

**Non-Departmental - Departmental Performance Report**

<b>Non-Departmental</b>						
The Non-Departmental section of the budget serves as an umbrella for appropriations that are City-wide in nature and, as such, are not contained in an operational department. These include Community Organization Grants, Revenue Reimbursements, Regional Participation, Independent Financial Services, Employee Special Benefits, Benefits Administration, Arts and Humanities Commission, Office of Cultural Affairs, Strategic Growth Area Office(includes resort parking and resort events), Citywide Lease Management, Sandler Center for the Performing Arts, and Vehicle Replacements.						
<b>Objective/Performance Measure</b>	<b>Unit</b>	<b>Annual Target</b>	<b>Actual 2008</b>	<b>Actual 2009</b>	<b>Est. 2010</b>	<b>Proj. FY 2011</b>
<b>Customer</b>						
<b>Assist in Cultural Programs</b>						
Attendees to Performances at the Sandler Center for the Arts	#	67,460.0	80,300.0	72,026.0	65,000.0	60,000.0
<b>Enforce violations for on-street parking spaces</b>						
Enforcement Hours	#	14,000.0	13,758.0	14,000.0	14,000.0	14,000.0
Parking Violations Issued	#	15,000.0	15,461.0	15,000.0	15,000.0	15,000.0
Violations Issued per Hour	#	1.1	1.1	1.1	1.1	1.1
<b>Foster Cultural Depth, Richness &amp; Diversity for the Arts</b>						
Number of Arts & Cultural Grants Awarded	#	25.0	33.0	28.0	25.0	18.0
<b>Manage off-street parking in garages</b>						
Parking Space Turnover Rate	#	70.0	64.0	70.0	70.0	70.0
Revenue Per Day	\$	2,700	2,733	2,700	2,700	2,700
Vehicles Per Day	#	680.0	681.0	680.0	680.0	680.0
<b>Manage off-street parking in surface lots</b>						
Parking Space Turnover Rate	#	1.1	1.1	1.1	1.1	1.1
Vehicles per Day	#	1,800.0	1,793.0	1,800.0	1,800.0	1,800.0
<b>Financial</b>						
<b>Funding for Non-Profit Organizations</b>						
Programs Funded by Community Organization Incentive Grants	#	0.0	19.0	23.0	23.0	0.0
<b>Provide Real Estate Tax Relief for Elderly</b>						
Number of Residents Receiving Tax Exemptions	#	8,000.0	6,408.0	7,143.0	7,666.0	8,050.0
<b>Internal Process</b>						
<b>Coordinate Leases for Buildings/Land</b>						
Lease Space Managed (square feet)	#	890,000.0	357,162.0	353,545.0	899,887.0	893,919.0
<b>Learning &amp; Growth</b>						
<b>Make Art a Vital Part of Community Development</b>						
Number of Event Days at the Sandler Center for the Arts	#	230.0	128.0	204.0	238.0	225.0
Performances Funded by Arts & Humanities Commission	#	300.0	486.0	375.0	375.0	290.0

**Major Changes**

In total, the Non-Departmental section of the budget increased overall by \$2,882,158 between FY 2009-10 and FY 2010-11.

Change	Impact
Elimination of City Tuition Reimbursement Program.	<ul style="list-style-type: none"> <li>The impact of eliminating the program is that employees will no longer receive tuition reimbursement payments for college courses.</li> </ul>
Addition of the Strategic Growth Area Office (SGA) Community Design Resource Center to redirect current staff throughout the City into a coordinated office to provide planning support, management of infrastructure development and related projects to support the mission of the office.	<ul style="list-style-type: none"> <li>The cost of the Center is approximately \$263,000 and includes startup costs for the center to bring existing City staff together. The center also plans to utilize community volunteers from various architectural firms as well as students from local universities. Included in the cost is funding to provide a façade improvement program for retail businesses.</li> <li>The creation of the Strategic Growth Area Office in FY 2010 accounts for an increase of 2.0 FTEs between FY 2009 and FY 2010. A reorganizational change will be necessary in FY 2010-11 to the Strategic Growth Area Office by moving existing positions in alignment with City Council’s vision as expressed in the Comprehensive Plan. As part of this reorganization, 3.0 FTEs were permanently transferred from the Department of Management Services to the Strategic Growth Area Office to perform project development, various analyses and administrative duties. Additionally, the Strategic Growth Area Office is coordinating the reassignment of other positions from various departments on two year rotations to perform duties necessary to its mission.</li> </ul>
Reduction of approximately \$70,000 in funding for the Arts and Humanities Commission to non-profit cultural organizations.	<ul style="list-style-type: none"> <li>The impact of the reduced funding will result in fewer organizations receiving funding dependent upon the number of applications for grants the commission receives in the upcoming year.</li> </ul>
Elimination of Incentive Community Organization Grants.	<ul style="list-style-type: none"> <li>The Community Organization Incentive Grant program provides start up grants to existing not-for-profit organizations to begin new programs to assist residents of the City. The impact of eliminating this program will result in organizations having to find other sources of funding to launch the new programs.</li> </ul>
Funding for the Contemporary Arts Center of Virginia was reduced by approximately \$30,000.	<ul style="list-style-type: none"> <li>The impact of this reduced level of support is that the Center will need to find alternative sources of funding for a portion of its utilities while improving efficiencies to offset the lesser amount provided by the City.</li> </ul>
Tax Relief for the Elderly.	<ul style="list-style-type: none"> <li>Tax relief for the elderly continues to increase for FY 2011. The anticipated cost is anticipated to increase approximately \$500,000 from FY 2009-10 to FY 2010-11 with almost 400 additional requests for tax relief.</li> </ul>
The Parking Enterprise Fund has been moved from the Convention and Visitors Bureau to the Strategic Growth Area Office. In addition, several parking rates are proposed for an increase to recoup operating and maintenance costs.	<ul style="list-style-type: none"> <li>Virginia Beach residents with a valid drivers’ license and a Virginia Beach address pay \$1 to park at resort lots or garages after 5 p.m. The proposed increase is to change the rate from \$1 to \$2 which will generate approximately \$226,000 annually.</li> <li>Increase maximum parking fee rates at lots and garages on Friday, Saturday, Sunday and Holidays from \$7 to</li> </ul>

Change	Impact
	<p>\$10 and increase Monday through Thursday from \$5 to \$7. This will generate approximately \$680,000 annually.</p> <ul style="list-style-type: none"> <li>• Increase parking meter fees from \$1 to \$1.50 per hour. This will generate approximately \$306,000 annually.</li> <li>• As part of aligning City operations programmatically, the Parking Enterprise Fund has assumed the cost of the Camp Pendleton Croatan Parking Lot lease. The above fee increases support the cost of this lease payment.</li> </ul>

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

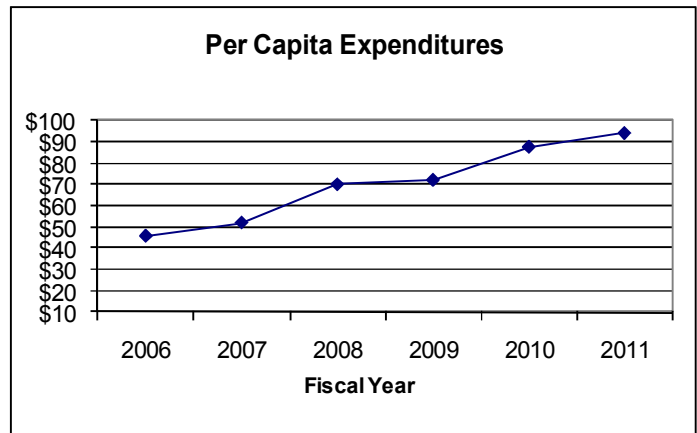
**Program Description**

- **Regional Participation and Community Organization Grants (COG)** - Provides funding for non-profit organizations. Regional Participation provides funds to non-profit organizations, regional colleges, and governmental agencies that support City Council goals and compliment City services. Community Organization Grants provide 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. Financial and service delivery reports are required from those agencies receiving grant funding.
- **Independent Financial Services** - Provides funding for the City’s annual external audit.
- **Employee Special Benefits** - Provides employee service awards and the employee assistance program as well as the employer’s share of health and dental insurance for eligible retirees.
- **Benefits Administration** - Provides the City’s portion of funding for the staff and operations of the Consolidated City/School Employee Benefits Office, which oversees the administration of the health insurance contract and the Employee Wellness Program.
- **Revenue Reimbursements** - Provide real estate tax relief to certain private properties from which the City derives the primary benefit. Real estate tax relief and water/sewer line fee cost reductions are available to the elderly and disabled and other persons who have certain financial limitations.
- **Cultural Affairs Office** - Works with the Virginia Beach Arts and Humanities Commission to support cultural activities throughout the City. Funding for the Commission is provided on a per capita basis and grants are provided to local arts organizations. The Cultural Affairs Office also provides a grant to the Contemporary Art Center for utilities and educational programs. The Boardwalk Art Show is supported with a transfer from the TGIF Fund. Cultural Affairs also oversees the Sandler Center for the Performing Arts, a 1,200 seat theater located at Town Center which opened in the Fall of 2007 and is managed by a private contractor.
- **Strategic Growth Area Office** - Handles the ongoing planning and implementation activities associated with the City’s comprehensive plan. It encompasses the City’s need for redevelopment, increased density, alternative transportation initiatives, secure neighborhoods, protecting rural and natural areas, reducing non-compatible properties, affordable housing and increased economic development efforts.
- **Citywide Leases** - Provides the necessary leases for office space, contracts for building security, provides facilities management of the Municipal Center buildings and rental space and parking.
- **Vehicle Replacements** - Provides funding for the City to replace vehicles.

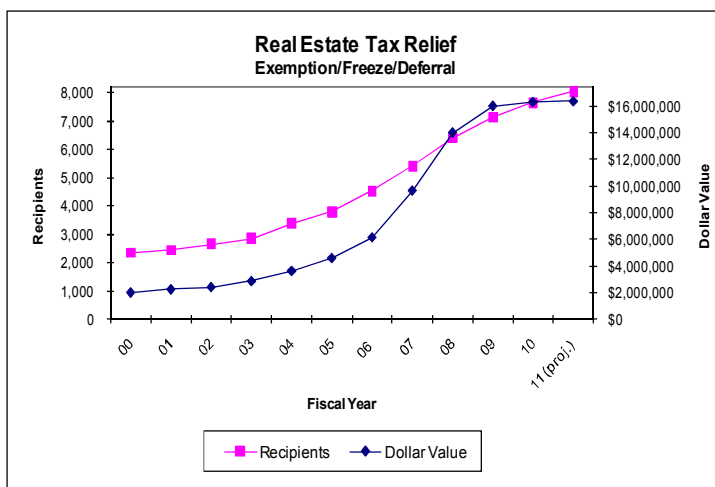
- **Resort Area Events** - Schedules and coordinates special events at the oceanfront and resort area and plans and programs the entertainment events. This office facilitates the development of resort business opportunities, supports the Resort Advisory Commission's initiatives, and coordinates capital improvement projects in the resort area.
- **Parking Enterprise Fund** - Predominantly, parking services are performed from April 1<sup>st</sup> to September 30<sup>th</sup> each year during the peak resort season. Parking management has three main goals: 1) the provision of managed parking in municipal owned parking facilities and on street parking spaces, 2) the enforcement of the Residential Parking Permit Program, and 3) shuttle bus and satellite parking operations for major holiday weekends and special events at the Oceanfront. Operationally, the department administers service contracts to provide managed parking at nine parking lots at the Oceanfront, Croatan, and Sandbridge, and six parking garages (two at the Oceanfront and four at Town Center).
- **Lynnhaven Mall Tax Increment Financing Fund (TIF)** - Established by City Council for the Lynnhaven Mall shopping area on June 2, 1998, in conjunction with the expansion of Lynnhaven Mall totaling over \$100 million of private investment. The proposed use of the TIF funds will improve the capacity and flow of traffic within the mall area, improve public access to and from the mall area, and expand public parking.

**Trends and Issues**

- As the per capita graph indicates, Non-Departmental increased due to a organizational restructuring within the Strategic Growth Area Office, a transfer of approximately \$1.5 million in citywide leases as well as the Parking Management Fund. The increase between FY 2007 and FY 2008 is attributable to the City complying with GASB 45 which was approximately \$3.8 million in FY 2009. The largest increase in Non-Departmental between FY 2006-07 and FY 2007-08 is attributable to the City increasing the net worth limit in Tax Relief for the Elderly and Disabled from \$200,000 to \$350,000; almost a \$4.4 million increase overall in revenue reimbursements.



- As the graph shows, the Real Estate Tax Exemption program continues to grow. The program offers three options to eligible senior citizens and disabled persons, tax relief, tax freeze, and tax deferral. For FY 2010-11, 8,050 homeowners are anticipated to take advantage of the program. Total tax relief in FY 2010-11 is projected to total \$16.4 million. Real estate tax relief and water/sewer line fee cost reductions are available to the elderly and disabled who have certain financial limitations.



- Vehicle replacements were maintained at the FY 2010 funding level for the upcoming 2011 fiscal year for a total cost of \$3.1 million. However this funding is nearly \$2 million less than the City normally provides for vehicle replacements. If funding cannot be increased, rising maintenance requirements will begin to drive up costs in the City Garage.

**Fee Increase Schedule**

<b>Name of Fee</b>	<b>Current Amount</b>	<b>FY 2011 Proposed Amount</b>	<b>Date of Last Increase</b>
Resident Discount Fee	\$1	\$2	1994
City Parking Lots and Garages	\$ 7 (Friday, Saturday & Sunday) \$5 (Monday through Thursday)	\$10 (Friday, Saturday & Sunday) \$7 (Monday through Thursday)	1999
Parking Meter Fees	\$1 per hour	\$1.50 per hour	2009
*The above Parking Fees generate approximately \$1.2 million and are used to maintain existing City parking facilities and operational costs.			
Outdoor entertainment two or more days	\$150	\$250	Early 1990's
Major thoroughfare in resort area	\$100	\$250	Early 1990's
Major thoroughfare within and/or outside resort area	\$100	\$500	Early 1990's
Outdoor event occurring more than three days charges a participating fee	\$150	\$300	Early 1990's
Events with attendance over 1,000 requiring major thoroughfare closure with City event supervisor on site (\$30 per hour/4 hours)	\$0	\$25	Early 1990's

\*The above fees generate an additional \$34,860 in FY 2010-11 for Resort Programs and Special Events.

**Council Amendment**

On May 11, 2010, City Council voted to eliminate the proposed façade retail incentive program in the Strategic Growth Area Office (\$150,000) and reduced funding to the Consolidated Benefits Office by (\$107,814). Additionally, the Virginia DARE Soil Conservation Program associated with Regional Participation grants was restored (\$8,000).

**Non-Departmental - Departmental Resource Summary**

	FY 2009 Actual	FY 2010 Adjusted	FY 2011 Adopted	Variance from FY 2010
<b><u>Program Summary</u></b>				
<b><u>002 General Fund</u></b>				
<b><u>Expenditures</u></b>				
Arts and Humanities Commission	449,706	479,687	376,693	(102,994)
Community Organization Grants - On-Going	403,021	379,257	379,257	0
Community Organization Grants - Incentive	199,233	146,405	0	(146,405)
Employee Special Benefits	7,711,487	4,656,199	3,878,361	(777,838)
Benefits Administration	814,890	770,097	662,283	(107,814)
Vehicle Replacements	2,712,895	3,111,914	3,111,914	0
Revenue Reimbursements	15,997,512	15,928,947	16,411,728	482,781
Regional Participation	2,033,150	2,078,758	1,933,213	(145,545)
Independent Financial Services	134,144	153,878	153,878	0
Cultural Affairs	216,380	216,490	209,831	(6,659)
Sandler Center	1,414,746	1,607,449	1,590,213	(17,236)
Contemporary Arts Center Grant	186,232	208,607	177,220	(31,387)
Strategic Growth Area	0	194,650	906,278	711,628
Resort Programs and Special Events	583,721	601,922	507,585	(94,337)
Leases	0	0	1,586,830	1,586,830
Total Expenditures	<u>32,857,117</u>	<u>30,534,260</u>	<u>31,885,284</u>	<u>1,351,024</u>
<b><u>Revenues</u></b>				
Arts and Humanities Commission	5,000	42,237	5,000	(37,237)
Vehicle Replacements	80,596	0	150,000	150,000
Regional Participation	0	7,185	0	(7,185)
Sandler Center	100,000	100,000	106,289	6,289
Resort Programs and Special Events	31,200	50,617	64,145	13,528
Total Revenues	<u>216,796</u>	<u>200,039</u>	<u>325,434</u>	<u>125,395</u>
General City Support	<u>32,640,321</u>	<u>30,334,221</u>	<u>31,559,850</u>	<u>1,225,629</u>
<b><u>152 Tourism Growth Investment Fund</u></b>				
<b><u>Expenditures</u></b>				
Cultural Activities - TGIF	50,500	50,500	50,500	0
TGIF Special Events	3,091,189	3,184,763	3,091,656	(93,107)
Total Expenditures	<u>3,141,689</u>	<u>3,235,263</u>	<u>3,142,156</u>	<u>(93,107)</u>
<b><u>Revenues</u></b>				
Cultural Activities - TGIF	48,225	50,500	50,500	0
TGIF Special Events	3,093,464	3,184,763	3,091,656	(93,107)
Total Revenues	<u>3,141,689</u>	<u>3,235,263</u>	<u>3,142,156</u>	<u>(93,107)</u>
General City Support	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b><u>165 Lynnhaven Mall Tax Increment Financing Fund</u></b>				
<b><u>Expenditures</u></b>				
Lynnhaven Mall TIF Payment	921,148	1,800,000	1,850,000	50,000
Total Expenditures	<u>921,148</u>	<u>1,800,000</u>	<u>1,850,000</u>	<u>50,000</u>
<b><u>Revenues</u></b>				
Lynnhaven Mall TIF Payment	1,750,002	1,800,000	1,850,000	50,000
Total Revenues	<u>1,750,002</u>	<u>1,800,000</u>	<u>1,850,000</u>	<u>50,000</u>
General City Support	<u>(828,854)</u>	<u>0</u>	<u>0</u>	<u>0</u>

**Non-Departmental - Departmental Resource Summary**

	FY 2009 Actual	FY 2010 Adjusted	FY 2011 Adopted	Variance from FY 2010
<b><u>253 Parking Enterprise Fund</u></b>				
<b><u>Expenditures</u></b>				
Parking Enterprise Fund	1,264,886	1,669,306	1,875,987	206,681
Reserve for Contingencies	0	11,669	1,008,339	996,670
Transfer to Other Funds	849,335	866,776	987,852	121,076
Total Expenditures	<u>2,114,221</u>	<u>2,547,751</u>	<u>3,872,178</u>	<u>1,324,427</u>
<b><u>Revenues</u></b>				
Parking Enterprise Fund	2,717,079	2,547,751	3,872,178	1,324,427
Total Revenues	<u>2,717,079</u>	<u>2,547,751</u>	<u>3,872,178</u>	<u>1,324,427</u>
General City Support	<u>(602,858)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Department Expenditure	39,034,175	38,117,274	40,749,618	2,632,344
Total Department Revenue	<u>7,825,566</u>	<u>7,783,053</u>	<u>9,189,768</u>	<u>1,406,715</u>
Total General City Support	<u>31,208,609</u>	<u>30,334,221</u>	<u>31,559,850</u>	<u>1,225,629</u>

**Position Summary by Program**

**002 General Fund**

Cultural Affairs	3.00	3.00	3.00	0.00
Strategic Growth Area	0.00	2.00	5.00	3.00
Resort Programs and Special Events	5.00	5.00	5.00	0.00
Total	<u>8.00</u>	<u>10.00</u>	<u>13.00</u>	<u>3.00</u>

**253 Parking Enterprise Fund**

Parking Enterprise Fund	5.00	5.00	5.00	0.00
Total	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>	<u>0.00</u>
Total Position Summary	<u>13.00</u>	<u>15.00</u>	<u>18.00</u>	<u>3.00</u>