

Agriculture - Departmental Performance Report

Agriculture						
<p>The mission of the Department of Agriculture is to provide leadership, coordination and education to enhance the economic vitality of the City's agricultural industry and the preservation and enhancement of its quality physical environment, to assist citizens in strengthening their families and to provide citizens and visitors with cultural and recreational opportunities by preserving our agricultural and rural heritage.</p>						
Objective/Performance Measure	Unit	Annual Target	Actual 2008	Actual 2009	Est. 2010	Proj. FY 2011
Community						
Process Agriculture Reserve Applications						
Acres in the Agricultural Reserve Program	#	8,000.0	7,409.8	7,918.8	8,218.8	8,818.8
Agricultural Reserve Program Applications Received	#	10.0	5.0	16.0	10.0	10.0
Promote the Farmers Market						
Children/Students Attending Events at Farmers Market	#	1,500.0	1,000.0	1,145.0	1,200.0	1,300.0
Special Events/Family Activities at the Farmers Market	#	50.0	70.0	99.0	103.0	105.0
Financial						
Recruit, Train and Manage Volunteers						
Volunteers that Provide Educational Programs	#	1,300.0	867.0	1,302.0	1,300.0	1,300.0
Internal Process						
Farmers Market Occupancy Rate						
Percent of Farmers Market Space Leased	%	100.0	100.0	100.0	100.0	100.0

Major Changes

The general fund supported portion of the Department of Agriculture operating budget decreased \$93,007 or 10.8% in FY 2010-11 compared with FY 2009-10 adjusted operating budget by eliminating one full-time position, reduction of operating costs for the Farmers Market and efficiency savings at the Farmers Market. The Agricultural Reserve Program (ARP) fund is a component of the overall Agriculture Department operating budget. For the FY 2010-11 operating budget, the ARP operating budget shows a decrease of \$2.6 million or 36.6% in FY 2010-11 compared with FY 2009-10 due to one-time use of ARP fund balance that in FY 2009-10, City Council transferred \$4 million to the general fund to balance the City’s overall general fund operating budget.

Change	Impact
Elimination of an Administrative Specialist position, which serves as the Agriculture Programs Coordinator for expanding and promoting Agriculture programs throughout the City.	<ul style="list-style-type: none"> The remaining staff of 12 FTEs in the department will have to absorb this position’s workload, future planned programming, and departmental representations. Programs that may be impacted include: "Taste of the Market" tours in coordination with the Convention and Visitors Bureau that promotes agricultural tours for the Farmers Market and farms including the winery program; Farmers Market promotion of the 12 major monthly events planned for the market and 100 special events including Hoe Downs, Car Cruising etc.; "Buy Fresh Buy Local" program support and community activities; and Town Center Farmers Market (June 2010) oversight, and other future satellite markets throughout the City.
Reduces operating support for the Farmers Market for media advertising, travel, dues and memberships, security, building maintenance and other supplies.	<ul style="list-style-type: none"> Without funding for support costs, there could be deferred maintenance at the Market as well as a reduction in patronage and participation at Market special events due to reduced media, and membership to local and national associations.

Additional information about program reductions is available in the Requested But Not Funded listing in the Resource Management Plan document.

Departmental Overview

The core services of the Department of Agriculture fall into four areas:

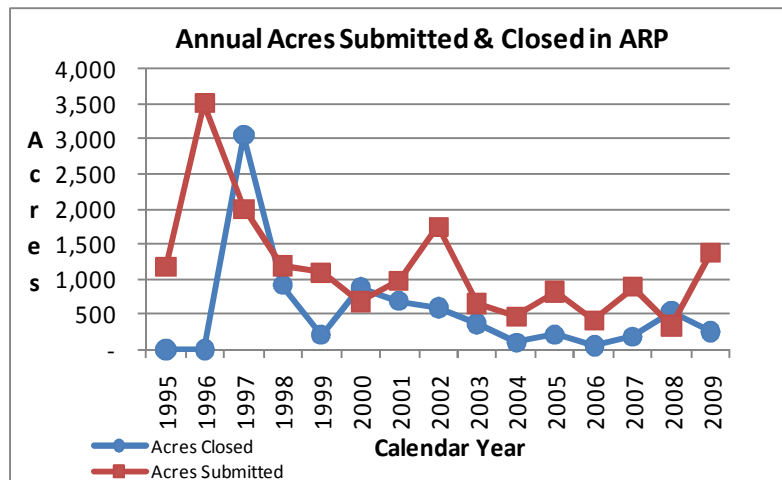
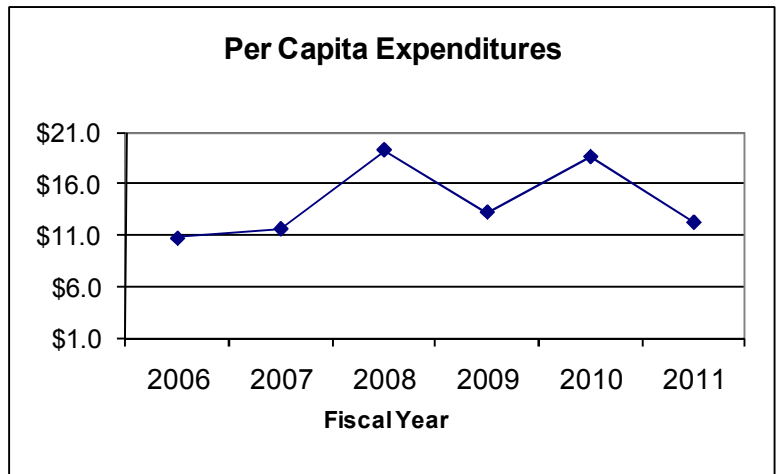
- Director’s Office** - Provides overall direction, coordination and administrative support to the department; leadership in developing and implementing the Agricultural Reserve Program; technical assistance to the agricultural community to ensure that agriculture is a viable segment of the City's economy and competitive with nearby areas; support to the Agricultural Advisory Commission; recommendations and assistance to the Planning Department regarding the Comprehensive Plan, compliance with Chesapeake Bay Area Preservation Mandates, Southern Watershed Ordinance, Transition Area, and Open Space; recommendations for the future direction of the Farmers Market; coordination of City services for agricultural related special events (i.e. Strawberry Festival, Harvest Fair); assistance in developing and implementing strategy to address the issue of aesthetics; assistance in preserving the City's agricultural heritage; installation, maintenance and management of the road side farm sign program; site plan review for projects in the southern portion of the City; technical advice to the Clean Water Task Force, and Wild Horse Committee; and recommendations regarding rural drainage.
- Cooperative Extension Program** - Provides research, technical and marketing assistance and community education for all residents regarding agriculture, horticulture, soils, family issue programming, and home management. It administers two mandated programs, Agriculture Disaster Reporting and Pesticide Applicator Certification Recertification education. The City and Virginia Polytechnic Institute and State University jointly fund this program with the City

funding one-third of the costs of three Agricultural Extension Agents and 100% of the costs of a fourth agent as well as two administrative support staff.

- Agricultural Reserve Program (ARP)** - Approved in May 1995, with the first installment purchase agreements occurring in 1997. The goal of the program is to preserve and protect over 20,000 acres of farm and forested lands in the southern part of the City. The ARP is a voluntary program. Landowners, who enroll their agricultural land, help to preserve the rural quality of the southern part of the City and preserve the agricultural land base of the City's third largest industry for future generations. The ARP 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. Eligibility requirements include: the parcels can be no less than ten developable acres; zoned for agricultural use; and cannot contain land used for recreational or open space purposes. Funding for this program is dedicated from 0.9 cent of the real estate tax.
- Farmers Market** - Leases space to vendors to sell agricultural and complementary products, provides agricultural based education programs for students and rural heritage programming for students, citizens and visitors. Market staff provides programming that is agriculturally based and educational, in a safe, family friendly environment. The Market provides for over 500,000 visitors a year. Over 59% of the annual operating cost of the Market in FY 2010-11 will be covered by rental fees.

Trends and Issues

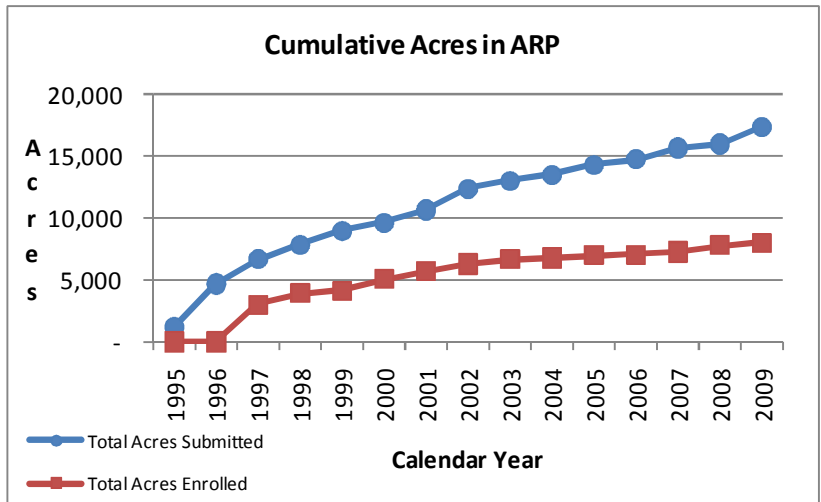
- Per capita expenditures will decrease from \$18.54 in FY 2009-10 to \$12.24 in FY 2010-11. Expenditures spiked in FY 2007-08 and in FY 2009-10 due to the City Council's one-time use of fund balance from the Agriculture Reserve Program to balance the operating budget and fund several projects in the Capital Improvement Program.
- To achieve further efficiencies, the Farmers Market reduced its training and travel expenditures \$1,131 and will increase its use of less expensive training, such as video conferencing and web based trainings.
- By the end of calendar year 2009, 201 Agricultural Reserve Program (ARP) applications have been received since the beginning of the program. The City has purchased the development rights for 8,049.77 acres, which translates into 706 development units acquired. The department anticipates adding 600 acres in 2010. Over time, approximately 50% of the applications



submitted have been closed. Those that do not close may be attributed to several reasons: the land submitted for review may not be eligible for the program, offers may not have been extended from the City, or landowners may not have accepted an offer if they felt the value of the land was lower than anticipated, or current interest rates were not appealing to close. In FY 2008-09, the spike in applications was due to an increase planned for FY 2009-10 in the agricultural value of the property that is deducted from the fair market value from \$900 per acre to \$1,800 per acre. This was a catalyst for some landowners to submit an

application prior to the change in value that would affect the purchase price of the ARP easement. The lowest interest rates in the program's history were seen in December of 2008 and landowners did not want to lock in a 25 year payment plan at those low rates. Interest rates in 2010 are now trading in the range of 4.75% to almost 5.0%, which are more attractive to landowners. The higher rates also benefit the City because the buy-in rate on the U.S. Treasury STRIPS (i.e. Separate Trading of Registered Interest and Principal Securities) that are used to fund the principal purchase price are lower when interest rates are higher.

- The Farmers Market is 100% leased with 14 leaseholders and 3 permanent vendors, who have located their own buildings on site. In FY 2008-09, 1,145 school children visited the Market's Rural Heritage Center for hands-on agricultural educational programs. There were 99 special events and family activities including hoedowns, with a total estimated attendance of 170,000.
- In 2009, the Virginia Beach 4-H Program enrolled nearly 3,851 youth, 551 adult and 57 teen volunteers, and nearly 4,000 students in its programs. Volunteers in the 4-H Program provided 21,160 hours of service valued at \$412,836.



- Cooperative Extension provided farmer educational programs in grain, fruit, vegetable and strawberry production to support the City's agriculture industry. Extension agents provided education on quarantined fire ants and Beach Vitex, while monitoring the threat of Asian Soybean Rust. They maintain awareness of other diseases, and received national recognition as the first to detect Anthracnose Crown Rot in strawberry plants in Virginia.
- Cooperative Extension's Family Consumer Science staff offered, in conjunction with a large number of volunteers, workshops and training on financial literacy, consumer education, housing, and foods and nutrition to 5,500 residents in 2009. The trend is fresh foods, better nutrition, and increased food education and food safety. Also, there is increased interest in kitchen gardens and consumer sciences.
- Cooperative Extension's Environmental Horticulture certification/recertification training seminars allowed 198 Virginia Beach municipal and commercial pesticide applicators to obtain and maintain their licenses in compliance with state and federal requirements. Applicators need to remain current on pesticide regulations and technology to make safe and sound pest management decisions related to personal, community, and environmental health.
- In 2009, there were 226 active Virginia Beach Master Gardener (VBMG) volunteers that collectively contributed 23,712 hours of service valued at \$486,807, and provided horticultural information to over 31,249 residents. VBMG volunteers worked in 24 program areas including: "Ready, Set, Grow", an environmental stewardship program which reached 1,795 Virginia Beach City Public School students and teachers; "VBMG Speakers Bureau" which delivered 72 presentations to 1,621 members of civic groups; and the "VBMG Help Desk" which provided information via email, telephone, or personal contact to 1,166 citizens.
- Last year, VBMG volunteers created the "New Kitchen Garden" demonstration area at the Virginia Beach Farmers Market to teach residents how to save money and improve nutrition through home food production. The kitchen garden project donated over 375 pounds of garden produce to the FoodBank of Southeastern Virginia. This new project received 584 visitors in its first year, as well as media attention from the Virginian-Pilot.

Council Amendment

On May 11, 2010, City Council voted to appropriate \$4 million from the Fund Balance of the Agricultural Reserve Program Fund to transfer to the General Fund to assist in balancing the FY 2010-11 Operating Budget.

Agriculture - Departmental Resource Summary

	FY 2009 Actual	FY 2010 Adjusted	FY 2011 Adopted	Variance from FY 2010
<u>Program Summary</u>				
<u>002 General Fund</u>				
<u>Expenditures</u>				
Director's Office	390,503	383,857	313,442	(70,415)
Cooperative Extension Program	253,685	265,495	263,778	(1,717)
Farmers Market	212,940	210,782	189,907	(20,875)
Total Expenditures	<u>857,128</u>	<u>860,134</u>	<u>767,127</u>	<u>(93,007)</u>
<u>Revenues</u>				
Director's Office	903	556	450	(106)
Farmers Market	126,516	120,147	121,147	1,000
Total Revenues	<u>127,419</u>	<u>120,703</u>	<u>121,597</u>	<u>894</u>
General City Support	<u>729,709</u>	<u>739,431</u>	<u>645,530</u>	<u>(93,901)</u>
<u>161 Agriculture Reserve Program Special Revenue Fund</u>				
<u>Expenditures</u>				
Agricultural Reserve Program	169,384	159,827	159,371	(456)
Future C.I.P. Commitments	0	700,140	12,629	(687,511)
Transfer to Other Funds	3,213,130	7,034,647	8,404,138	1,369,491
Total Expenditures	<u>3,382,514</u>	<u>7,894,614</u>	<u>8,576,138</u>	<u>681,524</u>
<u>Revenues</u>				
Agricultural Reserve Program	169,384	3,246,812	159,371	(3,087,441)
Future C.I.P. Commitments	1,385,861	700,140	12,629	(687,511)
Transfer to Other Funds	3,213,130	3,947,662	8,404,138	4,456,476
Total Revenues	<u>4,768,375</u>	<u>7,894,614</u>	<u>8,576,138</u>	<u>681,524</u>
General City Support	<u>(1,385,861)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Department Expenditure	4,239,642	8,754,748	9,343,265	588,517
Total Department Revenue	4,895,794	8,015,317	8,697,735	682,418
Total General City Support	<u>(656,152)</u>	<u>739,431</u>	<u>645,530</u>	<u>(93,901)</u>

Position Summary by Program

<u>002 General Fund</u>				
Director's Office	4.00	4.00	3.00	-1.00
Cooperative Extension Program	6.00	6.00	6.00	0.00
Farmers Market	2.00	2.00	2.00	0.00
Total	<u>12.00</u>	<u>12.00</u>	<u>11.00</u>	<u>-1.00</u>
<u>161 Agriculture Reserve Program Special Revenue Fund</u>				
Agricultural Reserve Program	2.00	1.00	1.00	0.00
Total	<u>2.00</u>	<u>1.00</u>	<u>1.00</u>	<u>0.00</u>
Total Position Summary	<u>14.00</u>	<u>13.00</u>	<u>12.00</u>	<u>-1.00</u>