231	5,265,167	371,936
SWU Mosquito Control	2,454,598	3,072,886	3,064,971	(7,915)
SWU Street Sweeping	1,231,653	2,844,487	2,862,852	18,365
SWU Engineering Program	1,972,064	2,811,091	2,850,097	39,006
SWU Surface Water Compliance	2,992,066	2,812,236	2,817,797	5,561
SWU Operations	3,538,815	4,249,126	4,502,461	253,335
Total Expenditures	100,731,082	116,828,479	121,695,599	4,867,120
Revenues				
Local Revenue	294,750	724,040	860,150	136,110
State Revenue	57,752,485	57,236,465	50,089,976	(7,146,489)
Transfers	2,485,060	2,660,201	2,773,301	113,100
Total Revenues	60,532,295	60,620,706	53,723,427	(6,897,279)

		FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
224 PARKS AND RECREATION SRF					
Expenditures					
Facilities Management		3,869,971	4,107,879	4,305,082	197,203
Reserves		0	0	13,766	13,766
	Total Expenditures	3,869,971	4,107,879	4,318,848	210,969
241 TOURISM INVESTMENT PROGRAM SRF					
Expenditures					
Resort Building Maintenance		883,410	1,556,675	1,555,692	(983)
Beach Operations		4,673,253	3,477,141	4,915,699	1,438,558
Beach Recycling		12,857	105,061	145,061	40,000
Reserves		0	0	98,870	98,870
	Total Expenditures	5,569,521	5,138,877	6,715,322	1,576,445
251 TOWN CENTER SSD SRF					
Expenditures					
Parking Enforcement		0	0	2,139,000	2,139,000
General Maintenance		0	0	491,000	491,000
Street Maintenance		0	0	37,000	37,000
Transfer		0	0	96,840	96,840
Transfer - Street Sweeping		0	0	31,000	31,000
Transfer - Landscaping		0	0	44,000	44,000
	Total Expenditures	0	0	2,838,840	2,838,840
Revenues					
Local Revenue		0	0	626,910	626,910
	Total Revenues	0	0	626,910	626,910
252 SANDBRIDGE SSD SRF					
Expenditures					
Beach Operations		505,408	867,592	907,501	39,909
Reserves		0	0	15,718	15,718
	Total Expenditures	505,408	867,592	923,219	55,627
270 CONSOLIDATED GRANTS SRF					
Expenditures					
DMV Regional Grant		20,000	20,000	20,000	0
	Total Expenditures	20,000	20,000	20,000	0
Revenues					
State Revenue		94,479	0	0	0
Federal Revenue		20,000	20,000	20,000	0
	Total Revenues	114,479	20,000	20,000	0
520 STORMWATER UTILITY ENTERPRISE FUND					
Expenditures					
Debt Service		10,001,484	14,391,428	14,317,441	(73,987)
Retiree Health Insurance		110,418	73,333	150,000	76,667
Stormwater - Operations & Maintenance		12,085,324	0	0	0
SWU - Inspections & Environmental Spill Response		1,440,117	0	0	0
SWU - Inspections and Environmental Spill Response		0	1,669,530	2,043,293	373,763
Stormwater- Operations and Maintenance		0	18,032,767	18,373,141	340,374
Transfer to Stormwater CIP		16,644,767	18,784,720	17,275,898	(1,508,822)
Transfer - Direct Cost		53,691	53,691	58,047	4,356
Transfer - Indirect Cost		691,378	1,298,722	733,483	(565,239)
Transfer - Landscaping		116,342	216,342	237,710	21,368
Transfer - Occupational Health		10,650	10,650	10,650	0
Transfer - Regulations		142,342	142,324	413,583	271,259
Transfer - Billing		1,122,790	1,108,760	1,121,566	12,806
Transfer - Account Management		271,461	271,461	305,564	34,103

		FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
Reserves		0	1,446,655	2,659,036	1,212,381
	Total Expenditures	42,690,763	57,500,383	57,699,412	199,029
Revenues					
Local Revenue		49,832,626	57,500,383	57,699,412	199,029
	Total Revenues	49,832,626	57,500,383	57,699,412	199,029
530 WASTE MANAGEMENT ENTERPRISE FUND					
Expenditures					
Retiree Health Insurance		314,871	286,632	300,000	13,368
Customer Service		339,674	724,283	648,066	(76,217)
Equipment and Safety		327,011	360,976	401,008	40,032
Technology and Support		77,742	124,213	96,943	(27,270)
Administration		145,774	478,056	481,411	3,355
Waste Collections		2,123,001	0	0	0
Yard Debris		(1,582)	0	0	0
Recycling		38	0	0	0
Program Support		360,932	0	5,423	5,423
Waste Disposal		74,217	0	1,012	1,012
Administration		265,360	339,806	428,120	88,314
Landfill - Offsite Hauling		107,567	113,897	105,251	(8,646)
Landfill		3,886,195	2,257,364	3,487,678	1,230,314
Landfill - Resource Recovery Center		616,213	1,063,082	765,089	(297,993)
Landfill Administration		264,377	374,743	353,608	(21,135)
Landfill - Finance Services		1,072	0	0	0
Curbside Waste Collection		3,860,556	2,137,563	3,461,880	1,324,317
Curbside Yard Debris		4,861,690	6,327,661	5,141,090	(1,186,571)
Curbside Yard Debris Trailers		595,266	1,172,666	666,137	(506,529)
Residential Trash Collection		15,885,917	17,952,994	17,325,099	(627,895)
Bulky Items		1,150,047	2,325,289	2,201,265	(124,024)
Recycling		9,490,624	10,117,891	10,117,053	(838)
Administration		1,304,778	1,655,775	1,589,463	(66,312)
Transfers		971,383	1,117,108	0	(1,117,108)
Transfer - Direct Cost		151,729	151,729	141,124	(10,605)
Transfer - Indirect Cost		1,480,672	1,480,672	1,570,845	90,173
Transfer - Indirect Cost		19,650	19,650	19,650	0
Transfer - Billing		0	0	1,132,030	1,132,030
Reserves		0	0	667,322	667,322
	Total Expenditures	48,674,774	50,582,050	51,106,567	524,517
Revenues					
Local Revenue		47,302,653	47,996,207	47,956,227	(39,980)
State Revenue		83,681	100,000	100,000	0
Specific Fund Reserves		0	2,485,843	3,050,340	564,497
	Total Revenues	47,386,334	50,582,050	51,106,567	524,517
540 PARKING ENTERPRISE FUND					
Expenditures					
Administration		5,275,373	6,867,299	7,808,177	940,878
Leases		125,950	0	139,247	139,247
Retiree Health Insurance		4,743	5,100	5,100	0
Transfer to ECO CIP		500,000	612,500	612,500	0
Transfer - Indirect Cost		244,454	244,454	298,072	53,618
Transfer - Landscaping		46,500	59,500	71,700	12,200
Transfer - Treasurer Support		50,586	60,000	77,500	17,500
Reserves		0	0	43,606	43,606
	Total Expenditures	6,247,607	7,848,853	9,055,902	1,207,049
Revenues					

		FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
Local Revenue		4,895,696	7,326,551	8,782,356	1,455,805
Transfers		72,000	72,000	96,840	24,840
Specific Fund Reserves		0	450,302	176,706	(273,596)
	Total Revenues	4,967,696	7,848,853	9,055,902	1,207,049
600 CITY GARAGE ISF					
Expenditures					
Service Office		36,661	736,296	943,781	207,485
Technical Support		20,886	109,090	105,149	(3,941)
Motor Pool		152,500	438,635	511,384	72,749
Finance & Administrative Services		191,703	1,728,216	1,649,599	(78,617)
Waste Management Annex		65,776	2,912,294	3,093,700	181,406
Landfill Annex		27,522	279,047	853,367	574,320
PW & PU Annex		32,745	1,138,680	1,085,414	(53,266)
Fire Shop		48,416	2,347,725	1,861,543	(486,182)
Heavy Duty Shop		52,468	2,675,349	2,726,513	51,164
Light Duty Shop		73,009	3,856,682	3,123,660	(733,022)
Quick Lane Shop		30,780	749,406	823,439	74,033
Generator Shop		30,897	544,641	803,117	258,476
Small Engine Shop		25,735	795,528	834,663	39,135
Welding Shop		17,925	197,491	421,044	223,553
Wrecker Service		19,987	230,119	223,321	(6,798)
Marine Shop		29,787	512,183	925,050	412,867
Body Shop		21,805	343,924	509,522	165,598
Ambulance Shop		33,213	1,564,185	1,020,842	(543,343)
Helicopter Shop		21,441	195,834	497,577	301,743
Motor Pool		169,419	0	0	0
Automotive Services		18,748,471	0	0	0
Reserves		0	466,000	244,476	(221,524)
	Total Expenditures	19,851,147	21,821,325	22,257,161	435,836
Revenues					
Local Revenue		20,816,095	21,821,325	22,107,161	285,836
Specific Fund Reserves		0	0	150,000	150,000
	Total Revenues	20,816,095	21,821,325	22,257,161	435,836
601 FUELS ISF					
Expenditures					
Finance & Administrative Services		26,320	8,416,928	6,414,663	(2,002,265)
Fuel		5,735,279	0	0	0
Fuel Operations		14,035	903,503	2,320,576	1,417,073
Overtime & Payroll Reserve		0	0	30,963	30,963
	Total Expenditures	5,775,634	9,320,431	8,766,202	(554,229)
Revenues					
Local Revenue		5,728,068	9,320,431	7,266,202	(2,054,229)
Specific Fund Reserves		0	0	1,500,000	1,500,000
	Total Revenues	5,728,068	9,320,431	8,766,202	(554,229)
812 OYSTER HERITAGE TRUST FUND					
Expenditures					
Oyster Heritage		23,850	38,000	38,000	0
	Total Expenditures	23,850	38,000	38,000	0
Revenues					
Local Revenue		0	0	38,000	38,000
Specific Fund Reserves		0	38,000	0	(38,000)
	Total Revenues	0	38,000	38,000	0

	FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
Total Department Expenditure	233,959,755	274,073,869	285,435,072	11,361,203
Total Department Revenue	189,377,593	207,751,748	203,293,581	(4,458,167)

Position Summary by Program

100 GENERAL FUND					
Director's Office		3.00	3.00	6.00	3.00
Contracts		9.00	8.00	6.00	(2.00)
Business Center		9.00	8.00	7.00	(1.00)
Technology and Support		0.00	6.00	6.00	0.00
Real Estate		11.00	11.00	11.00	0.00
Surveys		16.00	15.00	13.00	(2.00)
Transportation and Project Management		12.00	12.00	13.00	1.00
Management Services		15.00	15.00	0.00	(15.00)
Coastal Engineering		5.00	5.00	5.00	0.00
Construction Inspections		0.00	0.00	13.00	13.00
Environmental Management		1.00	1.00	1.00	0.00
Engineering Program Support		11.00	11.00	13.00	2.00
Engineering Traffic Management		15.00	15.00	15.00	0.00
Engineering Technology And Support		3.00	0.00	0.00	0.00
Facilities Design and Construction		11.00	13.00	13.00	0.00
Energy Management		2.00	2.00	2.00	0.00
Building Maintenance		27.00	26.00	27.00	1.00
Electrical Support		22.00	22.00	21.00	(1.00)
General Maintenance		44.00	44.00	44.00	0.00
Custodial Services		56.00	62.00	62.00	0.00
Resort Building Maintenance		3.00	3.00	3.00	0.00
Planning and Space Management		2.00	2.00	3.00	1.00
HVAC Support		23.00	23.00	23.00	0.00
Program Support		13.88	0.00	0.00	0.00
Street Maintenance		60.00	67.00	69.00	2.00
Dredge Maintenance		24.00	24.00	23.00	(1.00)
Traffic Management		53.00	53.00	56.00	3.00
Bridge Maintenance		7.00	7.00	7.00	0.00
Beach Operations		4.00	4.00	4.00	0.00
Program Support		12.00	12.00	12.00	0.00
Infrastructure Support		10.00	13.88	13.88	0.00
Inspections		0.00	10.00	10.00	0.00
Technology and Support		9.00	9.00	8.00	(1.00)
SWU Stormwater Engineering Center		33.00	33.00	33.00	0.00
SWU Mosquito Control		30.00	31.00	31.00	0.00
SWU Street Sweeping		3.00	3.00	3.00	0.00
SWU Engineering Program		24.00	23.00	23.00	0.00
SWU Surface Water Compliance		15.00	15.00	15.00	0.00
SWU Operations		35.00	35.00	35.00	0.00
	Total	632.88	646.88	649.88	3.00
224 PARKS AND RECREATION SRF					
Facilities Management		4.00	4.00	4.00	0.00
	Total	4.00	4.00	4.00	0.00
241 TOURISM INVESTMENT PROGRAM SRF					
Resort Building Maintenance		8.00	8.00	8.00	0.00
Beach Operations		18.00	18.00	18.00	0.00
	Total	26.00	26.00	26.00	0.00
252 SANDBRIDGE SSD SRF					
Beach Operations		5.00	5.00	5.00	0.00
	Total	5.00	5.00	5.00	0.00

520 STORMWATER UTILITY ENTERPRISE FUND				
Stormwater - Operations & Maintenance	81.00	0.00	0.00	0.00
SWU - Inspections & Environmental Spill Response	17.00	0.00	0.00	0.00
SWU - Inspections and Environmental Spill Response	0.00	17.00	18.00	1.00
Stormwater- Operations and Maintenance	0.00	86.00	89.00	3.00
Total	98.00	103.00	107.00	4.00
530 WASTE MANAGEMENT ENTERPRISE FUND				
Customer Service	10.00	10.00	10.00	0.00
Equipment and Safety	4.00	3.00	3.00	0.00
Technology and Support	1.00	1.00	1.00	0.00
Administration	3.00	3.00	3.00	0.00
Administration	2.00	2.00	2.00	0.00
Landfill - Offsite Hauling	1.00	1.00	1.00	0.00
Landfill	7.00	7.00	10.00	3.00
Landfill - Resource Recovery Center	5.00	5.00	4.00	(1.00)
Landfill Administration	3.00	3.00	3.00	0.00
Curbside Waste Collection	10.00	8.00	44.00	36.00
Curbside Yard Debris	45.00	51.00	20.00	(31.00)
Curbside Yard Debris Trailers	5.00	5.00	5.00	0.00
Residential Trash Collection	36.00	34.00	32.00	(2.00)
Bulky Items	9.00	8.00	6.00	(2.00)
Recycling	3.00	3.00	3.00	0.00
Administration	13.00	13.00	12.00	(1.00)
Total	157.00	157.00	159.00	2.00
540 PARKING ENTERPRISE FUND				
Administration	7.00	10.00	11.00	1.00
Total	7.00	10.00	11.00	1.00
600 CITY GARAGE ISF				
Service Office	0.00	4.00	4.00	0.00
Technical Support	0.00	1.00	1.00	0.00
Motor Pool	0.00	1.00	2.00	1.00
Finance & Administrative Services	0.00	8.00	7.00	(1.00)
Waste Management Annex	0.00	10.00	10.00	0.00
Landfill Annex	0.00	2.00	2.00	0.00
PW & PU Annex	0.00	4.00	4.00	0.00
Fire Shop	0.00	7.00	7.00	0.00
Heavy Duty Shop	0.00	8.00	9.00	1.00
Light Duty Shop	0.00	14.00	14.00	0.00
Quick Lane Shop	0.00	5.00	4.00	(1.00)
Generator Shop	0.00	3.00	3.00	0.00
Small Engine Shop	0.00	4.00	3.00	(1.00)
Welding Shop	0.00	1.00	1.00	0.00
Wrecker Service	0.00	2.00	2.00	0.00
Marine Shop	0.00	2.00	3.00	1.00
Body Shop	0.00	2.00	2.00	0.00
Ambulance Shop	0.00	4.00	4.00	0.00
Helicopter Shop	0.00	1.00	1.00	0.00
Automotive Services	83.00	0.00	0.00	0.00
Total	83.00	83.00	83.00	0.00
601 FUELS ISF				
Finance & Administrative Services	0.00	2.00	2.00	0.00
Fuel Operations	0.00	2.00	2.00	0.00
Total	0.00	4.00	4.00	0.00
Total Position Summary	1,012.88	1,038.88	1,048.88	10.00

	FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
Expenditure Category by Department				
PUBLIC WORKS				
Bad Debt	(72,260)	220,000	270,000	50,000
Reserves	0	466,000	2,273,757	1,807,757
Operating	103,855,555	127,220,513	136,143,812	8,923,299
Leases	395,404	463,672	449,646	(14,026)
Transfers	22,518,395	25,632,283	24,251,762	(1,380,521)
Capital	0	1,446,655	1,500,000	53,345
Debt	10,653,555	14,391,428	14,317,441	(73,987)
Capital Outlay	7,458,991	6,081,905	7,076,000	994,095
Personnel	89,150,115	98,151,413	99,152,654	1,001,241
Total Expenditures:	233,959,755	274,073,869	285,435,072	11,361,203
Revenue Category by Department				
Charges for Services	122,837,656	139,848,740	138,811,322	(1,037,418)
Federal Revenue	20,000	20,000	20,000	0
Fines and Forfeitures	195,413	550,000	902,610	352,610
Miscellaneous Revenue	918,209	1,116,226	945,800	(170,426)
Permits Fees and Regulatory Licenses	384,722	247,000	224,350	(22,650)
Specific Fund Reserves	0	2,974,145	4,877,046	1,902,901
State Revenue	57,930,645	57,336,465	50,189,976	(7,146,489)
Transfer In	2,557,060	2,732,201	2,870,141	137,940
Use of Money and Property	4,533,888	2,926,971	4,452,336	1,525,365
Total Revenue:	189,377,593	207,751,748	203,293,581	(4,458,167)

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.

The Administrative Division

Provides personnel, training, financial administration, accreditation, and compliance for the VBSO, as well as program development. This division also 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 2023	FY 2024	FY 2025	FY 2026 EST	FY 2027 PROJ
Civil documents served	115,579	100,614	115,000	115,000	115,000
Arrestees processed	26,597	26,501	25,000	25,000	25,000
Number of courtrooms secured	23	23	23	23	23
Average daily jail population	1,011	996	1,000	1,000	1,000
Inmates over the Department of Corrections certified capacity	122	107	111	111	111

In 2025, 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
City's overall efforts to prevent crime	65.9%%	55.3%	48.6%
Feeling of safety in your neighborhood during the day	90.7%	81.4%	81.2%
Feeling of safety in the City overall	81.6%	71.0%	66.0%
Feeling of safety in your neighborhood at night	74.4%	70.3%	61.4%

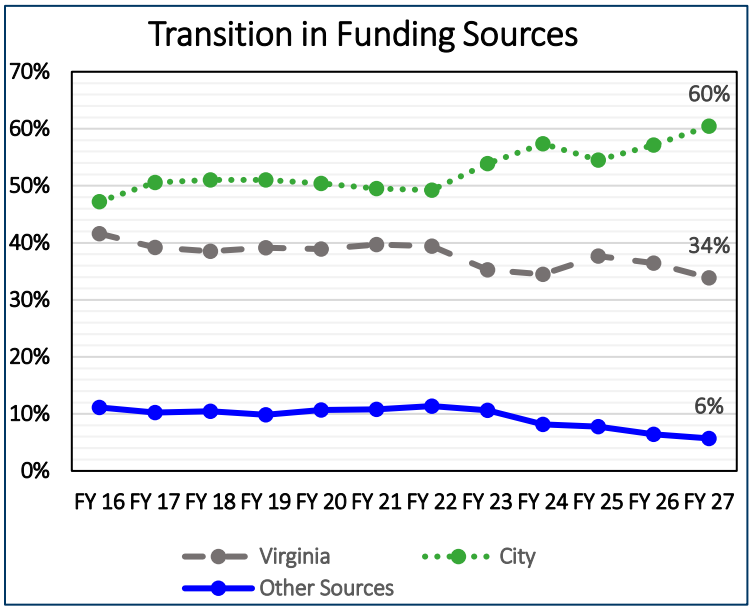
Trends and Issues

Aging Facility

One of the buildings in the Virginia Beach Correctional Center is nearly 18 years old with much of its original equipment still in use. In the past few years, the VBSO has had to repurpose year end savings in their budget to replace equipment, such as for shelving systems in their property storage room and for kitchen appliances. Included in the Capital Improvement Program is funding for a correctional center rehabilitation project with programmed funding beginning in FY 2025-26 for upgrades to the kitchen, and design of a more comprehensive project in FY 2027-28. The Capital Improvement Program also includes funding to replace aging screening equipment at the courthouse with less intrusive and more efficient scanners.

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, funds from the City General Fund are 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.



Major Budget Changes

Transition to the General Fund

The General Fund represents nearly 60% of the revenue supporting the Sheriff's Office. Previously, this was reflected as a transfer into the Sheriff's Office Special Revenue Fund. Per the Governmental Accounting Standards Board (GASB), the best practice is that revenues, rather than transfers, be the primary source of revenues for a Special Revenue Fund. The FY 2026-27 Proposed Budget moves the Sheriff's Office into the General Fund to align with this best practice. Starting in FY 2022-23, transfers from the General Fund comprised more than 50% of the fund's revenue. In the time since then, it has become clear that this is a long-term change, rather than a short-term aberration due to the COVID-19 pandemic or temporary changes to the State budget. Therefore, in order to comply with GASB standards, the VBSO has been transferred from its Special Revenue Fund to the General Fund.

This change is purely for accounting purposes and does not affect the operations of the VBSO. Any previously budgeted transfers to or from the General Fund are no longer represented in the line-item budget, but the funding still goes to the same purposes. For example, the VBSO receives $46 million in General Fund support in FY 2026-27, which is no longer represented as a transfer.

Medical Contract Increase - $500,000

The VBSO is required to ensure that inmates at the Virginia Beach Correctional Center receive proper medical care. The VBSO provides care through a contract with a medical provider. The contractor is responsible for medication administration, sick call, chronic care, emergency care, off-site care coordination, dental care, pharmacy services, laboratory services, dialysis, and other ancillary services for the jail's approximately 1,000 inmates. When the contract began in FY 2023-24, the annual budget was $7.7 million; however, the medical field has faced high post-pandemic inflation, which led to the contract increasing to $8.0 million in FY 2024-25. As medical inflation has continued to outpace general inflation, the VBSO anticipates the cost of the contract to increase by an additional $500,000 in FY 2026-27.

Civil Process Software Replacement - $107,510

The VBSO has extensive involvement in the processing of civil cases, including serving papers, executing evictions, repossessions, levies, and sheriff sales. In order to coordinate civil process efforts within the VBSO and provide the public with a means to look up and track the status of court papers, the Civil Process Division utilizes specialized civil process software. The owners of the VBSO's previous civil process software ceased support for the software, which led to the platform becoming increasingly unstable and completely unusable on Windows 11 computers. In order to ensure that the platform remained functional and that Civil Process Division personnel could upgrade to modern computers, Information Technology purchased a new civil process software through Tyler Technologies in FY 2025-26. Starting in FY 2026-27, the VBSO is responsible for funding the annual subscription and maintenance fees for the new software.

Additional Overtime - $295,651

In the FY 2025-26 Adopted Budget, a $16.1 million reserve was established to partially implement salary increases in accordance with the findings of the 2025 Market Salary Survey. As part of this process, sworn Sheriff personnel were given an average of an 11% salary increase. While salary increases were funded through the reserve, the corresponding increases to overtime and taxes were funded through vacancy savings. The FY 2026-27 budget formalizes these changes, increasing the line item budget for overtime and taxes by $295,651.

Jail Based Restoration - $167,042 – 2.0 FTEs

In February 2026, City Council approved a grant from the Virginia Department of Behavioral Health and Developmental Services for a joint effort between the Virginia Beach Sheriff's Office and Department of Human Services (DHS) to create a jail-based competency restoration pilot program. When an individual is found incompetent to stand trial due to mental health issues, they are traditionally treated at a state hospital until they are deemed competent; however increasing demand for services has limited the number of inpatient beds. To alleviate this demand, the Commonwealth is working with localities to expand competency services in jails. To implement the grant the VBSO and DHS formed a Jail-Based Restoration Unit (JBRU), consisting of 2.5 new DHS mental health FTEs and two new Master Sergeants in the VBSO. These positions are fully funded by the State grant through FY 2026-27.

City of Virginia Beach, Virginia
SHERIFF - Departmental Resource Summary

		FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
Program Summary					
100 GENERAL FUND					
Expenditures					
Admin and Support		0	0	6,011,436	6,011,436
Operations		0	0	51,237,491	51,237,491
Training		0	0	3,106,331	3,106,331
Sheriff's Care Mart		0	0	628,095	628,095
Sheriff's Workforce		0	0	1,507,553	1,507,553
Inmate Support		0	0	3,301,603	3,301,603
Centralized Booking		0	0	4,536,592	4,536,592
Court Support		0	0	6,230,581	6,230,581
	Total Expenditures	0	0	76,559,682	76,559,682
Revenues					
Local Revenue		0	0	4,216,108	4,216,108
State Revenue		0	0	25,911,745	25,911,745
Federal Revenue		0	0	150,000	150,000
	Total Revenues	0	0	30,277,853	30,277,853
233 SHERIFF'S OFFICE SRF					
Expenditures					
Admin And Support		5,026,591	5,843,167	0	(5,843,167)
Operations		45,290,221	49,148,293	0	(49,148,293)
Training		2,418,730	2,579,137	0	(2,579,137)
Sheriff's Care Mart		627,515	616,965	0	(616,965)
Sheriff's Workforce		1,703,801	1,591,999	0	(1,591,999)
Inmate Support		2,861,155	3,050,892	0	(3,050,892)
Centralized Booking		4,484,159	4,527,083	0	(4,527,083)
Court Support Services		6,269,278	6,930,968	0	(6,930,968)
Transfers		11,600	11,600	0	(11,600)
	Total Expenditures	68,693,050	74,300,104	0	(74,300,104)
Revenues					
Local Revenue		3,964,750	4,347,608	0	(4,347,608)
State Revenue		24,412,268	25,591,398	0	(25,591,398)
Federal Revenue		177,607	150,000	0	(150,000)
Transfers		40,049,761	44,211,098	0	(44,211,098)
	Total Revenues	68,604,386	74,300,104	0	(74,300,104)
270 CONSOLIDATED GRANTS SRF					
Expenditures					
Jail Based Restoration Grant		0	0	167,042	167,042
	Total Expenditures	0	0	167,042	167,042
Total Department Expenditure		68,693,050	74,300,104	76,726,724	2,426,620
Total Department Revenue		68,604,386	74,300,104	30,277,853	(44,022,251)

	FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
Position Summary by Program				
100 GENERAL FUND				
Admin and Support	0.00	0.00	33.85	33.85
Operations	0.00	0.00	325.38	325.38
Training	0.00	0.00	19.81	19.81
Sheriff's Care Mart	0.00	0.00	8.44	8.44
Sheriff's Workforce	0.00	0.00	10.22	10.22
Inmate Support	0.00	0.00	35.80	35.80
Centralized Booking	0.00	0.00	40.00	40.00
Court Support	0.00	0.00	62.90	62.90
Total	0.00	0.00	536.40	536.40
233 SHERIFF'S OFFICE SRF				
Admin And Support	37.05	37.05	0.00	(37.05)
Operations	301.38	303.38	0.00	(303.38)
Training	15.81	16.81	0.00	(16.81)
Sheriff's Care Mart	8.44	8.44	0.00	(8.44)
Sheriff's Workforce	13.22	12.22	0.00	(12.22)
Inmate Support	38.80	37.80	0.00	(37.80)
Centralized Booking	44.00	43.00	0.00	(43.00)
Court Support Services	77.70	77.70	0.00	(77.70)
Total	536.40	536.40	0.00	(536.40)
270 CONSOLIDATED GRANTS SRF				
Jail Based Restoration Grant	0.00	2.00	2.00	0.00
Total	0.00	2.00	2.00	0.00
Total Position Summary	536.40	538.40	538.40	0.00
Expenditure Category by Department				
SHERIFF				
Operating	16,252,807	16,950,821	18,367,147	1,416,326
Transfers	11,600	11,600	0	(11,600)
Capital Outlay	8,500	0	0	0
Personnel	52,420,143	57,337,683	58,359,577	1,021,894
Total Expenditures:	68,693,050	74,300,104	76,726,724	2,426,620
Revenue Category by Department				
Charges for Services	3,941,088	4,326,608	4,197,608	(129,000)
Federal Revenue	177,607	150,000	150,000	0
Miscellaneous Revenue	200	3,000	3,000	0
Permits Fees and Regulatory Licenses	3,868	4,000	4,000	0
State Revenue	24,412,268	25,591,398	25,911,745	320,347
Transfer In	40,049,761	44,211,098	0	(44,211,098)
Use of Money and Property	19,594	14,000	11,500	(2,500)
Total Revenue:	68,604,386	74,300,104	30,277,853	(44,022,251)

VOTER REGISTRATION AND 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. The Voter Registration and Elections Office also handles in-person registration at all public libraries, the Department of Human Services, Offices of the City Treasurer, the Commissioner of Revenue, the 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 on 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 2023	FY 2024	FY 2025	FY 2026 EST	FY 2027 PROJ
Number of registered voters	332,007	347,403	336,772	345,000	345,000
Number of registered voters served by each registrar	25,539	24,815	24,052	24,643	24,643
Percent of residents voting in a local election	39%	66%	51%	55%	55%
Absentee voters by mail and in person	22,703	118,210	70,516	80,000	80,000
In person voters in November election	23,003	90,080	49,457	58,000	58,000

In 2025, 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	71.6%	36.3%	39.4%
Overall quality of services provided by the City	74.8%	51.6%	50.5%
Effectiveness of City communication with the public	48.0%	48.1%	36.9%
Availability of information about local government services and activities	48.5%	50.0%	46.4%

Trends and Issues

Upcoming Elections

Fiscal Year 2026–27 will include two scheduled elections: A primary election in August 2026 and a general election in November 2026. The August primary will include races for U.S. Senate and Congress. The November general will cover U.S. Senate, Congress, City Council, School Board, and constitutional amendments.

New Facility

A new facility has been purchased to consolidate the office's operations from five buildings into one central facility. The new facility will allow all operations and personnel to be housed together to improve efficiency, communication, and ballot security. The move to the new facility was completed at the end of February 2026. The City will continue to ensure the facility meets current and future needs of the department.

Staffing Concerns

The City of Virginia Beach is the second most populous locality in the Commonwealth. As of February 2026, the Voter Registration & Elections Office serves 339,388 registered voters. Current operations are supported by 14 full-time personnel and temporary staffers. However, temporary staff have limited access and cannot fulfill the same duties as permanent full-time personnel. This limits the amount of relief temporary workers offer full-time staff.

Major Budget Changes

Funding for Software Upgrades - $150,000

The Voter Registration and Elections Office budget was increased by $150,000 to pay for the ongoing costs of various software upgrades including election official management software, election results reporting software, Facility Force cloud-based software, and ballot-on-demand printing software. These upgrades meet the operational needs of the office and increase efficiency and security of elections.

City of Virginia Beach, Virginia
VOTER REGISTRATION & ELECTIONS - Departmental Resource Summary

	FY25 Actual	FY26 Adjusted	FY27 Proposed	Variance from FY26
Program Summary				
100 GENERAL FUND				
Expenditures				
Voter Registration and Elections	4,190,279	3,077,554	3,343,032	265,478
Total Expenditures	4,190,279	3,077,554	3,343,032	265,478
Revenues				
Local Revenue	661	0	0	0
State Revenue	140,315	189,286	189,286	0
Total Revenues	140,976	189,286	189,286	0
270 CONSOLIDATED GRANTS SRF				
Expenditures				
Grants	459,650	0	0	0
Total Expenditures	459,650	0	0	0
Total Department Expenditure	4,649,929	3,077,554	3,343,032	265,478
Total Department Revenue	140,976	189,286	189,286	0
Position Summary by Program				
100 GENERAL FUND				
Voter Registration and Elections	14.00	14.00	14.00	0.00
Total	14.00	14.00	14.00	0.00
Total Position Summary	14.00	14.00	14.00	0.00
Expenditure Category by Department				
VOTER REGISTRATION & ELECTIONS				
Operating	2,629,293	1,467,195	1,767,448	300,253
Leases	27,036	22,570	0	(22,570)
Personnel	1,993,599	1,587,789	1,575,584	(12,205)
Total Expenditures:	4,649,929	3,077,554	3,343,032	265,478
Revenue Category by Department				
Charges for Services	361	0	0	0
Miscellaneous Revenue	300	0	0	0
State Revenue	140,315	189,286	189,286	0
Total Revenue:	140,976	189,286	189,286	0

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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 and sewer, and stormwater). To guide future capital improvement program development and address long-term debt management issues, the 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 of more than $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 and appropriation-backed 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 credit rating agencies and others in the marketplace based on full disclosure.

Legal Debt Limit

The Commonwealth of Virginia imposes on cities a legal debt margin for general government debt. The Virginia State Constitution Art VII, § 10(A) and State Code § 15.2-2634 limits tax-supported debt to no more than 10% of the assessed value of real property. Revenue bonds, issued by the City's Enterprise funds (Water and Sewer, and Stormwater) for utility capital improvements, are not subject to the limit. For FY 2026-27, the City's assessed value of real property is estimated at $92.4 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

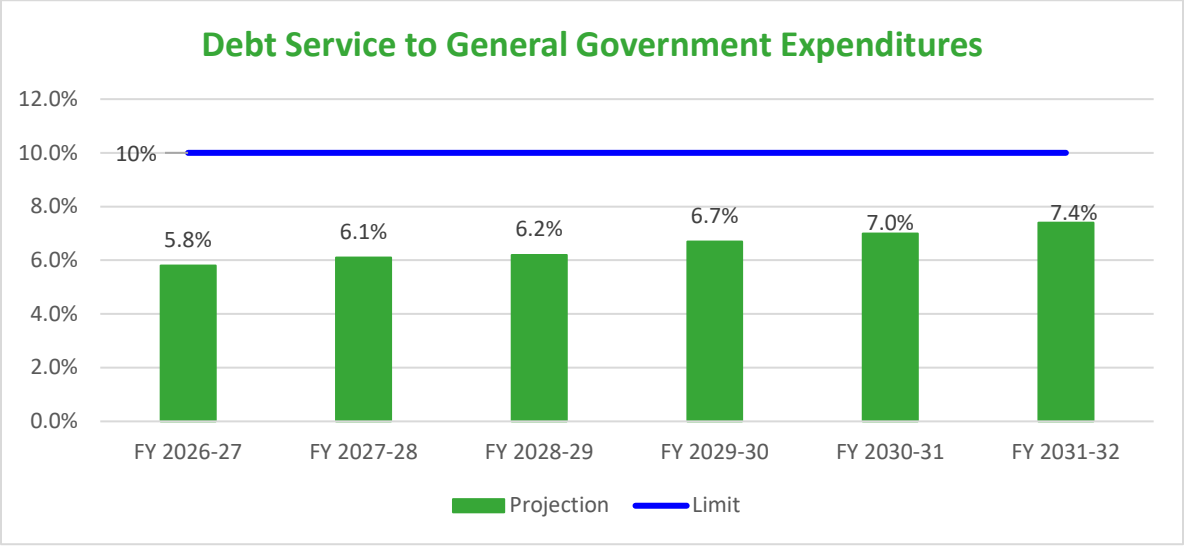
In 1992, the City established a debt policy based on four major debt indicators in order to maintain 'best practice' financial management and minimize the overall debt burden. On February 7, 2023, City Council adopted a resolution to update the debt policies based on the municipal advisor's recommendations. 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 the municipality's commitment to meet its fiscal obligations in a timely manner.

The four major debt indicators 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 and other financial policies, all three major rating agencies reaffirmed the City of Virginia Beach as a triple-A bond rated locality in February of 2026.

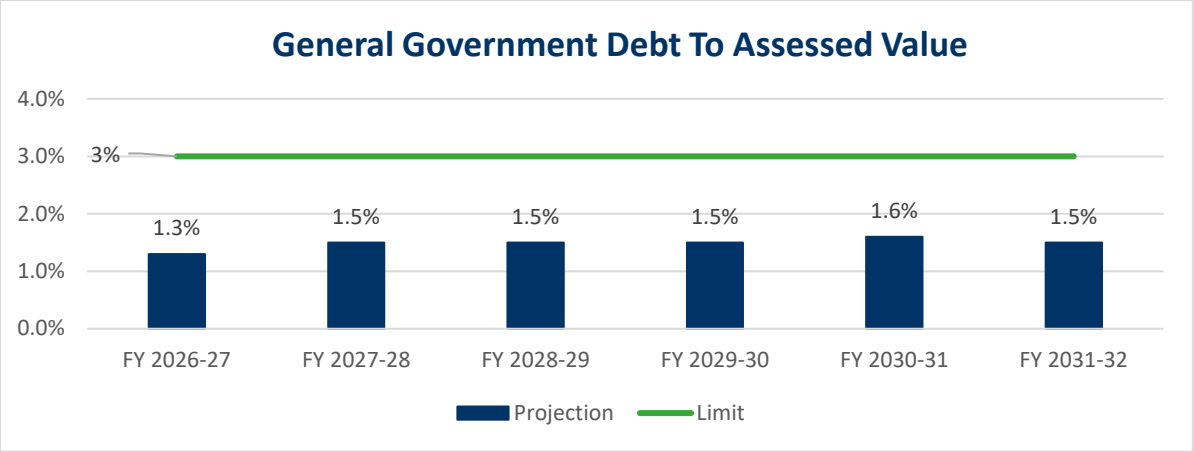
Ratio of General Government Debt Service to General Government Expenditures

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.



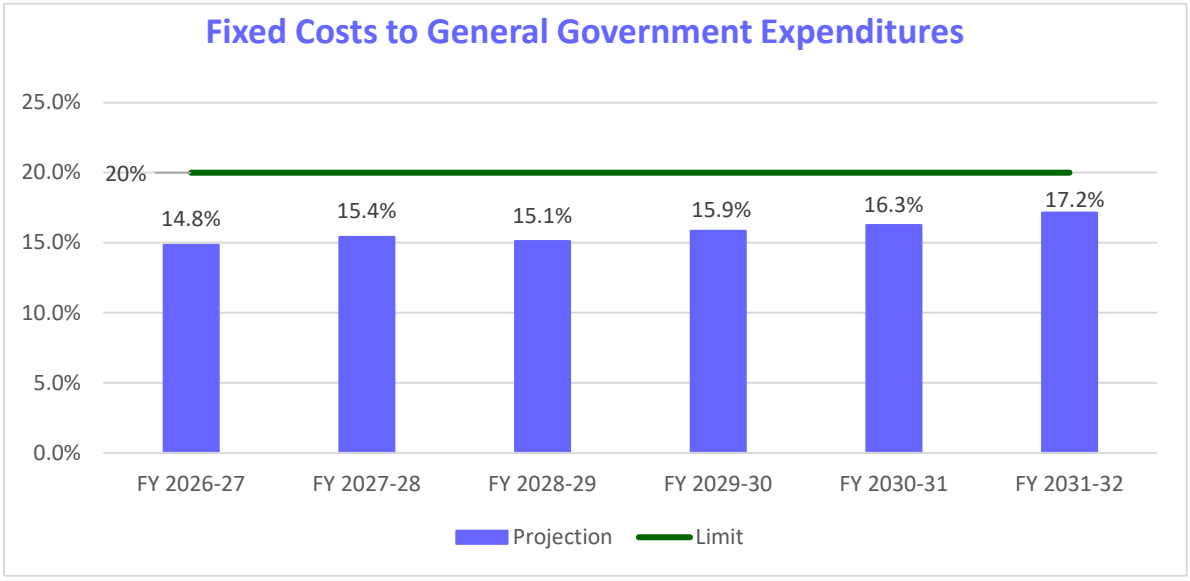
Ratio of General Government Debt to Assessed Value of Real Property

The Ratio of General Government 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. Real estate data is from the City Real Estate Assessor, and future estimates assume a 3.0% increase in assessments annually.



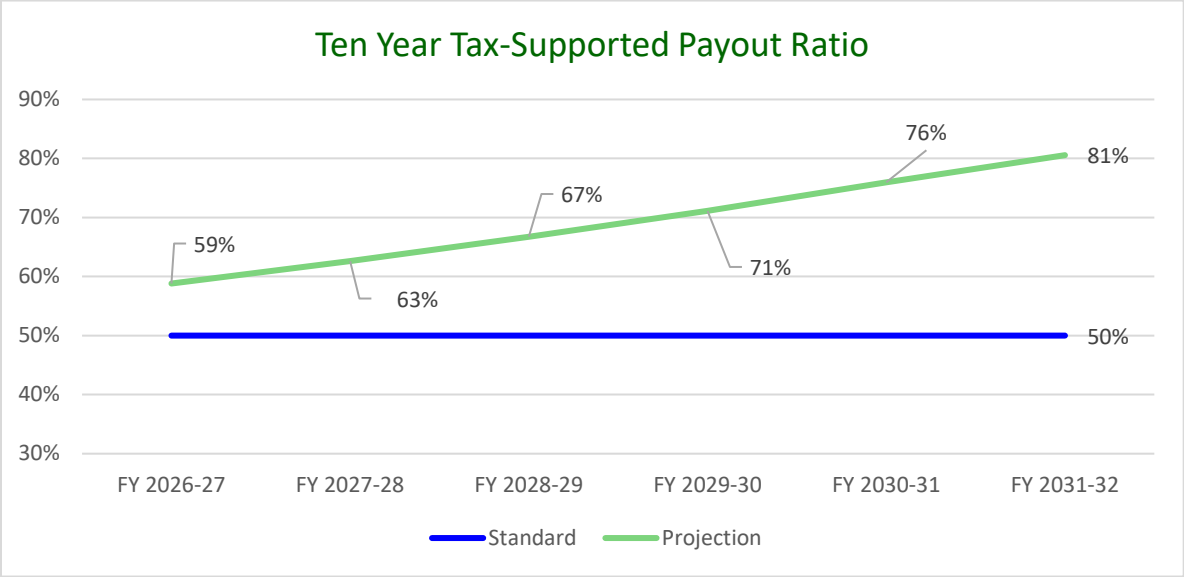
Fixed Costs to General Government Expenditures

This indicator measures the percentage of tax supported debt service and leases plus annual pension and OPEB (Other Post-Employment Benefits) costs. Annual OPEB costs include retiree health insurance, 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. The Ratio of Fixed Costs to General Government Expenditures may not exceed 20%. Data for the metric is based on amounts reported in the Annual Comprehensive Financial Report for the fiscal year ended June 30, 2025, with an assumed growth of 6% annually.



10-Year Tax-Supported Debt 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 by total tax support principle outstanding. By using rapid debt retirement, the City is minimizing its borrowing costs/interest paid on outstanding debt. 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 2025-26 compared to FY 2026-27. 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 2025-26	FY 2026-27	% Change
Schools	$50,071,611	$50,071,611	0.0%
General Government	$95,121,495	$102,405,625	7.6%
Flood Protection	$15,102,273	$26,281,335	74.0%
Utilities	$33,454,328	$38,185,837	14.1%
Total	$193,749,707	$216,944,408	11.9%

Debt Service by Fund

The following table lists the total budgeted debt service for each fund.

Fund	FY 2025-26	FY 2026-27	% Change
General Fund	$55,095,110	$60,855,263	10.4%
School Operating Fund	$50,071,611	$50,071,611	0.0%
Flood Protection	$15,102,273	$26,281,335	74.0%
Parks and Recreation SRF	$3,494,066	$3,329,193	-4.7%
Tourism Investment Program	$26,345,109	$26,586,882	0.9%
Agricultural Reserve Program	$6,198,180	$7,807,821	26.0%
Central Business District South TIF	$3,402,929	$3,311,083	-2.7%
Open Space SRF	$586,101	$515,383	-12.1%
Water and Sewer Enterprise Fund	$19,062,900	$23,868,396	25.2%
Stormwater Utility Enterprise Fund	$14,391,428	$14,317,441	-0.5%
Total	$193,749,707	$216,944,408	11.9%

General Obligation Debt

The following tables show the projected debt issuance over the next six-year period. The City of Virginia Beach issues General Obligation Bonds for construction of schools, roadways, buildings, flood protection, and other capital needs of the city. Payment of the debt service is 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 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32
General Obligation Bonds							
Beginning General Obligation Debt		723,443,014	662,092,348	601,017,629	543,863,815	490,315,001	439,685,001
Less: Principal Retirement		61,350,666	61,074,719	57,153,814	53,548,814	50,630,000	46,105,000
Ending General Obligation Debt		662,092,348	601,017,629	543,863,815	490,315,001	439,685,001	393,580,001
Spring 2027 Issue - Flood	100,000,000	100,000,000	100,000,000	100,000,000	95,000,000	90,000,000	85,000,000
Less: Principal Retirement			5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Ending General Obligation Debt		100,000,000	95,000,000	95,000,000	90,000,000	85,000,000	80,000,000
Spring 2028 Issue	150,000,000		150,000,000	150,000,000	142,500,000	135,000,000	127,500,000
Less: Principal Retirement				7,500,000	7,500,000	7,500,000	7,500,000
Ending General Obligation Debt		-	150,000,000	142,500,000	135,000,000	127,500,000	120,000,000
Spring 2029 Issue - Flood	149,500,000	-		149,500,000	149,500,000	142,025,000	134,550,000
Less: Principal Retirement		-	-		7,475,000	7,475,000	7,475,000
Ending General Obligation Debt		-	-	149,500,000	142,025,000	134,550,000	127,075,000
Spring 2030 Issue	195,820,635	-			195,820,635	195,820,635	186,029,603
Less: Principal Retirement		-	-			9,791,032	9,791,032
Ending General Obligation Debt		-	-	-	195,820,635	186,029,603	176,238,571
Spring 2031 Issue - Flood	200,000,000	-				200,000,000	190,000,000
Less: Principal Retirement		-	-				10,000,000
Ending General Obligation Debt		-	-	-	-	190,000,000	180,000,000
Total-Outstanding Gen Obligation Debt		**762,092,348**	**846,017,629**	**930,863,815**	**1,053,160,636**	**1,172,764,604**	**1,086,893,572**

Public Facility Revenue Bonds

Public Facility Revenue Bonds are issued through the Virginia Beach Development Authority. The City's obligation to pay debt service on the bonds is subject to the annual appropriation of funds by the City Council and is not a general obligation of the City.

Projection of Outstanding Debt Public Facility Bonds and Lease Debt

	Issue Amt.	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2030-32
Leases and Other Debt							
Beginning Outstanding Debt		341,355,000	310,570,000	280,115,000	256,150,000	232,305,000	232,305,000
Less: Principal Retirement		30,785,000	30,455,000	23,965,000	23,845,000	23,870,000	23,870,000
Ending Outstanding Debt		310,570,000	280,115,000	256,150,000	232,305,000	208,435,000	208,435,000
Fall 2026 Issue	145,426,354	145,426,354	138,155,036	130,883,718	123,612,400	116,341,082	109,069,764
Less: Principal Retirement		7,271,318	7,271,318	7,271,318	7,271,318	7,271,318	7,271,318
Ending Outstanding Debt		138,155,036	130,883,718	123,612,400	116,341,082	109,069,764	101,798,446
Spring 2028 Issue	137,659,411		137,659,411	137,659,411	130,776,440	123,893,469	117,010,498
Less: Principal Retirement				6,882,971	6,882,971	6,882,971	6,882,971
Ending Outstanding Debt		-	137,659,411	130,776,440	123,893,469	117,010,498	110,127,527
Spring 2030 Issue	114,763,134				114,763,134	114,763,134	109,024,977
Less: Principal Retirement						5,738,157	5,738,157
Ending Outstanding Debt		-	-	-	114,763,134	109,024,977	103,286,820
Total-Outstanding Leases & Other Debt		**448,725,036**	**548,658,129**	**510,538,840**	**587,302,685**	**543,540,239**	**523,647,793**

Leases and Subscriptions

The City recognizes lease liabilities in accordance with Governmental Accounting Standards Board (GASB) Statement No. 87. Additionally, the liabilities related to subscription-based information technology arrangements are recognized in accordance with GASB Statement No. 96. Both the outstanding liabilities and the annual debt service are included in the debt policy calculations. Lease and subscription payments are subject to annual appropriation by City Council.

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 signs an Installment Purchase Agreement (IPA) with the landowner. The city has purchased zero-coupon U.S. Treasury Separate Trading of Registered Interest and Principal of Securities (STRIPS) to finance the IPA. Property owners receive interest payments for 25

years, and when the installment purchase agreement matures, 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.

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, excluding Flood Protection. The amount for calendar year 2026 is used for FY 2026-27 bond authorization and the same calendar year to fiscal year relationship is used for each subsequent year.

Computation of Bonding Limits

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	
CALENDAR YEAR		**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	
RETIREMENT		**FY 2026-27**	**FY 2027-28**	**FY 2028-29**	**FY 2029-30**	**FY 2030-31**	**FY 2031-32**	**Total**
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		56,927,365	68,783,290	55,462,781	51,162,207	47,622,654	45,078,814	325,037,111
New Bond Issues	Amount							
Spring 2027	-	-	-	-	-	-	-	-
Spring 2028	150,000,000	-	-	7,500,000	7,500,000	7,500,000	7,500,000	30,000,000
Spring 2029	-	-	-	-	-	-	-	-
Spring 2030	195,820,635					9,791,032	9,791,032	19,582,064
Total Estimated Principal Retirement		56,927,365	68,783,290	62,962,781	58,662,207	64,913,686	62,369,846	374,619,175
Total Bonding Limits		66,927,365	78,783,290	72,962,781	68,662,207	74,913,686	72,369,846	434,619,175
Charter Bonds Allocated		67,880,192	62,725,937	64,397,980	50,186,705	39,445,984	57,056,631	341,693,429
Total Annual Unallocated Bond Authority		(952,827)	16,057,353	8,564,801	18,475,502	35,467,702	15,313,215	-
Prior Year Unallocated Bond Authority		63,079,460	-	-	-	-	-	63,079,460
Cumulative Unallocated Bond Authority		**62,126,633**	**78,183,986**	**86,748,787**	**105,224,289**	**140,691,991**	**156,005,206**	

Computation of Charter Bond Limits - Flood Protection

In the General Election held on November 2, 2021, a referendum for $567.5 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.

Computation of Bonding Limits - Flood Protection

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	
CALENDAR YEAR RETIREMENT		**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	
		FY 2026-27	**FY 2027-28**	**FY 2028-29**	**FY 2029-30**	**FY 2030-31**	**FY 2031-32**	**Total**
Calendar Year Principal Retirement		5,900,000	5,900,000	5,900,000	5,900,000	5,900,000	5,900,000	35,400,000
New Bond Issues	Amount							
Spring 2026	-	-	-	-	-	-	-	-
Spring 2027	100,000,000	-	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	25,000,000
Spring 2028	-	-	-	-	-	-	-	-
Spring 2029	149,500,000	-	-	-	7,475,000	7,475,000	7,475,000	22,245,000
Spring 2030	200,000,000	-	-	-	-	-	10,000,000	10,000,000
Total Estimated Principal Retirement		5,900,000	10,900,000	10,900,000	18,375,000	18,375,000	28,375,000	92,825,000
Total Bonding Limits		5,900,000	5,900,000	10,900,000	10,900,000	18,375,000	18,375,000	70,350,000
Charter Bonds Allocated		5,900,000	5,900,000	4,315,544	3,515,547	3,515,547	3,515,545	26,662,183
Total Annual Unallocated Bond Authority		-	5,000,0000	6,584,456	14,859,453	14,859,453	24,859,455	-
Prior Year Unallocated Bond Authority		-	-	-	-	-	-	-
Cumulative Unallocated Bond Authority		**-**	**5,000,000**	**11,584,456**	**26,443,909**	**41,303,362**	**66,162,817**	

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AN ORDINANCE MAKING APPROPRIATIONS FOR THE FISCAL YEAR BEGINNING JULY 1, 2026 AND ENDING JUNE 30, 2027 FOR OPERATIONS

WHEREAS, the City Manager has heretofore submitted an Annual Budget for the City for the fiscal year beginning July 1, 2024, and ending June 30, 2025, 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 $3,958,443,411 consisting of $724,002,416 in inter-fund transfers, $350,466,956 for internal service funds, and $2,883,974,039 in 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, ~~2025~~2026 and ending June 30, ~~202~~2027 (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, 653, 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, ~~2025~~2026 . 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, ~~2025~~2026, 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, ~~2025~~2026, 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 $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 $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 $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 $100,000 from their FY ~~2025-26~~ 2026-27 Operating Budget to the City of Virginia Beach Development Authority, for the purpose of implementing a District Improvement Plan (DIP), also referred to as Façade Improvement Grants.

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. A salary increase totaling approximately ~~3.05~~ 3.5% ~~on the pay date containing July 1, 2025~~ in July 2026 is hereby provided to both part-time and full-time City employees, including appointees within the Constitutional Offices and the five Constitutional Officers. Salary increases for full-time City ~~sworn~~ employees on a step plan are to receive a one-step increase (approximately 3%) and a 0.5% general increase. Employees at step 16 will receive a 0.5% general increase and a bonus. Salary increases for ~~non-sworn~~ non-step plan City employees shall be provided through a ~~3.0~~ 3.5% general increase.

~~**Sec. 18**. A salary increase totaling approximately 3.0% on the pay date containing July 1, 2025 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 one step increase (approximately 3%). Salary increases for non-step plan appointees shall be provided through a 0.5% general increase.~~

~~**Sec. 19** A salary increase of 3.50% on the pay date containing July 1, 2025 is hereby provided for the five Constitutional Officers.~~

Sec. ~~20~~18. A ~~$16,000,000~~ $7,500,000 reserve is established within the General Fund ~~for additional pay increases~~ to adjust pay ranges of non-sworn classifications identified to be less competitive than the market. Increases will be effective January 2027. ~~for sworn City employees, sworn Constitutional Officers, and positions compensated at the lowest ranges of the pay plan related to the findings of the Market Salary Survey and local competitiveness~~. Funding from this reserve can be allocated as necessary between Departments to adjust salaries and prevent compensation adjustments from negatively impacting the delivery of services.

Sec. ~~21~~19. An amount of up to $10,000,000 in attrition savings is hereby used to balance the Fiscal Year ~~2025-26~~ 2026-27 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 $10,000,000, notwithstanding other budgetary controls outlined in this ordinance.

Sec. ~~22~~20. 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. 21. The entire amount appropriated for health insurance in Fiscal Year 2025-26 shall be transferred to the health insurance fund to ensure long term sustainability.

Sec. ~~23~~22. In Fiscal Year ~~2025-26~~ 2026-27, 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. To ensure that public infrastructure is maintained, renovated, or constructed as authorized through established appropriations in the Capital Improvement Program.

~~**Sec. 24.** A three-year extension of the agreement with Jackelope Festival is hereby authorized; years two and three are subject to appropriation.~~

Sec. ~~25~~23. The City Manager is hereby authorized to enter into a sponsorship agreement for "Project ~~Cape~~ Prodigal Son" in preparations for a ~~September 2026~~ event through existing appropriations within the Tourism ~~Advertising~~ Investment Program. The sponsorship agreement will be developed by the City Manager's Office and approved by the City Attorney.

Sec. ~~26~~24. 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. ~~27~~25. Section 21 of this ordinance is effective June 30, 2026. All other sections of this ordinance shall be effective on July 1, ~~2025~~2026.

Sec. ~~28~~26. 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 __ day of May, 2026.

APPROVED AS TO CONTENT: APPROVED AS TO LEGAL SUFFICIENCY:

_____ _____

Budget and Management Services City Attorney's Office

Attachment A - Appropriations

100 GENERAL FUND

	FY 2026-2027
Agriculture	1,113,989
Benefits Administration	735,538
Board of Equalization	2,386
Budget and Management Services	1,635,582
Circuit Court	1,619,979
City Attorney	6,512,477
City Auditor	1,096,627
City Clerk	841,427
City Manager	3,481,557
City Real Estate Assessor	4,467,462
City Treasurer	9,240,901
Clerk of the Circuit Court	5,101,113
Commissioner of the Revenue	7,768,452
Commonwealth's Attorney	15,169,572
Communications Office	5,049,003
Community Organization Grants	750,000
Convention and Visitors Bureau	11,769,341
Cultural Affairs	5,625,158
Debt Service	60,855,263
Economic Development	4,343,068
Emergency Communications and Citizen Services	13,229,947
Emergency Management	2,344,717
Emergency Medical Services	27,556,489
Employee Special Benefits	12,090,402
Finance	7,051,428
Fire	93,408,788
General District Court	613,753
Health	4,409,267
Housing and Neighborhood Preservation	9,854,422
Human Resources	11,326,870
Human Services	157,496,497
Independent Financial Services	204,929
Information Technology	27,180,467
Juvenile and Domestic Relations District Court	168,811
Juvenile Probation	1,255,981
Leases	2,855,265
Library	22,903,761
Magistrates	39,097
Municipal Council	947,481
Office of Performance and Accountability	658,726
Parks and Recreation	47,407,954
Planning	18,386,455
Police	150,312,823
Public Works	121,695,599
Regional Participation	9,570,004
Reserve for Contingencies	22,481,081
Revenue Reimbursements	1,610,000
Sheriff and Corrections	76,559,682
Transfer to Other Funds	620,170,307
Vehicle Replacements	7,500,000
Virginia Aquarium	18,038,063

	FY 2026-2027
Voter Registration & Elections	3,343,032
Fund 100 Appropriation Totals	1,639,850,993

115 SCHOOL OPERATING FUND

Debt Service	50,071,611
Public Education	1,022,752,184
Transfer to Other Funds	22,727,913
Fund 115 Appropriation Totals	1,095,551,708

150 FLOOD PROTECTION REFERENDUM

Debt Service	26,281,335
Reserve for Contingencies	7,918,250
Transfer to Other Funds	4,336,301
Fund 150 Appropriation Totals	38,535,886

190 GENERAL DEBT FUND

Transfer to Other Funds	3,644,389
Fund 190 Appropriation Totals	3,644,389

201 GREEN RUN COLLEGIATE CHARTER SOP

Public Education	5,062,922
Fund 201 Appropriation Totals	5,062,922

203 INSTRUCTIONAL TECHNOLOGY SOP

Public Education	1,500,000
Fund 203 Appropriation Totals	1,500,000

204 ATHLETICS SOP

Public Education	7,137,188
Fund 204 Appropriation Totals	7,137,188

210 EQUIPMENT REPLACEMENT SRF

Public Education	110,688
Fund 210 Appropriation Totals	110,688

211 VENDING OPERATIONS SRF

Public Education	250,000
Fund 211 Appropriation Totals	250,000

212 CELL TOWER TECH SRF

Public Education	1,500,000
Fund 212 Appropriation Totals	1,500,000

213 CAFETERIAS SRF

Public Education	50,154,437
Fund 213 Appropriation Totals	50,154,437

214 GRANTS SRF

Public Education	103,308,858
Fund 214 Appropriation Totals	103,308,858

215 TEXTBOOKS SRF

Public Education	9,134,181
Fund 215 Appropriation Totals	9,134,181

221 AGRICULTURE RESERVE PROGRAM SRF

Agriculture	269,938
Debt Service	7,807,821
Reserve for Contingencies	509,927

		FY 2026-2027
Transfer to Other Funds		1,490,000
	Fund 221 Appropriation Totals	10,077,686

222 LAW LIBRARY SRF

Library		273,390
	Fund 222 Appropriation Totals	273,390

223 OPEN SPACE & PARKS SRF

Debt Service		515,383
Parks and Recreation		582,231
Reserve for Contingencies		1,660,160
Transfer to Other Funds		500,000
	Fund 223 Appropriation Totals	3,257,774

224 PARKS AND RECREATION SRF

Debt Service		3,329,193
Parks and Recreation		25,795,879
Public Works		4,305,082
Reserve for Contingencies		3,197,161
Transfer to Other Funds		1,274,000
	Fund 224 Appropriation Totals	37,901,315

230 COMM ATTY FORFEITED ASSETS SRF

Commonwealth's Attorney		100,000
	Fund 230 Appropriation Totals	100,000

234 EMS COST RECOVERY

Emergency Medical Services		14,479,648
Transfer to Other Funds		420,352
	Fund 234 Appropriation Totals	14,900,000

240 TOURISM ADVERTISING PROGRAM SRF

Convention and Visitors Bureau		19,798,851
Reserve for Contingencies		63,197
Transfer to Other Funds		557,083
	Fund 240 Appropriation Totals	20,419,131

241 TOURISM INVESTMENT PROGRAM SRF

Convention and Visitors Bureau		14,182,933
Cultural Affairs		520,500
Debt Service		26,586,882
Emergency Medical Services		1,215,132
Parks and Recreation		1,390,265
Public Works		6,616,452
Regional Participation		1,488,661
Reserve for Contingencies		7,332,153
Transfer to Other Funds		4,903,410
	Fund 241 Appropriation Totals	64,236,388

242 MAJOR PROJECTS FUND

Reserve for Contingencies		9,533,804
Transfer to Other Funds		12,310,787
	Fund 242 Appropriation Totals	21,844,591

243 ATLANTIC PARK DEVELOPMENT AGREEMENT

Reserve for Contingencies		4,937,470
	Fund 243 Appropriation Totals	4,937,470

		FY 2026-2027
250 CBD SOUTH TIF SRF		
Debt Service		3,311,083
Reserve for Contingencies		1,000,000
Transfer to Other Funds		7,751,888
	Fund 250 Appropriation Totals	12,062,971
251 TOWN CENTER SSD SRF		
Economic Development		1,010,000
Parks and Recreation		168,110
Public Works		2,667,000
Reserve for Contingencies		121,723
Transfer to Other Funds		674,566
	Fund 251 Appropriation Totals	4,641,399
252 SANDBRIDGE SSD SRF		
Public Works		907,501
Reserve for Contingencies		5,578,071
Transfer to Other Funds		400,000
	Fund 252 Appropriation Totals	6,885,572
255 Pembroke Special Services District		
Reserve for Contingencies		477,159
	Fund 255 Appropriation Totals	477,159
260 FEDERAL SECTION 8 PROGRAM SRF		
Housing and Neighborhood Preservation		31,808,662
	Fund 260 Appropriation Totals	31,808,662
261 STATE RENTAL ASSISTANCE PROGRAM SRF		
Housing and Neighborhood Preservation		1,590,946
Reserve for Contingencies		5,678
	Fund 261 Appropriation Totals	1,596,624
270 CONSOLIDATED GRANTS SRF		
Commonwealth's Attorney		586,169
Emergency Communications and Citizen Services		5,000
Emergency Management		102,914
Emergency Medical Services		388,000
Fire		2,572,966
Housing and Neighborhood Preservation		1,844,959
Human Services		4,588,155
Public Works		20,000
Reserve for Contingencies		8,298
Sheriff and Corrections		167,042
Transfer to Other Funds		300,000
	Fund 270 Appropriation Totals	10,583,503
271 EMERGENCY FEMA GRANT SRF		
Fire		500,000
	Fund 271 Appropriation Totals	500,000
272 FEDERAL HOUSING ASSISTANCE GRANT SRF		
Housing and Neighborhood Preservation		1,104,828
Reserve for Contingencies		2,651
	Fund 272 Appropriation Totals	1,107,479
273 COMMUNITY DEVELOPMENT GRANT SRF		
Housing and Neighborhood Preservation		2,461,485
Reserve for Contingencies		79,049
	Fund 273 Appropriation Totals	2,540,534

	FY 2026-2027
310 OLD DONATION DREDGING SSD SRF	
Reserve for Contingencies	95,924
Fund 310 Appropriation Totals	95,924
311 BAYVILLE CREEK DREDGING SSD SRF	
Reserve for Contingencies	103,789
Fund 311 Appropriation Totals	103,789
312 SHADOWLAWN SSD SRF	
Reserve for Contingencies	46,515
Fund 312 Appropriation Totals	46,515
313 CHESOPEIAN COLONY DREDGING SSD SRF	
Transfer to Other Funds	1,131,000
Fund 313 Appropriation Totals	1,131,000
314 HARBOUR POINT DREDGING SSD SRF	
Reserve for Contingencies	35,526
Fund 314 Appropriation Totals	35,526
315 GILLS COVE DREDGING SSD SRF	
Reserve for Contingencies	52,461
Fund 315 Appropriation Totals	52,461
316 HURDS COVE DREDGING SSD SRF	
Reserve for Contingencies	301,742
Fund 316 Appropriation Totals	301,742
317 SCHILLING POINT DREDGING SSD SRF	
Transfer to Other Funds	85,000
Fund 317 Appropriation Totals	85,000
400 GENERAL GOVERNMENT CIP FUND	
Building Capital Projects	27,291,715
Coastal Capital Projects	5,683,470
Economic and Tourism Development Capital Projects	5,220,237
Information Technology Capital Projects	10,225,914
Parks and Recreation Capital Projects	9,342,479
Roadways Capital Projects	24,944,132
Fund 400 Appropriation Totals	82,707,947
410 WATER & SEWER CIP FUND	
Sewer Utility Capital Projects	4,995,467
Water Utility Capital Projects	3,004,533
Fund 410 Appropriation Totals	8,000,000
420 STORMWATER CIP FUND	
Stormwater Capital Projects	18,265,898
Fund 420 Appropriation Totals	18,265,898
430 FLOOD PROTECTION CIP FUND	
Flood Protection Capital Projects	4,336,301
Fund 430 Appropriation Totals	4,336,301
480 SCHOOLS CAPITAL PROJECTS FUND	
School Capital Projects	5,000,000
Fund 480 Appropriation Totals	5,000,000

		FY 2026-2027
510 WATER AND SEWER ENTERPRISE FUND		
Debt Service		23,868,396
Public Utilities		118,711,870
Reserve for Contingencies		3,473,716
Transfer to Other Funds		17,245,498
	Fund 510 Appropriation Totals	163,299,480
520 STORMWATER UTILITY ENTERPRISE FUND		
Debt Service		14,317,441
Public Works		20,566,434
Reserve for Contingencies		2,659,036
Transfer to Other Funds		20,156,501
	Fund 520 Appropriation Totals	57,699,412
530 WASTE MANAGEMENT ENTERPRISE FUND		
Public Works		47,575,596
Reserve for Contingencies		667,322
Transfer to Other Funds		2,863,649
	Fund 530 Appropriation Totals	51,106,567
540 PARKING ENTERPRISE FUND		
Public Works		7,952,524
Reserve for Contingencies		43,606
Transfer to Other Funds		1,059,772
	Fund 540 Appropriation Totals	9,055,902
600 CITY GARAGE ISF		
Public Works		22,012,685
Reserve for Contingencies		244,476
	Fund 600 Appropriation Totals	22,257,161
601 FUELS ISF		
Public Works		8,766,202
	Fund 601 Appropriation Totals	8,766,202
602 RISK MANAGEMENT ISF		
Finance		20,415,279
Reserve for Contingencies		27,319
	Fund 602 Appropriation Totals	20,442,598
603 LANDSCAPING ISF		
Parks and Recreation		5,852,820
Reserve for Contingencies		165,185
	Fund 603 Appropriation Totals	6,018,005
606 INFORMATION TECHNOLOGY ISF		
Information Technology		37,809,531
Reserve for Contingencies		62,150
	Fund 606 Appropriation Totals	37,871,681
650 RISK MANAGEMENT ISF - SCHOOLS		
Public Education		16,658,726
	Fund 650 Appropriation Totals	16,658,726
651 FLEXIBLE BENEFITS FORFEITURE ISF		
Public Education		100,000
	Fund 651 Appropriation Totals	100,000

	FY 2026-2027
652 HEALTH INSURANCE ISF	
Public Education	146,060,969
Fund 652 Appropriation Totals	146,060,969
653 HEALTH INSURANCE ISF - CITY	
Public Education	92,291,614
Fund 653 Appropriation Totals	92,291,614
801 CITY BEAUTIFICATION FUND	
Parks and Recreation	50,000
Fund 801 Appropriation Totals	50,000
811 MAYOR'S COMMITTE TRUST FUND	
Municipal Council	15,000
Fund 811 Appropriation Totals	15,000
812 OYSTER HERITAGE TRUST FUND	
Public Works	38,000
Fund 812 Appropriation Totals	38,000
814 PARKS AND RECREATION GIFT FUND	
Parks and Recreation	84,000
Fund 814 Appropriation Totals	84,000
817 SOCIAL SERVICES GIFT FUND	
Human Services	46,710
Fund 817 Appropriation Totals	46,710
818 VIRGINIA BEACH LIBRARY GIFT FUND	
Library	112,000
Fund 818 Appropriation Totals	112,000
822 TREE MITIGATION	
Parks and Recreation	414,383
Fund 822 Appropriation Totals	414,383
Total Budget Appropriations	3,958,443,411
Less Internal Service Funds	350,466,956
Less Interfund Transfers	724,002,416
NET BUDGET APPROPRIATIONS	2,883,974,039

Attachment B - Revenue

		FY 2026-2027
100 GENERAL FUND		
Admission Tax		2,168,091
Automobile License Tax		10,299,928
Bank Stock Capital		4,666,586
Boat License Fee		2,359,470
Business License Tax		71,447,567
Charges for Services		64,524,646
Cigarette Tax		5,373,860
City Tax on Deeds and Wills		8,597,200
Federal Revenue		27,491,793
Fines and Forfeitures		5,170,698
General Sales Tax		101,263,558
Hotel Tax		11,946,740
Miscellaneous Revenue		8,546,408
Permits Fees and Regulatory Licenses		9,004,270
Personal Property Tax		215,911,140
Real Estate Tax		760,083,532
Restaurant Meal Tax		67,490,249
Specific Fund Reserves		2,413,001
State Revenue		172,733,053
Transfer In		13,618,939
Use of Money and Property		32,642,549
Utility Tax		42,097,715
	Fund 100 Revenue Totals	1,639,850,993
115 SCHOOL OPERATING FUND		
Federal Revenue		15,494,107
State Revenue		515,077,422
Transfer In		559,522,641
Use of Money and Property		5,457,538
	Fund 115 Revenue Totals	1,095,551,708
150 FLOOD PROTECTION REFERENDUM		
Real Estate Tax		35,035,886
Use of Money and Property		3,500,000
	Fund 150 Revenue Totals	38,535,886
190 GENERAL DEBT FUND		
Specific Fund Reserves		3,644,389
	Fund 190 Revenue Totals	3,644,389
201 GREEN RUN COLLEGIATE CHARTER SOP		
Transfer In		5,062,922
	Fund 201 Revenue Totals	5,062,922
203 INSTRUCTIONAL TECHNOLOGY SOP		
Specific Fund Reserves		589,334
Use of Money and Property		910,666
	Fund 203 Revenue Totals	1,500,000
204 ATHLETICS SOP		
Transfer In		5,937,588

		FY 2026-2027
204 ATHLETICS SOP		
Use of Money and Property		1,199,600
	Fund 204 Revenue Totals	7,137,188
210 EQUIPMENT REPLACEMENT SRF		
Specific Fund Reserves		110,688
	Fund 210 Revenue Totals	110,688
211 VENDING OPERATIONS SRF		
Charges for Services		200,000
Specific Fund Reserves		50,000
	Fund 211 Revenue Totals	250,000
212 CELL TOWER TECH SRF		
Specific Fund Reserves		500,000
Use of Money and Property		1,000,000
	Fund 212 Revenue Totals	1,500,000
213 CAFETERIAS SRF		
Charges for Services		12,200,000
Federal Revenue		31,681,966
Specific Fund Reserves		4,767,471
State Revenue		1,005,000
Use of Money and Property		500,000
	Fund 213 Revenue Totals	50,154,437
214 GRANTS SRF		
Federal Revenue		55,581,841
Miscellaneous Revenue		2,179,428
Specific Fund Reserves		10,000,000
State Revenue		29,140,010
Transfer In		6,407,579
	Fund 214 Revenue Totals	103,308,858
215 TEXTBOOKS SRF		
Miscellaneous Revenue		18,121
Specific Fund Reserves		3,321,161
State Revenue		5,694,899
Use of Money and Property		100,000
	Fund 215 Revenue Totals	9,134,181
221 AGRICULTURE RESERVE PROGRAM SRF		
Real Estate Tax		5,127,203
Transfer In		3,644,389
Use of Money and Property		1,306,094
	Fund 221 Revenue Totals	10,077,686
222 LAW LIBRARY SRF		
Charges for Services		273,390
	Fund 222 Revenue Totals	273,390
223 OPEN SPACE & PARKS SRF		
Restaurant Meal Tax		3,257,774
	Fund 223 Revenue Totals	3,257,774
224 PARKS AND RECREATION SRF		
Charges for Services		7,815,463
Real Estate Tax		29,626,687

		FY 2026-2027
224 PARKS AND RECREATION SRF		
Use of Money and Property		459,165
	Fund 224 Revenue Totals	37,901,315
230 COMM ATTY FORFEITED ASSETS SRF		
Specific Fund Reserves		100,000
	Fund 230 Revenue Totals	100,000
234 EMS COST RECOVERY		
Charges for Services		14,900,000
	Fund 234 Revenue Totals	14,900,000
240 TOURISM ADVERTISING PROGRAM SRF		
Charges for Services		4,000
Hotel Tax		8,615,161
Restaurant Meal Tax		9,581,690
Specific Fund Reserves		1,210,180
Use of Money and Property		1,008,100
	Fund 240 Revenue Totals	20,419,131
241 TOURISM INVESTMENT PROGRAM SRF		
Admission Tax		9,697,365
Cigarette Tax		383,847
Hotel Tax		27,637,107
Miscellaneous Revenue		2,088,240
Permits Fees and Regulatory Licenses		151,778
Restaurant Meal Tax		20,313,182
Use of Money and Property		3,964,869
	Fund 241 Revenue Totals	64,236,388
242 MAJOR PROJECTS FUND		
Real Estate Tax		2,563,601
Restaurant Meal Tax		14,755,802
Transfer In		4,525,188
	Fund 242 Revenue Totals	21,844,591
243 ATLANTIC PARK DEVELOPMENT AGREEMENT		
General Sales Tax		2,533,278
Real Estate Tax		315,952
Transfer In		2,088,240
	Fund 243 Revenue Totals	4,937,470
250 CBD SOUTH TIF SRF		
Real Estate Tax		11,312,971
Use of Money and Property		750,000
	Fund 250 Revenue Totals	12,062,971
251 TOWN CENTER SSD SRF		
Charges for Services		194,300
Fines and Forfeitures		302,610
Real Estate Tax		2,864,489
Transfer In		1,150,000
Use of Money and Property		130,000
	Fund 251 Revenue Totals	4,641,399
252 SANDBRIDGE SSD SRF		
Hotel Tax		6,110,040
Real Estate Tax		222,532

		FY 2026-2027
252 SANDBRIDGE SSD SRF		
Use of Money and Property		553,000
	Fund 252 Revenue Totals	6,885,572
255 Pembroke Special Services District		
Real Estate Tax		477,159
	Fund 255 Revenue Totals	477,159
260 FEDERAL SECTION 8 PROGRAM SRF		
Charges for Services		2,100,000
Federal Revenue		29,423,450
Specific Fund Reserves		285,212
	Fund 260 Revenue Totals	31,808,662
261 STATE RENTAL ASSISTANCE PROGRAM SRF		
State Revenue		1,596,624
	Fund 261 Revenue Totals	1,596,624
270 CONSOLIDATED GRANTS SRF		
Charges for Services		454,180
Federal Revenue		2,758,354
State Revenue		6,292,185
Transfer In		1,078,784
	Fund 270 Revenue Totals	10,583,503
271 EMERGENCY FEMA GRANT SRF		
Federal Revenue		500,000
	Fund 271 Revenue Totals	500,000
272 FEDERAL HOUSING ASSISTANCE GRANT SRF		
Federal Revenue		1,087,479
Miscellaneous Revenue		20,000
	Fund 272 Revenue Totals	1,107,479
273 COMMUNITY DEVELOPMENT GRANT SRF		
Federal Revenue		2,390,534
Miscellaneous Revenue		150,000
	Fund 273 Revenue Totals	2,540,534
310 OLD DONATION DREDGING SSD SRF		
Real Estate Tax		95,924
	Fund 310 Revenue Totals	95,924
311 BAYVILLE CREEK DREDGING SSD SRF		
Real Estate Tax		103,789
	Fund 311 Revenue Totals	103,789
312 SHADOWLAWN SSD SRF		
Real Estate Tax		46,515
	Fund 312 Revenue Totals	46,515
313 CHESOPEIAN COLONY DREDGING SSD SRF		
Real Estate Tax		274,894
Specific Fund Reserves		856,106
	Fund 313 Revenue Totals	1,131,000
314 HARBOUR POINT DREDGING SSD SRF		
Real Estate Tax		35,526
	Fund 314 Revenue Totals	35,526

		FY 2026-2027
315 GILLS COVE DREDGING SSD SRF		
Real Estate Tax		52,461
	Fund 315 Revenue Totals	52,461
316 HURDS COVE DREDGING SSD SRF		
Real Estate Tax		301,742
	Fund 316 Revenue Totals	301,742
317 SCHILLING POINT DREDGING SSD SRF		
Real Estate Tax		78,595
Specific Fund Reserves		6,405
	Fund 317 Revenue Totals	85,000
400 GENERAL GOVERNMENT CIP FUND		
Transfer In		82,707,947
	Fund 400 Revenue Totals	82,707,947
410 WATER & SEWER CIP FUND		
Transfer In		8,000,000
	Fund 410 Revenue Totals	8,000,000
420 STORMWATER CIP FUND		
Transfer In		18,265,898
	Fund 420 Revenue Totals	18,265,898
430 FLOOD PROTECTION CIP FUND		
Transfer In		4,336,301
	Fund 430 Revenue Totals	4,336,301
480 SCHOOLS CAPITAL PROJECTS FUND		
Transfer In		5,000,000
	Fund 480 Revenue Totals	5,000,000
510 WATER AND SEWER ENTERPRISE FUND		
Charges for Services		154,645,660
Miscellaneous Revenue		3,474,539
Transfer In		2,559,160
Use of Money and Property		2,620,121
	Fund 510 Revenue Totals	163,299,480
520 STORMWATER UTILITY ENTERPRISE FUND		
Charges for Services		55,389,412
Miscellaneous Revenue		10,000
Use of Money and Property		2,300,000
	Fund 520 Revenue Totals	57,699,412
530 WASTE MANAGEMENT ENTERPRISE FUND		
Charges for Services		46,681,227
Miscellaneous Revenue		500,000
Specific Fund Reserves		3,050,340
State Revenue		100,000
Use of Money and Property		775,000
	Fund 530 Revenue Totals	51,106,567
540 PARKING ENTERPRISE FUND		
Charges for Services		7,350,000
Fines and Forfeitures		600,000
Permits Fees and Regulatory Licenses		112,000
Specific Fund Reserves		176,706

		FY 2026-2027
540 PARKING ENTERPRISE FUND		
Transfer In		96,840
Use of Money and Property		720,356
	Fund 540 Revenue Totals	9,055,902
600 CITY GARAGE ISF		
Charges for Services		21,480,781
Miscellaneous Revenue		170,000
Specific Fund Reserves		150,000
Use of Money and Property		456,380
	Fund 600 Revenue Totals	22,257,161
601 FUELS ISF		
Charges for Services		7,196,202
Specific Fund Reserves		1,500,000
Use of Money and Property		70,000
	Fund 601 Revenue Totals	8,766,202
602 RISK MANAGEMENT ISF		
Charges for Services		17,019,839
Specific Fund Reserves		1,422,759
Use of Money and Property		2,000,000
	Fund 602 Revenue Totals	20,442,598
603 LANDSCAPING ISF		
Charges for Services		6,018,005
	Fund 603 Revenue Totals	6,018,005
606 INFORMATION TECHNOLOGY ISF		
Charges for Services		37,871,681
	Fund 606 Revenue Totals	37,871,681
650 RISK MANAGEMENT ISF - SCHOOLS		
Charges for Services		8,995,919
Specific Fund Reserves		7,662,807
	Fund 650 Revenue Totals	16,658,726
651 FLEXIBLE BENEFITS FORFEITURE ISF		
Specific Fund Reserves		100,000
	Fund 651 Revenue Totals	100,000
652 HEALTH INSURANCE ISF		
Charges for Services		140,060,969
Specific Fund Reserves		6,000,000
	Fund 652 Revenue Totals	146,060,969
653 HEALTH INSURANCE ISF - CITY		
Charges for Services		84,883,510
Specific Fund Reserves		6,345,750
Use of Money and Property		1,062,354
	Fund 653 Revenue Totals	92,291,614
801 CITY BEAUTIFICATION FUND		
Charges for Services		50,000
	Fund 801 Revenue Totals	50,000
811 MAYOR'S COMMITTE TRUST FUND		
Miscellaneous Revenue		15,000
	Fund 811 Revenue Totals	15,000

		FY 2026-2027
812 OYSTER HERITAGE TRUST FUND		
Miscellaneous Revenue		38,000
	Fund 812 Revenue Totals	38,000
814 PARKS AND RECREATION GIFT FUND		
Miscellaneous Revenue		84,000
	Fund 814 Revenue Totals	84,000
817 SOCIAL SERVICES GIFT FUND		
Miscellaneous Revenue		23,760
Specific Fund Reserves		22,950
	Fund 817 Revenue Totals	46,710
818 VIRGINIA BEACH LIBRARY GIFT FUND		
Miscellaneous Revenue		112,000
	Fund 818 Revenue Totals	112,000
822 TREE MITIGATION		
Charges for Services		414,383
	Fund 822 Revenue Totals	414,383
Total Budget Revenues		3,958,443,411
Less Internal Service Funds		350,466,956
Less Interfund Transfers		724,002,416
NET BUDGET REVENUES		2,883,974,039

AN ORDINANCE ESTABLISHING THE TAX LEVY ON REAL ESTATE FOR FISCAL YEAR 2027

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 ~~2026~~ 2027 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 ninety-seven cents ($0.97) 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 ~~2026~~ 2027, 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-seven cents($0.97) 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 Estate Within the Sandbridge Special Service District.

There shall be levied and collected for fiscal year~~2026~~2027, 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 one cent ($0.01) 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. 4. 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 ~~2026~~ 2027, 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. 5. 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 ~~2026~~ 2027, taxes on all real estate that has been classified as an energy efficient building, not exempt from taxation, at a rate eighty-two cents ($0.82) 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. 6. 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 ~~2026~~ 2027, 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 fifty cents ($0.50) 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. 7. Amount of Levy on Real Estate Within the Various Dredging Special Service Districts.

There shall be levied and collected for fiscal year ~~2026~~ 2027, 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 sixteen cents ($0.16) 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 fifty-eight cents ($0.58) 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. Amount of Levy on Real Estate within the Atlantic Park Community Development Authority

There shall be levied and collected for fiscal year ~~2026~~2027, taxes for the special purpose of providing funding consistent with the purposes of the Atlantic Park CDA within the boundaries of the Atlantic Park Community Development Authority at the rate of twenty-five cents ($0.25) 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. 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. 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. 10 Effective Date.

The effective date of this ordinance shall be July 1, ~~2025~~ 2026.

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 _____ day of May, 2026.

APPROVED AS TO CONTENT:

_____
Budget and Management Services

APPROVED AS TO LEGAL SUFFICIENCY:

_____
City Attorney's Office

AN ORDINANCE ESTABLISHING THE TAX LEVY ON PERSONAL PROPERTY AND MACHINERY AND TOOLS FOR THE CALENDAR YEAR 2027

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 ~~2026~~ 2027 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 at 47.8% of the computed tax based on the total assessed value of the vehicle. Tax relief authorized by the City Council provides for 10.1% of the amount that would otherwise be billed for qualifying vehicles. Reimbursement is expected from the Commonwealth under the Personal Property Tax Relief Act equal to the remaining 42.1% 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 at 47.8% 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. Tax relief authorized by the City Council provides for 10.1% of the amount that would otherwise be billed for qualifying vehicles. Reimbursement is expected from the Commonwealth under the Personal Property Tax Relief Act equal to the remaining 42.1% 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 ~~2026~~ 2027 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 ad 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 ~~2026~~2027 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~~-~~seven cents ($0.97) 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 ~~2026~~2027 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 ~~2026~~2027 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 ~~2026~~2027 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 ~~2026~~2027 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 ~~2026~~2027 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 ~~2026~~2027 taxes 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 ~~2026~~2027 taxes, 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 202~~3~~4 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 ~~2024~~2025, 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 ~~2026~~2027 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 ~~2026~~2027 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.

Sec. 15. Assessed Value Determination; method of filing returns for motor vehicles, trailers and boats.

In accordance with Section 58.1-3103 of the Code of Virginia, personal property mentioned in the above sections shall be assessed at actual fair market value, to be determined by the Commissioner of the Revenue for the City of Virginia Beach. As authorized by Section 58.1-3518.1, the Commissioner of the Revenue may provide for the annual assessment and taxation of motor vehicles, trailers and boats based on a previous personal property tax return filed by the owner or owners of such property. The Commissioner of the Revenue may also rely upon registration information held by the Department of Motor Vehicles in ascertaining ownership and situs of vehicles.

Sec. 16. 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. 17. Effective Date.

This ordinance shall be effective January 1, ~~2026~~ 2027.

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 ___ day of May, 2026.

APPROVED AS TO CONTENT:	APPROVED AS TO LEGAL SUFFICIENCY:
_____	_____
Budget and Management Services	City Attorney's Office

AN ORDINANCE TO AUTHORIZE THE CITY MANAGER TO SUBMIT AN ANNUAL FUNDING PLAN TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

WHEREAS, the United States Congress established legislation designated as the Housing and Community Development Act of 1974 that sets forth the development of viable urban communities as a national goal; and established additional legislation addressing the goals of reducing homelessness, increasing affordable housing opportunities, and providing housing for people with HIV/AIDS;

WHEREAS, there is federal assistance available to help achieve these goals and conduct related activities, including additional federal assistance set aside for related programs made available through various acts providing coronavirus pandemic relief and support; and

WHEREAS, as a prerequisite to receiving the above-referenced federal assistance, the City of Virginia Beach has developed an Annual Funding Plan for submission to the Department of Housing and Urban Development and has created the necessary mechanisms for its implementation in compliance with federal and local directives;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA THAT:

The City Manager is hereby authorized and directed, as the executive and administrative head of the City, to submit the City's ~~FY 2025-26~~ FY 2026-27 Annual Funding Plan (the "Plan") and amendments thereto, along with understandings and assurances contained therein and such additional information as may be required, to the Department of Housing and Urban Development to permit the review, approval, and funding of the Plan.

Adopted by the Council of the City of Virginia Beach, Virginia, on the __ day of May, 2026.

APPROVED AS TO CONTENT: APPROVED AS TO LEGAL SUFFICIENCY:

_____ _____

Budget and Management Services City Attorney's Office

AN ORDINANCE TO AMEND SECTIONS 35-64 AND 35-67 OF THE CITY CODE PERTAINING TO THE EXEMPTION OR DEFERRAL OF REAL ESTATE TAXES FOR ELDERLY OR DISABLED PERSONS

SECTIONS AMENDED: §§ 35-64 AND 35-67

WHEREAS, the City Council has previously directed adjustments to the income component of the tax relief for elderly and disabled persons to be adjusted annually to mirror the average increase or decrease of the value of single family residences; and

WHEREAS, the median increase in the value of a single family residence for FY ~~2025-26~~ 2026-27 ~~is~~ ~~5.64%~~5.54%;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA THAT:

Sections 35-64 and 35-67 of the City Code are hereby amended and reordained to read as follows:

Sec. 35-64. General prerequisites to grant; effect of residency in hospital, nursing home, etc.

(a) Either the exemption or freeze, but not more than one (1), as provided for in this division shall be granted to persons subject to the following provisions:

(1) The title to the property for which exemption or freeze is claimed is held, or partially held, on June thirtieth immediately preceding the taxable year, by the person or persons claiming exemption, deferral or freeze and is occupied as the sole dwelling of such person or persons.

(2) The head of the household occupying the dwelling and owning title or partial title thereto or either spouse in a dwelling jointly held by married individuals is either permanently and totally disabled or is sixty-five (65) years of age or older on June thirtieth of the year immediately preceding the taxable year; provided, however, that a dwelling jointly held by married individuals may qualify if either spouse is over sixty-five (65) years of age.

(3) For the tax exemption programs, the total combined income received from all sources during the preceding calendar year by: (i) the owner or owners of the dwelling who use it as their principal residence and (ii) the owner's or owners' relatives who live in the dwelling, shall not exceed ~~eighty two thousand eight hundred thirty dollars ($82,830)~~ eighty seven thousand four hundred nineteen dollars ($87,419) provided that the first ten thousand dollars ($10,000.00) of income of each relative, other than a spouse of the owner, who is living in the dwelling, shall not be included in such total: and provided further that the first ten thousand dollars ($10,000.00) or any portion thereof of income received by a permanently and totally disabled owner shall not be included in such total.

(4) For the tax freeze program, the total combined income received from all sources during the preceding calendar year by: (i) the owner or owners of the dwelling who use it as their principal residence and (ii) the owner's or owners' relatives who live in the dwelling, shall not exceed ~~one hundred eight thousand seventy five dollars ($108,075)~~ one hundred fourteen thousand sixty two dollars ($114,062) provided that the first ten thousand dollars ($10,000.00) of income of each relative, other than a spouse of the owner, who is living in the dwelling, shall not be included in such total; and provided that the first ten thousand dollars ($10,000.00) or any portion thereof of income received by a permanently and totally disabled owner shall not be included in such total.

(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:

Total income, All Sources		*Tax Exemption*
~~$0.00 - $63,212.00~~	$0.00 - $66,714.00	100%
~~$63,212.01 - $68,118.00~~	$66,714.01 - $71,892.00	80%
~~$68,118.01 - $73,020.00~~	$71,892.01 - $77,065.00	60%
~~$73,020.01 - $77,926.00~~	$77,065.01- $82,243.00	40%
~~$77,926.01 - $82,830.00~~	$82,243,01 - $87,419.00	20%

No lien shall accrue as a result of the amount certified as exempt.

BE IT FURTHER ORDAINED: That this ordinance shall be effective on July 1, 2026.

Adopted by the City Council of the City of Virginia Beach, Virginia, on this _____ day of May, 2026.

APPROVED AS TO CONTENT:

_____
Budget and Management Services

APPROVED AS TO LEGAL SUFFICIENCY:

_____
City Attorney's Office

AN ORDINANCE TO AMEND THE CITY CODE PERTAINING TO SEWER CAPITAL RECOVERY FEES

SECTIONS AMENDED § 28-4 -28-4.1

WHEREAS, City Council held a public hearing on the proposed fee changes to provide for public comment;

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA THAT:

Sec. 28-4. - Sewer capital recovery fees—Generally.

(a) The fees prescribed by the following subsections of this section shall be paid as the property owner's share of the cost of the public sewer system and associated conveyance facilities. Such fees shall be known as "sewer capital recovery fees" and shall be deemed system revenues, as defined in the Master Water and Sewer Revenue Bond Resolution adopted February 11, 1992. Such fees shall be applicable to a use or structure not presently connected to the sanitary sewer system when such use or structure connects and as otherwise provided in this article. If a property owner has paid sanitary sewer connection fees in effect as of June 30, 2014, but has not obtained a building permit for the building or structure to which such fees apply, the property owner may, through December 31, 2014, elect to pay sewer capital recovery fees in the amount prescribed in this article, less a credit of any sanitary sewer connection fees previously paid. Any property owner who pays such fees between July 1, 2014 and December 31, 2014 may choose to pay sewer capital recovery fees in the prescribed amount or the applicable amount of sanitary sewer connection fees in effect as of June 30, 2014.

~~(b) In cases in which a gravity sewer connection to the public sewer system is not available to the property, the sewer capital recovery fee shall be in amount equal to fifty (50) percent of the applicable fee set forth in subsection (a) of section 28-4.1.~~

(b1)
Notwithstanding the provisions of subsections (b) Where a use or structure connected to the public sewer system is reconstructed, expanded or modified, so as to result in an increase in water meter size, the sewer capital recovery fee shall be in an amount equal to the difference between the fee corresponding to the size of new water meter installed to serve such use or structure and the fee corresponding to the size of the water meter replaced.

(c)
Where the property owner is required to construct sewage facilities that are to become a part of the public sewer system in order to provide service and pump station capacity to a specific parcel or parcels, the sewer capital recovery fee shall be in an amount equal to twenty-five (25) percent of the applicable fee specified in subsection (a) of section 28-4.1. Where the property owner is required to construct sewage facilities that are to become a part of the public sewer system in order to provide service to a specific parcel or parcels, and the property to be served discharges through a publicly-owned pump station the property owner is not required to modify, the sewer capital recovery fee shall be in an amount equal to fifty-one (51) percent of the applicable fee specified in subsection (a) of section 28-4.1.

(d)
Whenever Notwithstanding the provisions of subsection (c), where a property to be served discharges through a publicly-owned pump station, the sewer capital recovery fee shall be in an amount equal to one hundred twenty-six (126) percent of the applicable fee specified in subsection (a) of section 28-4.1. Where a property to be served does not discharge through a publicly-owned pump station, the sewer capital recovery fee shall be in an amount equal to the fee specified in subsection (a) of section 28-4.1~~. and (1) the system installation costs are calculated pursuant to subsection (c) of this section, or (2) the estimated peak sanitary sewer flow exceeds the property's flow allocation, there shall be an additional fee in the amount of one thousand, one hundred eighty-seven dollars ($1,187.00) per gallon per minute/peak flow. "Peak flow" shall be construed to mean the projected peak flow set forth in the~~

~~Department of Public Utilities Design Standards or the actual peak flow, whichever is greater. "Flow allocation" shall mean that portion of the pump station's capacity assigned to the property.~~

~~(e)~~

~~The sewer capital recovery fee for campgrounds or temporary uses connected to the public sanitary sewer system is hereby established. Such fee shall be determined as follows:~~

~~(1)~~

~~For campgrounds and other uses operated on a seasonal basis, the fee shall be in an amount equal to one-half (½) of the applicable sewer capital recovery fee specified in subsection (a) of section 28-4.1 for each water meter installed to serve such campground. For such fee to be applicable, the owner shall first enter into a contract with the city providing that, if such campground is converted to year-round use, the owner shall, at the time of conversion to year-round use, pay the fee prescribed by subdivision (2) hereof, less the amount of any sewer capital recovery fee previously paid on account of such campground.~~

~~(2)~~

~~For campgrounds operated on a year-round basis the sewer capital recovery fee shall be in an amount equal to the applicable fee under subsection (a) of section 28-4.1 for each water meter installed to serve such campground.~~

~~(3)~~

~~For temporary uses and structures, the applicable fee shall be determined by the director of public utilities based upon the estimated contribution of wastewater to the public sanitary sewer system from the proposed use or structure. A temporary use or structure shall be one intended to be operated or occupied during a single season or period of time and not thereafter repeated on an annual or other basis~~

(f)

No building permit shall be issued and no water or sewer tap shall be installed for any property until the fees required by this section have been fully paid, except as otherwise provided in this article.

(g)

Existing contractual agreements between property owners and the city regarding fees and waiver of fees shall remain in effect.

(h)

Where a property having no water meter is connected to the public sewer system, the sewer capital recovery fee shall be in an amount equal to the applicable fee for a water meter of a size necessary to serve such property, as determined in accordance with the applicable provisions of the Department of Public Utilities Design Standards Manual.

Sec. 28-4.1. - Same—Amount.

The sewer capital recovery fee shall be determined as follows:

(a)

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)	Sewer Capital Recovery Fee
⅝	$2,521.00
1	$6,302.00
1.5	$12,603.00
2	$20,165.00
3	$37,809.00
4	$63,016.00
6	$126,032.00
8	$201,650.00
10	$289,872.00

(b)
For multiple-family dwellings, the fee shall be in an amount equal to seventy (70) percent of the applicable sewer capital recovery fee or reduced fee under section 28-4(c) or section 28-4(d), as the case may be, per dwelling unit.
(c)
For mixed-use and other buildings containing both residential and non-residential uses, separate meters shall be required to serve the residential and non-residential components of the property unless otherwise directed by the Director of Public Utilities or designee. Fees shall be payable for each meter serving the property in accordance with this section.

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 __ day of May, 2026.

APPROVED AS TO CONTENT:

_____
Budget and Management Services

APPROVED AS TO LEGAL SUFFICIENCY:

_____
City Attorney's Office

AN ORDINANCE TO AMEND THE CITY CODE PERTAINING TO WATER CAPITAL RECOVERY FEES

SECTION AMENDED § 37-7.1

WHEREAS, City Council held a public hearing on the proposed fee changes to provide for public comment;

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA THAT:

Sec. 37-7.1. - Water capital recovery fee generally. (a) The fees prescribed by this section shall be paid as the property owner's share of the cost of water resource development and associated distribution facilities. Such fees shall be known as "water capital recovery fees" and shall be deemed system revenues, as defined in the Master Water and Sewer Revenue Bond Resolution adopted February 11, 1992. Such fees shall be applicable to a use or structure not presently connected to the water system when such use or structure connects and as otherwise provided in this article. ~~If a property owner has paid water resource recovery fees in effect as of June 30, 2014, but has not obtained a building permit for the building or structure to which such fees apply, the property owner may, through December 31, 2014, elect to pay water capital recovery fees in the amount specified by this article, less a credit of any water resource recovery fees previously paid. Any property owner who pays such fees between July 1, 2014 and December 31, 2014 may choose to pay water capital recovery fees in the prescribed amount or the applicable amount of water resource recovery fees in effect as of June 30, 2014.~~

(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
⅝	$2,900.00
1	$7,251.00
1.5	$14,502.00
2	$23,203.00
3	$43,506.00
4	$72,509.00
6	$145,019.00
8	$232,030.00
10	$333,543.00

(2)
For multiple-family dwellings, the fee shall be in an amount equal to seventy (70) percent of the applicable water capital recovery fee, per dwelling unit.
(3)
For irrigation meters, the fee shall be in an amount equal to twenty-five (25) percent of the applicable water capital recovery fee for the equivalent size meter.
(4)
For mixed-use and other buildings containing both residential and non-residential uses, separate meters shall be required to serve the residential and non-residential components of the property unless otherwise directed by the Director of Public Utilities or designee. Fees shall be payable for each meter serving the property in accordance with this section.
(5)
Where a use or structure connected to the public water system is reconstructed, expanded or modified so as to result in an increase in water meter size, the water capital recovery fee shall in an amount equal to the difference

between the fee corresponding to the size of new water meter installed to serve such use or structure and the fee corresponding to the size of the water meter replaced.

(c)

In the event of a dispute as to the amount of fees owed, the property owner may appeal the department of public utilities' decision to the city manager or his designee and, thereafter, to city council.

(d)

No building or plumbing permit shall be issued for any property unless the fees provided for in this section have been paid in full.

(e)

Existing contractual agreements between property owners and the city regarding water capital recovery fees or their equivalent and waiver of such fees shall remain in effect.

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 __ day of May, 2026.

APPROVED AS TO CONTENT:

_____

Budget and Management Services

APPROVED AS TO LEGAL SUFFICIENCY:

_____

City Attorney's Office

AN ORDINANCE TO UPDATE VARIOUS SECTIONS OF THE CITY CODE TO UPDATE PRICING ON AUTOMATED REFUSE RECEPTACLES AND YARD WASTE CONTAINERS

SECTIONS AMENDED: 31-15 and 31-35

BE IT ORDAINED BY THE 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. 31-15. Provision of automated refuse receptacles.

(a) It shall be the responsibility of owners of residential structures located in areas of the city serviced by the automated collection system to provide automated refuse receptacles.

(b) Within thirty (30) days of the date of occupancy of a new structure located in any such area, the owner or occupant thereof shall provide an automated refuse receptacle.

(c) The city shall make automated refuse receptacles available for sale to homeowners who are residents of the city. The fee for each receptacle shall be ~~seventy-five dollars ($75.00),~~ ~~which shall be~~ a reasonable fee established by the director of public works paid to the city before the receptacle is provided.

Sec. 31-35. Use of yard waste containers.

The city shall make available to those homeowners who are residents of the city a yard waste container, which shall be picked up and delivered by city employees. Prior to the container being delivered, there shall be paid to the city a reasonable fee established by the director of public works ~~of forty dollars ($40.00),~~ for the use of a yard waste container delivered for a 24-hour period Monday through Thursday and a separate fee established by the director of public works ~~seventy-five dollars ($75.00)~~ for deliveries made on Fridays and picked up on Monday. The city employees shall deliver and place the yard waste container on the property of the homeowner of an occupied dwelling who has requested the yard waste container. Prior to delivery of the yard waste container, the homeowner shall sign a statement which shall state:

(1) That ~~he~~ the individual is not a contractor and that ~~his~~ the need arises from ~~his~~ homeownership;

(2) That the yard waste container shall only be used for tree limbs, leaves, shrubbery, grass trimmings and yard debris;

(3) That ~~he~~ the individual will not place hazardous waste, stumps, building and construction materials or other bulky items within the yard waste container;

(4) That ~~he~~ the individual will not fill the load above the top of the container;

(5) That ~~he~~ the individual will release the city from liability for any damages resulting from city equipment or personnel being on private property to deliver or remove the yard waste container;

(6) That ~~he~~ the individual will be responsible for any injuries and/or damages that result to individuals using the container or directly to the container while being used by the homeowner; and

(7) That ~~he~~ the individual will reimburse the city for any costs associated with the handling and disposal of any material or items placed in the yard waste container in violation of any of the provisions of this section.

Requires an affirmative vote by a majority of all members of the City Council.

Adopted by the Council of the City of Virginia Beach, Virginia, on the ____day of ___, 2026.

APPROVED AS TO CONTENT: APPROVED AS TO LEGAL SUFFICIENCY:

_____ _____

Budget and Management Services City Attorney's Office

AN ORDINANCE TO AMEND THE BOUNDARIES OF THE TOWN CENTER SPECIAL SERVICE DISTRICT

WHEREAS, the Town Center Special Service District (the "SSD") was enacted by ordinance adopted by the City Council on May 14, 2002 (Ord #2699B);

WHEREAS, the City Council has modified the boundaries of the SSD by ordinances adopted September 27, 2005 (Ord #2896N), May 15, 2007 (Ord #2980K) and May 14, 2019(Ord #3591K);

WHEREAS, new development is occurring near the Town Center core that will rely on and utilize existing Town Center parking infrastructure,

WHEREAS, after conducting a public hearing, the City Council hereby determines it would be in the best interests of the City and its citizens to expand the SSD boundary to include the parcel associated with the new development,

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

1. That Ordinance #3591K is hereby amended as follows:

   The particular boundaries of the district are set forth in detail in the attached map. Also, attached hereto is a list of the parcels within the district. In the event of any discrepancy between the map and the list of parcels, the map shall prevail.

2. This ordinance shall be effective on July 1, 2026.

Adopted by the City Council of the City of Virginia Beach, Virginia, on this ___ day of May, 2026.

APPROVED AS TO CONTENT:

_____

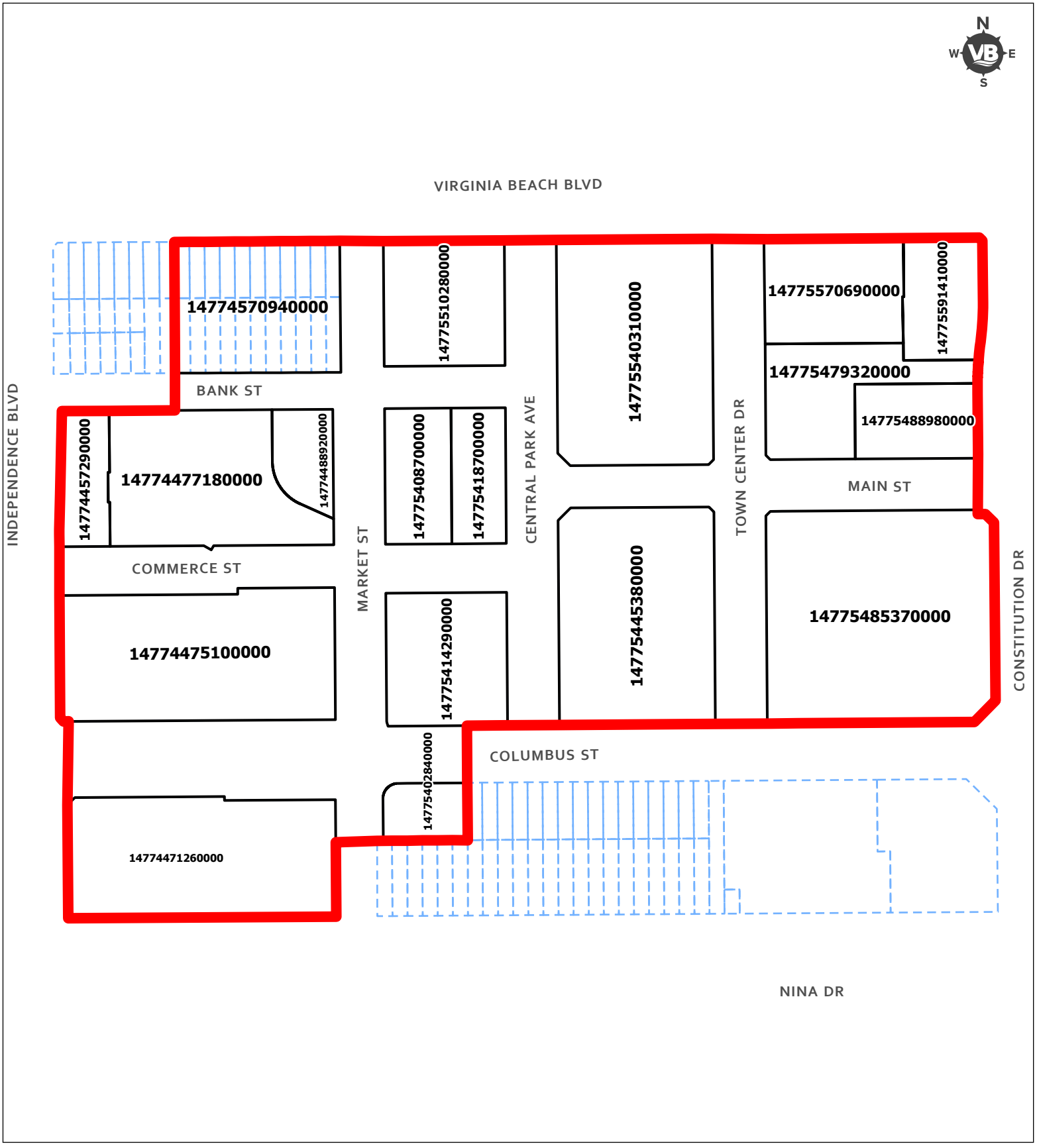
Budget and Management Services

APPROVED AS TO LEGAL SUFFICIENCY:

_____

City Attorney's Office

Proposed Modifications to Town Center Special Service District



Town Center SSD Parcels

14774570940000
14775510280000
14775540310000
14775570690000
14775591410000
14775479320000
14775488980000
14774457290000
14774477180000
14774488920000
14775408700000
14775418700000
14774475100000
14775414290000
14775445380000
14775485370000
14774471260000
14775412160000
14775402230000

AN ORDINANCE CREATING THE PEMBROKE SQUARE SPECIAL SERVICE DISTRICT AND DEDICATING CERTAIN TAX REVENUE FROM THE PROJECT

WHEREAS, Pembroke Mall shopping complex opened in 1966, expanded in 1981, and announced redevelopment plans in 2021 to create a mixed use multi-level development with senior housing, a hotel, apartments, structured parking, and retail;

WHEREAS, in April 2022 the City Council approved an initial cost participation agreement for public parking in furtherance of the redevelopment of Pembroke Mall;

WHEREAS, in July 2024 the revised term sheet was adopted by the City Council for the development of 745 structured parking in two garages and the project is expected to be completed by the summer of 2028; and

WHEREAS, as a part of the development and pursuant to the Code of Virginia, the City Council desires to provide additional, more complete, and more timely services to the public parking garages and other public facilities within the area by designating a special service district; and

WHEREAS, pursuant to the Code of Virginia, the City Council held a public hearing on April 15, 2026;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA THAT:

1. A special service district known as the Pembroke Square Special Service District "The District" is hereby created pursuant to the Code of Virginia §15.2-2400 and designated as such.

2. The District is bounded as depicted on the attached map labeled as "Exhibit A."

3. The District is created for the purpose of providing financing for additional, more complete, and more timely governmental services to public facilities, to maintain public garages within the District, and to pay for up to $5,500,000 towards the acquisition cost for parking units.

4. The Pembroke Square Special Service District Fund is hereby established to account for revenues realized from additional taxes imposed on the District and for expenditures related to operating and maintaining the public parking garages and for the more complete, and more timely governmental services to public facilities as well as $5,500,00 in acquisition costs described above.

5. Pursuant to the authority contained in Code of Virginia § 15.2-2403, there shall be levied and collected for fiscal year 2027, taxes on all real estate within the Pembroke Square Special Service District, not exempt from taxation, at the rate of forty-seven cents ($0.47) on each one hundred dollars ($100) of assessed value thereof to fund the City's obligations to pay, either in whole or part, the expenses and charges for providing and maintaining services and necessary facilities in the service district as described in this ordinance. Such additional taxes may include an annual tax upon any property in the service district which is subject to local taxation.

BE IT FURTHER ORDAINED, THAT:

The real estate revenues within The District in excess of the amount of such revenues generated on July 1, 2026, are hereby dedicated to the City's obligations for the acquisition cost for the parking units.

Adopted by the Council of the City of Virginia Beach, Virginia, on the __ day of May, 2026.

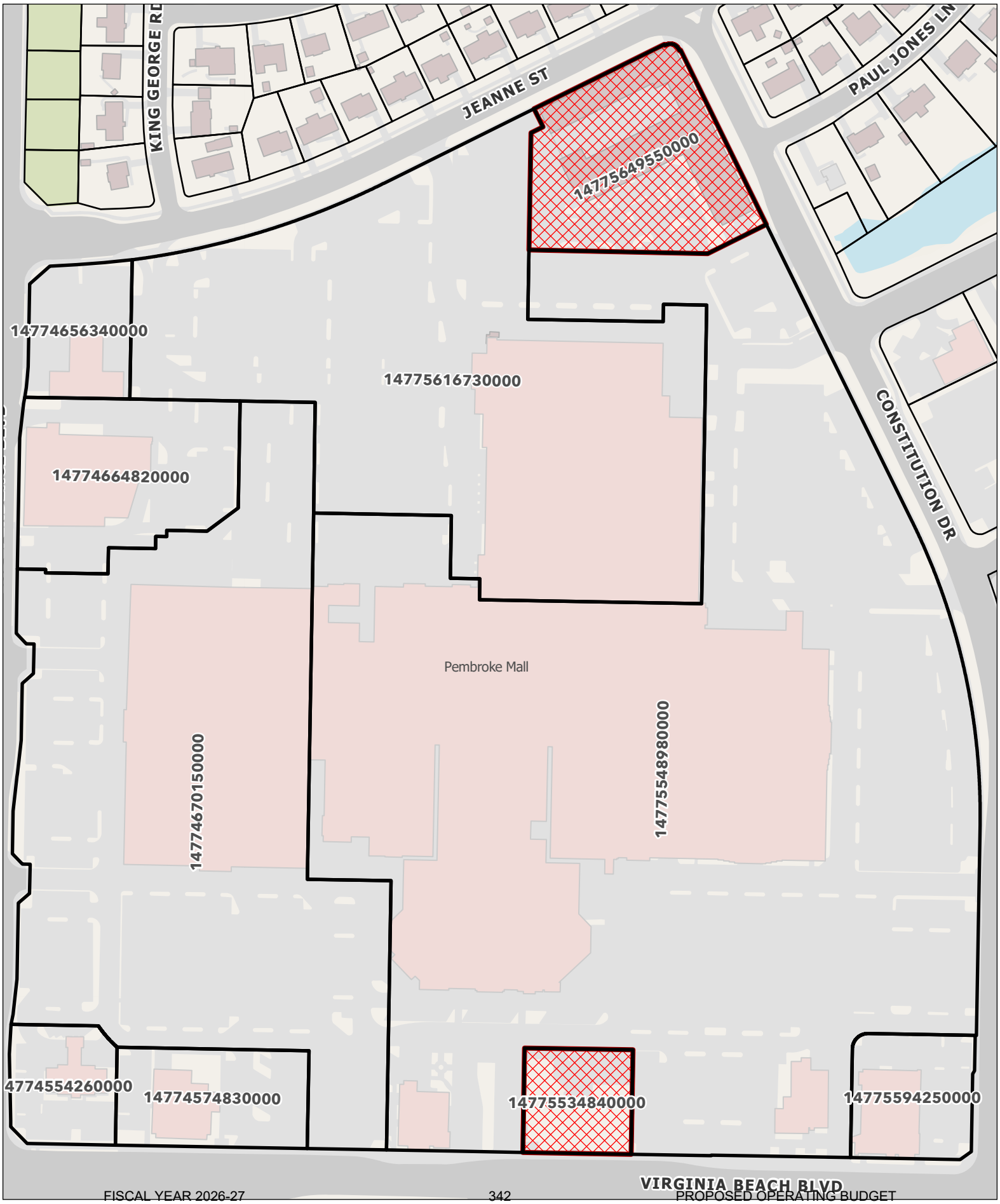
APPROVED AS TO CONTENT:

_____
Budget and Management Services

APPROVED AS TO LEGAL SUFFICIENCY:

_____
City Attorney's Office

Special Service Districts



3/3/2026

SSD Parcels

0 70 140 Feet

Pembroke Square SSD Parcels

14775649550000
14775534840000

AN ORDINANCE TO DECLARE $1,000,000 OF FUNDING WITHIN THE CENTRAL BUSINESS DISTRICT SOUTH TAX INCREMENT FINANCING FUND AS SURPLUS WITHIN THE FY 2025-26 OPERATING BUDGET

WHEREAS, the Central Business District Tax Increment Financing Fund (Town Center TIF) was established for the purpose of developing the Pembroke Area of the City and the Town Center Special Service District was established to provide a funding source for the maintenance and enhanced services within Town Center; and

WHEREAS, an analysis of the Town Center TIF indicated that there is sufficient funding to meet the long term obligations of the Fund and a separate analysis of the Town Center SSD has indicated that a $1,000,000 transfer would allow the City Council and City staff sufficient time to develop a sustainable funding plan for the continued maintenance of Town Center; and

WHEREAS, $1,000,000 is available within the fund balance of the Town Center TIF.

NOW, THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

That $1,000,000 of funding within the Town Center TIF is hereby declared to be in excess of the long-term obligations for the development of Town Center and is hereby declared surplus.

BE IT FURTHER ORDAINED: That the effective date of this ordinance shall be June 30, 2026.

Adopted by the Council of the City of Virginia Beach, Virginia, on this ___ day of May, 2026.

APPROVED AS TO CONTENT:

_____
Budget and Management Services

APPROVED AS TO LEGAL SUFFICIENCY:

_____
City Attorney's Office

A RESOLUTION TO EXTEND THE CITY/SCHOOL REVENUE SHARING POLICY

WHEREAS, the current City/School Revenue Sharing Policy was adopted on November 19, 2019, and is set to expire on June 30, 2026 after being formally extended three times;

WHEREAS, the policy exists to establish a procedure for allocating local tax revenues between the City and the Virginia Beach City Public Schools;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA, THAT:

Section 7.3 of the City/School Revenue Sharing Policy is hereby amended to change "June 30, 2026" to "June 30, 2027." The City Council hereby directs the City Manager to engage with Virginia Beach City Public Schools to revise this formula for the FY 2027-28 Budget and include language regarding health insurance premiums for city and school employees to ensure to the greatest extent possible that employee premiums between the two bodies remains the same on an annualized basis and that school premiums shall not be less than city premiums.

Adopted by the Council of the City of Virginia Beach, Virginia, on the _____ day of _____, 2026.

APPROVED AS TO CONTENT:

_____
Budget and Management Services

APPROVED AS TO LEGAL SUFFICIENCY:

_____
City Attorney's Office

AN ORDINANCE TO ADD SECTIONS 2-500 AND 2-501 TO THE CITY CODE TO CREATE THE DEPARTMENT OF EMERGENCY COMMUNICATIONS AND CITIZEN SERVICES AND TO SET FORTH THE FUNCTIONS THEREOF

SECTIONS ADDED: §§ 2-500 and 2-501

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA:

That Sections 2-500 and 2-501 are hereby added to the Code of the City of Virginia Beach, Virginia, to read as follows:

ARTICLE XXX. – DEPARTMENT OF EMERGENCY COMMUNICATIONS AND CITIZEN SERVICES

Sec. 2-500. – Created; composition.

There is hereby created a department to be designated the department of emergency communications and citizen services or ECCS, which shall consist of a director of the department and such other employees as may be authorized by the city council.

Sec. 2-501. – Functions.

The department of emergency communications and citizen services shall be responsible for providing efficient, accurate, and professional processing of emergency, non-emergency, and informational requests. The department shall also be responsible for the provision of such other services as may be directed by the city manager.

Adopted by the Council of the City of Virginia Beach, Virginia on the _____ day of _____ 2026.

APPROVED AS TO CONTENT:	APPROVED AS TO LEGAL SUFFICIENCY:
_____	_____
Budget and Management Services	City Attorney's Office

AN ORDINANCE TO AMEND CITY CODE RELATED TO THE OFFICE OF VOLUNTEER RESOURCES

SECTIONS AMENDED: 2-7

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF VIRGINIA BEACH, VIRGINIA, THAT:

The following section of the City Code are hereby amended and reordained to read as follows:

Sec. 2-7. - Office of volunteer resources~~; director~~

The office of volunteer resources shall promote volunteerism within city governmental agencies to enhance the economic, educational, social and physical quality of the community and to support municipal services valued by citizens of the city. ~~The city council shall appoint a director of the office of volunteer resources, who shall serve at the pleasure of the city council and shall provide leadership and guidance for the programs and activities of the volunteers of the city.~~

Adopted by the Council of the City of Virginia Beach, Virginia, on the ____day of _____, 2026.

APPROVED AS TO CONTENT:

_____
Budget and Management Services

APPROVED AS TO LEGAL SUFFICIENCY:

_____
City Attorney's Office

AN ORDINANCE TO AMEND CITY CODE SECTIONS 2-187.1 AND 2-199 REGARDING BUDGET AMENDMENT PROCEDURES

SECTIONS AMENDED: 2-187.1 and 2-199

BE IT ORDAINED BY THE 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. 2-187.1. - Budget amendment procedures.

(a) The city council may amend the budget from time to time to increase the aggregate amount to be appropriated during the current fiscal year as shown in the currently adopted budget; provided, however, that any such amendment which exceeds one (1) percent of the total revenue shown in the currently adopted budget must be accomplished by publishing a notice of a meeting and a public hearing in the manner set forth in Va. Code 15.2-2507 ~~once in a newspaper having general circulation in the city at least seven (7) days prior to the meeting date~~.

(b) The notice shall state the city's intent to amend the budget and include a brief synopsis of the proposed budget amendment. Any such amendment may be adopted at the advertised meeting, after first providing a public hearing during such meeting on the proposed budget amendment.

….

Sec. 2-199. - Same—Amendments.

(a) The city council may amend the capital improvement program and capital budget appropriation ordinance from time to time to increase the aggregate amounts thereof, provide for supplemental appropriations from available revenue, add or delete projects and transfer funds between projects.

(b) Supplemental appropriations to the capital budget shall be adopted by the vote of at least a majority of all of the members of council. However, any such supplemental appropriation which exceeds one (1) percent of the total revenue shown in the approved capital budget may only be accomplished after providing a public hearing on the proposed amendment. Notice shall be given by publishing a notice of a meeting and public hearing in the manner provided by Va. Code 15.2-2507 ~~once in a newspaper having general circulation in the city at least seven (7) days prior to such public hearing and meeting~~. The notice shall state the council's intent to amend and include a brief synopsis of the proposed amendment.

(c) Subject to any applicable restrictions of law or restrictions of any bonds or bond issue, amendments which do not require supplemental appropriations, but which involve additions or deletions of projects or in the case of the capital improvement program an increase in the aggregate amount thereof, may be made without requirement of a public hearing by a majority of all of the members of city council at the same meeting at which such amendment is introduced.

Adopted by the Council of the City of Virginia Beach, Virginia, on the ____day of _____, 2026.

APPROVED AS TO CONTENT:

_____
Budget and Management Services

APPROVED AS TO LEGAL SUFFICIENCY:

_____
City Attorney's Office

AN ORDINANCE TO AMEND CITY CODE SECTIONS 21-320 AND 21-321 REGARDING PARKING AND PARKING METERS

SECTIONS AMENDED: 21-320 AND 21-321

BE IT ORDAINED BY THE 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. 21-320. – Installation, maintenance, required signals, etc.

(a) The City Manager shall have the authority to provide for the installation or placing of parking meters within the City and the regulation, control, operation and use thereof in accordance with the provisions of this Division and shall maintain such meters in good working condition. ~~Such parking meters shall be placed upon the curbing immediately adjacent to individual parking spaces designated as provided in this Division.~~ Each parking meter shall be placed or set in such a manner as to show or display a signal that the parking space assigned to it is or is not legally in use and to display, upon deposit of the proper coin of the United States of America therein, a signal indicating legal parking time for the time allotted for such coin for the part of the street upon which such meter is placed. Each meter shall be so arranged that, upon the expiration of such parking limit, or the portion thereof for which the necessary coin or coins have been deposited, it will indicate, by mechanical operation and proper signal, that the lawful parking period has expired.

(b) The term "parking meter" as it is used in this Chapter 21 shall be broadly construed to include parking payment means and methods to include parking meters that are assigned to a street block of on-street parking spaces, a parking zone as designated by appropriate signage, or a parking lot or other parking facility that allows payment through a kiosk, mobile application, or other payment methodology. The City Manager shall cause appropriate signage to be erected to allow persons parking to locate the relevant parking payment options. As provided in Subsection d of Section 21-322, the term "coin" is to include all commercially acceptable methods of payment.

Sec. 21-321. – Designation of and method of parking in meter spaces.

(a) The City Manager or such officers and employees of the City as he shall select shall place lines or markings on the curb or in the street about or alongside of each parking meter installed pursuant to the provisions of this Division, to designate the parking meter space for which such meter is to be used or such block, zone, parking lot, or other parking facility as provided by Subsection b of Section 21-320. It shall be unlawful for any person to park any vehicle in any such space, except within the lines and markings designating such space.

~~(b)When a parking space in any parking meter zone is parallel with the adjacent curb or sidewalk, any vehicle parked in such space shall be parked so that the foremost part of such vehicle shall be alongside of and nearest to the parking meter. When a parking space in any parking meter zone is diagonal to the curb or sidewalk, any vehicle parked in such parking space shall be parked with the foremost part of such vehicle directed at and nearest to such meter.~~

(b) ~~(c)~~The number of vehicles allowed to be parked in a designated parking space in a parking meter zone shall be limited to one (1) vehicle per space.

Adopted by the Council of the City of Virginia Beach, Virginia, on the ____day of _____, 2026.

APPROVED AS TO CONTENT: APPROVED AS TO LEGAL SUFFICIENCY:

_____ _____

Budget and Management Services City Attorney's Office

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RESOURCE MANAGEMENT PROCESS OVERVIEW

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. This funding is spent solely at the discretion of the School Board. The 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.

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 holding a public hearing.

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, with limited exceptions outlined in the budget ordinances.

Resident Survey

A bi-annual 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

Two two-day City Council workshops are held to review the City's progress, assess City direction, and identify and discuss issues and priorities. Typically, the results of the workshops 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 Focused Action 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 Economic Development 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.
- 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], Information Technology (communication and information technology projects), Parks and Recreation (parks and recreational facilities), Public Utilities (water and sewer lines, mains, pumps, and related facilities), and 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.
- 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

08/01/25 - 09/30/25

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

09/26/25

Operating Budget Kickoff is held to disseminate information to departments on revenue estimates, the state budget outlook, the economy, budget process overview and changes, and funding targets.

09/26/25 - 12/02/25

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

11/07/25

CIP requests are due to the Department of Budget and Management Services.

11/18/25

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

12/05/25

Department budget submissions are due to the Department of Budget and Management Services.

January

01/05/26 - 02/27/26

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.

1/26/2026 – 1/27/2026

City Council FY2026-27 Planning Retreat

February

02/24/26

School Superintendent submits the School's Estimate of Needs for FY 2025-26 to the School Board.

March

03/24/26

Adoption of Schools Operating Budget and Capital Improvement Program by the School Board.

Proposed Resource Management Plan is presented to the City Council.

April

04/07/26

City Council Workshop on the Proposed Resource Management Plan.

04/14/26

City Council Workshop on the Proposed Resource Management Plan.

04/15/26

Public Hearing to allow citizens to make comments regarding the Proposed Resource Management Plan.

04/21/26

City Council Workshop on the Proposed Resource Management Plan.

04/22/26

Public Hearing to allow citizens to make comments regarding the Proposed Resource Management Plan.

04/28/26

City Council Workshop on the Proposed Resource Management Plan.

May

05/05/26

City Council Reconciliation Workshop on the Proposed Resource Management Plan.

05/12/26

Vote on the Resource Management Plan.

ACCOUNTING AND BUDGETING BASIS

The government-wide financial statements, Proprietary Fund and Fiduciary Fund financial statements are reported using the economic resources measurement focus and the full 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 within 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 of resources. Expenditures are recorded when the related fund liability is incurred, and it requires the use of current financial resources to liquidate (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 and subscriptions 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.

Project Number	Projects		Appropriations FY 2026-2027
	Buildings & Assets		
100047	Facilities Access Systems		425,000
100138	Convention Center Capital Maintenance		2,859,750
100165	Energy Performance Enhancements (City) II		550,000
100168	Euclid Yard Facility Replacement		1,500,000
100170	Facilities Planning Services		250,000
100175	Fire Apparatus IV		11,634,448
100176	Fire Facility Rehabilitation and Renewal III		1,000,000
100178	Fire Training Center Improvements IV		300,000
100203	Heritage Building Maintenance II		300,000
100225	Judicial Center Maintenance		70,000
100260	Beach Maintenance Facility		250,000
100392	City Security Enhancements		500,000
100437	VA Aquarium Bldg. Systems & Facility Infrastructure II		1,434,540
100445	Various Buildings HVAC Rehabilitation & Renewal IV		2,500,000
100446	Various Buildings Rehabilitation and Renewal IV		4,100,000
100463	Virginia Aquarium Renewal and Replacement III		600,000
100651	Critical Court Facility Safety and ADA Accessibility		20,200,000
100652	Mounted Police Maintenance and Repair		2,000,000
100699	Virginia Beach Sports Center Maintenance		2,000,000
100729	Public Safety Equipment Replacement II		4,095,848
100742	Dome Maintenance		3,000,000
100743	Public Works Operations Yard Improvement Project		300,000
100744	SCBA Replacement		10,000,000
100746	Municipal Center Building Renovations		5,000,000
100747	Human Services Building Renovations		880,000
100748	Library Building Renovations		3,600,000
100749	Virginia Aquarium Modification		3,000,000
		Total Buildings & Assets Projects	82,349,586
	Coastal		
100030	Bay Beaches Restoration		125,000
100038	Beach Replenishment II		2,275,000
100142	Croatan Beach Restoration		78,000
100149	Dredge Operations Rehab and Modifications		225,000
100258	Lynnhaven Inlet Maintenance Dredging II		375,000
100277	Chesopeian Colony Neighborhood Dredging II		1,517,796
100344	Rudee Inlet Federal Dredging II		600,000
100345	Rudee Inlet Outer Channel Maintenance Dredging II		650,000
100349	Sandbridge Beach Access Improvements II		400,000
100643	Schilling Point Neighborhood Dredging II		85,000
100726	Various Minor Dredging Projects III		500,000
		Total Coastal Projects	6,830,796
	Economic & Tourism Development		
100059	Resort Parking District		25,000,000

Project Number	Projects	Appropriations FY 2026-2027
100157	Economic Development Investment Program II	1,228,311
100285	Oceanfront Parking Facilities Capital Maintenance/Development II	612,500
100420	Town Center Garage and Plaza Capital Maintenance II	2,429,426
100421	Town Center Reinvestment	150,000
100456	Virginia Beach Amphitheater Capital Maintenance	200,000
100686	Pembroke Square Public Parking	5,500,000
100727	Oceanfront Capital Projects Reinvestment II	600,000
100728	Strategic Development Projects II	250,000
	Total Economic & Tourism Development Projects	35,970,237
	Flood Protection	
100062	Central Resort District Drainage Improvements	11,000,000
100167	Eastern Shore Drive Lynnhaven Colony Park Pump Station	8,333,333
100418	The Lakes - Holland Road Gate	764,367
100487	Windsor Woods Pump Station	2,667,492
100512	USACE Regional Coastal Storm Risk Management Study	1,622,000
100516	Bow Creek Stormwater Park	1,000,000
100517	Princess Anne Plaza North London Bridge Creek Pump Station	4,294,584
100521	The Lakes South London Bridge Creek Channels and Gate	1,805,876
100548	Pungo Ferry Road Improvements	1,000,000
100553	Windsor Woods - Thalia Creek/Lake Trashmore Imp.	1,065,246
100578	Stormwater Project Administration	1,000,000
100582	Stormwater Infrastructure Cost Participation	2,000,000
100604	The Lakes Flood Barriers	294,637
100605	Windsor Woods Flood Barriers	149,978
	Total Flood Protection Projects	36,997,513
	Information Technology	
100083	Cable Access Infrastructure Replacement II	140,000
100084	City Software Upgrade/Replacement Plan	1,944,146
100087	Communications Infrastructure Replacement III	626,801
100107	Network Infrastructure Replacement III	5,182,073
100574	Courts Technology System Sustainment	250,000
100618	Revenue Management System Sustainment	250,000
100694	Enterprise Audio Visual Lifecycle & Support	275,000
100697	Business and Personal Property Tax & Departmental Revenue Management System	200,000
100698	Cardiac Monitor Replacement	420,352
100703	IT Service Continuity III	480,613
100704	Maintain and Secure Corporate Data II	1,777,101
100705	Next Generation Network II	250,000
	Total Information Technology Projects	11,796,086
	Parks & Recreation	
100256	Lynnhaven Marina and Boat Ramp Facilities Repairs/Reno	350,000
100393	Sportsplex/Field Hockey National Training Ctr Rep/Reno I	726,135
100632	Park Infrastructure Replacement & Underdeveloped Park Improvements	4,000,000
100644	Virginia Beach Trail Phase I	3,129,170
100706	Athletic Fields Lighting and Renovations IV	275,000
100707	Bikeways/Trails Repairs and Renovations II	280,000
100708	City Bikeways and Trails Plan Implementation III	1,000,000

Project Number	Projects	Appropriations FY 2026-2027
100709	Community Recreation Centers Repairs and Renovations IV	2,000,000
100710	Golf Courses Contractual Obligations-Maintenance II	97,000
100711	Greenways, Scenic Waterways and Natural Areas IV	250,000
100712	Park Playground Renovations IV	891,309
100713	Parks and Special Use Facilities Development/Reno IV	2,300,000
100714	Tennis Court Renovations IV	300,000
	Total Parks & Recreation Projects	15,598,614
	Roadways	
100057	Centerville Turnpike Phase II	788,603
100123	Cleveland Street Improvements IV	1,013,828
100211	I-264 / Independence Interchange Improvements	10,000,000
100243	Laskin Road Phase III	3,227,150
100278	Nimmo Parkway VII-B	9,499,656
100348	Rural Road Recurring Flooding, SLR & Resiliency	500,000
100422	Traffic Calming	250,000
100482	Independence Blvd/Edwin Drive Intersection	6,038,863
100502	Citywide Street Lighting Improvements III	70,000
100522	Traffic Signal Retiming II	1,063,000
100564	Holland Road Phase I	8,447,557
100565	Holland Road Phase II	1,455,762
100568	Northampton Blvd / Diamond Springs Road	8,843,911
100634	Construction Engineering and Inspection (CEI) Program	3,500,000
100646	Indian River Rd/Thompkins Lane Intersection	650,000
100647	Independence Blvd/Pleasure House Rd Intersection	966,206
100648	General Booth Boulevard / Dam Neck Rd Intersection	1,500,000
100649	Providence Road	1,500,000
100650	Clearfield Avenue	6,000,000
100660	Indian River Road Safety Improvements	9,181,617
100672	North Great Neck Road Bridge Rehabilitation	573,102
100682	Woodstock Road Sidewalk	2,798,930
100683	Leading Pedestrian Interval Intersection Improvements	100,000
100691	Transportation Network Analysis	250,000
100692	Virginia Beach Blvd & Independence Blvd Ped Crossings	1,023,734
100702	Lookout Road Sidewalk	622,153
100730	Traffic Safety Improvements V	3,909,922
100731	Bus Stop Infrastructure and Accessibility Improvements II	250,000
100732	Major Bridge Rehabilitation III	886,898
100733	Rural Road Improvements III	250,000
100734	Street Reconstruction III	3,450,000
100735	Traffic Signal Rehabilitation III	2,900,000
	Total Roadways Projects	91,510,892
	Schools	
601001	Renovation and Replacement Energy Management/Sustainability	2,810,000
601002	Tennis Court Renovations - Phase II	240,000
601015	Princess Anne High School (Renovation/Modernization)	3,970,000
601016	Energy Performance Contracts - Phase II	2,500,000
601017	Renovations and Replacements - Grounds III	5,740,000

Project Number	Projects		Appropriations FY 2026-2027
601018	Renovations and Replacements - HVAC III		29,490,000
601019	Renovations and Replacements - Reroofing III		9,890,000
601020	Renovations and Replacements - Various III		5,830,000
601022	Elementary School Playground Equipment Replacement		290,000
601027	Renovations and Replacements - Safe School Improvements		240,000
601033	Comprehensive Long Range Facilities Master Plan Update		800,000
601034	School Cable Access Infrastructure		140,000
		Total Schools Projects	61,940,000
	Sewer Utility		
100327	Pump Station Program VI		10,170,000
100361	Sanitary Sewer System Revitalization Program III		6,500,000
100371	Sewer Pump Repairs and Replacements		1,000,000
100374	Sewer Tap Installation Program II		600,000
100440	Vacuum Valve Monitoring System		1,600,000
100519	Sanitary Sewer Force Main Rehabilitation I		3,325,000
100525	Landstown Yard Improvements IV		25,000
100526	Utilities Technology Support Program		200,000
		Total Sewer Utility Projects	23,420,000
	Stormwater		
100043	BMP Maintenance Program Phase I		1,000,000
100053	Canal Management Phase I		500,000
100161	Elizabeth River Watershed		500,000
100263	Lynnhaven River Basin Ecosystem Restoration Project		350,000
100264	Lynnhaven River Watershed Water Quality Projects II		222,618
100515	Enhanced Neighborhood Rehabilitation - Phase I		1,236,349
100543	Lake Edward Water Quality Improvement Project		500,000
100566	Chatham Hall Water Quality Improvement Project		1,650,000
100668	Bellamy Woods Water Quality Improvement Project		650,000
100671	Brigadoon Park Water Quality Improvement Project		825,000
100715	Lake Management III		3,307,611
100716	Oceanfront Stormwater Facilities Maintenance II		4,650,000
100717	Primary System Infrastructure Improvements III		1,520,000
100718	Residential Drainage Cost Participation Program III		50,000
100719	Southern Canal/Lead Ditch and Culvert Improvements II		2,390,000
100720	Southern Rivers Watershed II		375,000
100721	Stormwater Pump Station Modifications II		1,250,000
100722	Stormwater Quality Enhancements III		1,200,000
100723	Surface Water Regulatory Compliance Program II		1,700,000
100724	SW Infrastructure Rehabilitation & Improvements III		5,140,041
100725	Water Quality Cost Participation Projects III		250,000
		Total Stormwater Projects	29,266,619
	Water Utility		
100230	Lake Gaston Raw Water Transmission System Rehabilitation I		60,000
100238	Landstown Yard Improvements IV		25,000
100303	Pembroke Meadows Neighborhoods Water Rehabilitation		4,000,000
100432	Utilities Technology Support Program		200,000
100470	Water Line Extension, Replacement & Rehab Program II		2,584,000

Project Number	Projects		Appropriations FY 2026-2027
100471	Water Pump Repairs and Replacements		322,000
100478	Water Tap Installation Program II		600,000
100479	Water Transmission System Upgrade Program II		1,195,000
100640	Stumpy Lake Dam Improvements		2,600,000
100685	Water Meter Replacement Program		2,000,000
100701	Princess Anne Road Water Transmission Main		500,000
		Total Water Utility Projects	14,086,000
		Total Capital Budget	409,766,343

City of Virginia Beach, Virginia
Fiscal Years 2027 through 2032 Capital Improvement Program
Appropriation and Financing Plan

Appropriation/Financing	Appropriated to Date	Un-Appropriated Subsequent Years FY 2027 Budget	FY 2028 Budget	FY 2029 Budget	FY 2030 Budget	FY 2031 Budget	FY 2032 Budget	CIP Total
Capital Improvement Program by Category								
Buildings & Assets	235,926,839	82,349,586	82,726,257	56,337,225	21,240,575	21,189,575	21,189,575	520,959,632
Coastal	124,315,066	6,830,796	9,476,000	9,756,000	10,764,495	7,095,719	5,530,000	173,768,076
Economic & Tourism Development	241,891,040	35,970,237	6,052,121	4,893,776	5,828,349	5,395,693	4,115,669	304,146,885
Flood Protection	863,571,876	36,997,513	13,823,611	7,315,544	6,515,547	8,030,734	8,259,851	944,514,676
Information Technology	149,379,933	11,796,086	19,531,304	17,450,733	11,191,456	11,191,456	11,191,456	231,732,424
Parks & Recreation	158,459,008	15,598,614	82,640,308	12,480,601	17,066,149	12,653,410	12,742,415	311,640,505
Roadways	607,854,254	91,510,892	55,521,038	45,236,641	62,027,716	40,622,843	46,074,863	948,848,247
Schools	575,689,209	61,940,000	61,940,000	61,940,000	61,940,000	61,940,000	61,940,000	947,329,209
Sewer Utility	215,385,415	23,420,000	23,900,000	33,030,000	26,055,000	37,780,000	30,460,000	390,030,415
Stormwater	89,392,917	29,266,619	32,844,001	29,544,001	29,544,001	29,544,001	29,544,001	269,679,541
Water Utility	124,140,493	14,086,000	18,913,000	23,944,000	19,403,000	11,427,000	22,860,000	234,773,493
Total Capital Improvement Program	3,386,006,050	409,766,343	407,367,640	301,928,521	271,576,288	246,870,431	253,907,830	5,277,423,103
Means of Financing								
Fund Balance								
Fund Balance - General Fund	4,250,000	30,373,005	29,018,823	24,887,927	17,862,927	11,852,180	12,302,180	130,547,042
Fund Balance - Schools	0	10,000,000	9,500,000	8,500,000	8,000,000	7,500,000	7,500,000	51,000,000
Fund Balance - Parks & Recreation	0	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	6,000,000
Fund Balance - Tourism Investment Program	0	3,000,000	0	0	0	0	0	3,000,000
Retained Earnings - Water & Sewer	33,310	7,000,000	7,060,000	10,177,000	8,186,000	9,252,000	10,320,000	52,028,310
Retained Earnings - Storm Water	8,000,000	2,000,000	6,792,220	3,492,220	3,492,220	3,492,220	3,492,220	30,761,100
Total Fund Balance	12,283,310	53,373,005	53,371,043	48,057,147	38,541,147	33,096,400	34,614,400	273,336,452
Other Sources of Funding								
Lease of Properties	399,625	0	0	0	0	0	0	399,625
Franchise Fees	1,713,524	280,000	280,000	280,000	280,000	280,000	280,000	3,393,524
Medicaid Cost Settlement	1,549,776	0	0	0	0	0	0	1,549,776
HRSD	5,109,586	0	115,000	115,000	115,000	115,000	115,000	5,684,586
Private Contribution	1,209,338	386,796	119,000	201,000	400,811	455,697	0	2,772,642
Insurance Recovery	412,101	0	0	0	0	0	0	412,101
Miscellaneous Funding	806,446	4,305,756	3,708,026	3,208,026	2,708,026	2,208,026	2,208,026	19,152,332
Flood Protection	16,445,123	0	0	0	0	0	0	16,445,123
Sale of Equipment	164,700	0	0	0	0	0	0	164,700
Sale of Property	19,683,874	0	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	24,683,874
Total Other Sources of Funding	47,494,093	4,972,552	5,222,026	4,804,026	4,503,837	4,058,723	3,603,026	74,658,283
State								
State Contribution	179,184,667	13,354,464	23,672,379	9,066,300	21,354,080	4,683,264	2,237,538	253,552,692
Total State	179,184,667	13,354,464	23,672,379	9,066,300	21,354,080	4,683,264	2,237,538	253,552,692
Federal								
Federal Contribution	195,583,962	22,802,919	27,724,266	6,588,267	12,226,390	18,733,054	8,950,153	292,609,011
Total Federal	195,583,962	22,802,919	27,724,266	6,588,267	12,226,390	18,733,054	8,950,153	292,609,011
Debt Financing								
Charter Bonds	579,300,000	73,780,192	68,625,937	68,713,524	53,702,252	42,961,531	60,572,176	947,655,612
Public Facility Bonds	325,545,975	79,609,750	63,626,000	36,665,263	19,502,000	14,951,000	14,951,000	554,850,988
Storm Water Utility Bonds	3,000,000	12,723,982	38,617,157	9,712,096	9,712,096	11,227,283	11,456,402	96,449,016
Water & Sewer Bonds	0	22,506,000	27,638,000	38,682,000	29,157,000	31,840,000	34,885,000	184,708,000
Loan from Virginia Resources Authority	0	8,333,333	0	0	0	0	0	8,333,333
Total Debt Financing	907,845,975	196,953,257	198,507,094	153,772,883	112,073,348	100,979,814	121,864,578	1,791,996,949
General Appropriations	0	0	0	0	0	0	0	0

Appropriation/Financing	Appropriated to Date	Un-Appropriated Subsequent Years FY 2027 Budget	FY 2028 Budget	FY 2029 Budget	FY 2030 Budget	FY 2031 Budget	FY 2032 Budget	CIP Total
Means of Financing								
ATD Local Funding	1,900,142,966	0	0	0	0	0	0	1,900,142,966
PAYGO - Cigarette Tax	13,121,682	1,228,311	1,166,895	1,108,550	1,053,123	1,000,467	950,443	19,629,471
PAYGO - Boat Fee	2,359,470	2,359,470	2,359,470	2,359,470	2,359,470	2,359,470	2,359,470	16,516,290
PAYGO - General Fund	0	51,964,792	32,753,824	30,719,501	31,235,224	36,670,971	36,290,971	219,635,283
PAYGO - Outdoor Initiative	0	4,016,309	4,144,830	4,277,466	4,363,014	4,450,275	4,539,280	25,791,174
PAYGO - Schools	0	5,000,000	6,000,000	7,000,000	7,500,000	8,000,000	8,000,000	41,500,000
PAYGO - Flood Protection	5,495,000	4,336,301	3,218,550	1,000,000	1,000,000	1,000,000	1,000,000	17,049,851
PAYGO - Agricultural Reserve Program	0	1,490,000	1,490,000	1,490,000	1,490,000	990,000	990,000	7,940,000
PAYGO - Open Space	7,700,000	500,000	500,000	500,000	500,000	0	0	9,700,000
PAYGO - Parks & Recreation	0	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	6,000,000
PAYGO - EMS Billing	420,352	420,352	420,352	0	0	0	0	1,261,056
PAYGO - Tourism Advertising Program	0	500,000	500,000	500,000	500,000	0	0	2,000,000
PAYGO - Tourism Investment Program	4,000,000	2,800,000	1,150,000	1,500,000	1,143,060	343,060	343,060	11,279,180
PAYGO - Major Projects Fund	21,073,915	12,310,787	15,000,000	0	0	0	0	48,384,702
PAYGO- Town Center TIF	0	2,076,700	1,720,000	620,000	1,610,000	1,230,000	0	7,256,700
PAYGO - Town Center	5,732,854	502,726	502,726	502,726	502,726	502,726	502,726	8,749,210
PAYGO - Sandbridge	57,794,855	400,000	400,000	400,000	400,000	400,000	400,000	60,194,855
PAYGO - Fire Programs	3,755,751	300,000	300,000	300,000	300,000	300,000	300,000	5,555,751
PAYGO - Grant Fund	14,900,000	0	0	0	0	0	0	14,900,000
PAYGO - Old Donation Creek Area	0	0	0	0	0	636,022	0	636,022
PAYGO - Bayville Creek	0	0	0	0	0	474,000	0	474,000
PAYGO - Shadowlawn	0	0	0	0	204,000	0	0	204,000
PAYGO - Chesopeian Colony	723,432	1,131,000	0	0	0	0	0	1,854,432
PAYGO - Harbour Point	0	0	0	0	146,200	0	0	146,200
PAYGO - Gill's Cove	0	0	0	400,000	0	0	0	400,000
PAYGO - Hurd's Cove	0	0	0	0	1,608,484	0	0	1,608,484
PAYGO - Schilling Point	0	85,000	282,000	0	0	0	0	367,000
PAYGO - Water & Sewer	310,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000	48,310,000
PAYGO - Storm Water	30,000	17,275,898	17,349,685	17,349,685	17,349,685	17,349,685	17,349,685	104,054,323
PAYGO - Parking Enterprise	6,053,766	612,500	612,500	612,500	612,500	612,500	612,500	9,728,766
Total General Appropriations	2,043,614,043	118,310,146	98,870,832	79,639,898	82,877,486	85,319,176	82,638,135	2,591,269,716
Total Means of Financing	3,386,006,050	409,766,343	407,367,640	301,928,521	271,576,288	246,870,431	253,907,830	5,277,423,103

City of Virginia Beach, Virginia
Fiscal Years 2027 through 2032 Capital Improvement Program
Operating Budget Impact Report

Project Number and Title	FY 2027 Budget	Year 2 FY 2028	Year 3 FY 2029	Year 4 FY 2030	Year 5 FY 2031	Year 6 FY 2032
Economic & Tourism Development						
100286 Oceanfront Restrooms	100,000	100,000	100,000	100,000	100,000	100,000
Economic & Tourism Development Total	100,000	100,000	100,000	100,000	100,000	100,000
FTE Total	0.00	0.00	0.00	0.00	0.00X	0.00
Economic & Tourism Development Total	100,000	100,000	100,000	100,000	100,000	100,000
FTE Total	0.00	0.00	0.00	0.00	0.00	0.00
Information Technology						
100074 21st Century Enterprise Resource Planning (HCM)	1,889,431	1,199,515	1,223,357	1,247,677	1,272,485	1,272,485
100620 Human Services - Document Management System	0	0	120,000	120,000	120,000	120,000
100621 Children's Services Act Modernization	0	0	100,000	100,000	100,000	100,000
100622 Human Services - Evidence Management System	0	0	100,000	100,000	100,000	100,000
100624 Forensic Evidence Management	0	0	50,000	50,000	50,000	50,000
100658 Treasurer's E-Billing	50,000	50,000	50,000	50,000	50,000	50,000
100679 Mass Care Management	0	0	0	125,000	125,000	125,000
100695 Station Alerting System Upgrade	0	145,027	145,027	145,027	145,027	145,027
100697 Business and Personal Property Tax & Departmental Revenue Management System Modernization	0	0	0	1,600,000	1,600,000	1,600,000
Information Technology Total	1,939,431	1,394,542	1,788,384	3,537,704	3,562,512	3,562,512
FTE Total	0.00	0.00	0.00	0.00	0.00X	0.00
Information Technology Total	1,939,431	1,394,542	1,788,384	3,537,704	3,562,512	3,562,512
FTE Total	0.00	0.00	0.00	0.00	0.00	0.00
Parks & Recreation						
100632 Park Infrastructure Replacement & Underdeveloped Park Improvements	0	12,000	12,000	12,000	12,000	12,000
100637 Pungo Ferry Landing Park Improvements	0	17,000	17,000	17,000	17,000	17,000
100644 Virginia Beach Trail Phase I	0	0	0	0	0	1,000,000
100667 Rudee Loop Park Development	0	0	0	0	2,000,000	2,000,000
100711 Greenways, Scenic Waterways and Natural Areas IV	0	5,000	5,000	5,000	5,000	5,000
Parks & Recreation Total	0	34,000	34,000	34,000	2,034,000	3,034,000
FTE Total	0.00	0.00	0.00	0.00	0.00X	0.00
Parks & Recreation Total	0	34,000	34,000	34,000	2,034,000	3,034,000
FTE Total	0.00	0.00	0.00	0.00	0.00	0.00
Roadways						
100057 Centerville Turnpike Phase II	0	0	0	0	103,645	105,718
100159 Elbow Road Extended Phase II-C	0	0	36,183	36,907	37,645	38,398
100183 First Colonial Rd & VA. Beach Blvd. Intersection Imp.	0	33,614	34,287	34,973	35,672	36,385
100192 General Booth Boulevard / Camp Pendleton Intersection	0	12,605	12,858	13,115	13,377	13,645
100199 Greenwich Rd Crossover & Cleveland St Improvements	0	0	0	19,736	20,131	20,534
100301 Parliament Drive Sidewalk Phase II	0	2,000	2,040	2,081	2,122	2,165
100381 Shore Drive Corridor Improvements Phase III	0	0	0	12,000	12,240	12,485

Project Number and Title	FY 2027 Budget	Year 2 FY 2028	Year 3 FY 2029	Year 4 FY 2030	Year 5 FY 2031	Year 6 FY 2032
100529 Elbow Road Extended Phase II-B	0	0	42,762	43,617	44,489	45,379
100537 Dam Neck Road/Holland Road Intersection Improvements	0	0	4,202	4,286	4,372	4,372
100546 North Great Neck/London Bridge/VA Beach Blvd Intersection Imp	0	0	0	14,006	14,286	14,572
100555 Parliament Drive Sidewalk Phase I	0	0	2,000	2,040	2,081	2,122
100646 Indian River Rd/Thompkins Lane Intersection	0	0	0	0	0	1,401
100648 General Booth Boulevard / Dam Neck Rd Intersection	0	0	0	0	8,404	8,572
Roadways Total	0	48,219	134,332	182,761	298,464	305,748
FTE Total	0.00	0.00	0.00	0.00	0.00X	0.00
Roadways Total	0	48,219	134,332	182,761	298,464	305,748
FTE Total	0.00	0.00	0.00	0.00	0.00	0.00
Report Totals						
Total Operating Budget Impact	**2,039,431**	**1,576,761**	**2,056,716**	**3,854,465**	**5,994,976**	**7,002,260**
FTE Total	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**

SUMMARY OF POSITIONS BY DEPARTMENT

Department	Adopted Budget FY 2023-24	Adopted Budget FY 2024-25	Adopted Budget FY 2025-26	Amended Budget FY 2025-26	Adopted Budget FY 2026-27	Change in FTEs From Amended FY 2025-26 to FY 2026-27	Change in FTEs From Adopted FY 2023-24 to FY 2026-27
Agriculture	9.00	9.00	9.00	9.00	9.00	0.00	0.00
Virginia Aquarium	125.60	125.60	125.60	126.60	126.60	0.00	1.00
City Auditor	8.00	8.00	8.00	9.00	9.00	0.00	1.00
Budget and Management Services	13.00	13.00	13.00	13.00	13.00	0.00	0.00
City Attorney	39.60	39.60	39.60	40.00	40.00	0.00	0.40
Clerk of the Circuit Court	57.00	57.00	57.00	58.00	58.00	0.00	1.00
Circuit Court	13.50	13.50	13.50	13.50	13.50	0.00	0.00
City Clerk	6.00	6.00	6.00	6.00	6.00	0.00	0.00
City Manager	23.00	23.00	22.00	22.00	18.00	-4.00	-5.00
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	27.00	30.00	33.00	33.00	37.00	4.00	10.00
Commissioner of the Revenue	64.93	64.93	65.93	64.93	64.93	0.00	0.00
Cultural Affairs and Historic Houses	12.00	12.00	14.00	14.00	14.00	0.00	2.00
Convention and Visitors Bureau	119.28	119.28	116.42	116.42	116.42	0.00	-2.86
Commonwealth's Attorney	120.83	122.83	122.83	126.56	126.56	0.00	5.73
Emergency Communications & Citizen Services	132.75	115.75	115.75	115.75	108.75	-7.00	-24.00
Economic Development	34.00	19.00	22.00	22.00	22.00	0.00	-12.00
Emergency Management	13.00	13.00	9.00	9.00	9.00	0.00	-4.00
Emergency Medical Services	165.12	170.12	206.62	207.62	219.62	12.00	54.50
Finance	65.00	66.00	66.00	66.00	60.00	-6.00	-5.00
Fire	561.23	591.23	621.23	621.23	621.23	0.00	60.00
Health Department	8.00	7.00	7.00	7.00	7.00	0.00	-1.00
Housing and Neighborhood Preservation	94.00	93.00	96.00	96.00	96.00	0.00	2.00
Human Resources	70.00	78.00	78.00	80.00	80.00	0.00	10.00
Human Services	1,187.57	1,175.32	1,183.32	1,185.82	1,188.82	3.00	1.25
Information Technology	199.00	199.00	199.00	199.00	205.00	6.00	6.00
Juvenile Probation	4.00	4.00	4.00	4.00	4.00	0.00	0.00
Libraries	245.50	239.50	235.50	235.50	235.50	0.00	-10.00
Municipal Council	12.00	11.00	11.00	11.00	11.00	0.00	-1.00
Office of Performance and Accountability	8.00	8.00	7.00	5.00	5.00	0.00	-3.00
Parks and Recreation	875.04	887.89	890.99	891.99	894.26	2.27	19.22
Planning	143.00	149.00	145.00	145.00	145.00	0.00	2.00
Police	1,068.15	1,068.15	1,076.65	1,076.65	1,076.65	0.00	8.50
Public Utilities	416.00	417.00	420.00	420.00	427.00	7.00	11.00
Public Works	988.88	1,012.88	1,038.88	1,038.88	1,048.88	10.00	60.00
Sheriff	536.40	536.40	536.40	538.40	538.40	0.00	2.00
Voter Registration and Elections	14.00	14.00	14.00	14.00	14.00	0.00	0.00
Total	**7,590.98**	**7,630.58**	**7,740.82**	**7,753.45**	**7,780.72**	**27.27**	**189.74**

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. <u>Procedure to Calculate the Revenue Sharing Formula:</u>

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. <u>Procedure to Request Funding Above the Revenue Sharing Formula:</u>

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. <u>Deviations from Budgeted Local Tax Revenues:</u>

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. Health Insurance Premiums

7.1. Both the City and Schools have a consolidated health insurance plan with equal health benefit coverage and offerings. Recommendations on premium adjustments as well as plan design changes are made by the Benefits Executive Committee (BEC) comprised of staff members from both City and Schools. Recommended health insurance premiums, as well as, plan offerings for both city and school employees, should remain in unison, to the greatest extent possible, with School health premiums not being below the recommended premiums of the City.

7.2. Should the School Board, desire to establish employee premiums below the City employee premiums, the School Board will notify City Council by resolution of the desired change. The resolution will provide the following: 1) the desire to decrease premiums; 2) the reason as to why the lower rates are being requested; 3) the requested premium rates and effective date; 4) the recommended employer contribution change and revenue sources supporting changes; and 5) a projection of the health fund balance demonstrating future sustainability.

~~7.~~8. Revision to the City/School Revenue Sharing Policy:

~~7.1.~~8.1. 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.~~8.2. City Council may revise this Policy in its discretion after consultation with the School Board.

~~7.3.~~8.3. If no other action is taken by the City Council and the School Board, this Policy shall remain effective until June 30, ~~2024~~ 2027, at which time it will be reviewed and considered for reauthorization.

APPROVED:

As to Content:	School Superintendent	Date
	Acting City Manager	Date
As to Legal Sufficiency:	City Attorney	Date
Approved by School Board:	School Board Chairman	Date
APPROVED BY CITY COUNCIL:	Mayor	Date

Total General Fund, Non-Dedicated Local Taxes	FY 2025-26	FY 2026-27
Real Estate	734,375,613	760,083,531
Personal Property	220,601,034	215,911,140
General Sales	97,846,775	101,263,558
Utility Tax	25,879,291	26,011,784
Virginia Telecommunications	17,229,098	16,085,932
Business License	67,166,505	71,447,567
Cigarette	5,669,939	5,373,860
Hotel	11,274,805	11,946,740
Restaurant	65,149,967	67,490,250
Automobile License	10,639,555	10,299,928
Bank Net Capital	4,437,248	4,666,586
City Tax on Deeds	7,898,238	8,470,496
City Tax on Wills	125,488	126,704
Total Non-Dedicated Local Taxes	**1,268,293,556**	**1,299,178,076**
Less Public Safety Dedication	(8,253,610)	(8,545,338)
Less Outdoor Initiative Dedication	(3,879,197)	(4,016,309)
Less EDIP Dedication	(1,295,986)	(1,228,311)
Less Stormwater Dedication	(20,634,025)	(21,363,345)
Less City Council Priorities	(15,269,179)	(15,808,875)
Total Local Taxes Net Dedications	**1,218,961,529**	**1,248,215,898**
Formula %	46.75%	46.75%
Revenue Sharing Formula Revenues	**569,864,529**	**583,540,932**
Less Hold Harmless (2.138)*	(17,646,219)	(18,269,933)
Less Development Agreement**	(1,238,042)	(4,371,839)
Total Transfer to Schools	**550,980,269**	**560,899,161*** **

*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.

**City Council has adopted ordinances designating portions of Real Estate Taxes generated within the Atlantic Park and Pembroke Square areas to be retained for the debt service related to the projects.

***$1,376,520 of this amount is held in a reserve, pending City Council decisions.

On October 17, 2023 the City Council of Virgina Beach formally extended the Revenue Sharing Policy until June 30, 2025. The FY 2025-26 Adopted Operating Budget includes an ordinance to formally extended the policy through June 30, 2026. The policy is proposed to be extended through June 30, 2027 in the FY 2026-27 Proposed Operating Budget.

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 ensure 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 valve.

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	08/17/99
	Director/Administrator	Date
Approved as to Legal Sufficiency:	Leslie L. Lilley	08/27/99
	City Attorney	Date
Reviewed by:	James K. Spore	09/01/99
	City Manager	Date
Item Number: #45416	Ruth Hodges-Smith	09/07/99
	City Clerk	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:	Catheryn R. Whitesell	02/05/01
	Director/Administrator	Date
Approved as to Legal Sufficiency:	R.M. Blow	02/21/01
	City Attorney	Date
Approved:	Steven T. Thompson	02/26/01
	Chief Financial Officer	Date
Approved:	James K. Spore	02/26/01
	City Manager	Date
Approved:	Meyera E. Oberndorf	02/26/01
	Mayor	Date

Administrative Directive

Title: Grant Management

Index Number: AD 1.05

Date of Adoption: September 6, 1994

Date of Revision: February 14, 2023

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 their operating budgets in accordance with this directive.

Administrative Directive

Title: Budget and Capital Improvement Program Administration

Index Number: AD 7.01

Date of Adoption: July 1, 1992

Date of Revision: April 3, 2025

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 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 $10,000 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 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 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,

Assistant City Managers and Deputy City Managers.

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.

3.0 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.

4.0 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 $250,000 on a monthly basis.

City Council approval is required for any transfer that: 1) exceeds $250,000; 2)

significantly expands an existing program; 3) initiates a program that has not previously been requested in the budget; or 4) increases 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.

5.0 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 or 609s), 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 department 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 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 $250,000 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 $250,000 and provides a monthly report to City Council of the transfers between $25,000 and $250,000.

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 $250,000 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 $250,000 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 $250,000.

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 $250,000.

9) Transfer from dedicated Reserves for Contingencies that have funding for a specific purpose.

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
$250,000.

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.

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.

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.

Personnel Services
Compensation for full-time, part-time, overtime temporary work of persons employed in the City, and payment for contracted manpower.

Fringe Benefits
Job related benefits and taxes 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, information technology, 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 $10,000 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).

Operating Budget Key Terms

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 the 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 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 $10,000 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, etc.).

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 that has 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 the 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 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, Chief of Staff, and 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 disbursal 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), and Internal Service Charges (604s), Other Charges (605s and 606s).

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 Revenue 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, http://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 out 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.

Atlantic Park Community Development Authority (CDA) Fund

This fund accounts for certain revenues generated within the boundary of the CDA to be used for debt service payments for the CDA related to the project. The Atlantic Park Community Development Authority was created by an ordinance adopted on Sept. 7, 2021, and amended on April 5, 2022. The CDA was established to assist in the financing of public improvements within the boundaries of the Atlantic Park Project and adjacent thereto.

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.

Chesopeian Colony Dredging Special Service District

Supports the special service district in the Chesopeian 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 Funds

Provides a means for accounting for health insurance and the administration thereof for City and School employees, within two distinct funds.

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 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 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.

Emergency FEMA Grant Fund

This fund provides a place for funding the activities of FEMA Task Force 2 within the Fire Department.

Emergency Medical Services Cost Recovery

This fund was established in FY 2025-26 and is supported by compassionate billing for Emergency Medical Services. The fund supports EMS staffing and provides support to the City's volunteer rescue squads.

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.

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.

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.

General Debt Fund

The fund is utilized to transfer to the ARP fund to make principal 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 Special Service Districts.

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.

Information Technology Special Revenue Fund

Funds the subscriptions, the computer replacement program, data center operations, and the service desk operations.

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.

Major Projects Fund

Established in FY 2025-26, the Major Projects Fund provides a sustainable funding source for major capital improvement projects. It is funded through a dedication of the real estate tax, the restaurant meals tax, and the machinery and tools tax. Planned projects include Courthouse Modernization, Indian River Road Safety Improvements, VB Trail, and the Law Enforcement Training Academy.

Mayor's Committee Trust Fund

The Mayor's Committee Trust Fund provides funding for the operational costs of the Mayor's Committee for Persons with Disabilities, and the Mayor's Committee for Veterans.

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.

Oyster Heritage Trust Fund

Supports the City's Oyster Heritage Program including oyster shell recycling and reef restoration initiatives that improve water quality and restore oyster habitat in the Chesapeake Bay watershed. The program is administered by the Department of Public Work.

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 undesignated purposes related to Parks and Recreation programs and activities.

Parks and Recreation Special Revenue Fund

Accounts for revenue from fees and charges, and dedicated tax revenue for community recreation centers associated with the operation of the Parks and Recreation department.

Pembroke Square Special Services District (SSD)

The Pembroke Square SSD was proposed in the FY 2026-27 budget to support the redevelopment of Pembroke Mall and the surrounding area by providing additional, more complete, and more timely service to two parking garages under construction in Pembroke Square. Both parking garages are expected to be completed by the summer of 2028. The district will impose an additional $0.47 property tax on properties within the boundaries of the SSD, which consists only of the sites of the two parking garages. Revenue collected by the SSD will be used for the acquisition of parking spots and to fund and maintain City services to support the garages' operation.

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, and a transient occupancy tax for the district.

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 School's 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 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.

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.

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.

State Rental Assistance Program Special Revenue Fund

Accounts for funds provided by the Commonwealth for the State Rental Assistance Program (SRAP). This fund provides rental subsidies for individuals with intellectual or developmental disabilities.

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, and private contributions.

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.

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.

Tree Mitigation Fund

Established in FY 2021-2022 after the City Council adopted a tree mitigation policy that requires any tree that is removed on city property to be replaced. This fund provides funding for the replacement and planting of the trees through revenue generated by charges for services.

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.

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.
APO	Accredited Parking Organization	A designation/award that is given by the International Parking & Mobility Institute to parking organizations that have achieved a comprehensive standard of excellence.

Acronym	Title	Description
APS	Adult Protective Services	Establishes and/or strengthens appropriate family and social support systems in order to protect and prevent adults at risk 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.
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 offset 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.

Acronym	Title	Description
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.
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.
CHR	Comprehensive Healthcare Records	A program that was established with a goal to improve client care and safety by establishing a modernized electronic healthcare records system.

Acronym	Title	Description
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.
CMOST	City Manager's Office Support Team	Consists of the administrative support for the department. They work collaboratively to enhance the delivery of support services to the City Manager's Office and to achieve the mission of the City.
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."
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.

Acronym	Title	Description
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.
ECCS	Emergency Communications and Citizen Services	A city department that is responsible for providing efficient, accurate, professional processing of emergency, non-emergency, and information requests. ECCS receives and processes citizens' call for emergency and non-emergency public safety service requests requiring response from emergency personnel including police, fire, emergency medical services, and animal control.

Acronym	Title	Description
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.
EOP	Emergency Operations Plan	A multidiscipline, all-hazards plan that establishes a comprehensive framework for the management of emergency situation(s) requiring more than routine coordination and assistance or involving multiple departments and organizations. The plan assigns major roles and responsibilities to departments and agencies and requires planning, training, and exercising prior to a real-world event to respond effectively. This plan represents a commitment by City leadership to work together to prevent and mitigate against, prepare for, respond to and recover from emergencies in the community.
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.
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.

Acronym	Title	Description
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.

Acronym	Title	Description
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.
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 20 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.
ICRB	Independent Citizen Review Board	Established by Virginia Beach City Council in 2021, the purpose of the Board is 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.

Acronym	Title	Description
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.
JLARC	Joint Legislative Audit and Review Commission	An agency that conducts program evaluation, policy analysis, and oversight of state agencies on behalf of the Virginia General Assembly.
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, Chief of Staff, 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.
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.

Acronym	Title	Description
OBAT	Office-Based Addiction Treatment	The Office-Based Addiction Treatment program provides a combination of medications, counseling, and behavioral therapies to treat individuals with opioid and alcohol use disorders. The program has increased its service delivery by 36% between 2022 and 2023 and has added a clinician to provide case coordination, assessment, linkage, and recovery supports to clients as the program grows.
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.

Acronym	Title	Description
OVRR	Volunteer Resources and Resiliency	This division supports the ongoing recovery and resiliency of those impacted by the May 31, 2019, mass violence event, working with cross-departmental teams and non-government agencies to create pathways for healing. OVRR has proven to be critical in emergency operations, disaster relief, and long-term recovery.
PACTS	Princess Anne County Training School-Union Kempsville High School	The first African American 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 Program	A Purchase of Development Rights (PDR) is a voluntary agreement that limits future development of a property in exchange for payment. The program is intended to protect landscapes, agriculture, and other land uses.
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.
RMP	Resource Management Plan	The City's strategic planning and resource allocation process historically used by City Council.
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.

Acronym	Title	Description
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.
STR	Short-Term Rental	An entire dwelling rented for less than 30 consecutive days for compensation.
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."

Acronym	Title	Description
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.
VBARC	Virginia Beach Amateur Radio Club	Provide emergency backup communications if a large-scale disaster impacts the City's communication infrastructure and assist with special events throughout the City.

Acronym	Title	Description
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.
VBGIGs	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.
VBHM	Virginia Beach History Museums	The City of Virginia Beach History Museums include the Thoroughgood House, the Francis Land House, the Lynnhaven House, and the Princess Anne County Training School/Union Kempsville High School Museum. They are part of the City's Cultural Affairs Department. As part of the municipal government of the City of Virginia Beach, the Virginia Beach Cultural Affairs Department engages residents and visitors through meaningful arts, heritage, and cultural experiences to connect and strengthen communities.
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.

Acronym	Title	Description
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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