



VIRGINIA BEACH CITY PUBLIC SCHOOLS

A H E A D O F T H E C U R V E

FY 2014-15 Proposed Operating and Capital Improvement Budgets

April 22, 2014

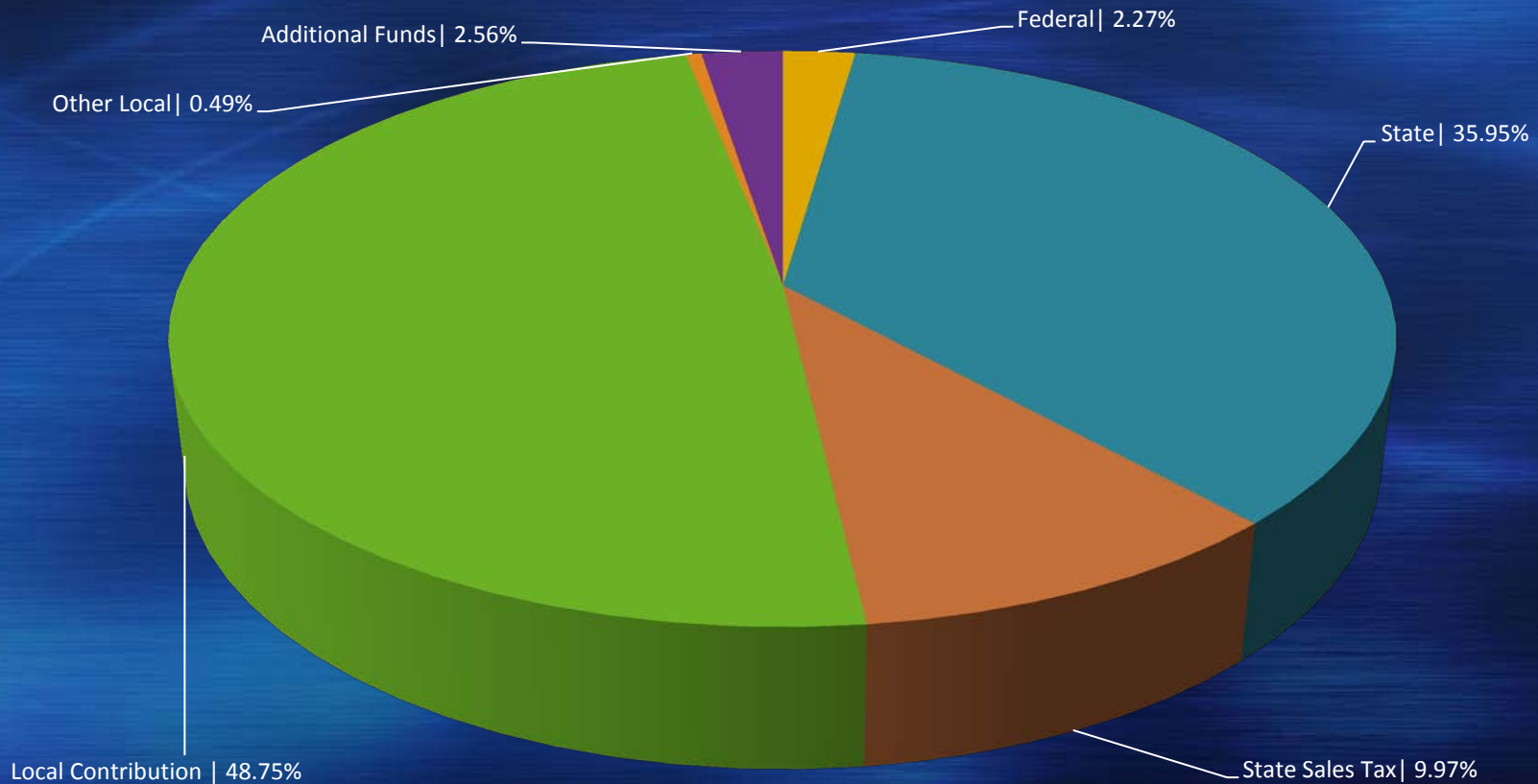
Daniel D. Edwards
Chairman
Virginia Beach School Board

How the School Board arrived at
these proposals

Revenues

FY 14 -15 Operating Budget

\$702,630,073



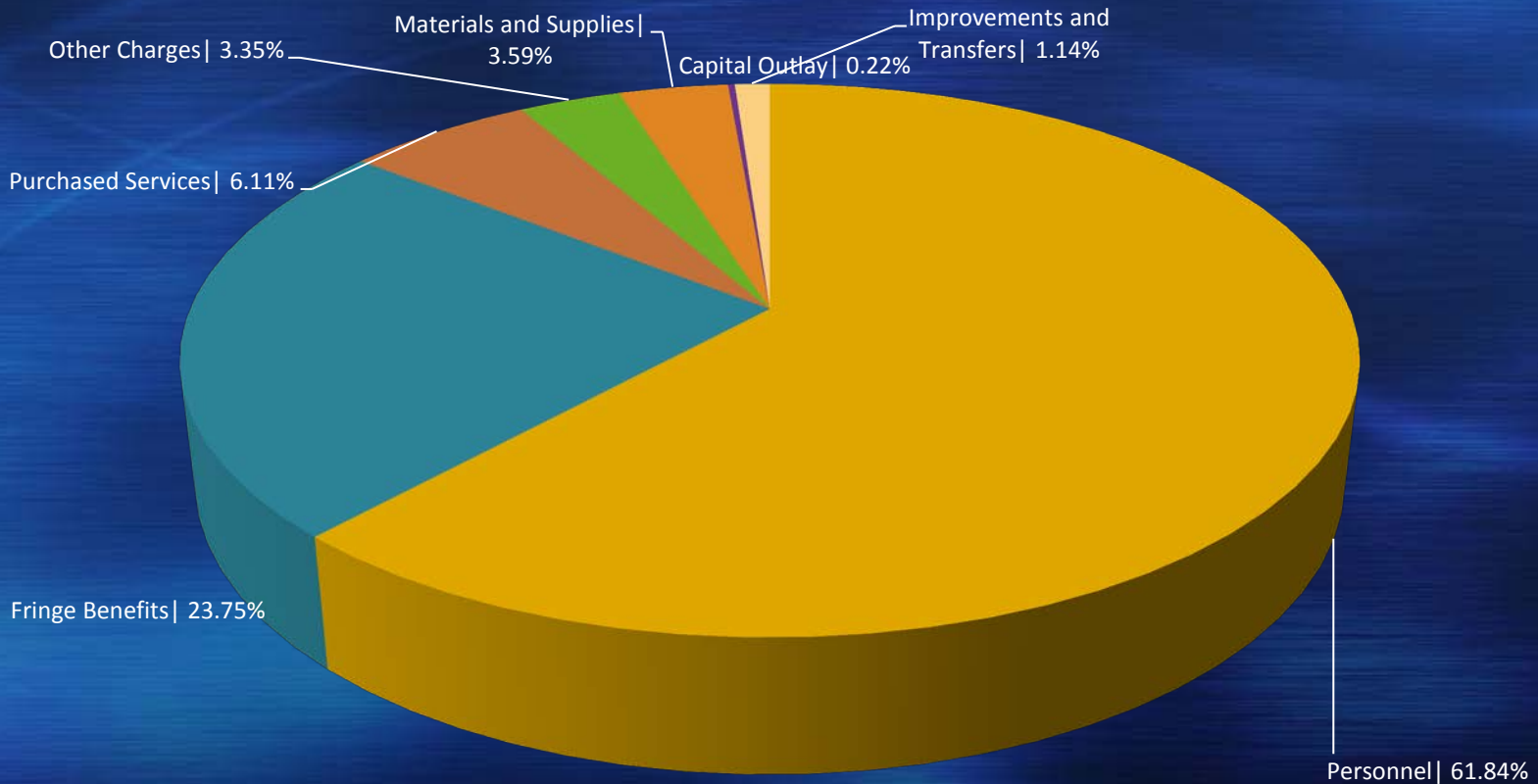
Revenues – 2014 to 2015

	FY 2014	Differences	FY 2015
Federal	\$ 16,636,723	\$ (660,191)	\$ 15,976,532
State	240,866,735	11,725,735	252,592,470
State Sales Tax	70,522,688	(457,390)	70,065,298
Local Contributions	336,390,771	6,149,916	342,540,687
Other	3,325,383	129,703	3,455,086
	\$ 667,742,300	\$ 16,887,773	\$ 684,630,073
Special School Reserve	14,000,000	2,000,000	16,000,000
Sandbridge TIF	3,116,978	(1,116,978)	2,000,000
	\$ 17,116,978	\$ 883,022	\$ 18,000,000
Total Adjusted Revenue	\$ 684,859,278	\$ 17,770,795	\$ 702,630,073

Expenditures

FY 14 -15 Operating Budget

\$702,630,073

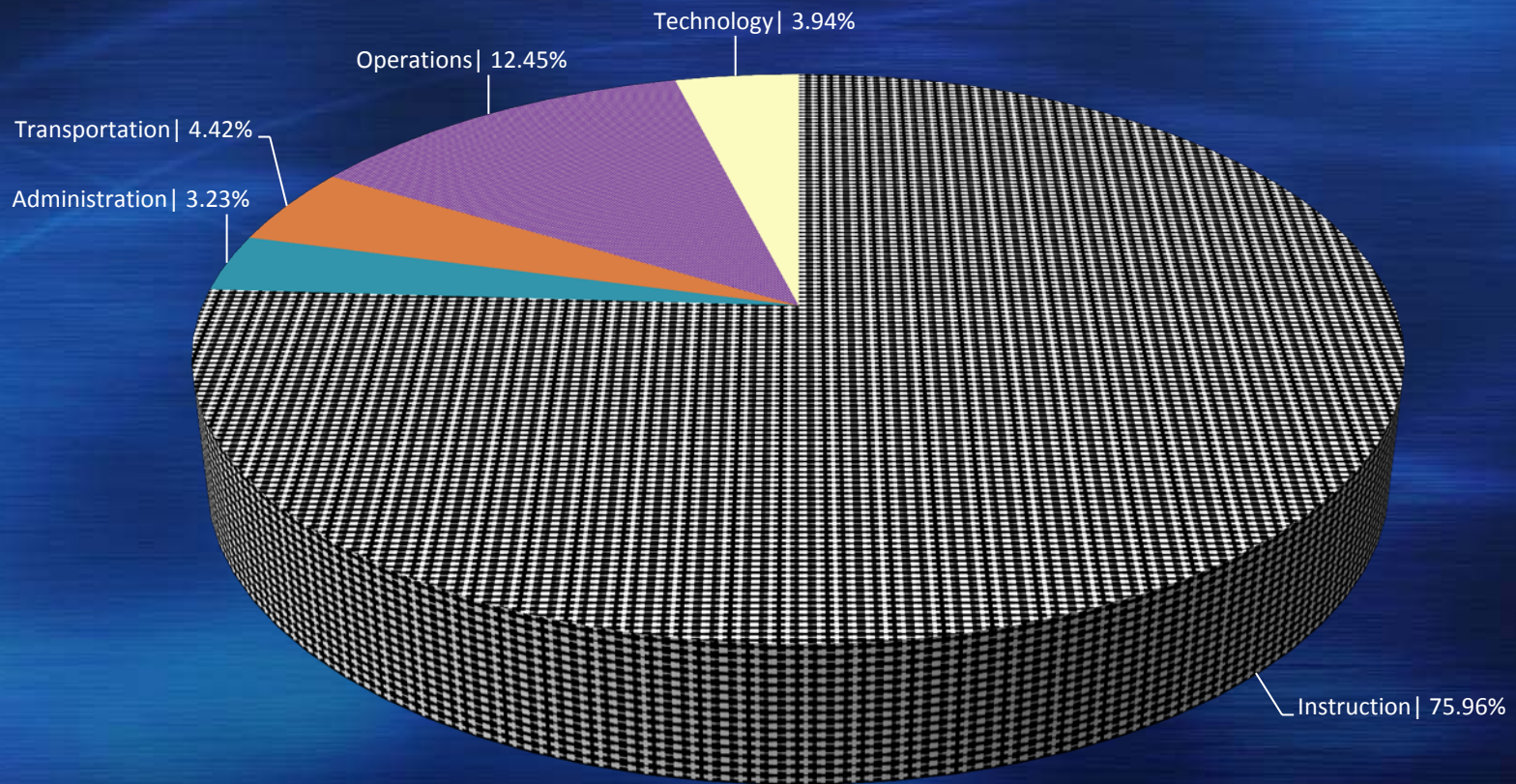


Expenditures – 2014 to 2015

	FY 2014	Differences	FY 2015
Personnel	\$ 427,435,361	\$ 7,043,263	\$ 434,478,624
Fringe Benefits	155,476,208	11,388,727	166,864,935
Purchased Services	42,366,595	570,842	42,937,437
Other Charges	24,374,914	(865,013)	23,509,901
Materials and Supplies	25,873,345	(633,655)	25,239,690
Capital Outlay	1,578,969	-	1,578,969
Improvements and Transfers	7,753,886	266,631	8,020,517
Total	\$ 684,859,278	\$ 17,770,795	\$ 702,630,073

Categories: Lump sum, please

\$702,630,073



Major goals for 2015

- Improving student achievement in a changing world
 - State tests
 - 21st century skills
- Addressing significant cost increases
 - Healthcare
 - VRS
- Compensating employees competitively
 - Competition
 - Obligation for our greatest asset
- Building and sustaining 21st century schools

Where we are now

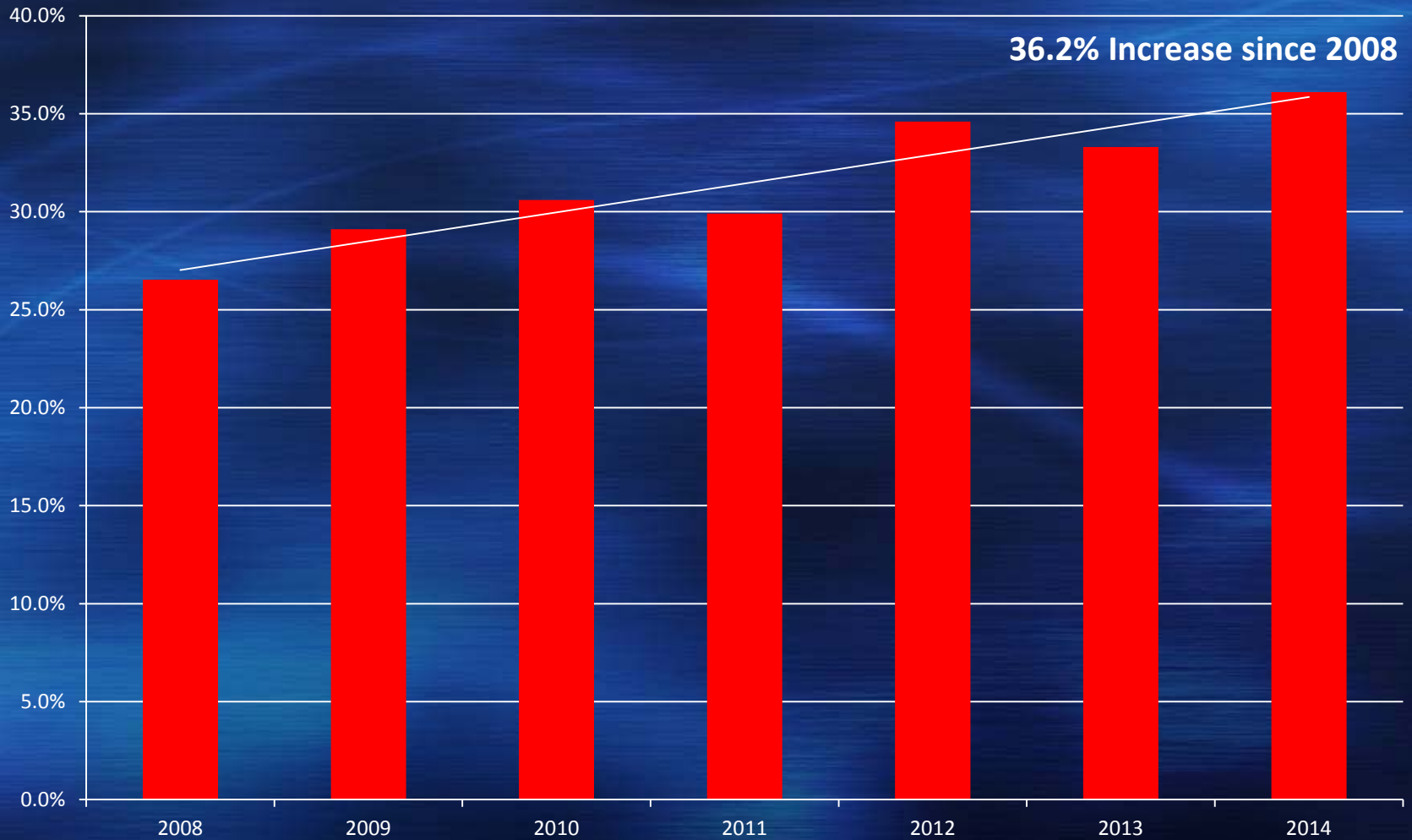
Facing significant challenges

- 744 Virginia Beach students have been classified as homeless this school year
 - That's more than the number of students who attend Centerville Elementary
- 12 of our schools are Accredited with Warning
- 24 schools have 50% or more of their students on Free and Reduced lunch



K-12 Economically Disadvantaged

(Free and Reduced Lunch Percentages)



From a position of strength

- One of only seven school divisions in Virginia to be named to the Advanced Placement (AP) District Honor Roll by the College Board
- Named an Arts Partner in the 2013 ALLI Awards by the Cultural Alliance of Greater Hampton Roads
- Earned the 2013 Pete Taylor Partnership of Excellence Award with our partner military commands in Hampton Roads
- Outperformed the state on an important key academic measure – the cohort Dropout Rate. The dropout rate for the Class of 2013 was 4.9 percent. The state average was 5.9 percent
- All 11 VBCPS high schools were ranked in the top 9 percent nationwide by *The Washington Post* newspaper
- Selected as a first place winner in the American School Board Journal's 2014 Magna Awards program for its Parent Connection outreach

GOAL: Improving student achievement



A shift in the tide of assessments

The SOL accountability movement began in 1995.
It continues to evolve...

In the spring of 2013, VBCPS administered 172,875
SOL tests to 48,290 students

Just this month, the state has eliminated five tests: 3rd
grade science and history, 5th grade writing and 7th and 8th
grade history

The new legislation requires each local school board to
certify it has administered an alternative assessment in
conformance with Board guidelines for each subject area in
which the SOL assessment will not be administered

Guidelines have not been issued by the VDOE yet

Working innovatively to support student achievement



- Sunset Project X-CD
- Launch *An Achievable Dream*
- Open a sixth-grade campus for Bayside Middle School
- Transition to a new strategic plan



A Strategic Plan for Student Success

Project X-CD

In allowing the project to sunset, the school division will redirect \$1.6 million and will use those funds to address the needs of student literacy.

Specifically, the school division can:

- Provide .5 reading specialists for 13 middle schools
- Support a summer reading program for 12 elementary schools
- Provide professional development for 300 K-2 teachers specifically for teaching struggling readers

An Achievable Dream



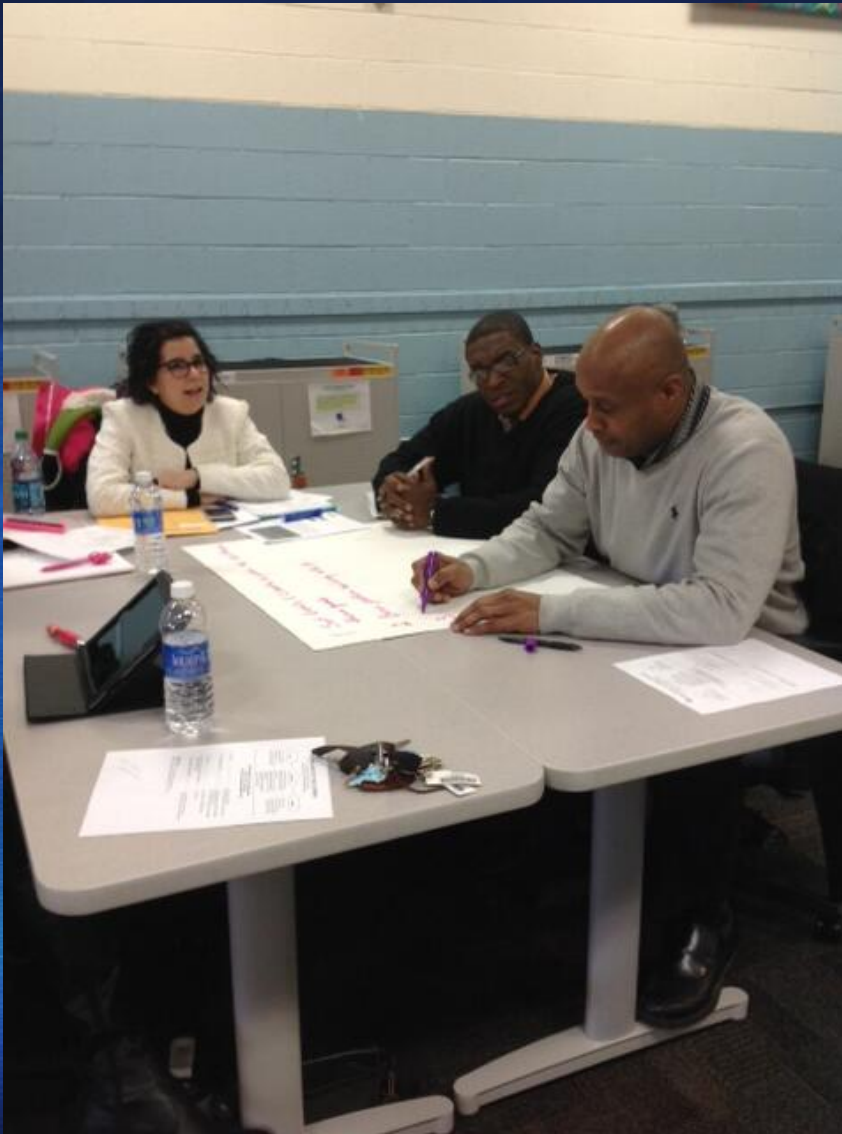
- Beginning July 2014, Seatack Elementary School will host the new program
- The program has been held in Newport News for 20 years
- Virginia Beach will be the first expansion for the program

Sixth-grade campus at Bayside Middle School

- Beginning September 2014, Bayside sixth-graders will have their own campus
- Students will be housed in the former Kemps Landing Magnet School building
- Students will have the benefit of smaller class sizes



The next Strategic Plan



- VBCPS staff has held focus groups and meetings with business owners and community members to talk about the vision for the new plan
- A Virtual Town Hall was on vbschools.com to get feedback from the public
- Now, an online survey is open to gauge the community's priorities for the city's public education

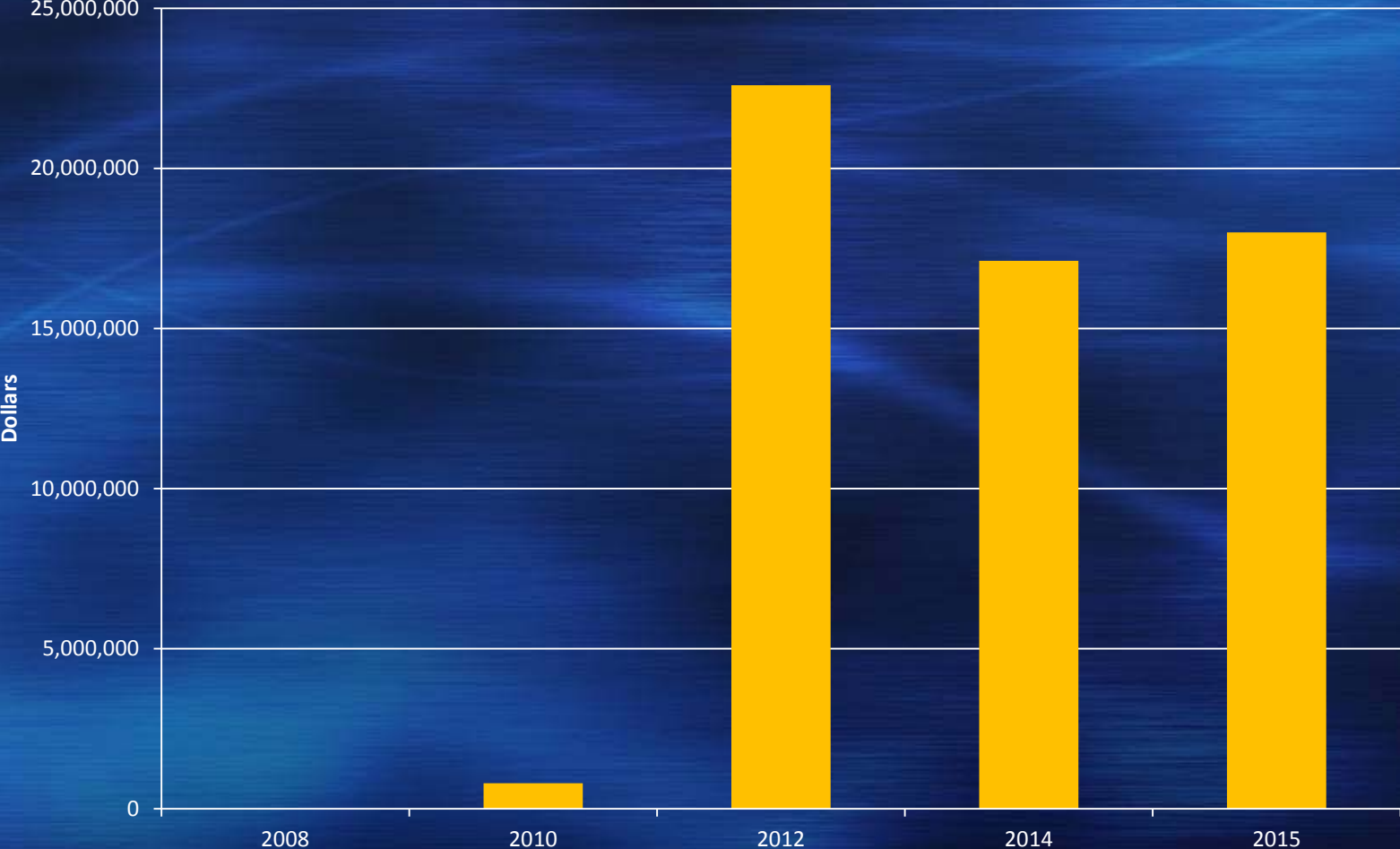
GOAL:

Addressing significant cost increases



Revenues – One-Time

One-Time Local Funds

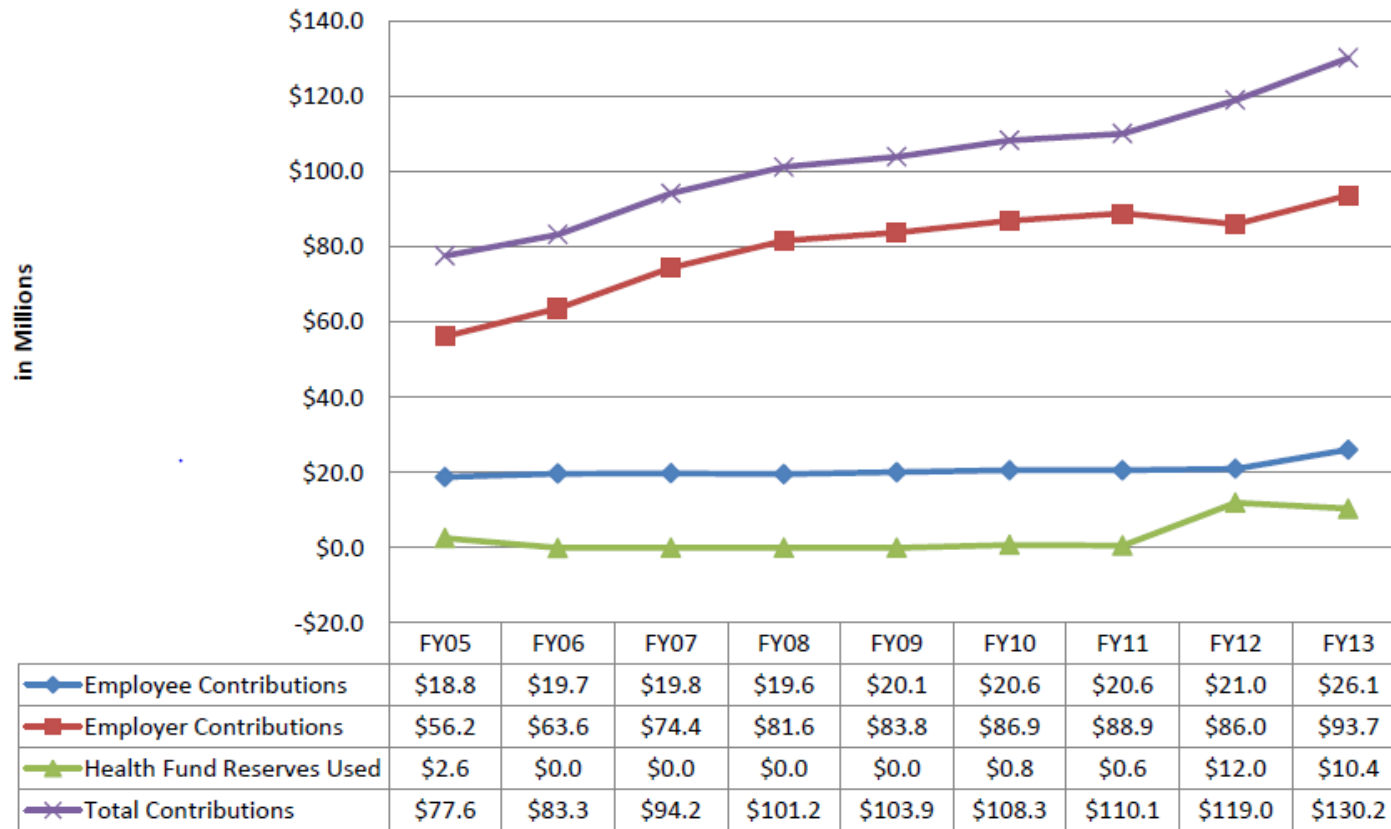


Increasing challenge of healthcare

- The total additional cost for healthcare this year will be \$3.8 million
- The costs continue to rise
- As we know, with a projection of 8% annual increases, gross cost of healthcare coverage for city and schools would double from 2015 to 2024



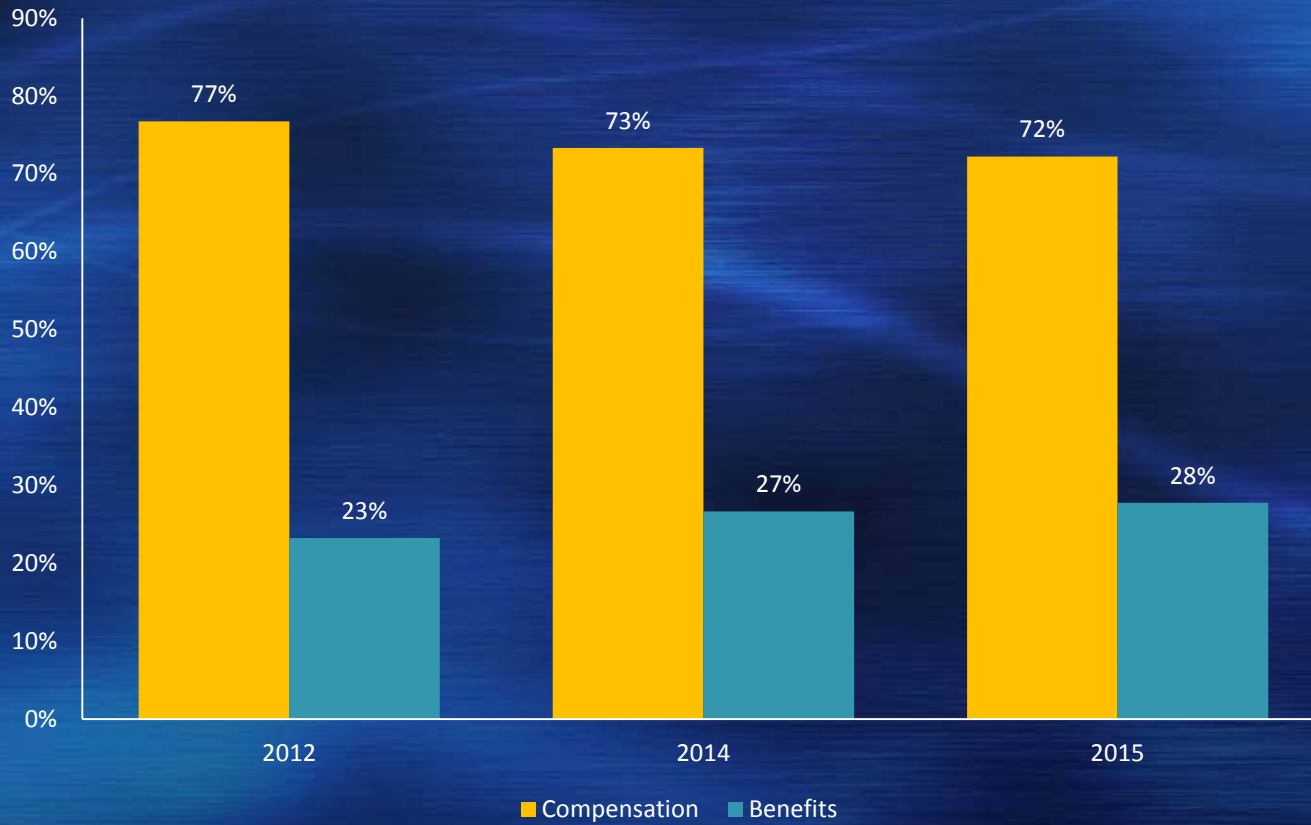
Employer vs Employee Healthcare Costs



Note: The health plan is managed on a calendar year basis, but the figures shown are from fiscal year reporting; therefore total contributions will not be consistent with plan year costs previously provided.

Total Benefits

Benefits as a Percentage of Compensation



GOAL: Compensating our employees competitively



Regional competition

Starting Salary Ranking

	2008	2010	2012	2014
VBCPS	2	3	3	4
Chesapeake	1	1	1	3
Portsmouth	3	2	2	1
Norfolk	4	4	4	2

We used to pride ourselves in being the best...
Then we said we would be “competitive”

5-Year Experience Salary Ranking

	2008	2010	2012	2014
VBCPS	1	3	3	4
Chesapeake	2	2	1	2
Portsmouth	3	1	2	1
Norfolk	4	4	4	3

10-Year Experience Salary Ranking

	2008	2010	2012	2014
VBCPS	2	1	1	4
Chesapeake	3	2	2	2
Portsmouth	4	3	3	1
Norfolk	1	4	4	3

GOAL: Building and sustaining 21st century schools



Capital Improvement Program

**Virginia Beach City Public Schools
Capital Improvement Program 2014-15/2019-20
February 11, 2014**

Funding Sources	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Charter Bonds	\$32,300,000	\$32,300,000	\$32,300,000	\$32,300,000	\$32,300,000	\$32,300,000
Sandbridge	\$ 1,591,000	\$ 2,591,000	\$ 2,591,000	\$ 3,591,000	\$ 3,591,000	\$ 3,591,000
Public Facility Revenue Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PayGo	\$ -	\$ 1,000,000	\$ 1,000,000	\$ 1,500,000	\$ 2,000,000	\$ 2,000,000
Interest/Sale of Property	\$ 675,000	\$ -	\$ -	\$ -	\$ -	\$ -
Unencumbered Funds/Completed Projects	\$ *	\$ -	\$ -	\$ -	\$ -	\$ -
State Construction Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Lottery Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$34,566,000	\$35,891,000	\$35,891,000	\$37,391,000	\$37,891,000	\$37,891,000

*The \$450,000 shown on February 4, 2014 Superintendent's Proposed CIP moved into "Appropriations to Date"

Capital Improvement Program

School Board Funding Summary
 Virginia Beach City Public Schools
 Capital Improvement Program FY2014-2015/FY2019-2020
 February 11, 2014

Project Category	Total Project	Six Year	Appropriations	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
	Cost	Appropriations	to Date	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
1-003 Renovations and Replacements - Energy Management I	6,975,000	6,975,000	0	750,000	800,000	1,325,000	1,000,000	1,500,000	1,600,000
1-004 Tennis Court Renovations II	1,000,000	1,000,000	0	200,000	200,000	200,000	200,000	200,000	0
1-035 John B. Dey Elementary School Modernization	23,289,241	23,289,241	450,000	1,550,000	6,887,000	14,402,241	0	0	0
1-043 Thoroughgood Elementary School Replacement	28,270,000	28,270,000	0	0	0	4,438,759	10,000,000	8,000,000	5,831,241
1-056 Princess Anne Middle School Replacement	81,000,000	36,441,759	0	0	0	3,100,000	13,491,000	9,216,000	10,634,759
1-099 Renovations and Replacements - Grounds - Phase II	13,250,000	13,250,000	6,500,000	800,000	800,000	1,175,000	1,250,000	1,325,000	1,400,000
1-103 Renovations and Replacements - HVAC - Phase II	56,567,724	56,567,724	25,126,724	3,716,000	3,300,000	5,625,000	5,700,000	6,350,000	6,750,000
1-104 Renovations and Replacements - Reroofing - Phase II	44,685,639	44,685,639	21,151,639	3,400,000	3,009,000	3,975,000	4,000,000	4,450,000	4,700,000
1-105 Renovations and Replacements - Various - Phase II	18,685,000	18,685,000	8,860,000	1,250,000	1,350,000	1,650,000	1,750,000	1,850,000	1,975,000
1-107 Princess Anne High School Replacement	105,000,000	10,000,000	0	0	0	0	0	5,000,000	5,000,000
1-109 Energy Performance Contracts	14,149,705	14,149,705	14,149,705	0	0	0	0	0	0
1-233 Old Donation Center/Kemps Landing Magnet	63,360,000	63,360,000	20,915,000	22,900,000	19,545,000	0	0	0	0
				Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
		Total	Appropriations	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2018-2019
GRAND TOTAL (all projects)	456,232,309	316,674,068	97,153,068	34,566,000	35,891,000	35,891,000	37,391,000	37,891,000	37,891,000
TARGETS		219,521,000		34,566,000	35,891,000	35,891,000	37,391,000	37,891,000	37,891,000
DIFFERENCE		97,153,068		0	0	0	0	0	0

Capital Program: A long-term challenge

Joint Committee has met and reviewed and determined a separate briefing after this year's budget is needed.

The Capital Improvement Program can neither maintain current facilities nor sustain a reasonable renovation/replacement cycle.

April/May uncertainties for FY 2014-15

- State budget timeline
- Contents
 - Pay raise
 - Amount
 - Timing
 - Wording
- 2.79% vs. 3% city/schools pay raise parity
- Bayside Middle School requirements
 - Timing – Dialogue with the state drove this after Estimate of Needs/School Board budget to Council
 - Will be funded in reconciliation

Questions?



Department of Public Libraries

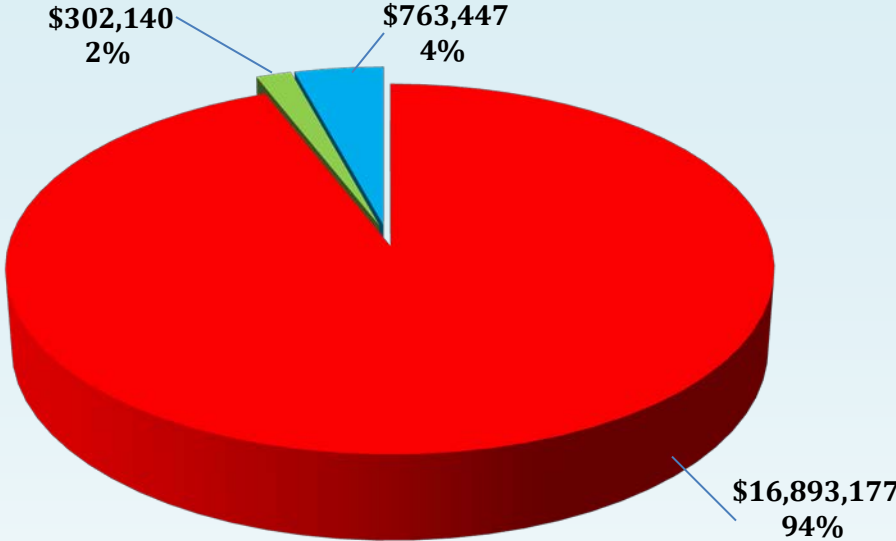
**Budget Workshop
April 22, 2014**

Eva D. Poole, Director

Department of Public Libraries Operating Budget

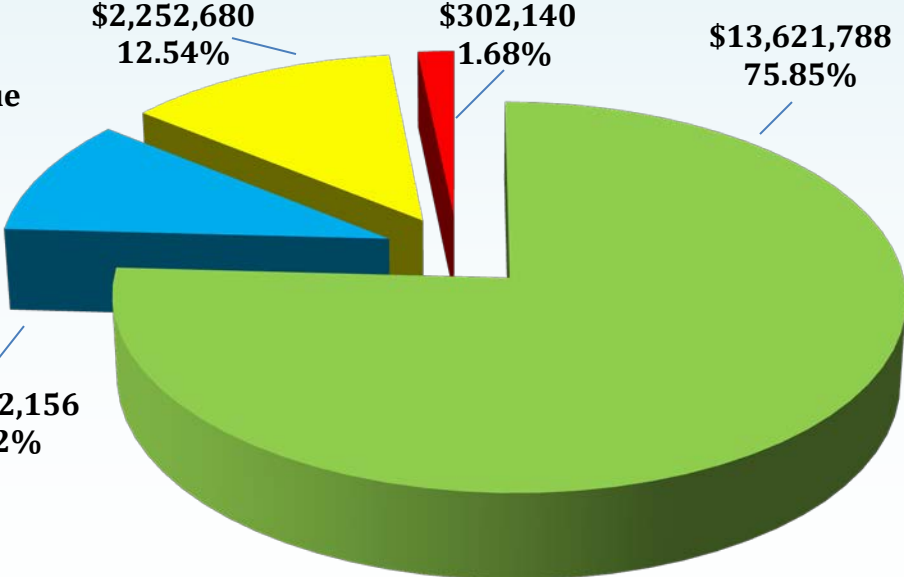
Program Unit	FY 13-14 Adjusted	FY 13-14 FTE	FY 14-15 Proposed	FY 14-15 FTE	Change FY 14 Amended to FY 15 Proposed	
MEO Central Library	\$2,747,634	51.5	\$2,666,303	48.5	(\$81,331)	-2.96%
Joint Use Library	\$1,794,878	42	\$1,969,011	38	\$174,133	9.70%
7 Area Libraries	\$5,491,877	106	\$5,482,732	106	(\$9,145)	-0.17%
Public Law Library	\$292,450	2.5	\$302,140	3	\$9,690	3.30%
Youth & Family Services (ELO)	\$1,015,337	16	\$1,031,934	16	\$16,597	1.63%
Administration & Records Mgmt.	\$1,880,533	20	\$1,843,865	20.5	(\$36,668)	-1.95%
Materials Mgmt. & Technology Services	\$4,842,965	24	\$4,662,779	23	(\$180,186)	-3.72%
Total	\$18,065,674	262	\$17,958,764	255	(\$106,910)	-0.60%

FY 2014-2015 Budget



Budget by Fund

■ General Fund Support ■ Law Library ■ Departmental Revenue



Budget by Expense Category



■ Personnel ■ Operations ■ Books & Materials ■ Law Library

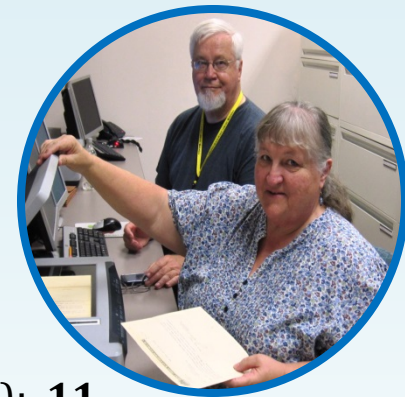
Process Improvements, Efficiencies and Customer Service Enhancements

- SmartPay
 - Online credit card payment option
 - An 85% increase in fines (total \$) paid online (compared to FY13)
 - Reduction in staff and customer time spent addressing fine transactions
- Automated Materials Handling
 - As part of ROI, reduction of 8 additional positions in FY15
 - Floating of the collection, combined with AMH, resulted in a 50% reduction in materials delivered
 - Central AMH will be fully operational by June of 2014



Process Improvements, Efficiencies and Customer Service Enhancements

- Private Funding Support in FY15
 - Friends: \$121,809 (Grant funds awarded for FY15)
 - Foundation: Committed to supporting the Summer Reading Challenge (amount TBD)
- Volunteerism FY14
 - Individual volunteers: **800**
 - Volunteer hours: **21,950**
 - Operational value (in terms of FTEs worth of service provided): **11**
 - \$ value (of volunteer time): **\$305,423.16**
- Floating Collections
 - Materials housed where returned
 - Reduced delivery costs
 - Increased availability of materials
- Continuing to Develop a Culture of Evaluation
 - Data-driven decision-making
 - Structured assessment
 - Effective communication of impact of services to citizens



Trends & Highlights

- **Library Usage**

- Circulation: 3.7 million (increase of 5% over FY 13)
- Walk-in Visitors: 1.8 million (increase of 7.4% over FY 13)
- Virtual Library Stats:
 - Visitors (Unique users): 1.5 million (increase of 8% over FY 13)
 - Page Views: 1.9 million (increase of 9.2% over FY 13)

- **Early Literacy Programming**

- 72 curriculum-based storytime sessions offered per week (spring '14)
- Early Literacy Centers

- **Local and Family History**

- Digitization of local history collection

- **Job Search Assistance**

- 500 residents served for FY 14



Trends & Highlights

- Engaging and Empowering Residents
 - Voter Registration
 - Tax Assistance
 - Human Services services/benefits application assistance
 - Jobs Central: Opportunity Inc.
 - Affordable Care Act assistance
- Connecting Citizens to the Online World
 - Wireless throughout all libraries
 - 400 public access Internet computers
 - Computer literacy classes
 - Increased broadband through high-speed fiber connections



Looking to the Future



- Assessing Community Need and Vision
 - Strategic plan revision and refocusing
 - Diverse departmental involvement
 - Community focus groups/public meetings
 - Scientific **community needs assessment**
- Workforce Development: The Need for Succession Planning
 - Position turnover rate for July 2013-January of 2014: 28.8%
 - Potential Retirement Attrition Rates
 - Managers (includes supervisors)
 - 31.4% eligible to retire in 2 years
 - 41.2% eligible to retire in 5 years
 - All Staff
 - 15.7% eligible to retire in 2 years
 - 22.3% eligible to retire in 5 years







Commissioner of the Revenue

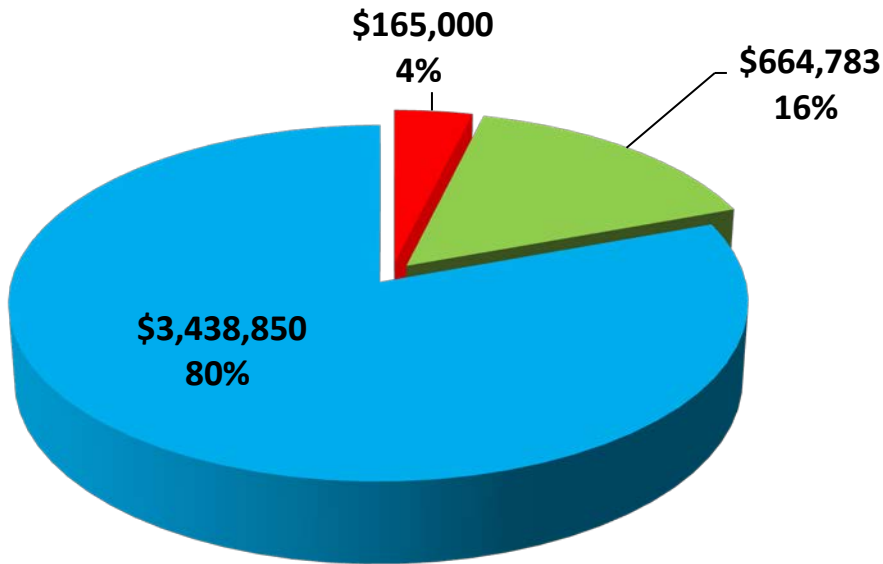
Budget Workshop April 22, 2014

**Philip J. Kellam
Commissioner of the Revenue**

Commissioner of the Revenue Operating Budget Summary

Program Unit	FY 13-14 Amended	FY 13-14 FTE	FY 14-15 Proposed	FY 14-15 FTE	Change FY 14 Amended to FY 15 Proposed	
Commissioner of the Revenue	\$ 4,025,380	60	\$4,120,734	60	\$95,354	2.3%
DMV Select	\$72,742	2.93	\$77,899	2.93	\$5,157	0.7%
CIP #3-200	\$35,000	1	\$70,000	2	\$35,000	100%
Total	\$4,133,122	63.93	\$4,268,633	64.93	\$135,511	3.3%

FY 2014-15 Budget

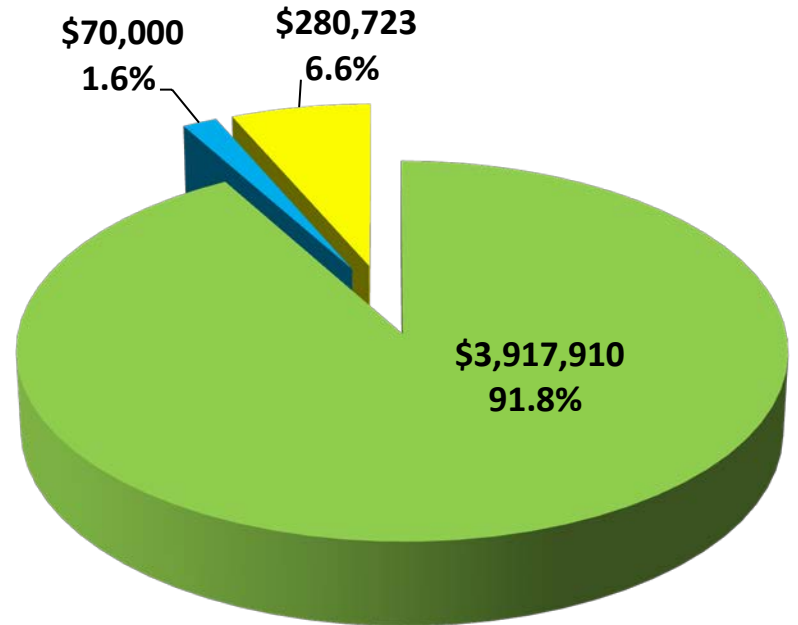


■ DMV Select ■ State ■ City



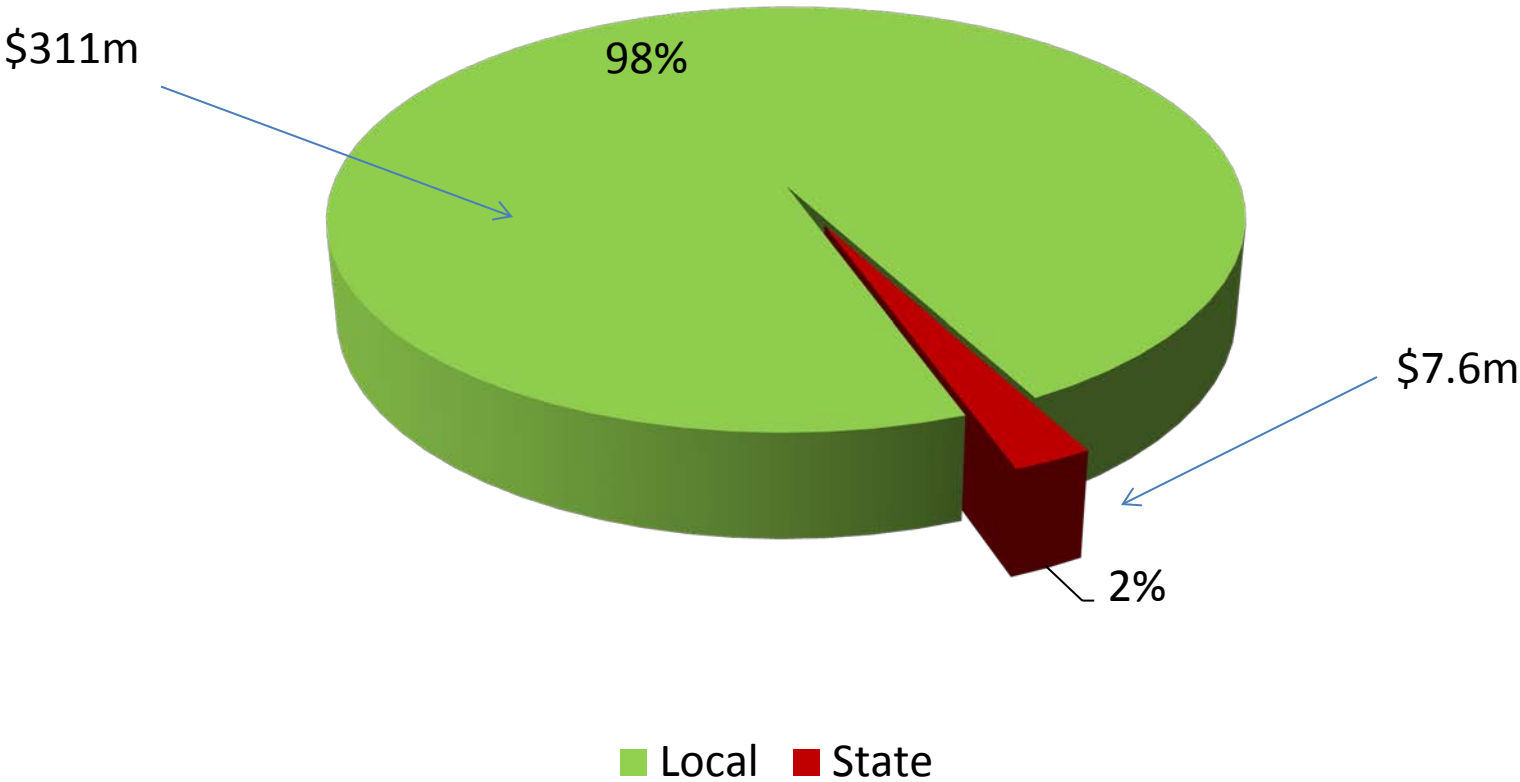
Budget by Revenue

Budget by Expense Category



■ Personnel ■ CIP ■ Operating

Commissioner of the Revenue Assessments



Commissioner of the Revenue

FY 2014-15 Trends & Highlights

REVENUE TYPE	FY 14 TO DATE	FY 13 TO DATE	CY 13 TOTAL	CY 12 TOTAL
BPOL	\$42.3m	\$41.8m	\$45.1m	\$42.3m
DMV Select	\$1.9m	\$1.9m	\$2.7m	\$2.8m
Personal Property	\$143.6m	\$141.5m	\$141m	\$139.2m
Approved for Real Estate Tax Relief	4,401	2,891	7,164	7,602
Special Events	\$44.5k	\$57.6k	\$157k	\$219.6k
State Income	\$590k*	\$489k*	\$4.9m	\$5.2m
Trust Taxes	\$86.7m	\$83.9m	\$125.1m	\$122.4m

* - Calendar Year

Commissioner of the Revenue

Significant Issues

- RACS
- Real estate threshold increase
- Email initiative
- Telephone callback
- Disabled veterans issue
- Local tax initiatives: BPOL, business property and special events

Conclusions

Thank you



Communications and Information Technology

Budget Workshop April 22, 2014

Matthew B. Arvay, CIO

ComIT Operating Budget

➤ General Fund

Program Unit	FY 13-14 Amended	FY 13-14 FTE	FY 14-15 Proposed	FY 14-15 FTE	Change FY 14 Amended to FY 15 Proposed	
Multimedia Services	\$1,486,614	17.5	\$1,527,897	17.5	\$41,283	2.8%
Mail Services	\$252,943	4	\$226,670	4	(\$26,273)	-10.4%
Business Center	\$851,282	12	\$911,732	12	\$60,450	7.1%
Applications Support	\$8,303,805	54	\$8,405,992	53	\$102,187	1.2%
Systems Support	\$6,601,514	39	\$6,487,661	37	(\$113,853)	-1.7%
Center for GIS	\$2,094,335	19	\$2,168,674	19	\$74,339	3.5%
Telecom GF	\$1,157,397	8	\$1,624,047	12	\$466,650	40.3%
Technology Services	\$1,902,673	15	\$1,720,253	14	(\$182,420)	-9.6%
Gen. Fund Subtotal	\$22,650,563	168.5	\$23,072,926	168.5	\$422,363	1.9%

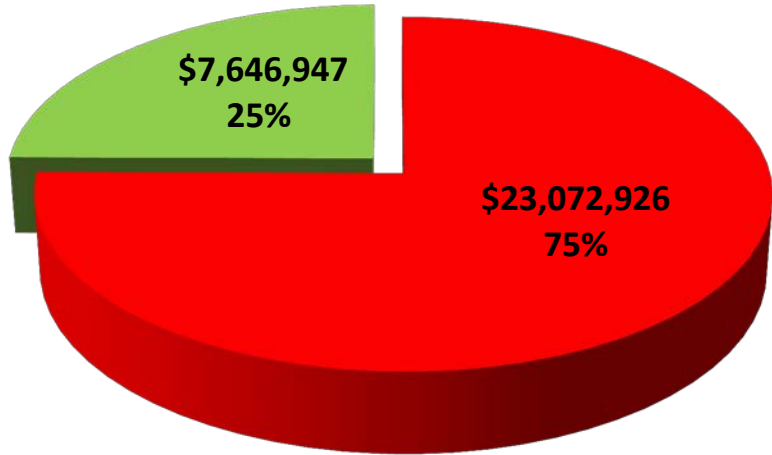
➤ CIP Supported

Capital Projects ISF	\$198,625	2	\$589,875	5	\$391,250	197.0%
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➤ Internal Service Fund (Internal Customers)

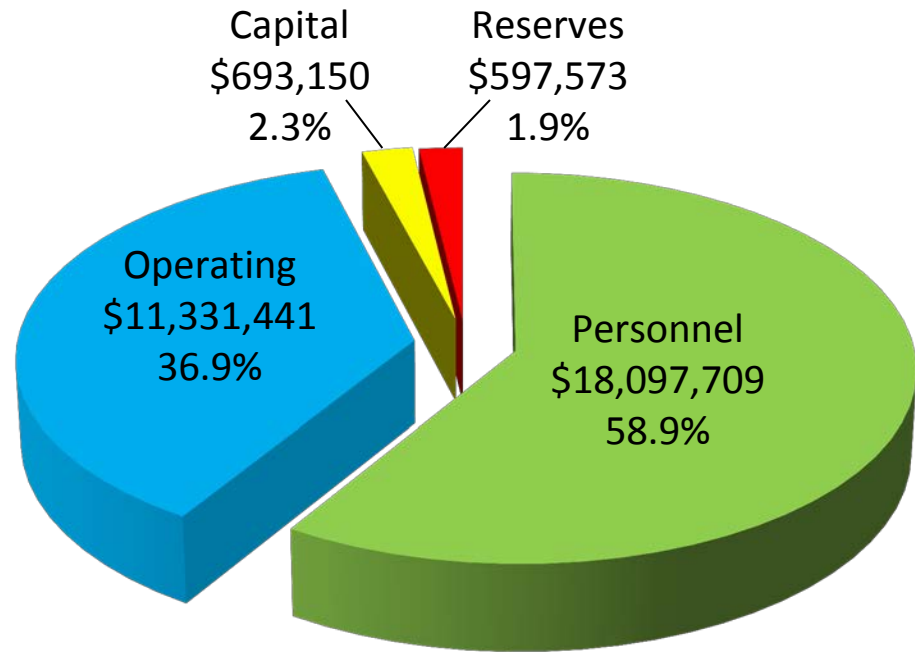
Telecom ISF	\$3,458,330	10	\$3,037,849	10	(\$420,481)	-12.2%
Subscriptions ISF	\$3,027,774	0	\$3,277,650	0	\$249,876	8.3%
Mobile Device ISF	\$0	0	\$144,000	0	\$144,000	N/A
Reserve-Telecom ISF	\$196,389	0	\$308,586	0	\$112,197	57.1%
Reserve-Subs ISF	\$255,507	0	\$288,987	0	\$33,480	13.1%
ISF Subtotal	\$ 6,938,000	10	\$ 7,057,072	10	\$ 119,072	1.7%
Grand Total	\$29,787,188	180.5	\$30,719,873	183.5	\$932,685	3.1%

ComIT FY 2014-15 Budget



■ General Fund ■ Internal Service Funds

Budget by Fund



■ Personnel ■ Operations
 ■ Capital ■ Reserves and Transfers

Budget by Expense Category



ComIT Efficiencies / Improvements

- Public Safety Mobile Data Computers replaced
- VRS Hybrid Retirement Implementation – January 1, 2014
- Master Technology Plan and Roadmap (5 year)
- Increased availability of WiFi for conference rooms
- Re-tooling of Computer Replacement program (New hardware options)
- New IT Systems Monitoring Tool
- New IT Service Desk Tool with Customer Web Portal
- New Information Security tools
- Customer Service Training for all Staff Members
- Redirect Vacancies to Positions of Need
 - Operations Manager Position
 - Vendor Management Position
 - Asset Management Position
 - Business Relationship Management positions

Communications and Information Technology

Significant Issues

- Aging Assets
 - Infrastructure and end-user computing
 - Radio System - Radio Analysis
- Changing technology and increased customer demand
 - Technical skills, funding, management tools, customer education
- Disaster Recovery – Long Term Plan
 - Cloud Alternatives
- Increasing cost of organizational Software/Hardware maintenance
 - Developing a long-term funding strategy
 - Costs currently included in ComIT operating budget
- Continued efforts to maintain staffing levels
 - Progress in decreasing vacancy rate
 - Pending retirement / loss of knowledge / new skill opportunity
 - Modernizing IT job descriptions and titles

ComIT Vacancies

Current Description (12)	Proposed Title / Status Update
Television Engineer (1)	Job Description Updated
Systems Analyst III (1)	Business Relationship Manager*
Programmer/Analyst (1)	Vacant 4/1/14
Microcomputer Systems Analyst II (1)	Systems Engineer II – In Review by HR
Systems Analyst I (1)	Asset Manager* – In Review by HR
Microcomputer Systems Analyst II (1)	Advertised and re-opened
Systems Engineer I (1)	Job Offer Extended
Microcomputer Systems Analyst I (1)	Business Relationship Manager*
Systems Engineer III (1)	Operations Manager*- In Review by HR
Telecom Systems Install Tech (1)	Vacant 4/16/14
Systems Engineer II (1)	Advertised and re-opened
Systems Engineer II (1)	Vendor/Grant Manager* New Member to start 5/1/14

*Technology Master Plan aligned

ComIT FTE / FTC Comparison

Full Time Employee (FTE) cost / Full Time Consultant (FTC) cost

Title	FTE Salary + Fringe	FTC Annual (Contractual Rates)
Systems Engineer III	\$125,022	\$173,574 (\$96.43)
Systems Analyst III	\$113,334	\$173,466 (\$96.37)
Programmer/Analyst III	\$ 93,018	\$160,740 (\$89.30)
Oracle Engineer		\$248,400 (\$138)

Communications and Information Technology

FY 2014-15 Initiatives

- Master Technology Plan Year One Implementation
- Mobile Strategy
 - Mobile Devices
 - Mobile Applications
 - Mobile Device Management (Security)
- Culture Transformation continues
 - Customer Service
 - Completed Staff Work
 - Results Oriented
- Resource Planning and Management

Capital Improvement Program FY 2015-FY 2020

	Total Funding
Communications and Information Technology (Six Year Plan Total)	\$47,755,883

Capital Budget

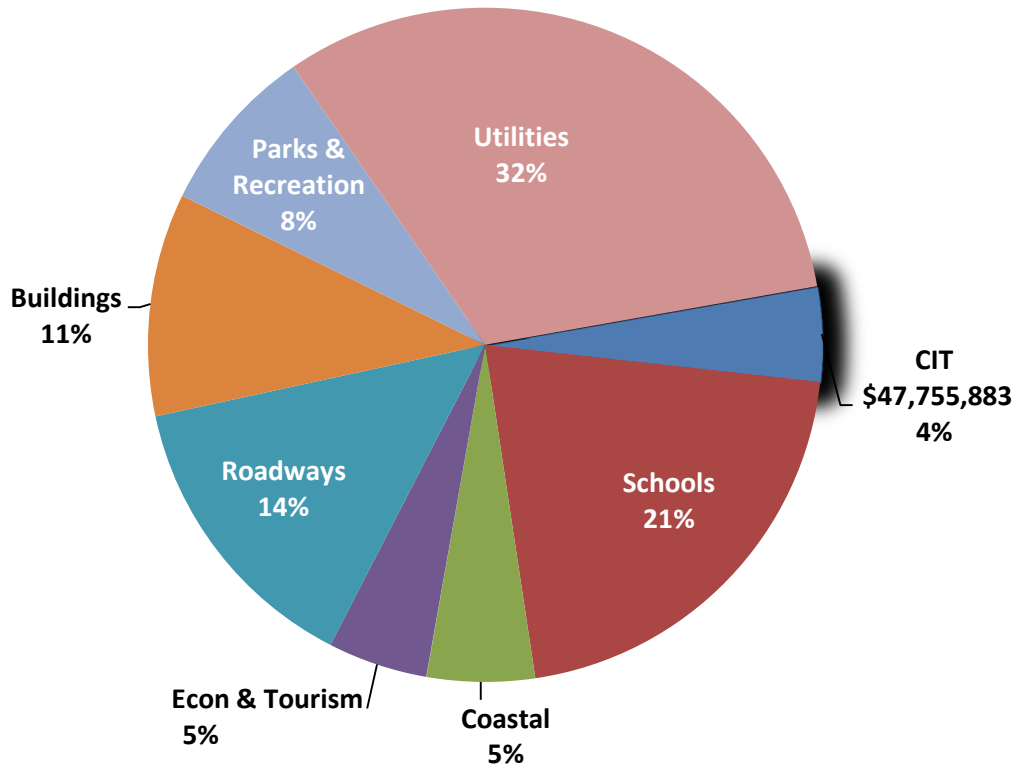
	FY 2013-14 (in millions)	Proposed FY 2014-15 (in millions)	Difference (in millions)
Communications and Information Technology	\$ 11,838,931	\$ 22,179,017	\$ 10,340,086
Safe Community Funding	\$ 7,249,474	\$ 15,212,601	

Major CIT Projects Funded

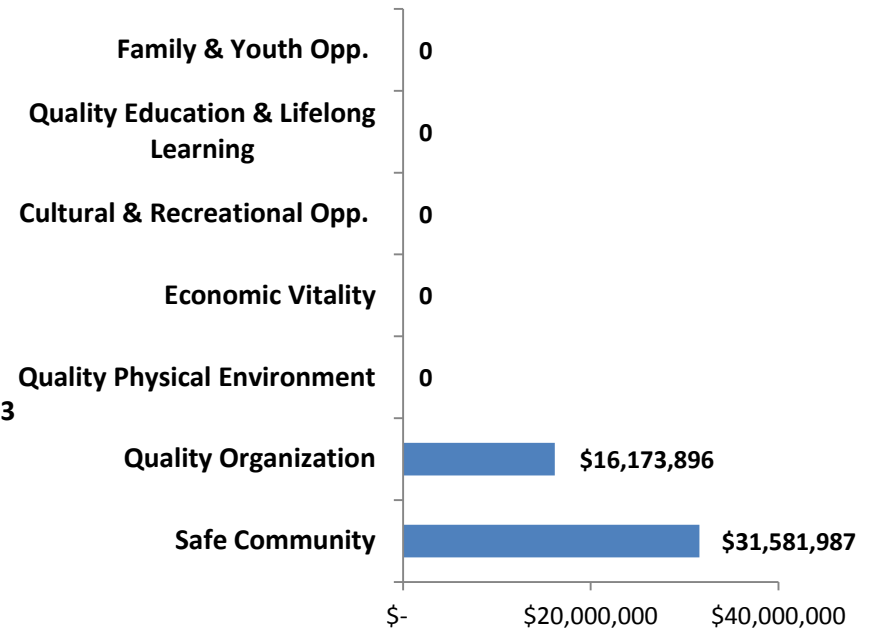
Project	Total Project Cost	Year 1 Funding	Project Start and End Dates
3.614 Fire Radio Replacement/In-Mask Com	\$ 4,861,758	\$ 884,462	07/15 – 06/16
3.610 Police Oceanfront Cameras	\$ 7,368,308	\$2,665,400	07/15 – 06/17
3.142 Communications Replacement II	\$35,807,382	\$9,594,373	07/09 – 06/20
3.606 Fire Station Alerting	\$ 3,068,366	\$2,068,366	07/13 – 06/15
3.052 IT Service Continuity	\$10,100,725	\$ 650,000	07/06 – 06/20
3.119 Cable Access Infrastructure	\$ 4,441,261	\$ 322,000	07/08 – 06/20
3.638 Application Portfolio Sustainment	\$ 700,000	\$ 350,000	07/12 – 06/15
3.648 Bi-Weekly Payroll Implementation	\$ 1,456,820	\$ 728,410	07/14 – 06/16
3.652 Telecommunications Replacement II	\$ 1,954,494	\$1,500,000	07/12 – 06/22
3.657 Disaster Recovery IV Part II	\$ 810,000	\$ 810,000	07/14 – 06/20
3.664 Next Generation Network (NGN)	\$ 4,147,484	\$2,606,006	07/14 – 06/20
TOTAL OF 11 FUNDED PROJECTS		\$22,179,017	

Capital Improvement Program FY 2015-FY 2020

Total City CIP Funding- FY 2015 to FY 2020



CIT CIP FY 2015- FY 2020 Funding



Technology Projects Not Funded

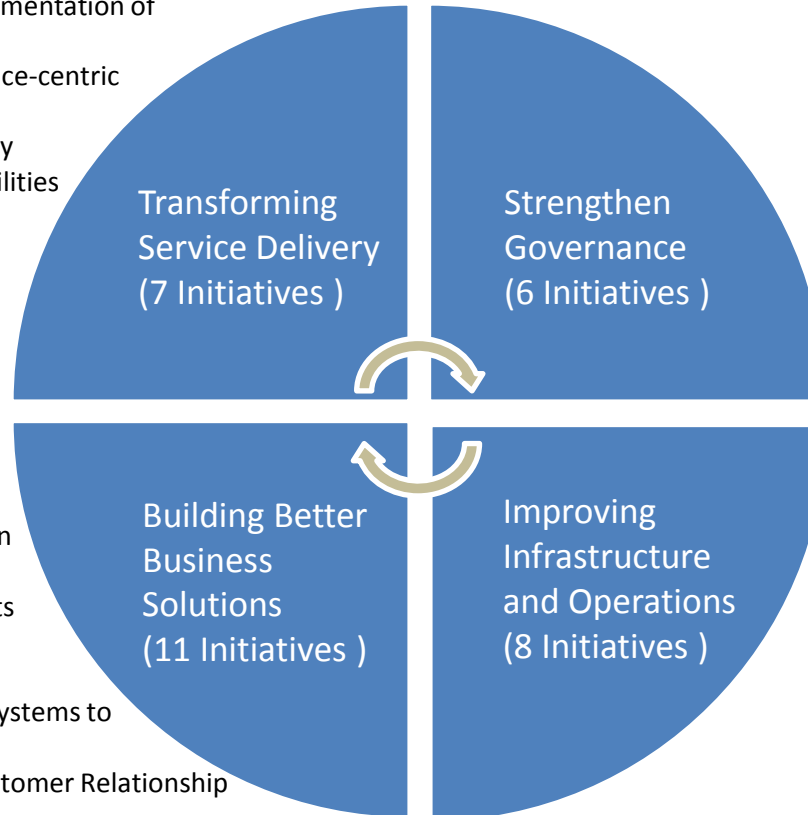
Ranked by CIT CIP Review Team

Project	Total Project Cost
*Police Wide Area Network	\$ 1,037,269
Real Estate & Facilities Management Database & Reporting System	\$ 342,484
Disaster Recovery V Select Recovery Strategies	\$ 525,573
Project Tracking System	\$ 550,068
Waste Management Database Analysis	\$ 334,887
ECCS Customer Relationship Management	\$ 259,548
Improvements to Accounting/Cash Handling	\$ 617,315
Electronic Records Management (ERM) Solution	\$ 4,453,569
Oracle Learning Management (OLM) and iLearn	\$ 660,597
Enterprise Scheduling and Timekeeping System	\$ 1,869,070
Mobile Hansen/GIS Work Order Management	\$ 325,265
Customer Information Version Migration	\$ 1,798,276
Hot Server Purchase and Server Upgrade	\$ 971,005
Mobile Command Vehicle Technology Equipment	\$ 543,085
Redundant Communication System Analysis & Implementation	\$ 6,737,856
D Block Public Safety Broadband Network System	\$ 5,491,589
*Fire Fiber Optic Network	\$ 926,467
Disaster Recovery VI Procure Disaster Recovery Solutions	\$ 492,660
Disaster Recovery VII Implement Recovery Solutions	\$ 3,816,176
Total of 19 unfunded projects	\$31,752,759

Master Technology Plan (5 Year)

- S-1: Create Business Relationship Manager Function
- S-2: Define IT Processes and Services
- S-3: Acquire tools to help enable implementation of IT processes and services
- S-4: Reorganize ComIT to support service-centric business model
- S-5: Develop stronger resource capacity planning and management capabilities
- S-6: Modernize IT job classes and specifications
- S-7: Mobile Strategy

- B-1: Formalize business analysis
- B-2: Mature Application Portfolio Management (APM)
- B-3: Investigate application "best fit" management practices
- B-4: Establish an Application innovation framework
- B-5: Improve capability for Departments to conduct their own analysis and reporting
- B-6: Leverage functionality in existing systems to automate key business processes
- B-7: Implement an enterprise-wide Customer Relationship Management (CRM) solution
- B-8: Provide citizens with better access to City services and information
- B-9: Design and build interfaces between systems
- B-10: Provide appropriate training to end users of the City's enterprise applications
- B-11: Implement an Enterprise Content Management (ECM) System

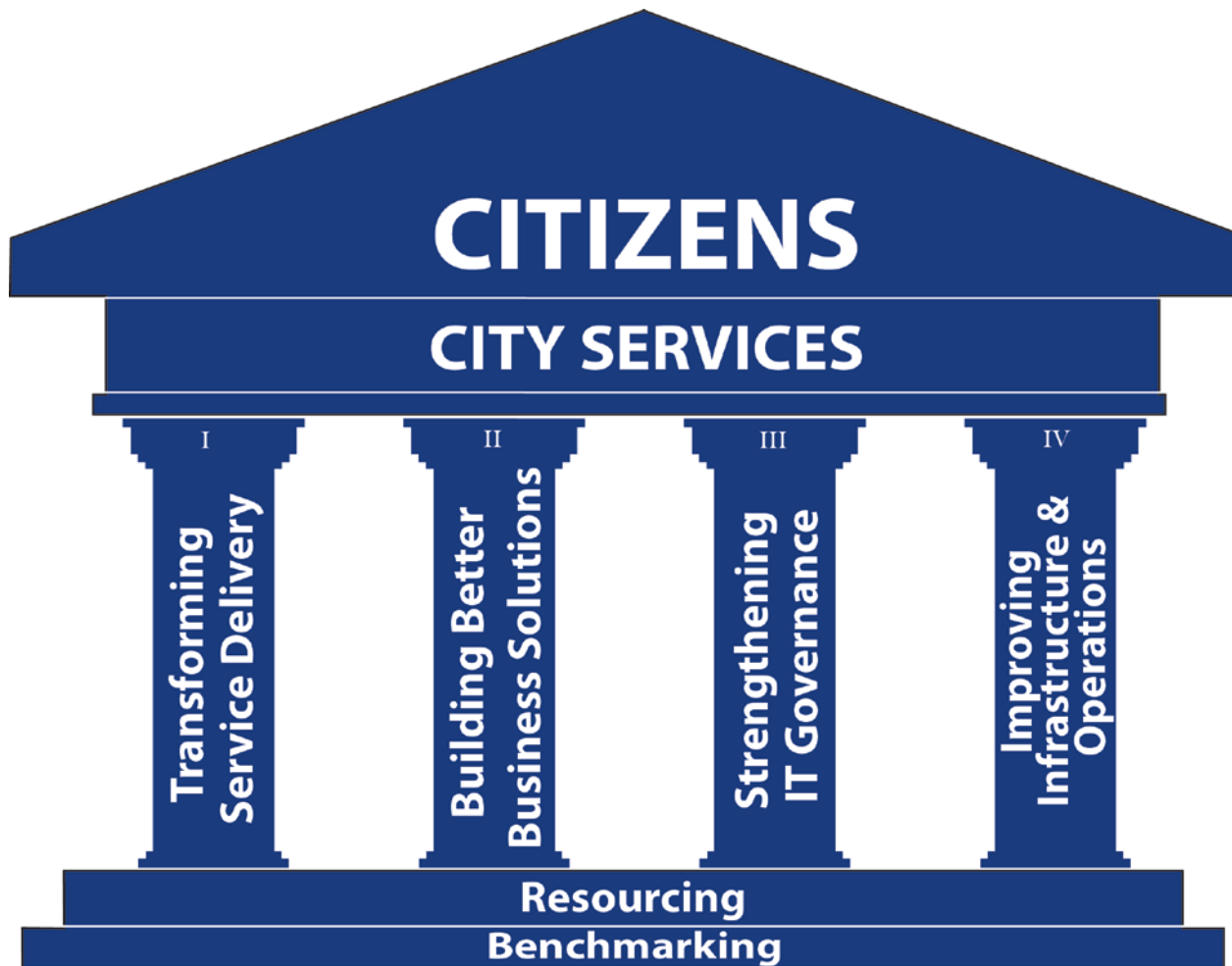


- G-1: Establish an IT Investment Review Board (IRB)
- G-2: Require business case justification for IT investments
- G-3: Establish a Project Portfolio Management function within ComIT
- G-4: Establish an Architecture Review process
- G-5: Broaden Project Status Reporting
- G-6: Establish a flexible application architecture

- I-1: Implement a Next Generation Network (NGN)
- I-2: Implement an enterprise data storage solution
- I-3: Implement an enterprise data integration solution
- I-4: Maintain the integrity and security of corporate information
- I-5: Retire the City's mainframe platform
- I-6: Develop and implement a Disaster Recovery/Business Continuity (DR/BC) plan
- I-7: Develop a sustainable funding source for essential technology infrastructure
- I-8: Develop, fund and execute a City-wide radio system strategy

Master Technology Plan

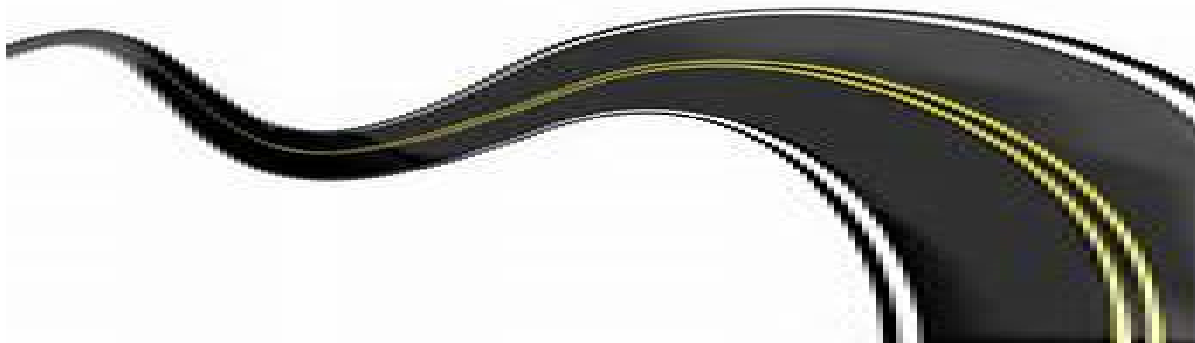
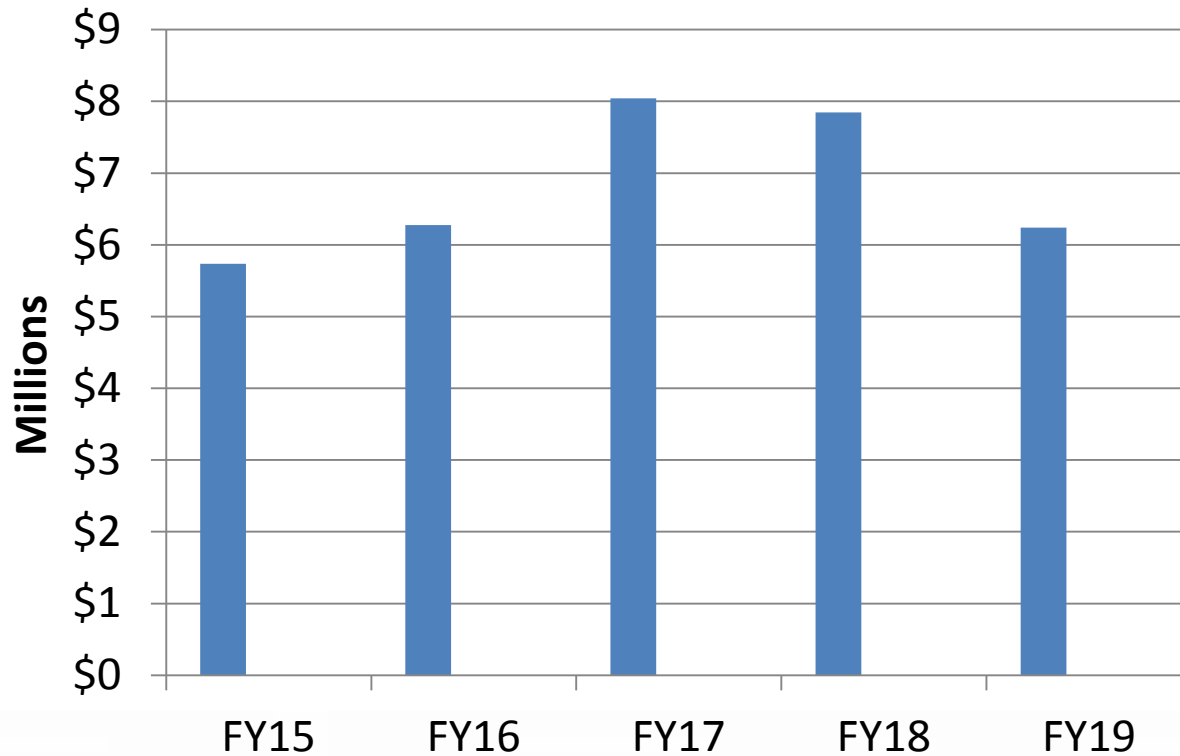
Strategic Initiative Foundation



Master Technology Plan Initiative Execution Roadmap

ROADMAP INITIATIVES	FY 2015				FY 2016				FY 2017				FY 2018				FY 2019			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
TRANSFORMING SERVICE DELIVERY																				
S-1 Create a Business Relationship Manager (BRM) function																				
S-2 Define IT processes and services																				
S-3 Acquire tools to help enable implementation of IT processes and services																				
S-4 Reorganize ComIT to support a service-centric business model																				
S-5 Develop stronger resource capacity planning and management capabilities																				
S-6 Modernize IT job classes and specifications																				
S-7 Create a Sustainable Mobile Applications Strategy and Development function																				
BUILDING BETTER BUSINESS SOLUTIONS																				
B-1 Formalize business analysis and documentation processes																				
B-2 Mature Application Portfolio Management (APM) capabilities																				
B-3 Investigate "best fit" application management practices																				
B-4 Establish an applications innovation framework																				
B-5 Improve capability for Departments to conduct their own analysis and reporting																				
B-6 Leverage functionality available in existing systems to automate key business processes																				
B-7 Implement a Citywide CRM solution																				
B-8 Provide citizens with better access to City services and information																				
B-9 Design and build interfaces between systems																				
B-10 Provide training to end users of the City's enterprise applications																				
B-11 Implement a Citywide Enterprise Content Management Solution.																				
STRENGTHENING GOVERNANCE																				
G-1 Establish an IT Investment Review Board (IRB)																				
G-2 Require business case justification for IT investments																				
G-3 Establish a project portfolio manager (PPM) function within ComIT																				
G-4 Establish an architecture review process																				
G-5 Broaden project status reporting																				
G-6 Establish a flexible application architecture																				
IMPROVING INFRASTRUCTURE AND OPERATIONS																				
I-1 Deploy fiber Citywide																				
I-2 Implement an enterprise data storage solution																				
I-3 Implement an enterprise data integration solution																				
I-4 Maintain the integrity and security of corporate information																				
I-5 Retire the City's mainframe platform																				
I-6 Develop and implement a disaster recovery/business continuity plan for the City																				
I-7 Develop a sustainable funding source for essential technology infrastructure																				
I-8 Develop, fund and execute a Citywide radio system strategy																				

Master Technology Plan Financial Appropriation Roadmap



ComIT Operating Budget

Program Unit	FY 13-14 Amended	FY 13-14 FTE	FY 14-15 Proposed	FY 14-15 FTE	Change FY 14 Amended to FY 15 Proposed	
Multimedia Services	\$1,486,614	17.5	\$1,527,897	17.5	\$41,283	2.8%
Mail Services	\$252,943	4	\$226,670	4	(\$26,273)	-10.4%
Business Center	\$851,282	12	\$911,732	12	\$60,450	7.1%
Applications Support	\$8,303,805	54	\$8,405,992	53	\$102,187	1.2%
Systems Support	\$6,601,514	39	\$6,487,661	37	(\$113,853)	-1.7%
Center for GIS	\$2,094,335	19	\$2,168,674	19	\$74,339	3.5%
Telecom GF	\$1,157,397	8	\$1,624,047	12	\$466,650	40.3%
Technology Services	\$1,902,673	15	\$1,720,253	14	(\$182,420)	-9.6%
Telecom ISF	\$3,458,330	10	\$3,037,849	10	(\$420,481)	-12.2%
Subscriptions ISF	\$3,027,774	0	\$3,277,650	0	\$249,876	8.3%
Capital Projects ISF	\$198,625	2	\$589,875	5	\$391,250	197.0%
Mobile Device ISF	\$0	0	\$144,000	0	\$144,000	N/A
Reserve-Telecom ISF	\$196,389	0	\$308,586	0	\$112,197	57.1%
Reserve-Subs ISF	\$255,507	0	\$288,987	0	\$33,480	13.1%
Total	\$29,787,188	180.5	\$30,719,873	183.5	\$932,685	3.1%

Master Technology Plan

Initiative S-1: Business Relationship Management (BRM)

Business and IT Alignment

Governance									
Strategic Business Areas	Core Strategies								
Cultural & Rec. Opp. (CRO)	Engage in Systems Thinking				Achieve Multiple Positive Outcomes				
Economic Vitality (EV)	Maintain a Long-Term View				Be Proactive and Prevent Problems				
Family & Youth Opp. (FYO)	Create an Accurate, Positive Community Image				Create Relationships and Partnerships				
Qual. Ed. & LI Learning (QELL)	Value and Promote Diversity				Ensure Sustainability				
Quality Organization (QO)									
Quality Physical Env. (QPE)									
Safe Community (SC)									
Communities of Interest									
Electorate	Executive Leadership	Corporate Functions			Business Units				
City Council	CVB MLT	City Manager's Office	Finance HR Benefits	Economic, Growth, Planning	Cultural Recreational	Public Utilities & Works	Human Services	Public Safety	Constitutional Officers
	City Manager	City Attorney	Finance	Agriculture	Cultural Affairs	Public Utilities	DHS	Police	Commissioner of the Revenue
	Deputy City Manager	City Clerk	HR	CVB	Museums	Public Works		Fire	Real Estate Assessor
	Deputy City Manager	City Auditor	Benefits	Econ. Dev.	Parks and Rec.			EMS	City Treasurer
	Deputy City Manager	Volunteer Res.	Budget / MS	Housing	Library			ECCS	Clerk of the Circuit Court
		Media and Comm.		Planning					Commonwealth Attorney
		Organizational Dev.		Strat. Growth					Sherrif
Demand Management	BRM	BRM	BRM	BRM	BRM	BRM	BRM	BRM	BRM

S-1: Create Business Relationship Manager Function

- Common role within IT service-oriented, customer-focused service delivery organizations*
- Technology Advocate for line of businesses to identify business process and technology improvement opportunities
- Proactively engages City departments to learn their respective business issues and problems
- Supports the revision efforts to the Master Technology Plan and Roadmap
- Plays critical role in improving overall organizational value

Master Technology Plan

Initiative S-7: Mobile Strategy

Civic Engagement

- Provide Mobile Apps for both Citizens and the workforce via:
 - ☐ In-House Development
 - ☐ Commercial Off the Shelf (COTS)
- Our goal is to integrate mobile apps with existing systems to transform business processes end-to-end



Master Technology Plan

Initiative S-7: Mobile Strategy

Civic Engagement

- We want to target the largest group of devices that citizens use
- Android and iOS make up 92.4% of market as of September 2013.*
- As other platforms become a larger market share we will re-examine them as potential development platforms

	Share (%) of Smartphones		
	accessing Vbgov.com		
	Subscribers		
	'12	'13	*'14
Android	40%	51.8%	41%
iOS	58%	40.6%	58%
Blackberry	2%	0%	0%
Blackberry		3.8%	
Windows	0%	1%	1%
Windows		3.3%	
Phone			

*Projected

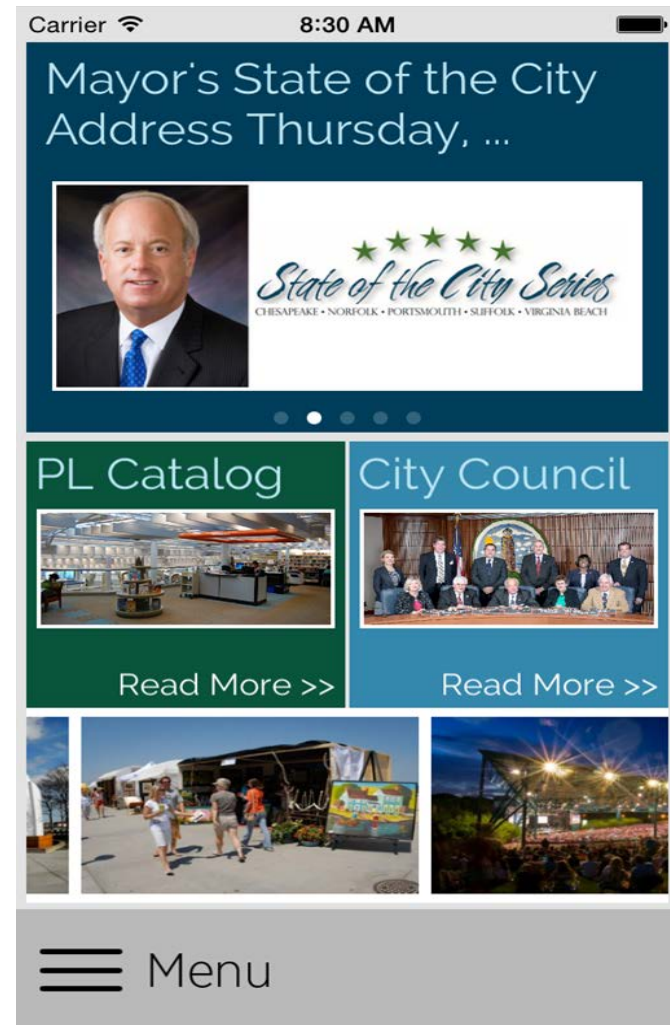
Master Technology Plan

Initiative S-7: Mobile Strategy

Civic Engagement

- Exposes popular content from vbgov.com to citizens:
 - ☐ City News
 - ☐ Department Listings
 - ☐ Jobs
- Provides a one-stop shop for citizens to find City of Virginia Beach apps

Custom Portal



Master Technology Plan

Initiative S-7: Mobile Strategy

Civic Engagement

➤ Service Requests

✓ Phase I: Working with Public Works

- Pot Holes
- Traffic Signs
- Traffic Signals
- Street Lights
- Graffiti
- Recycling Collection
- Drainage and Flooding Issues

COTS



Master Technology Plan

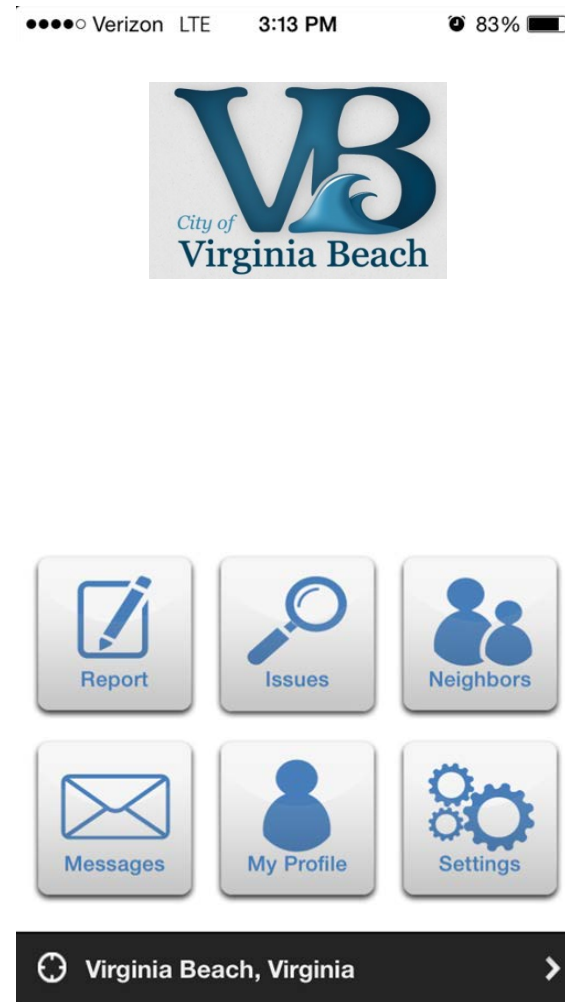
Initiative S-7: Mobile Strategy

Civic Engagement

➤ Service Requests

✓ Phase I: Working with Public Works

- Pot Holes
- Traffic Signs
- Traffic Signals
- Street Lights
- Graffiti
- Recycling Collection
- Drainage and Flooding Issues



Master Technology Plan

Initiative S-7: Mobile Strategy

➤ Prototypes/Mock Ups

- ✓ Events
- ✓ Pet Finder
- ✓ More to Come...



Master Technology Plan

Initiative I-1: Next Generation Network

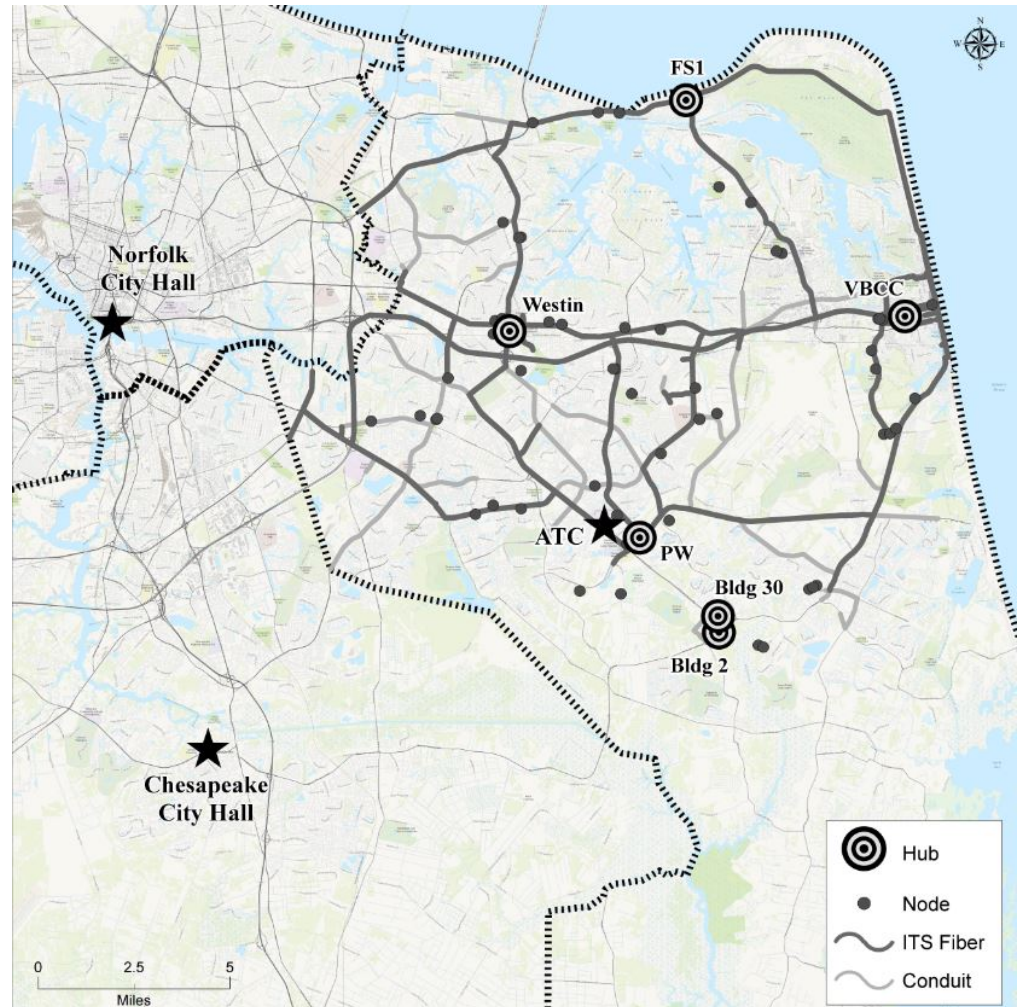
Strategic Alignment

City Strategies

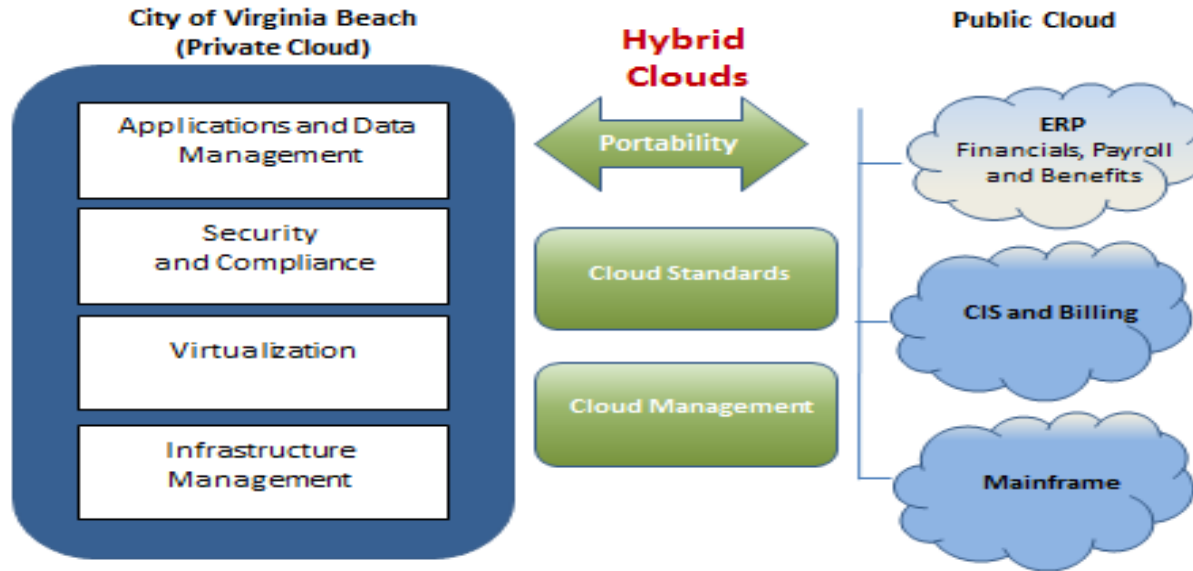
- Engage in Systems Thinking
- Maintain a Long Term View
- Achieve Multiple Positive Outcomes
- Be Proactive and Prevent Problems
- Create Relationships and Partnerships
- Ensure Sustainability
- Create an Accurate, Positive Image

2040 City Strategies

- Connected Community
- Learning Community
- Diverse Community



Cloud Computing



As ComIT continues to evolve and refine its cloud strategy, the pace at which the City will realize the value of cloud computing will accelerate by evaluating safe, secure cloud computing options before making any new investments.



Human Resources

Budget Workshop April 22, 2014

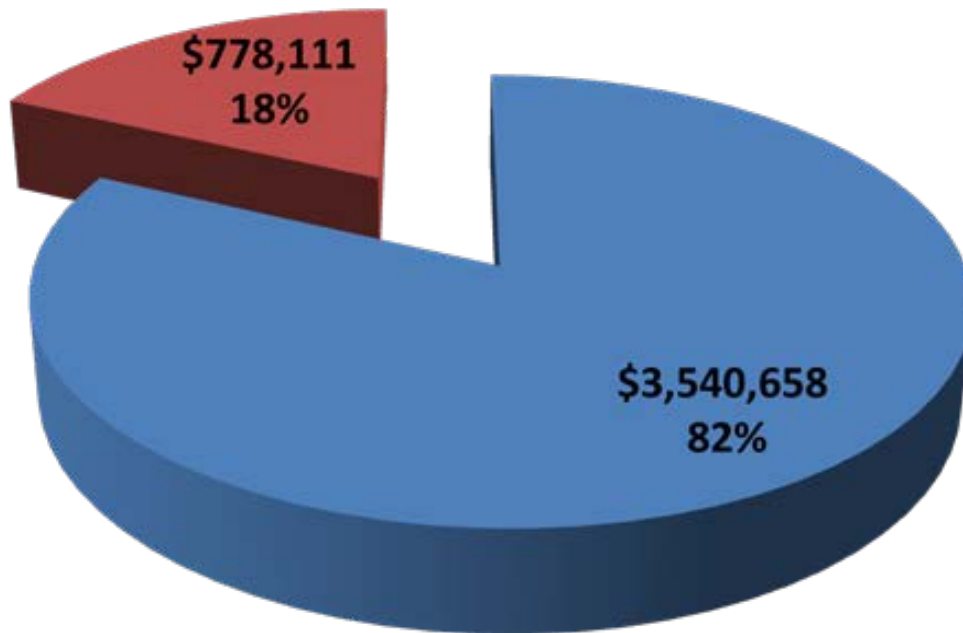
Regina S. Hilliard

Human Resources Operating Budget

Program Unit	FY 13-14 Amended	FY 13-14 FTE	FY 14-15 Proposed	FY 14-15 FTE	Change FY 14 Amended to FY 15 Proposed	
Director's Office	\$ 358,775	3.0	\$371,030	3.0	\$ 12,255	3.42%
Employee Relations	544,694	7.0	571,470	7.0	26,776	4.92%
Staffing and Compensation	1,139,118	16.0	1,170,114	16.0	30,996	2.72%
Learning and Development	718,257	7.0	731,531	7.0	13,274	1.85%
HR Police Services	102,603	1.0	104,938	1.0	2,335	2.28%
Member Communications	123,548	1.0	125,594	1.0	2,046	1.66%
Human Rights Commission	70,396	1.0	71,705	1.0	1,309	1.86%
Occupational Safety	246,506	3.0	246,582	3.0	76	0.03%
Occupational Health	873,565	8.0	925,805	8.0	52,240	5.98%
Total	\$4,177,462	47.0	\$4,318,769	47.0	\$141,307	3.38%

Human Resources FY 2014-15 Budget

■ Personnel ■ Operating



Human Resources

Significant Issues **Highlights**

- Leave Administration
 - Paid Time Off

- Efficiency Enhancements
 - FY 12 Restructure of Human Resources
 - Bench Strength
 - Complexity of Mandated Programs and Related Issues
 - FY 14 Employee Relations Restructure

- Department Satisfaction Survey

Human Resources

Significant Issues **Current and Upcoming**

- Personnel Board Hearings
- Americans with Disabilities Act (ADA)
 - Accommodation Requests Continue
- Employee Development
 - Workforce Planning and Development
 - Preparing the workforce
- Possible Federal Minimum Wage Increase
 - Hourly rate from \$7.25 to \$10.10

Human Resources

Critical Services **NOT** Funded

- Unfunded non-departmental program: Tuition Reimbursement
- Lack of Merit Increases
 - FY 07/08 was the last year we provided Merits
 - Salary Compression
 - Employee Morale/Dissatisfaction

Compensation Proposal

FY14-15

- All full-time City employees will receive a 1.34% salary adjustment
 - 1% is the mandated offset to the required VRS employee contribution (this is the third year of this phase-in)
 - 0.34% is to offset the impact of the pay increase on employees' taxes
- All full and part-time City Employees will receive a 1.66% General Increase on October 1st
- \$1.49 million to address horizontal pay compression

Conclusion

Human Resources remains committed to playing a vital role in fulfilling the strategic goals as a member of the Quality Organization Team and helping safeguard our city policies to be fair, balanced and current with applicable federal laws and regulations.



Finance Department

Budget Workshop April 22, 2014

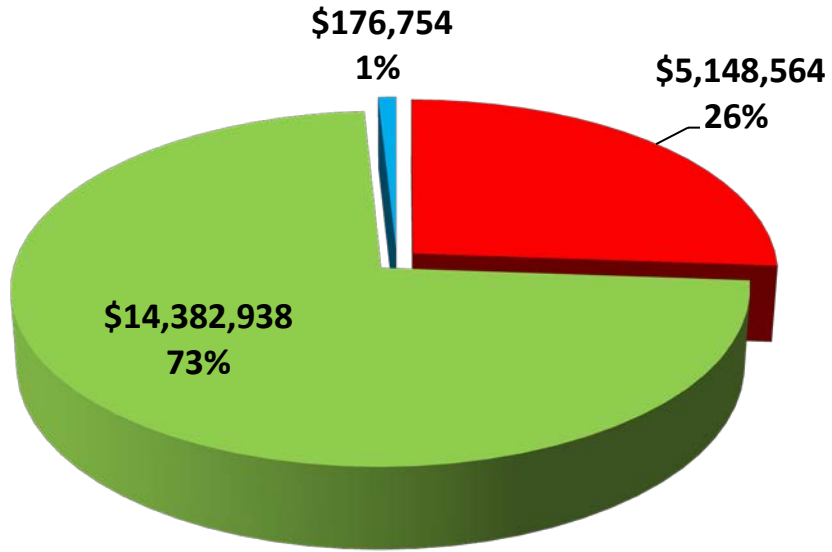
Patricia Phillips - Finance Director

Finance Operating Budget

Program Unit	FY 13-14 Amended	FY 13-14 FTE	FY 14-15 Proposed	FY 14-15 FTE	Change FY 14 Amended to FY 15 Proposed	
General Fund	\$ 5,105,735	48.0	\$ 5,148,564	48.0	\$42,829	0.8%
Risk Mgmt Internal Service Fund	\$ 15,840,488*	7.0	\$ 14,382,938	7.0	(\$1,457,550)	(9.2%)
Capital Project Internal Service Fund	\$ 163,292	2.0	\$ 176,754	2.0	\$ 13,462	8.2%
Total	\$ 21,109,515	57.0	\$ 19,708,256	57.0	(\$ 1,401,259)	(6.6%)

* \$3.8 Million additional appropriation approved by Council on 3/11/14 for claims and insurance costs

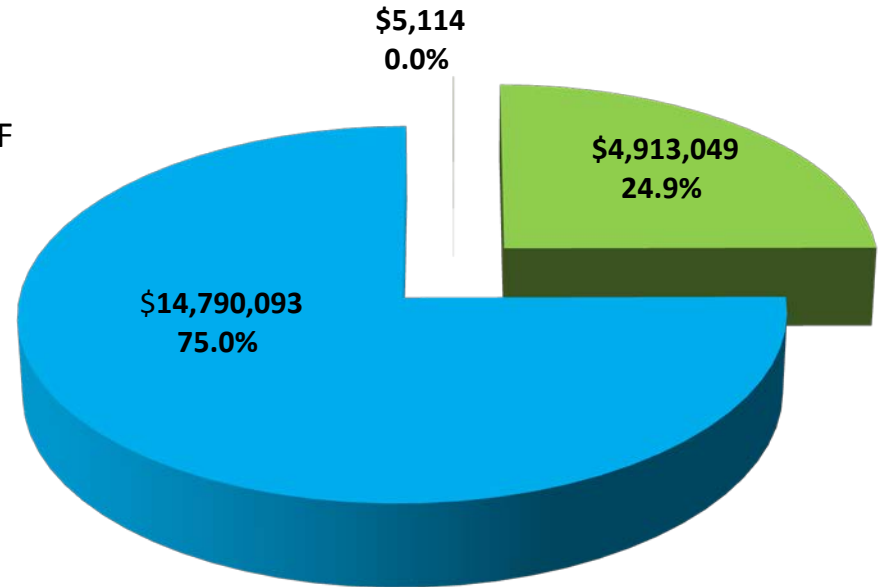
FY 2014-15 Budget



Budget by Fund or Revenue

■ General Fund ■ Risk Management ISF ■ Capital Project ISF

Budget by Expense Category



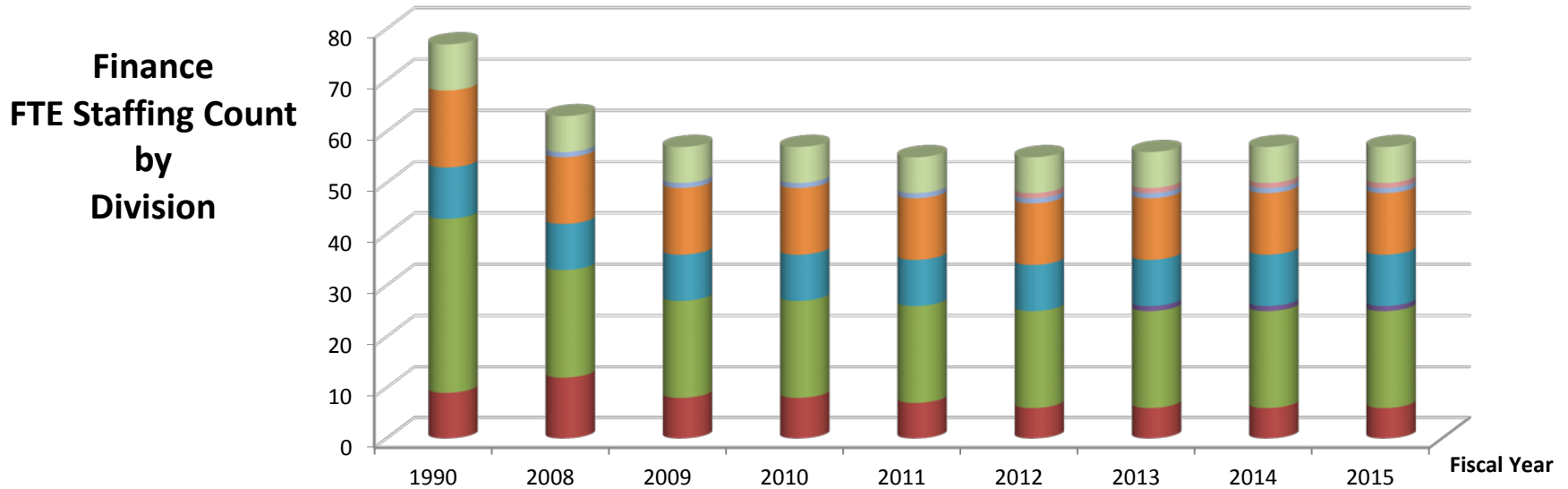
■ Personnel ■ Operations ■ Reserves and Transfers

Finance Significant Issues

- **Staffing:** Since 1990, 26% decrease; 20 positions eliminated; retirements
- **Debt:** Protect AAA ratings, Increased Scrutiny by Rating Agencies
- **Payroll:** Arrears near completion
- **Risk Management:** Uncapped medical costs workers comp; Disability
- **Purchasing:** Management of Small Business Enhancement Program and minority assistance. Significant issues.
- **Comptroller:** SRL, Dredging SSD, Waste Management Enterprise Fund
Tax rules, mandates, GASB financial reporting/complexity: resources
- **Financial Policy:** Development, guidance and monitoring; internal control
- **Due Diligence:** Light Rail, Arena, and other large projects
- **Technology:** Procurement Systems: Minority Business Tracking
Time and Attendance , Scheduling, biweekly
E-Workflow for accounts payable, tax compliance
Financial Reporting

Finance Department Divisions

Division	1990	2008	2009	2010	2011	2012	2013	2014	2015
Administration/Debt	9	12	8	8	7	6	6	6	6
Comptroller	34	21	19	19	19	19	19	19	19
CIP Accountant							1	1	1
Payroll Division	10	9	9	9	9	9	9	10	10
Purchasing	15	13	13	13	12	12	12	12	12
Minority Business Program		1	1	1	1	1	1	1	1
UCI Civil Rights Compliance						1	1	1	1
Risk Mgt. (Non GF)	9	7	7	7	7	7	7	7	7
Grand Total	77	63	57	57	55	55	56	57	57



Finance Department

For 5th Straight Year, Virginia Beach earns AAA Bond Ratings from all three major ratings agencies
Savings on \$96M issue by being AAA

Constant surveillance

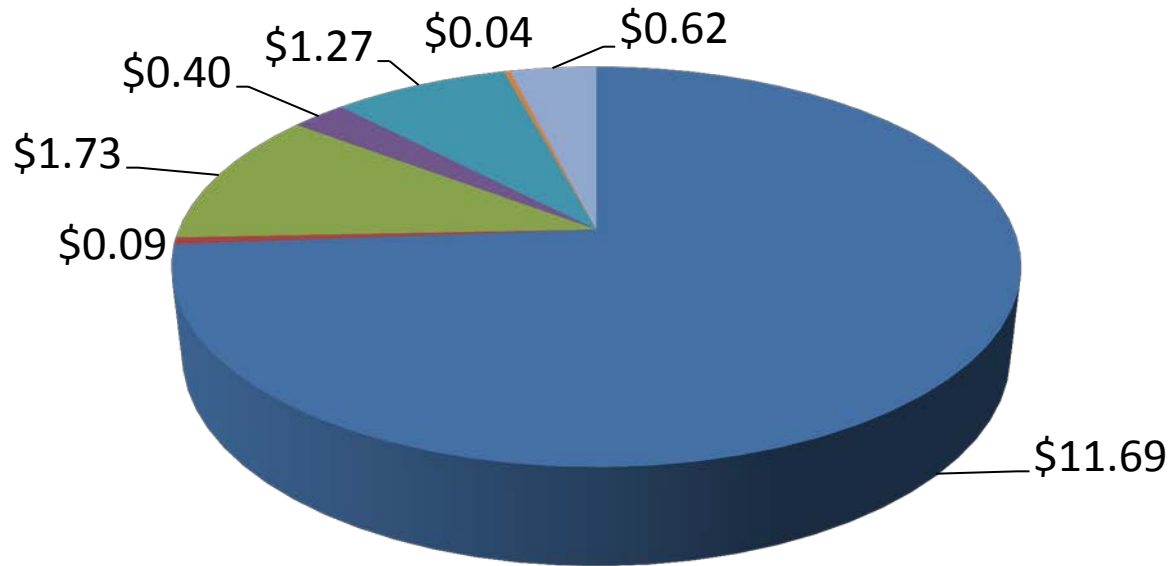
FY 2014-15 Planned Bond Sales

- Storm Water – December 2014
- General Obligation – April 2015
- Public Facility Revenue Bond – June 2015

Risk Management Internal Service Fund

- Internal insurance company for the City
 - Insurance coverage for all City-owned real property
 - Self insured claims and excess coverage for:
 - **Workers Compensation** via TPA (\$1 million self-ins)
 - **Automobile** Liability Insurance (\$2 million self ins)
 - **General** Liability Insurance(\$2 million self ins)
 - Specialty insurance
- Adjusts liability claims for property damage & bodily injury
- Responsible for “Employee Dishonesty” bonds
- Administer vehicle titles
- Serves as coordinator for disaster recovery costs
- Subrogates when possible

2014 Risk Management Budget (\$15.8 Million)



- Workers' Compensation
- Liability Expenses
- Property Insurance Premiums
- Salaries/Benefits
- Other Insurance Premiums
- Other Administrative Costs
- Legal Support & Services

Risk Management Internal Service Fund
Statement of Net Position
June, 30, 2014 PROFORMA
(in Millions)

Assets-Cash	\$6.1
Accrued Actuarial Liabilities	<u>25.5</u>
Net Position:	
Deficit	<u>(\$19.4)</u>

Risk Mgt-Cost Allocation Model

- Each department is billed based on actual costs incurred for workers compensation, auto liability and general liability claims and insurance.
- Also includes premiums for property insurance and other specialty insurances such as aviation, boating, crime medical/nurses professional liability, etc.
- Current model reflects updating. In the past updating was not done.

Risk Mgt-Cost Drivers

- Costs are rising for lost wages paid to retirees already approved for job-related disabilities
 - Act as a pension fund for those retirees
 - Medical costs continue to be paid after retirement
- Medical costs for workers' compensation are rising for active and retired employees

Risk Mgt Cost Mitigation

- HB946 introduced in 2014 General Assembly mandates a fee schedule for W/C medical services based on Medicare (carried over to 2015)
 - 46 states have adopted fee schedules, 32 of those states' schedules based on Medicare
 - This measure is projected to save over \$50M/year State wide
- Other Measures
 - Return-To-Work Program (active now)
 - Appropriate Cost Allocation Model (updated now)
 - Training for larger departments (ongoing)
 - Workplace safety and employee health initiative (ongoing)
 - Educate legislators to enact change
 - Work toward change in how VRS handles JRD's
 - Attempt to negotiate deeper discounts with medical providers

Conclusions

- **Workers Compensation:** Legislation to modify rates and reduce expenditures-HB 946 carried over
- **Procurement:** Minority Tracking and Competitive On-line Sourcing
- **City Wide Time & Attendance, Scheduling**
- **Workflow** for Accounts Payable, Tax compliance initiatives, vendor account maintenance and controls
- **Financial Reporting System:** Need for Interim, CAFR Reporting and Business Analytics/Reporting for Organization



Remaining Departments in Quality Organization

Budget Workshop April 22, 2014

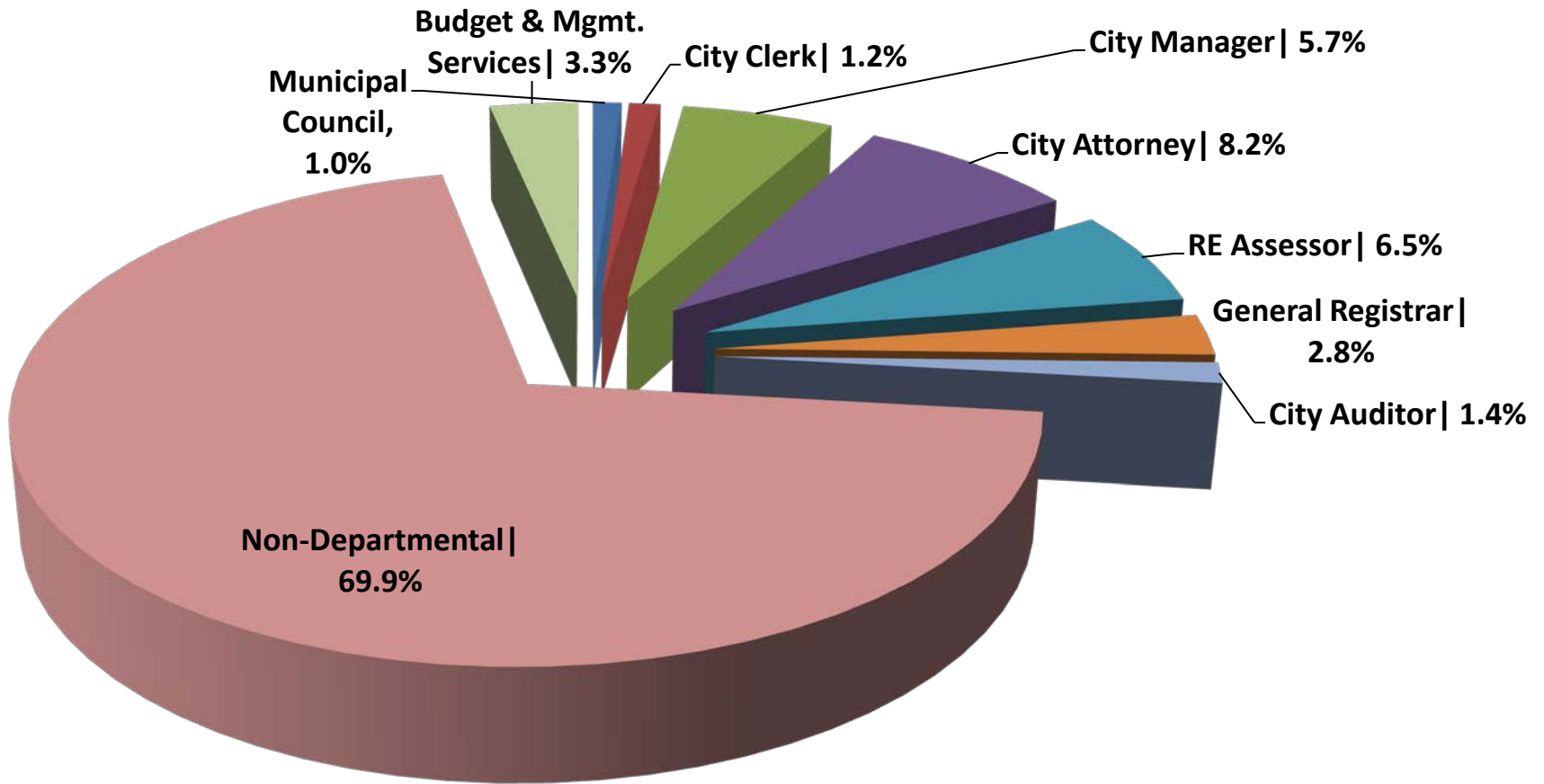
Catheryn R. Whitesell

Remaining Departments

Program Unit	FY 13-14 Amended	FY 13-14 FTE	FY 14-15 Proposed	FY 14-15 FTE	Change FY 14 Amended to FY 15 Proposed	
Municipal Council	\$533,110	11.00	\$530,887	11.00	(\$2,223)	(0.4%)
City Clerk	570,691	6.00	582,372	6.00	11,681	2.0%
City Manager	2,794,735	19.50	2,825,204	20.50	30,469	1.1%
City Attorney	4,044,794	39.61	4,084,871	39.61	40,077	1.0%
City Real Estate Assessor	3,235,743	34.30	3,232,118	34.29	(3,625)	(0.1%)
General Registrar	1,352,411	12.03	1,378,780	11.86	26,369	1.9%
City Auditor	663,127	6.00	688,272	6.00	25,145	3.8%
Non-Departmental	33,795,034	0.00	34,766,014	0.00	970,980	2.9%
Budget and Management Services	1,538,768	14.00	1,639,851	15.00	101,083	6.6%
Total	\$48,528,413	142.44	\$49,728,369	144.26	\$1,199,956	2.5%

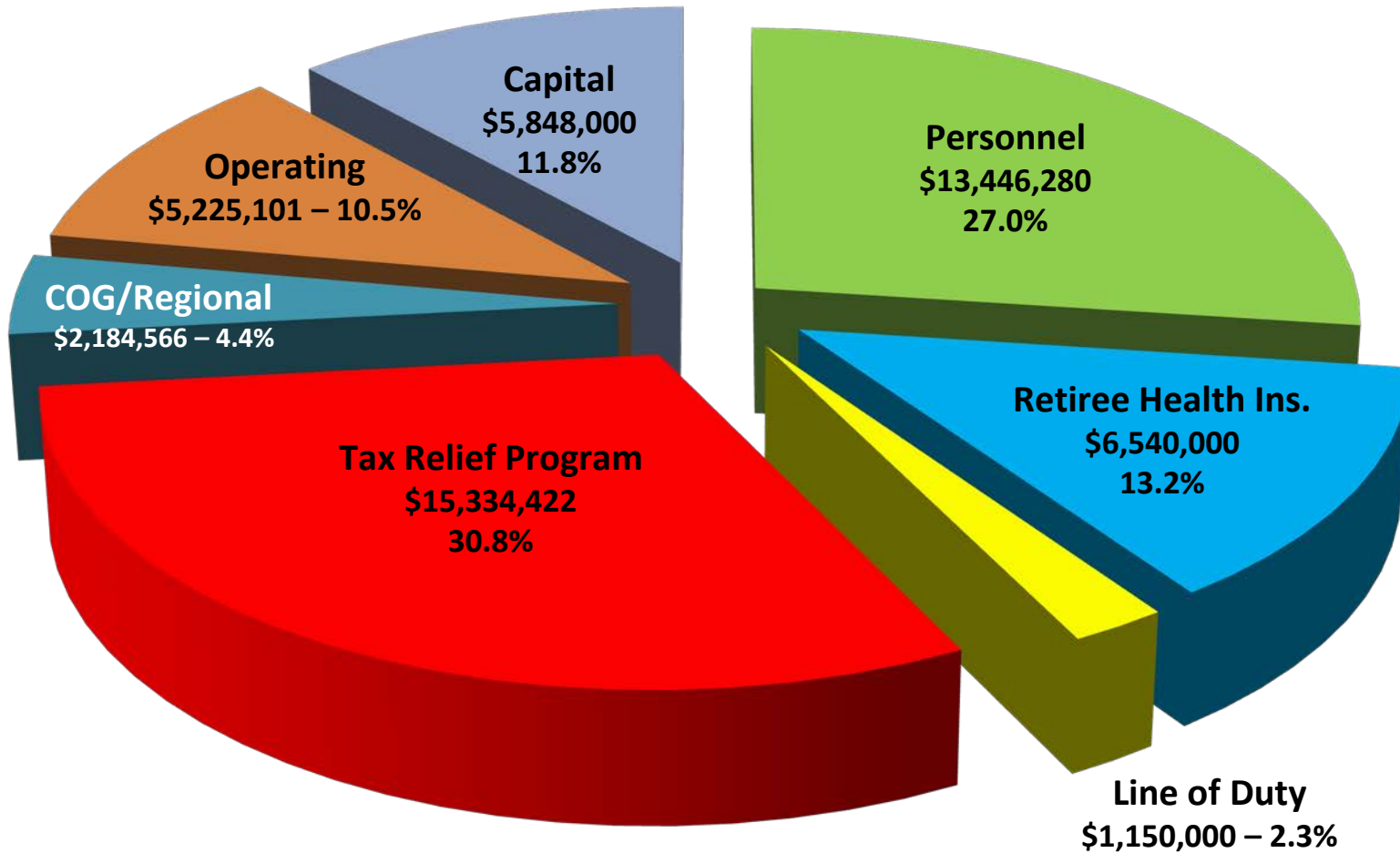
Remaining Departments

\$49,728,369 or 2.7% of the Total Budget



Remaining Departments FY 2014 -15 Budget by Expenditure Category

Total: \$49,728,369



Non-Departmental Operating Budget

Program Unit	FY 13-14 Amended	FY 14-15 Proposed	Change FY 14 Amended to FY 15 Proposed	
Community Organization Grants-COG	\$ 409,126	\$ 409,126	\$ 0	0.0%
Virginia Beach Living River Trust	\$ 100,000	\$ 100,000	\$ 0	0.0%
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Real Estate Tax Relief for the Elderly

Current Thresholds:

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Office of the City Auditor

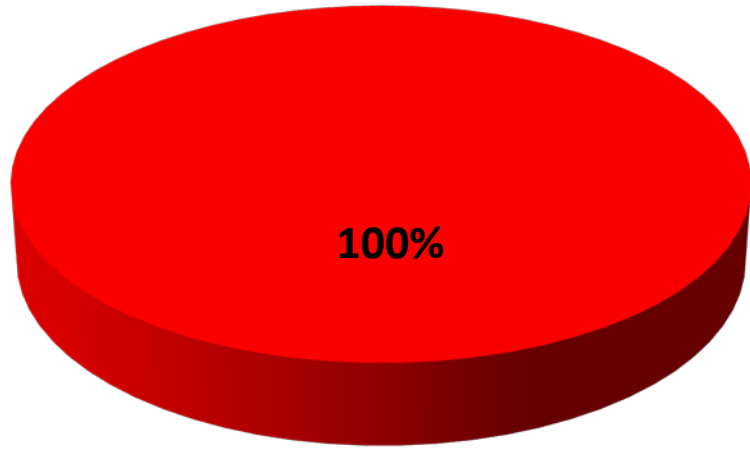
Budget Workshop April 22, 2014

Gretchen Hudome, Deputy City Auditor

Office of the City Auditor's Operating Budget

Program Unit	FY 13-14 Amended	FY 13-14 FTE	FY 14-15 Proposed	FY 14-15 FTE	Change FY 14 Amended to FY 15 Proposed	
Office of the City Auditor	\$ 663,127	6.0	\$ 688,272	6.0	\$ 25,145	3.65%
Total	\$ 663,127	6.0	\$ 688,272	6.0	\$ 25,145	3.65%

FY 2014-15 Budget

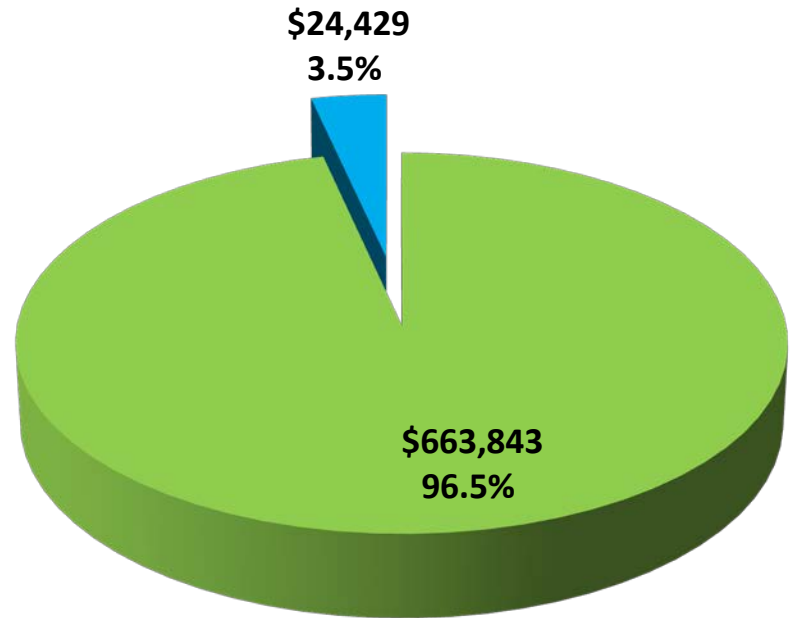


■ General Fund



Budget by Fund or Revenue

Budget by Expense Category



■ Personnel

■ Operations

Office of the City Auditor

FY 2014-15 Trends & Highlights

- Partnering with departments to identify EFFICIENCIES, EFFECTIVENESS and COST SAVINGS
 - Partnered with **Public Works** to audit all electric, natural gas, wireless and street light accounts for the City
 - » The following facilities will realize actual savings immediately due to rate structure changes (\$600K in savings over 10 year period)
 - ✓ Sandler Center
 - ✓ Pump Stations
 - ✓ MoCA
 - **Healthcare Claims** – Actual Cost Recoveries to Date = \$137K
 - **Animal Care and Adoption Center** – Efficiencies and Effectiveness
 - **Voter Registrar's Office** – Efficiencies and Effectiveness

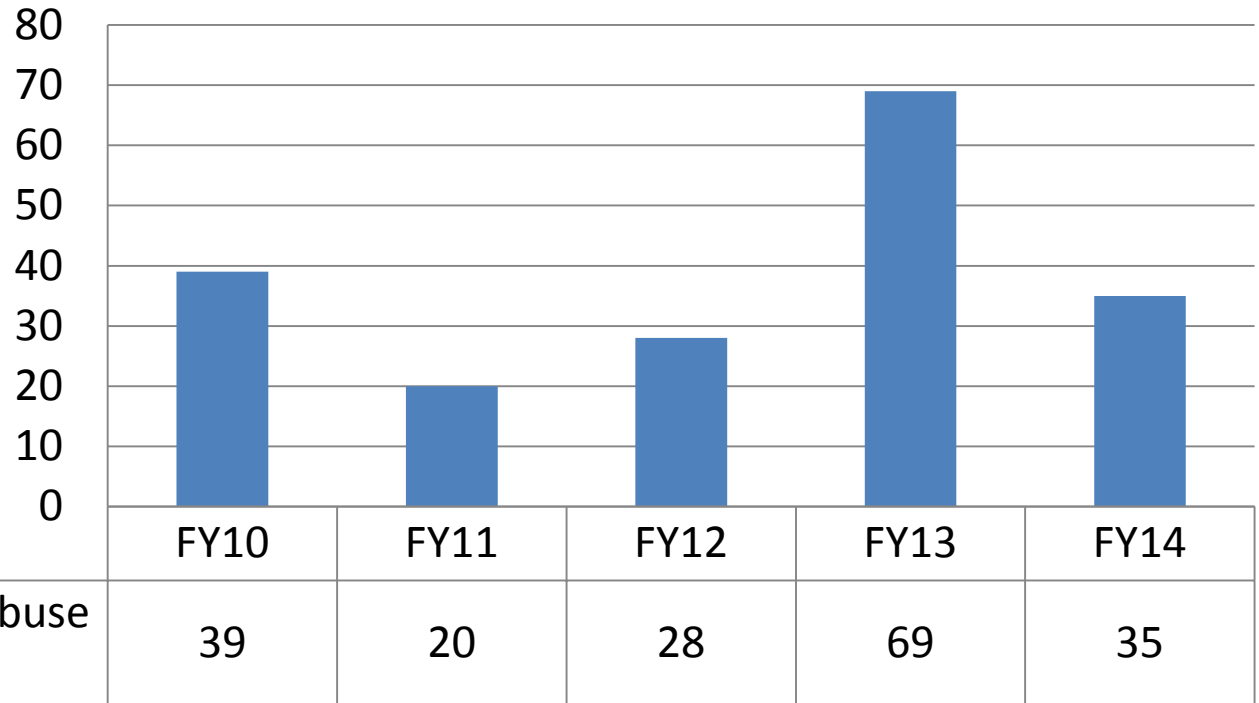
Office of the City Auditor

FY 2014-15 Trends & Highlights

Increase in number and shift in nature and complexity of allegations require more resources and more time to investigate.

Fraud, Waste & Abuse Allegations

FY14
Allegations
received to
date through
April 15, 2014.



Office of the City Auditor

FY 2014-15 Trends & Highlights

- At our present staffing level, in FY13, we were able to complete four (4) performance audits and five (5) attestation engagements (*lesser scoped items*).
- In addition, we completed other projects including:
 - Healthcare Claims Contingency Audit
 - Lease Contingency Audit
 - Utilities Contingency Audit
 - Information Technology General Controls Review
 - External Audit Contract Administration
 - Follow-up on Prior Year Audit Recommendations
 - Petty Cash Audits
 - RFP Construction Contingency Audit

Office of the City Auditor

FY 2014-15 Trends & Highlights

- How Do We Compare?

City	# of FTEs	% of Total City Budget	Auditors Per 1,000 FTEs	Auditors Per Capita
VA BEACH	6	.07%	.41	111,872
CHESAPEAKE	6	.10%	1.11	56,475
NORFOLK	8	.11%	1.20	40,664
CHESTERFIELD	9.5	.19%	1.97	42,619
HENRICO	7	.07%	0.76	103,581

Critical Services NOT Funded

- **NEW Senior Auditor Position (SL 3)**
 - Last increase in audit staff was in **FY01** (1 FTE added)
 - Since FY01, the City has grown by leaps and bounds!
 - Budget has increased by 59%
 - CIP has increased by 64%
 - FTEs have increased by 17%
 - New and expanded facilities (libraries, recreation centers, fire stations, Sandler Center, Animal Care and Adoption Center, etc.)
 - New departments and programs (Emergency Communications, Cultural Affairs, SGA, etc.)
 - New and increased fees (Waste Management)
 - And, continues to expand...
 - Light Rail
 - Dome Site Development
 - Arena
 - New and replacement IT Systems and Technologies
 - New and replacement facilities
 - New and increased fees
 - Yet, available audit resources (staff) have remained the same

Critical Services NOT Funded

- Additional FTE would increase audit coverage by approximately 20%
 - That equates to an additional three to five projects per year allowing us to better address such high risk areas and vulnerabilities as:
 - CIP Projects
 - Public Safety
 - Human Services
 - Public Private Partnerships and Contracts
 - Information Technology
 - Regulatory Compliance
 - Fraud, Waste and Abuse
- Estimated first year cost = \$83,868
 - Includes computer, software, training and supplies
- Unanimous support of the City's Audit Committee

Independent Financial Services - 18050

Operating Budget

Program Unit	FY 12-13 Amended	FY 13-14 Proposed	Change FY 13 Amended to FY 14 Proposed	
Independent Financial Services Budget #18050	153,878	153,878	\$ 0	0%
<i>Total</i>	<i>\$153,878</i>	<i>\$153,878</i>	<i>\$ 0</i>	<i>0%</i>

Conclusion

As the City continues to grow,
it is important that we keep pace!

Please consider our request for an additional FTE
so that we may continue to serve the citizens,
City leadership/members, Audit Committee and
City Council in an undiminished capacity.





Real Estate Assessor

Budget Workshop April 22, 2014

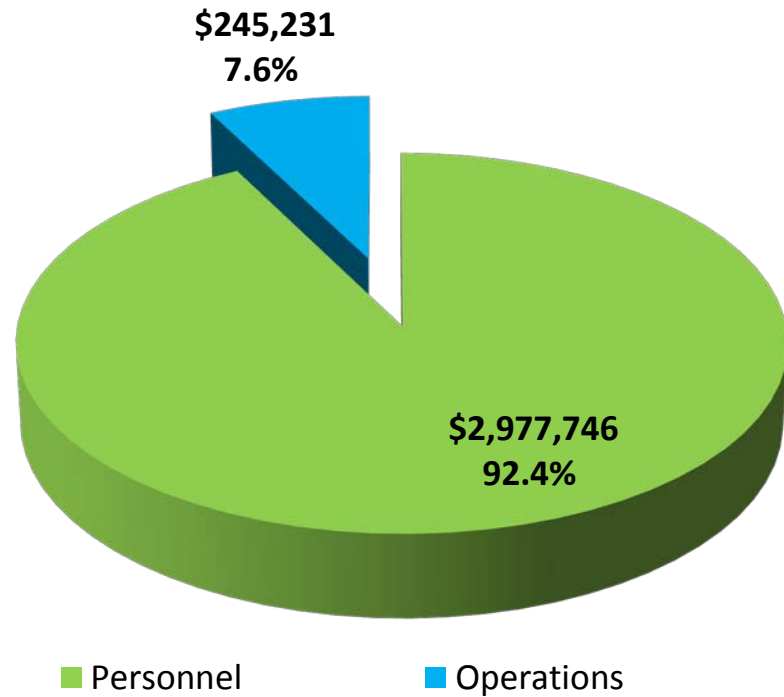
Jerald D. Banagan

Real Estate Assessor Operating Budget

Program Unit	FY 13-14 Amended	FY 13-14 FTE	FY 14-15 Proposed	FY 14-15 FTE	Change FY 14 Amended to FY 15 Proposed	
Real Estate Assessor	\$3,226,077	34.0	\$3,222,977	34.0	-\$3,100	-0.1%

FY 2014-15 Budget

Budget by Expense Category



Real Estate Assessor

- Maintaining existing staff and services
- In addition to the Assessor's budget, is the Board of Equalization's budget of \$9,141 and .29 employees

Real Estate Assessor

FY 2014-15 Trends & Highlights

- **Workforce is stable. We currently have one vacancy due to a retirement. The vacancy has been advertised.**



GENERAL REGISTRAR

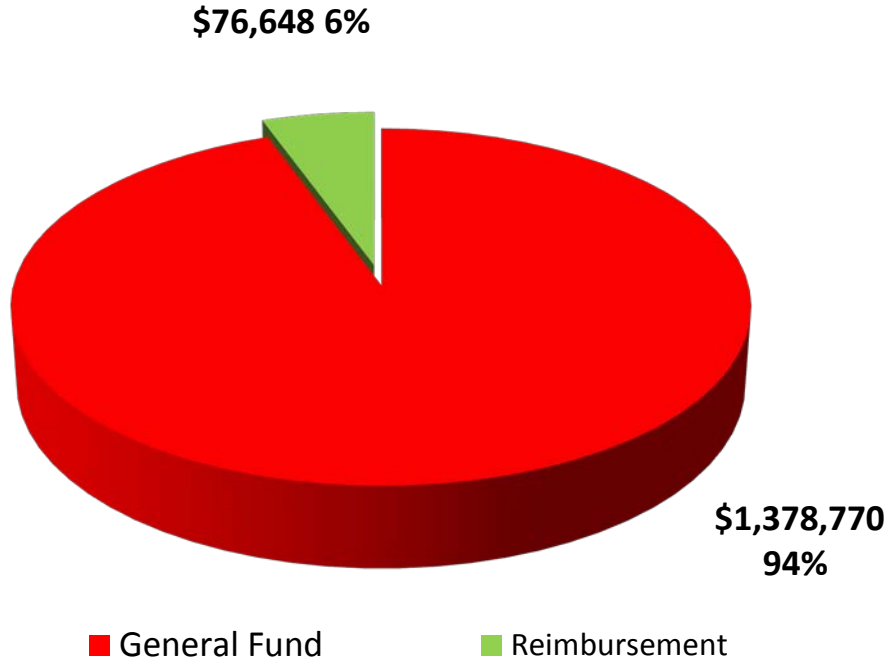
Budget Workshop April 22, 2014

Donna Patterson

General Registrar Operating Budget

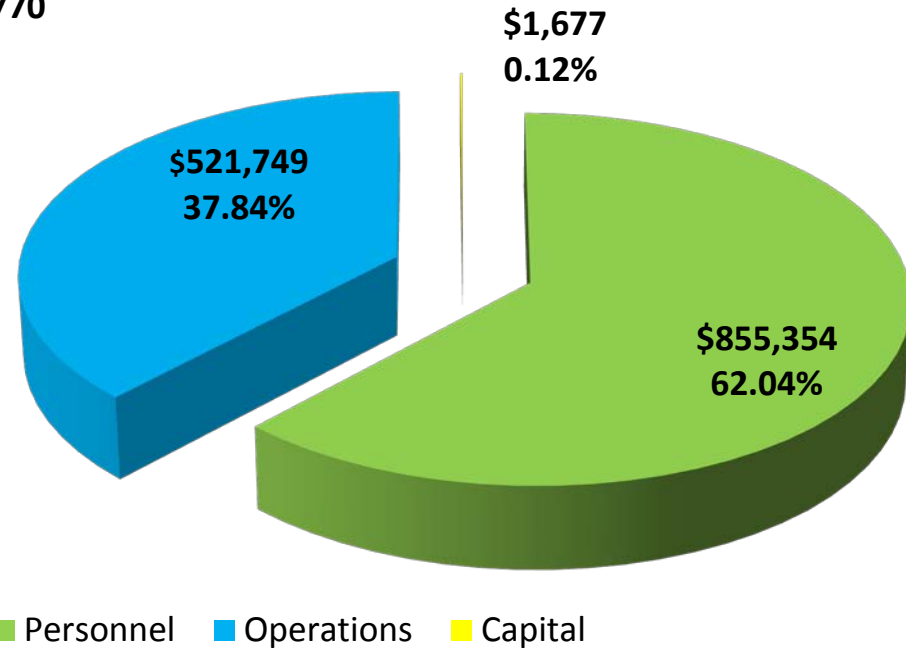
Program Unit	FY 13-14 Amended	FY 13-14 FTE	FY 14-15 Proposed	FY 14-15 FTE	Change FY 14 Amended to FY 15 Proposed	
Elections	\$ 1,352,411	12.03	\$1,378,780	11.86	\$ 26,369	1.91%
Total	\$1,352,411	12.03	\$1,378,780	11.86	\$26,369	1.91%

FY 2014-15 Budget



Budget by Fund or Revenue

Budget by Expense Category



General Registrar Significant Issues

- Electronic Pollbooks - 110 laptops were purchased to finish the replacement cycle
- Funding for New Voting System is included in the CIP
- Audit of Voter Registrar's Office (key recommendations)
 - Voter Education (what is on the ballot)
 - Splitting larger precincts
 - Seek Funding to replace current voting system
 - Continue to work with city for more office space
 - Election Officer training improvements

General Registrar

FY 2014-15 Trends & Highlights

- **Photo ID Required for Voting - Effective July 1, 2014**
- **2014 General and Special Elections**
 - U.S. Senate
 - U.S. House of Representatives, 2nd District
 - City Council
 - School Board

CIP Project Funded

Project	Total Project Cost	Year 1 Funding	Project Start
New Voting System	\$1,370,900	\$1,370,900	June 16 th

New Voting System

- Funding includes replacing the touch screen voting systems with optical or digital scan ballot boxes, ADA compliant ballot markers, software fees and voting booths
- Process will begin this summer to determine which system the department will purchase
- Process will include a demonstration or mock Election inviting members of City Council, MLT, Election Officials and committee members from the Mayor's Committee for persons with disabilities

Conclusions

- **No June Primary**
- **2013 – 2014 “Election Season”**
 - 2013 June Primary
 - 2013 August Special Election
 - 2013 November General Election
 - 2013 December Recount
 - 2014 January Special Election
 - 2014 January Recount



Municipal Council and City Clerk's Office

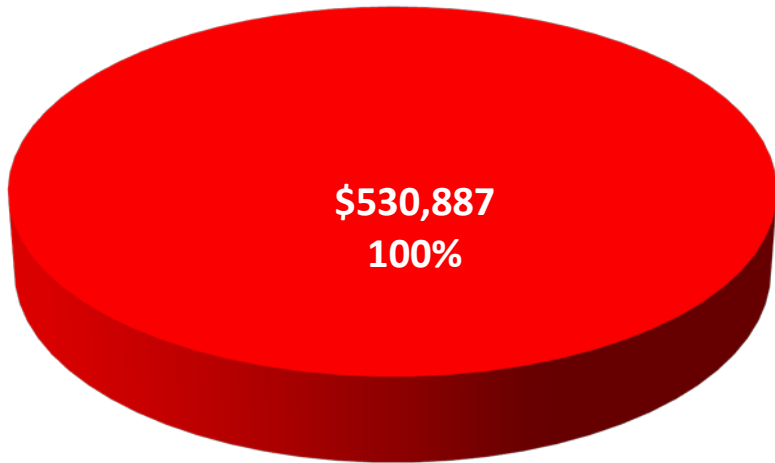
Budget Workshop April 22, 2014

**Ruth Hodges Fraser, MMC
City Clerk**

Municipal Council Operating Budget

Program Unit	FY 13-14 Amended	FY 13-14 FTE	FY 14-15 Proposed	FY 14-15 FTE	Change FY 14 Amended to FY 15 Proposed	
Municipal Council	\$ 533,110	11.0	\$ 530,887	11.0	\$ (2,223)	(0.4%)

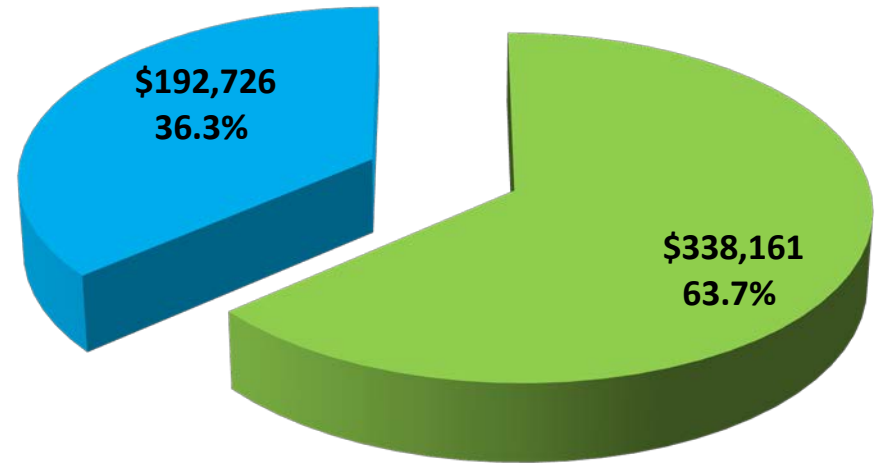
FY 2014-15 Budget



Budget by Fund

■ General Fund

Budget by Expense Category

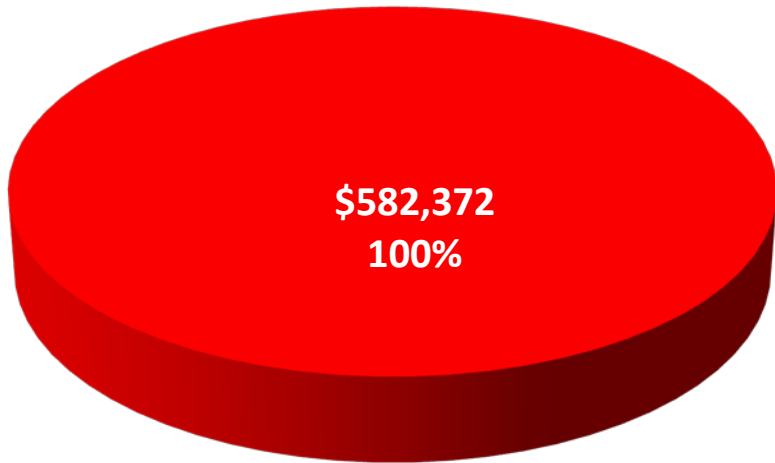


■ Personnel ■ Operations

City Clerk Operating Budget

Program Unit	FY 13-14 Amended	FY 13-14 FTE	FY 14-15 Proposed	FY 14-15 FTE	Change FY 14 Amended to FY 15 Proposed	
Municipal Council	\$ 570,691	6.0	\$ 582,372	6.0	\$ 11,681	2.0

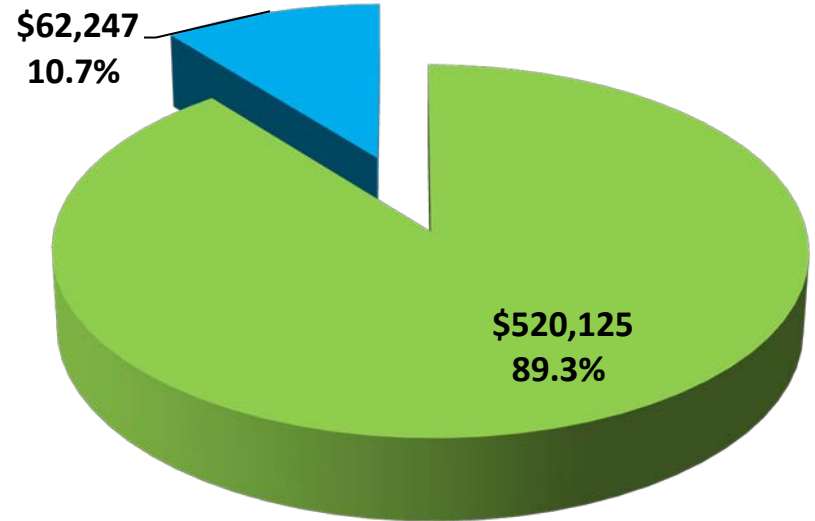
FY 2014-15 Budget



Budget by Fund

■ General Fund

Budget by Expense Category



■ Personnel ■ Operations

City Clerk's Significant Issues

- Passport Applications Processed continue to increase
 - ** 8,746 applications have been processed with 1,281 processed since April 15th
- The office has not used Risk Management for any type of Worker's Compensation Claim yet charges continue to increase
- All but one Staff Member has attained full accreditation in the Master Municipal Clerk Certification

“City Clerk’s ”

FY 2014-15 Trends & Highlights

- Managed one of the City’s 50th Anniversary Celebrations hosting 76 elected and appointed officials, plus 45 additional international delegates September 18-23, 2013
- Coordinates the City Council’s Annual Retreat and manages the budget
- Promotes and sustains the relationship with the City’s current Sister Cities plus two new “Friendship Cities” and promotes economic development possibilities through Sister Cities



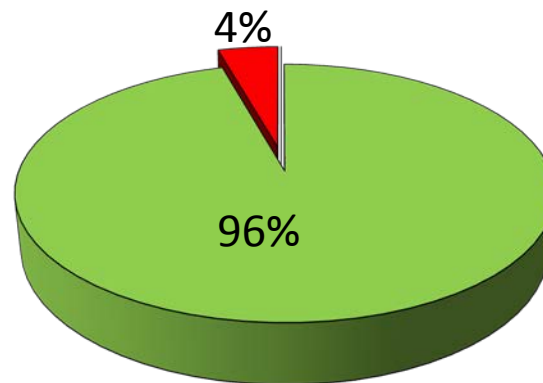
City Attorney

Budget Workshop April 22, 2014

Mark D. Stiles

City Attorney Operating Budget

Program Unit	FY 13-14 Amended	FY 13-14 FTE	FY 14-15 Proposed	FY 14-15 FTE	Change FY 14 Amended to FY 15 Proposed	
Legal Services	\$ 4,044,794	39.61	\$ 4,084,871	39.61	\$40,077	1.0%



■ Personnel ■ Operations

City Attorney



- The purpose of the City Attorney's Office is to provide effective and efficient legal services, promote accountability, trust and openness in government, and focus on outcomes that are fair, equitable and balanced while protecting the best interests of the client.
- 38,140 service hours were provided in FY13
- The average cost of in-house/outside counsel was \$112
- 99% of all legal services are provided in-house

City Attorney

- The number of authorized positions remains unchanged (39.61 FTE). 22 full time and 1 part time attorneys supported by legal administrator and 16 staff
- Overall change in budget reflects increases in salary expense and health insurance costs.
- 2.5 attorneys and one support staff paid by and assigned to the School Board and School Administration pursuant to the FY14 Cooperative Agreement (\$396,350)

City Attorney

Significant Issues for FY 2014-15

- Support for major projects: Arena, Light Rail and Dome Site
- EEO Class Action Complaint
- Neighborhood Navigational Dredging Program
- Compliance with new Stormwater Requirements
- Zoning ordinance revisions for SGAs
- Concluding Cape Henry Beach Litigation
- Chesapeake Beach Ownership/Nourishment Project
- FOIA Compliance



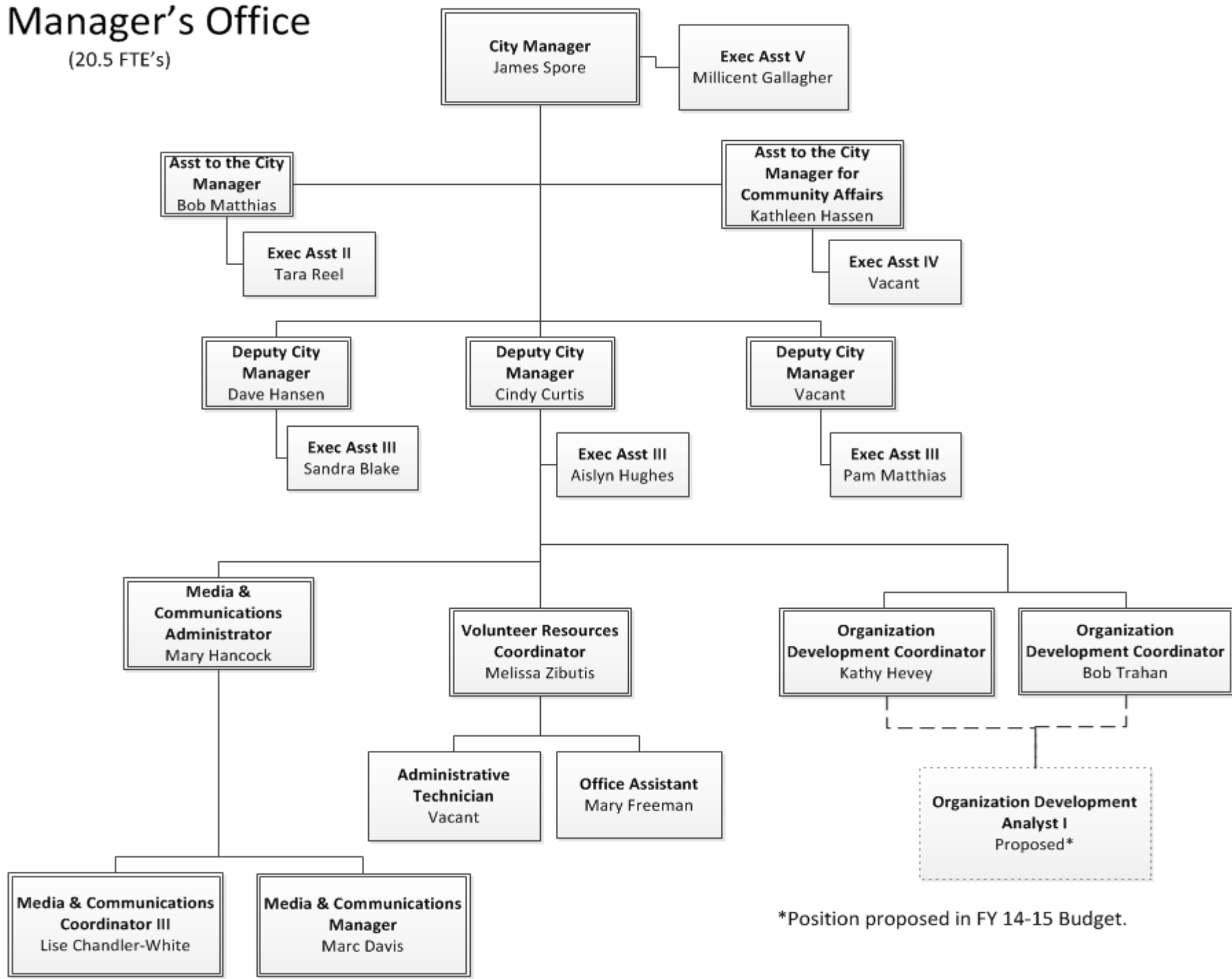
City Manager's Office

Budget Workshop April 22, 2014

James K. Spore
City Manager

City Manager's Office

(20.5 FTE's)

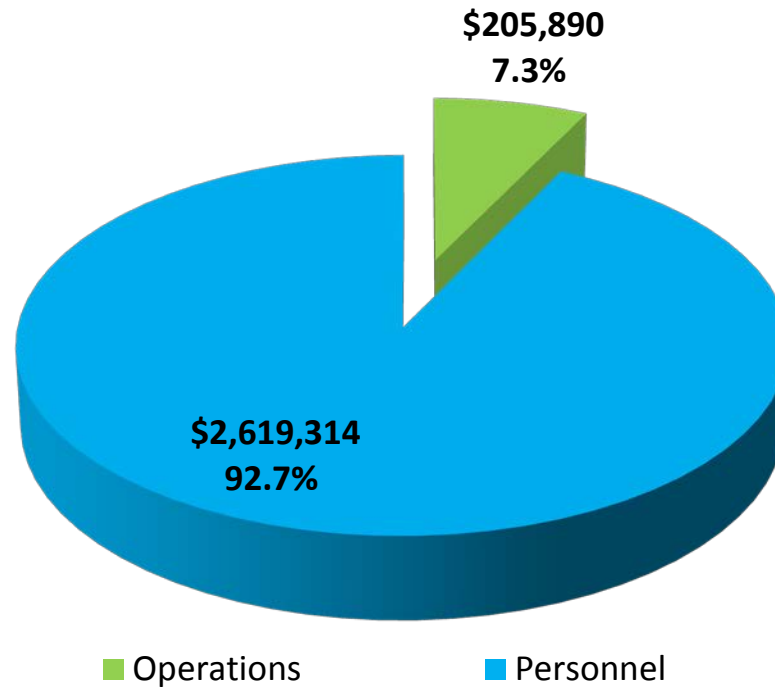


*Position proposed in FY 14-15 Budget.

City Manager's Office Operating Budget

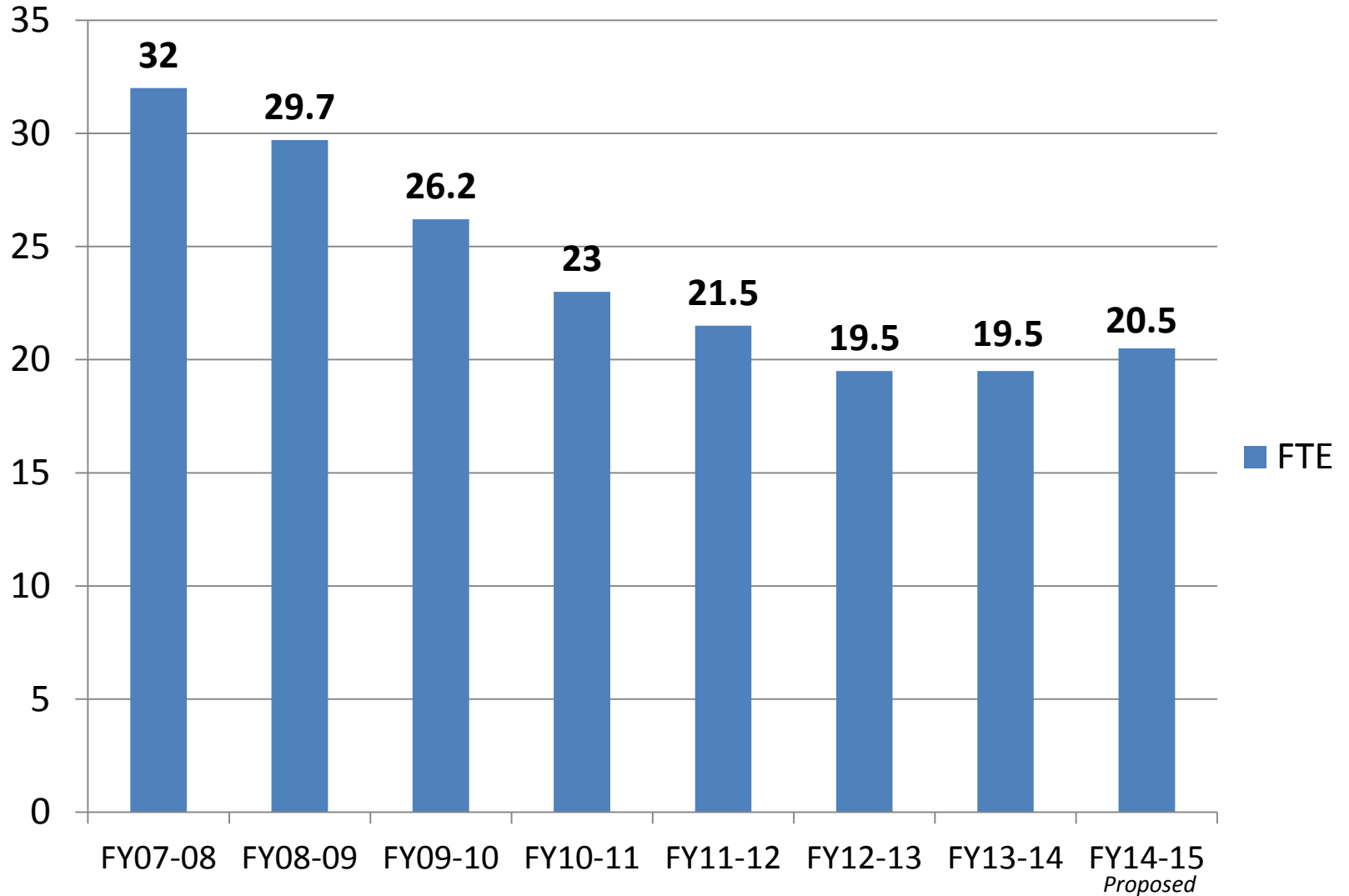
Program Unit	FY 13-14 Amended	FY 13-14 FTE	FY 14-15 Proposed	FY 14-15 FTE	Change FY 14 Amended to FY 15 Proposed	
City Manager's Office	\$1,928,364	12.0	\$1,961,297	12.0	\$32,933	1.7%
Organization Development Office	\$298,448	2.0	\$290,149	3.0	(\$8,299)	(2.8%)
Office of Volunteer Resources	\$208,131	2.5	\$207,173	2.5	(\$958)	(0.46%)
Media & Communications Group	\$359,792	3.0	\$366,585	3.0	\$6,793	1.9%
Total	\$2,794,735	19.5	\$2,825,204	20.5	\$30,469	1.09%

City Manager's Office FY 2014-15 Budget



Total Budget: \$2,825,204

City Manager's Office FTE Trend



City Manager's Office

Significant Issues

- Slow economic recovery further impacted by sequestration.
- Reduced military expenditures. Pivot to Asia could impact Hampton Roads.
- Increased pressure on federal government to reduce deficit and funding to localities.
- Rising cost of health care, retirement, life insurance and energy.
- Over the last three years, ODO has not had the capacity to provide facilitator training, therefore, there is a critical gap for strategic planning facilitators in the organization.
- The Organization Development Analyst I position (new FTE to replace contractual manpower) will provide capacity to support the growing demand for strategic alignment and change/transition management within the organization. This change also results in reduction in cost.

City Manager's Office

FY14-15 Trends & Highlights

- Volume of inquiries from the media has increased. Media and Communications Group (MCG) managed 450 inquiries in 2013, which is an increase of 11% over 2012. Number of large projects being considered (arena, light rail, Dome site) will drive the number of inquiries even higher.
- Speeches and remarks written for the Mayor and City Council by MCG staff in 2013 up by 12% from 2012.
- Office of Volunteer Resources supports volunteers and Volunteer Resource Managers with more than 20,408 individuals expected to volunteer over 1.4 million hours. This service is valued at over \$20,661,040 and equates to 682 FTE's and an avoided real estate tax rate of approximately 4.3 cents.
- 246 neighborhoods and almost 9,500 citizens are communicating through Nextdoor.com, a Neighbors Helping Neighbors initiative.

City Manager's Office

FY14-15 Trends & Highlights

- Community Engagement Team has been assembled to assess the current approach to public engagement and make recommendations to enhance the ability to build community awareness, trust, participation in decision-making and partnerships.
- 3,103 legislative items of interest to the City of Virginia Beach coordinated.
- Last year, the Urban Crescent Transportation Coalition was established which led to HB 2313 being passed. This year, the Hampton Roads Transportation Accountability Commission was established which will manage HB 2313 funds.
- Received appropriation for nourishment of resort area beach and Sandbridge.
- Vast majority of City Council's Legislative Agenda items successfully addressed.
- Responses to over 2,450 citizen concerns and requests for information.

Questions?



Budget and Management Services

Budget Workshop April 22, 2014

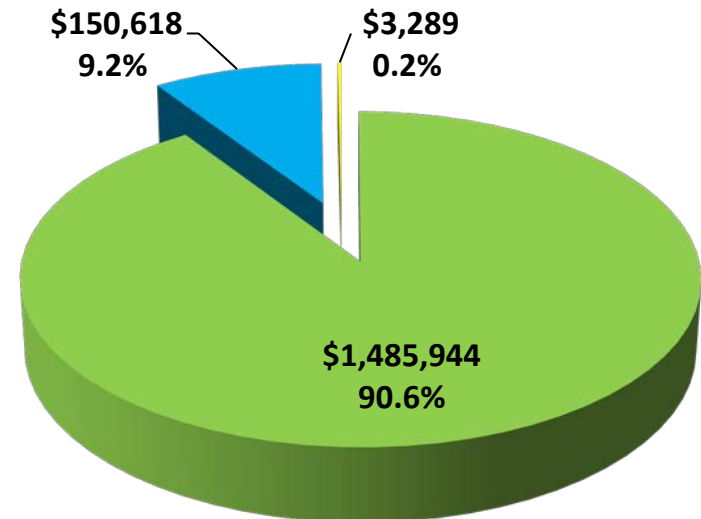
Catheryn R. Whitesell

Budget and Management Services

Operating Budget

Program Unit	FY 13-14 Amended	FY 13-14 FTE	FY 14-15 Proposed	FY 14-15 FTE	Change FY 14 Amended to FY 15 Proposed	
Budget and Management Services	\$ 1,538,768	14.0	\$1,639,851	15.0	\$ 101,083	6.6%

Budget by Expense Category



■ Personnel
 ■ Operating
 ■ Capital Outlay



Non-Departmental

Non-Departmental Operating Budget

Program Unit	FY 13-14 Amended	FY 14-15 Proposed	Change FY 14 Amended to FY 15 Proposed	
Community Organization Grants-COG	\$ 409,126	\$ 409,126	\$ 0	0.0%
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Non-Departmental-Regional Participation Program

Regional Organizations	FY 2014-15 Funding
American Red Cross	\$10,000
Court Appointed Special Advocate	10,000
Eastern Virginia Medical School	433,033
Hampton Roads Chamber of Commerce	8,500
Hampton Roads Economic Development Alliance	212,059
Hampton Roads Military and Federal Facility Alliance	215,175
Hampton Roads Planning District Commission	357,991
HRPDC-Metro Medical Response System	89,498
Navy League	21,250
Southeast 4-H	6,036
Square One	53,798
Tidewater Builders' Association	50,000
Tidewater Community College	5,100
Virginia Arts Festival	250,000
Virginia Beach S.P.C.A.	30,000
Virginia Dare Soil Conservation	8,000
Virginia Offshore Wind Alliance	5,000
Virginians for High Speed Rail	10,000
Total	\$1,775,440

Non-Departmental-Reserve for Contingencies by Type

Type	FY 13-14 Amended	FY 14-15 Proposed	Change FY 14 Amended to FY 15 Proposed	
Compensation	\$ 83,437	\$ 5,285,676	\$5,202,239	6,234.9%
Regular	\$ 3,559,219	\$ 4,392,705	\$ 833,486	23.4%
Compression	\$ 0	\$ 1,482,705	\$ 1,482,705	-
Health Insurance	\$ (200,000)	\$ (3,924,000)	(\$3,724,000)	1,862.0%
Neighborhood Dredging	\$ 0	\$ 636,300	\$ 636,300	
ComIT - Hardware	\$ 76,407	\$ 0	(\$76,407)	(100.0%)
ECCS ANI/ALI (automated location applications)	\$ 0	\$ 259,890	\$ 259,890	-
Education – Capital Outlay	\$ 453,782	\$ 369,641	(\$84,141)	(18.5%)
Miscellaneous Grants (183 Fund)	\$ 100,000	\$ 0	(\$100,000)	(100.0%)
Parking Maintenance	\$ 277,454	\$ 256,237	(\$21,217)	(7.7%)
Replacement of Totaled Vehicles	\$ 150,000	\$ 225,000	\$ 75,000	50.0%
Sequestration	\$ 724,000	\$ 0	(\$724,000)	(100.0%)
Future C.I.P. Commitments	\$ 10,075,615	\$15,875,646	\$5,800,031	57.6%
TOTAL	\$ 15,299,914	\$24,859,800	\$ 9,559,886	62.5%