

CITY OF POQUOSON VIRGINIA



ADOPTED ANNUAL FINANCIAL PLAN

FISCAL YEAR JULY 1, 2018 – JUNE 30, 2019

**CITY OF POQUOSON, VIRGINIA
ADOPTED ANNUAL FINANCIAL PLAN
FISCAL YEAR 2019**

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The Government Finance Officers Association of the United States and Canada (GFOA) presented the City of Poquoson an Award for Distinguished Budget Presentation for the Fiscal Year beginning July 1, 2017. In order to receive this award, a governmental unit must publish a document that meets program criteria as a policy document, an operations guide, a financial plan and a communications medium.

This award is valid for a period of one year only. We believe our current budget continues to conform to the program requirements and we are submitting it to the GFOA to determine its eligibility for another award.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Poquoson
Virginia**

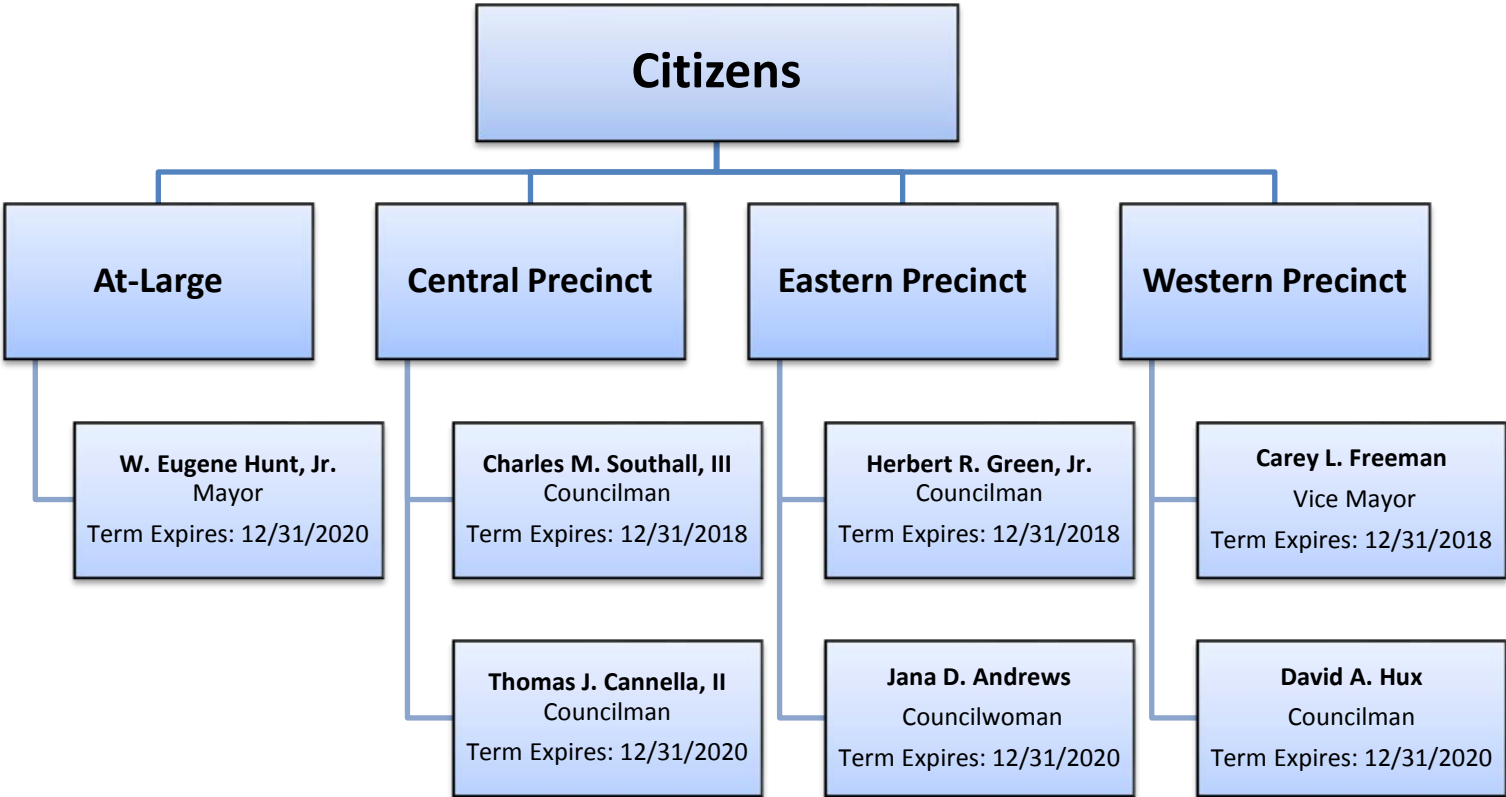
For the Fiscal Year Beginning

July 1, 2017

Christopher P. Morrill

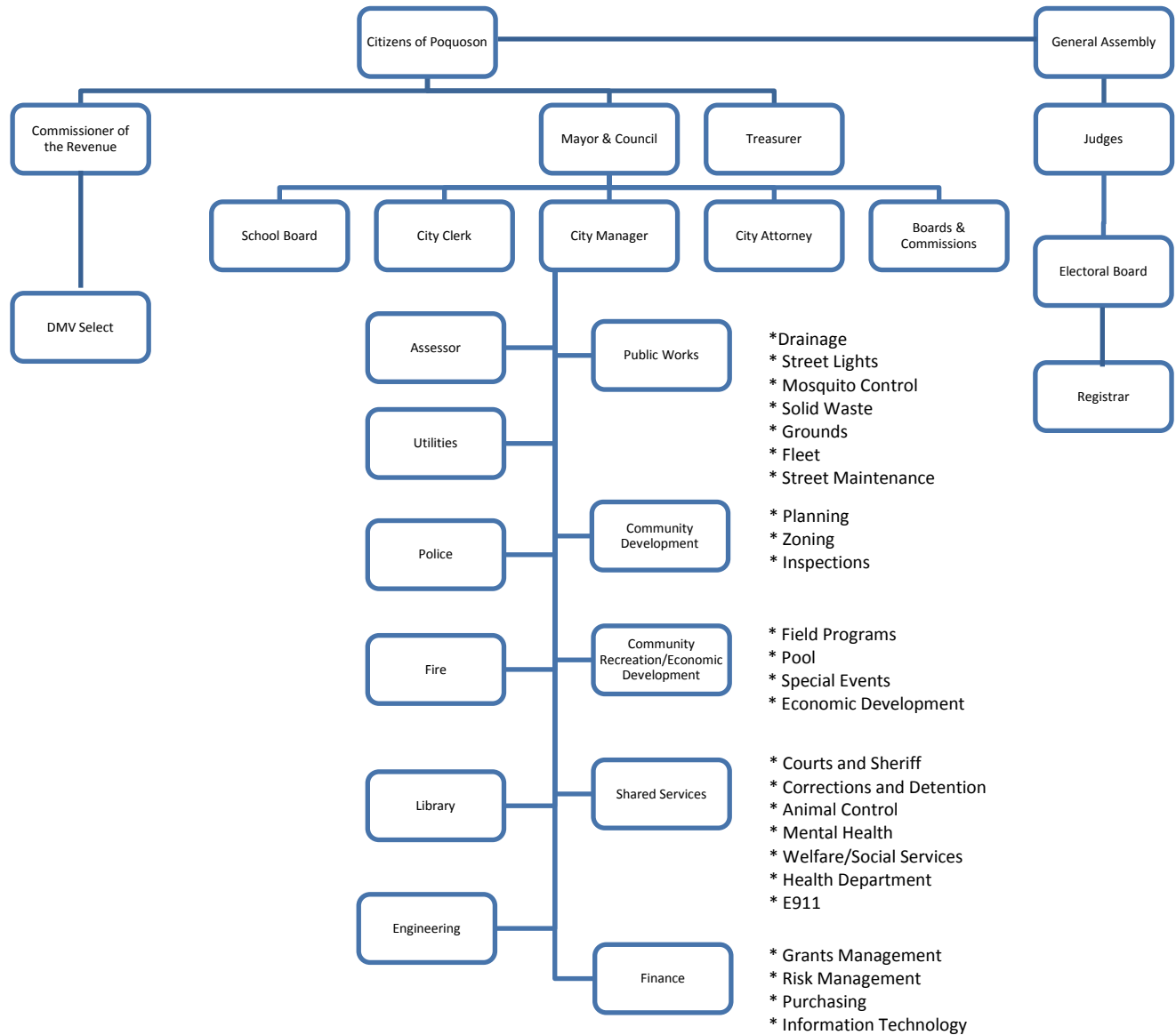
Executive Director

POQUOSON CITY COUNCIL



CITY OF POQUOSON, VIRGINIA

CITY GOVERNMENT ORGANIZATION CHART



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The Executive Summary includes the City Manager's budget message and a general overview of the Annual Financial Plan for Fiscal Year 2019 for the City of Poquoson. The summary provides a quick overview of the fiscal plans of the City for the upcoming fiscal year. It highlights some of the more significant items in the City's budget and addresses some of City Council's goals. The information following the Executive Summary has a considerable amount of detail for those who desire a more thorough review of the budget document.

The General Fund is the primary focus of the Executive Summary. This is the primary operating fund of the City and is used to account for most of the City's financial resources. The spending requirements of this fund determine the rates of local taxation.

In addition, budgets have been prepared for the Debt Service Fund, the Capital Projects Fund, the Solid Waste Enterprise Fund, the Utilities Enterprise Fund, the Fleet Management Internal Service Fund, the Special Revenue Fund/Grant, and Special Revenue Fund/OPEB.

The budget is available for public review in the City Manager's Office, the City Library, and online at www.poquoson-va.gov.



- **Budget Message from the City Manager**
- **The Proposed Budget in Brief**
 - **General Fund**
 - **Debt Service Fund**
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Executive Summary

Fiscal Year July 1, 2018 to June 30, 2019

Budget Message

April 9, 2018

Honorable Mayor and Members of City Council
Poquoson, Virginia:

Thank you for the opportunity to present the City Manager's Proposed Budget of FY 2019, submitted in accordance with Article V of the Poquoson City Charter.

Introduction:

As we prepared this budget for your consideration we began, as always, with a detailed review of the current fiscal year. I am pleased to report that based on our mid-year analysis our fiscal situation remains stable and our reserves meet or exceed established guidelines and our enterprise funds are sound; however I would like to bring to your attention that the General Fund budget is expected to finish the year with considerably less net surplus than in previous years. This results primarily from the reduced number of vacancies, particularly in Public Safety, significant leave payouts and other associated costs from an unusually large number of employee retirements and the fact that we did not receive the federal firefighter grant we included in the adopted budget. As we look forward to the next budget year, this budget continues to incorporate the guiding principles of FY 2018, i.e. strict adherence to the City Council's adopted financial guidelines, constrained new expenses to stay within projected revenues at the basic budget level and reliance on ongoing revenues to support ongoing expenses. One significant departure from the budgetary guiding principles we have utilized since FY 2015 is that this budget recommendation includes a proposed real estate tax increase. To assist you with your review of the proposed budget I will focus my comments first on the basic budget, i.e. level tax rates and then following the basic budget discussion specifically discuss each of the two elements associated with the recommended real estate tax increase.

To assist me in developing the Proposed Budget, I once again sought the assistance from the City Department Heads and Constitutional Officers. In February 2018, I facilitated a budget retreat with the senior leadership team. During this session the senior staff reviewed and reconfirmed strategic budget priorities that were used to help guide budget development for the FY 2018 budget which continue to provide a framework for the FY 2019 Proposed Budget.

Budget Message (Continued)

I would note that succession management, though an important and continuing organizational issue has been incorporated into the City Base Budget priority which effectively reduces the number of strategic priorities from seven to six. The six unranked priorities are:

School Division Base Budget
Capital Maintenance

City Base Budget
New Staff

Salary Study/Implementation
New Facilities/Facilities Replacement

City Manager's Proposed Budget Overview:

The proposed budget reflects the guiding principles as indicated above. The basic budget is constrained to stay within our projected revenue while maintaining stable tax rates. It should be noted that while we are experiencing continued growth in local revenue, particularly in real estate and personal property, overall revenue growth is largely offset by rising health insurance and employee retirement costs and other non-discretionary expenditure increases leaving only a limited amount to invest in discretionary areas of the budget.

Strategic Priority – School Division Base Budget: One of the things that sets the City of Poquoson apart from many localities is the close working relationship between the City Council and School Board. As City Manager, I work closely with the Superintendent of Schools throughout the budget process. After several years of declining State revenue, including revenue losses associated with declining enrollment, the School Division is forecasting an increase in State funding support due, in part, to an increase in enrollment. In recognition of the City's overall budget situation, I am pleased to share with you that the School Division is not requesting any additional local government support for its operational budget next year. The increase in State funding support will allow the School Board to provide a 2% Cost of Living Adjustment (COLA) for its employees, complete the final phase of the three year teacher pay plan update and add three additional teaching positions necessitated by increased enrollment. I would note to you that this is the first time in my career that I recall a School Division not requesting an increase in local support for its operational budget.

Strategic Priority – City Base Budget: As part of the budget development process each departmental submission is carefully reviewed. Limited adjustments are made to specific line items to ensure that departments are able to continue to meet their respective departmental missions. The recommended budget also includes adjustments for such items as health insurance, employee retirement, utilities and nondiscretionary items such as juvenile detention. Cumulatively the base adjustments reflect the updated, FY 2019, cost of continuing the services and programs contained within the current budget. There are no significant new initiatives contained in the basic budget. I would note to you that this budget continues 100% local funding of the additional firefighter position that was added in FY 2018; which was the subject of an ultimately unsuccessful federal grant request.

Strategic Priority – Salary Study/Implementation: Conducting a thorough review and update of the City's compensation plan has and continues to be an important priority for the Senior Staff and myself. It is through these periodic updates that localities ensure that rates of pay and associated pay ranges reflect the knowledge, skills and abilities of the various job descriptions as they compare to each other within the City workforce and also reflect a fair and competitive wage as it relates to other employers, particularly other local governments on or near the Peninsula for which we compete in terms of recruitment and retention. Regrettably, again this year due to limited resources we will not have the funding to complete and implement a salary study. We have been able to identify funding to include a 2% COLA for all permanent City employees for FY 2019. While I am pleased to be able to recommend this adjustment, I am mindful that most localities on the greater Peninsula are considering larger compensation adjustments than what we have been able to provide in this budget recommendation. I would note also that a significant factor that made this recommendation possible was the fact that the School Division is not requesting an increase in local support for its operating budget.

Budget Message (Continued)

A related issue of salary compression is an additional area that I hope to be able to focus on in upcoming fiscal years. A staff committee comprised of department representatives from the Police, Public Works and Fire and Rescue, and the offices of the Assessor and City Manager are working on this issue and have been tasked with providing recommendations as part of the FY 2020 budget process.

Strategic Priority – Capital Maintenance/Equipment Replacement: As City Council is aware, we have for the last several years had as one of our budgetary focus areas made a concerted effort to restore operational funding for maintenance and routine equipment replacement such as police cars. We have also utilized leasing options to help us replace two older mowers and several police vehicles within the last two fiscal years. We have also used available non-recurring funds associated with a prior year bond refinancing to begin the City Hall HVAC capital maintenance project and the acquisition of a Mini Fire Pumper to replace Engine 102. While we have not been able to add significant new funding for normal maintenance and equipment replacement in the General Fund, I am pleased that we have been able to maintain the increased investments we have made in recent years in the FY 2019 Budget.

Strategic Priority – New Staff: Each year during the budget development process I receive several requests for new positions typically from the larger departments. This year the Police and Fire and Rescue Departments each requested additional positions. I regret that within the constraints of the level tax rate base budget I am unable to recommend any new positions within the basic budget. As previously noted, this budget does convert the Fire and Rescue position that was added in the current year's budget to 100% locally funded position. To assist in funding this position I am recommending an expansion of the City Revenue Recovery program.

Strategic Priority – New Facilities/Facilities Replacement: Within the basic budget there are no initiatives relating to this priority. Given the levels of needed funding associated with these types of initiatives these projects are normally associated with the Capital Improvements Plan. The specific Capital Improvements Plan projects associated with what will become the City's first Constrained Capital Improvement Plan (CCIP) are outlined as a new initiative below.

The six strategic priorities mentioned above are the framework of the budget process, however, this year in addition to the above I have included at the direction of City Council the two new initiatives that City Council has placed great importance on.

Initiative One - The Constrained Capital Improvements Plan: In January of 2018 City Council held a retreat to discuss the financial assumptions necessary to allow the City to move from an aspirational Capital Improvements Plan to a Constrained Capital Improvements Plan. This new plan, similar to the region's constrained long range transportation plan, constrains project priorities to stay within the financial resources reasonably expected to be available within the planning period. During the retreat City Council discussed both the possibility of dedicating ongoing pay-as-you go cash funding to support the CCIP as well as the possibility of issuing additional debt within the parameters of the City's adopted financial guidelines. At the conclusion of the discussion, the consensus of City Council was to constrain the FY 2019 - FY 2023 CIP within a total new debt level of approximately \$23 million of which \$20 million was to be allocated to Schools. The City Manager's Draft CCIP has been presented to the Planning Commission and is currently scheduled for Planning Commission Public Hearing on April 16, 2018. The FY 2019 City Manager's Proposed Budget includes a six cent real estate tax increase to provide the debt service associated with the approximately \$23 million in new debt to support the CCIP.

Budget Message (Continued)

I would note that the total five year new debt proposed in the CCIP exceeds the amount established as a planning constraint by City Council by \$1 million; the additional amount is associated with the Total Maximum Daily Load (TMDL) environmental mandate. This budget recommendation is modeled on the lower amount. The proposed borrowing is recommended to take place in two phases over a two-year period. The first borrowing is recommended to be approximately \$18 million which would fund the \$17,069,100 needed for the Middle School Renovation Project, the acquisition of a school bus, the second phase of the HVAC replacement project at City Hall, the balance of the funds needed to replace Fire Engine 102 and up to \$150,000 to support projects associated with the TMDL mandate.

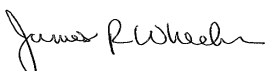
The second phase of the overall \$23 million borrowing is recommended for FY 2020 and will include funding for roof replacement for the Primary and High Schools and additional buses. In addition the second phase is also anticipated to include approximately \$2.5 million in funding to support City CCIP projects. At this time the TMDL mandate is the highest priority for available funds; however should the cost of meeting the requirements of this federal mandate be reduced, as anticipated, City staff will work with the Planning Commission and City Council as part of next year's CCIP process to prioritize the use of these funds amongst the significant number of capital equipment replacement and maintenance projects that are currently unfunded within the five year CCIP planning period. I would note that the proposed tax rate increase associated with the CCIP is sufficient to cover the debt service costs associated with both borrowing phases.

Initiative Two - School Safety Initiatives(s): The City Manager's Proposed Budget for FY2019 also includes an additional one cent real estate tax increase to fund the School Resource Officer position as requested by City Council at its March 26, 2018 meeting. The set aside of \$159,000 from the tax increase will fully fund this position as well as provide additional resources which may be needed to support the recommendations of the Ad Hoc Committee on School Safety.

To assist City Council and the readers of this document with the understanding of the impact of the proposed tax increase for the two new initiatives mentioned above, the residential taxpayer's bill for the average home value of \$322,800 will see an increase of \$226 per year/ \$18.83 per month.

General Observations and Conclusion: As the City Council begins its deliberations of this budget proposal, I would like to thank the many people who have worked with me develop the recommended budget. We have worked hard to bring you a basic budget that was developed within the framework of level tax rates. Within this budget we continue to maintain the necessary levels of investment to support our existing levels of service and provide a modest pay increase. We have included the two new initiatives put forward by City Council, i.e. the School Safety Initiative and a fully funded Constrained Capital Improvement Program. I look forward to working with the City Council in the coming weeks as you begin your formal consideration of this budget proposal.

Respectfully,



James. R. Wheeler

The Proposed Budget in Brief

The total revenue budgeted for FY 2019 by fund is as follows:

General Operating Fund	\$29,079,938
Debt Service Fund	3,813,627
Use of Fund Balance	<u>29,194</u>
Debt Service Fund	3,842,821
Capital Projects Fund	384,886
Solid Waste Fund	856,207
Use of Reserve	<u>36,053</u>
Solid Waste Fund	892,260
Utilities Fund	2,372,053
Fleet Fund	757,816
Special Revenue Fund/Grants	210,013
Special Revenue Fund/OPEB	<u>159,333</u>
Revenues & Transfers In	37,636,536
Less Interfund Transfers:	
Utilities Fund	(150,000)
Debt Service Fund	(3,813,627)
Capital Projects Fund	(10,186)
Solid Waste Fund	(50,000)
Special Revenue Fund/OPEB	<u>(70,534)</u>
Total Revenues	<u>\$33,604,773</u>

The total expenditures budgeted for FY 2019 by fund is as follows:

General Operating Fund	\$29,079,938
Less Interfund transfers:	
Debt Service	(3,813,627)
Capital Projects	(10,186)
Special Revenue Fund (OPEB)	<u>(70,534)</u>
	(3,894,347)
Debt Service Fund	3,093,665
Addition to Fund Balance Reserve	749,156
Capital Projects	384,886
Solid Waste Fund	892,260
Less Interfund transfers	
General Fund	(50,000)
Utilities Fund	2,372,053
Less Interfund transfers	
General Fund	(150,000)
Fleet Management Fund	757,816
Special Revenue Fund/Grants	210,013
Special Revenue Fund/OPEB	<u>159,333</u>
Total Expenditures	<u>\$33,604,773</u>

General Fund

Revenues by Category:

The General Fund derives its revenue from a variety of sources as the pie chart on page vii illustrates. The largest source is from general property taxes, which includes real estate taxes, personal property taxes, public service corporation taxes, delinquent taxes and penalties and interest.

The City expects to receive \$17,656,900 in real estate tax revenue in FY 2019. Real estate taxes are projected to increase \$1,396,900 or 8.6%. The following factors make up the change in real estate:

- Growth projections for FY 2019 are based on new homes and other improvements to be built throughout the year, or \$9,450,023 in new assessments. Growth will bring approximately \$57,534 of additional tax revenue during FY 2019.
- Fiscal year 2019 is not a reassessment year. The proposed real estate tax rate is \$1.14 per \$100 of assessed value. This is a tax increase of seven cents from the previous year.

General Fund (Continued)

Revenues by Category: (Continued)

Public services corporation taxes are expected to be \$267,000, an increase of \$41,000.

Personal property taxes and the State Personal Property Tax Relief Act (PPTRA) are projected to be \$4,472,034, a \$70,000 increase from the FY 2018 estimate. PPTRA established a statewide program by which the Commonwealth of Virginia was to provide relief for owners of personal use motor vehicles from personal property taxation. Due to soaring costs associated with PPTRA, the 2004 and 2005 General Assembly sessions made significant changes to PPTRA. The changes include converting the program from an entitlement program to a block grant formula that caps statewide relief to local governments at \$950 million annually. The cap for Poquoson as identified by the State Auditor of Public Accounts for Personal Property Tax Relief is \$1,923,435.

The City adopted the “specific relief” method of computing and reflecting tax relief. The “specific relief” method allows a set single tax rate and applies tax relief at a specific percentage to each qualifying vehicle. One hundred percent of the personal property tax will continue to qualify for tax relief for qualifying personal use vehicles used for non-business purposes with a value of one thousand dollars (\$1,000) or less. Tax relief percentage will be at 52% for calendar year 2019.

Since not all personal property is affected by PPTRA, the City has estimated that citizens and businesses will pay 57% of personal property tax in FY 2019. FY 2019 budget for local tax is \$2,548,599 and State non-categorical aid remains level at \$1,923,435.

The proposed personal property tax rate is \$4.15 per \$100 of assessed value, which is the same rate since FY 2008. The proposed boat tax rate is \$0.00001, the same since January 1, 2014. The proposed recreational vehicle tax rate is \$1.50, the same rate as previous years.

The General Fund also realizes revenue from a variety of smaller local taxes such as local sales tax, communication sales and use tax, meals tax, consumer utility tax, and business licenses. The total of \$2,971,000 other local taxes accounts for 11% of total General Fund revenues and is expected to increase by \$9,384 or .3% from the FY 2018 budget. The proposed meals tax rate is 6%. The proposed cigarette tax rate is 20 cents.

Other local revenue totals \$450,300 and includes permits; licenses and fees; fines and forfeitures; interest on investments; rental of property; and miscellaneous revenue.

Charges for services include library fines, passport fees, copying charges, charges for shared grounds maintenance for the schools, EMS fees and Parks & Recreation activities for a total of \$765,602.

General Fund (Continued)

A new EMS Fee for declined transportation fee and oxygen usage fee are proposed for FY 2019 at the rate of \$375 and \$50 respectively. The total estimated revenue for FY 2019 is \$42,300, total revenue for EMS fees is expected to be \$334,000.

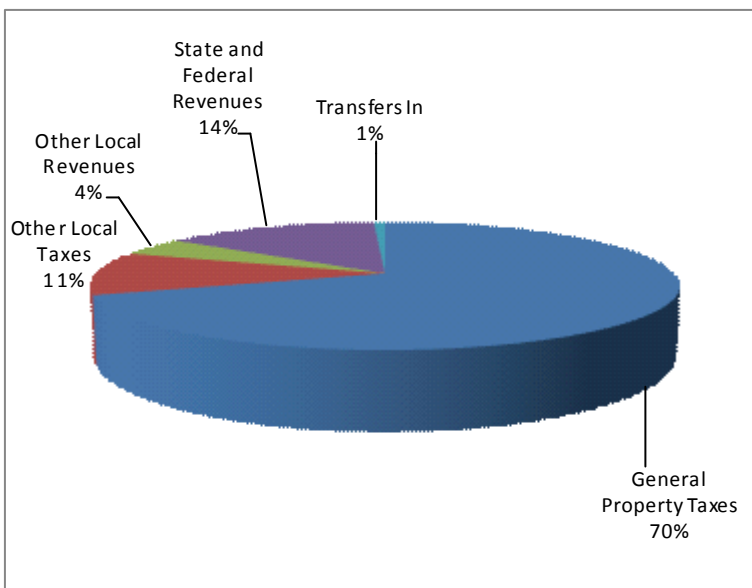
In FY 2019, revenue from parks and recreation programs is expected to be \$134,600. The pool revenue is expected to be \$65,300. The special events revenue is expected to be \$136,002, and \$16,500 in revenue is projected for the workboat race.

The total of all local revenue of taxes, licenses and fees is \$24,990,401.

State and Federal revenue is expected to be \$3,889,537 in FY 2019, a \$53,974 decrease from the FY 2018 revised budget.

Transfers include \$150,000 from the Utilities Fund and \$50,000 from the Solid Waste Fund. These Funds reimburse the General Fund for services that are provided by the staff of the Engineering, Public Works, Treasurer and Finance Departments.

The FY 2019 budget does not use funds from the General Fund restricted fund balance for 1/10 forgiveness of the Museum Deed of Trust note. This money is included in the operating expenses for FY 2019. Also, the budget does use the restricted fund balance for \$20,000 for debt forgiveness for the relocation of a business to the City. The business must meet certain requirements before the debt is forgiven. If requirements are not met, the business is required to pay \$20,000 to reduce the debt. The City is working with the business to determine if the business has met the requirements for FY 2018.



GENERAL FUND

SOURCES OF REVENUE

General Property Taxes	\$20,797,499
Other Local Taxes	2,971,000
Other Local Revenues	1,221,902
State and Federal Revenues	3,889,537
Transfers In	<u>200,000</u>
Total Revenues	<u>\$29,079,938</u>

- **Real Estate Rate \$1.14 per \$100 Assessed Value**
- **Personal Property Tax Rate \$4.15 per \$100 Assessed Value**

General Fund (Continued)

Expenditures By Category:

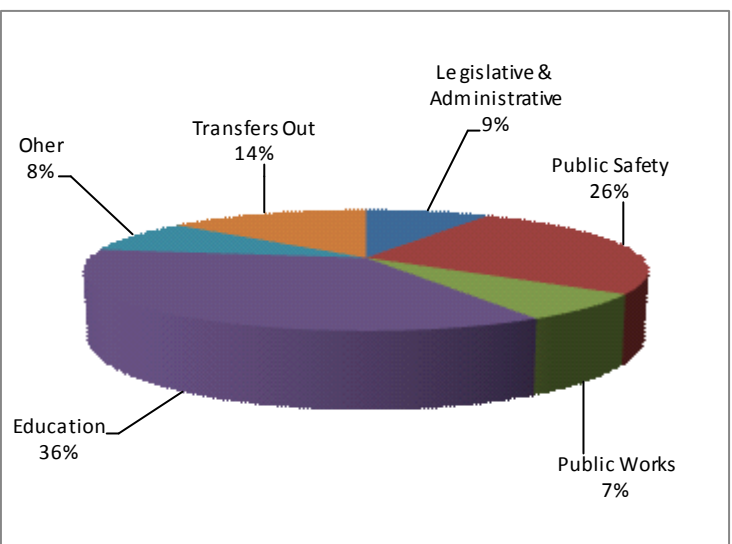
School Expenditures: The contribution to Schools accounts for 34% of the total General Fund budget. The FY 2019 budget includes funding of \$9,935,403 to Schools, which fully funds the Superintendent's FY 2019 request from the City. The School's budget is based on an average daily membership of 2,126 students for the FY 2019 school year.

In the past the School Division has had unexpended transfers at the end of the year which were returned to the City. At the end of FY 2017, there was \$29,361 in unexpended transfers. These funds were reappropriated to the School Division in FY 2018. If there are unexpended transfers at the end of FY 2018, they may be reappropriated in FY 2019.

City Personnel Services: Employee salaries, overtime, and benefits account for personnel services. City personnel services are \$9,583,478 in FY 2019, a \$150,418 or 1.6% increase. Employee benefits account for 28% of personnel services. Health insurance premiums increased an average of 5%. The VRS rate went from 8.79% in FY 2018 to 10.41% for FY 2019, an increase of 19%.

GENERAL FUND EXPENDITURE USES

Legislative & Administrative	\$2,257,177
Public Safety	7,354,675
Public Works	1,982,072
Education	9,935,403
Other	2,394,228
Transfers Out	<u>3,910,764</u>
Total Expenditures	<u>\$29,079,938</u>



General Fund Expenditure Uses

Uses	FY 2018	FY 2019	\$ Inc/(Dec)	% Inc/(Dec)
School	\$ 9,964,764	\$ 9,935,403	\$ (29,361)	(0.3%)
City	17,973,716	19,144,535	1,170,819	6.5%
Total	\$ 27,938,480	\$ 29,079,938	\$ 1,141,458	4.1%

General Fund Contribution to Schools

Category	FY 2018	FY 2019	\$ Inc/(Dec)	% Inc/(Dec)
School Contribution	\$ 9,935,403	\$ 9,935,403	\$ 0	0%
Reappropriation	29,361	-	(29,361)	(100%)
Total	\$ 9,964,764	\$ 9,935,403	\$(29,361)	0.3%

General Fund City Expenditures by Category

Category	FY 2018	FY 2019	\$ Inc/(Dec)	% Inc/(Dec)
Personnel Services	\$ 9,595,232	\$10,116,130	\$ 520,898	5.4%
Operations/Transfers	5,033,100	4,881,728	(151,375)	(3.0%)
Debt Service	2,902,671	3,813,627	910,956	31.4%
Capital Outlay	442,713	333,050	(109,663)	(24.8%)
Total	\$ 17,973,716	\$19,144,535	\$1,170,819	6.5%

Expenditures By Category: (Continued)

City Operations/Transfers: The City's operational costs are \$4,801,008 and transfers are \$80,720 for a total of \$4,881,728 in FY 2019, a \$151,375 or 3.0% decrease.

Debt Service: In FY 2019, the City will transfer \$3,813,627 to the Debt Service Fund an increase of \$910,956. The transfer is explained in the Debt Service Fund section.

Capital Outlay: The City's capital outlay for FY 2019 is \$333,050, a \$109,663 or 25% decrease from FY 2018. This category consists of smaller capital outlay in various departments, including library books, computers, equipment, tools, fire hose, and vehicle.

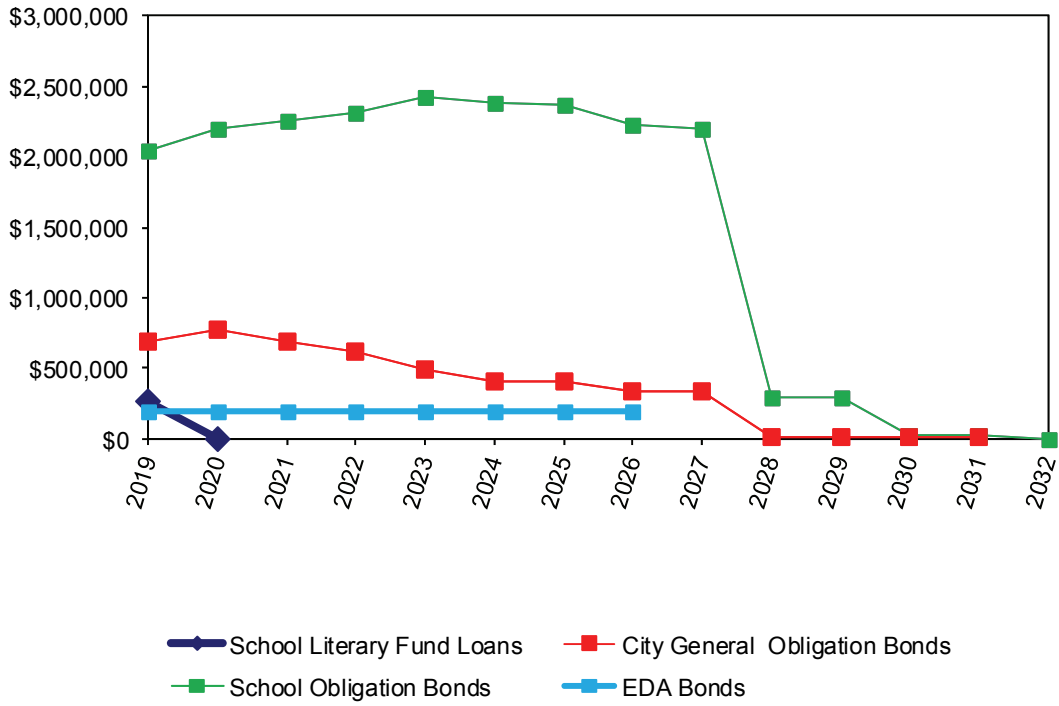
Expenditures By Category: (Continued)***Debt Service Fund*****DEBT SERVICE FUND USES**

School Debt	\$2,260,594
City Debt	676,071
EDA Debt	157,000
Reserve for Future Debt	<u>749,156</u>
Total	<u>\$3,842,821</u>

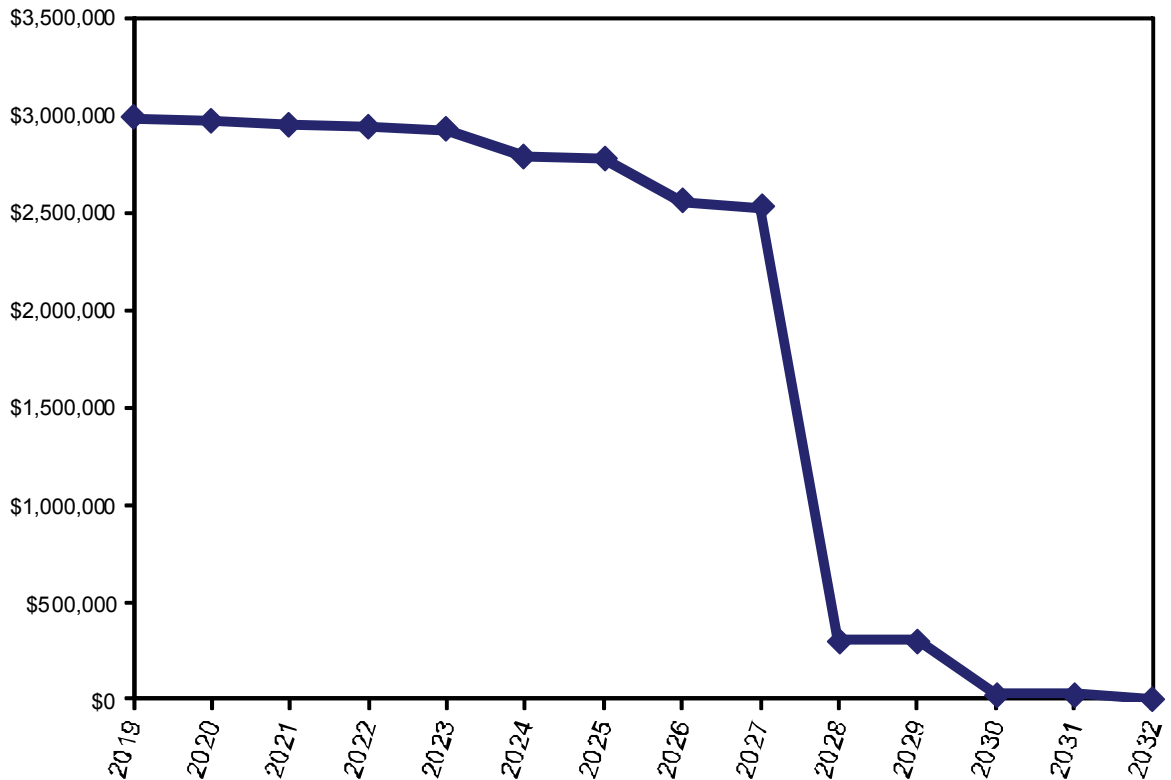
Debt Service Fund projected expenditures in FY 2019 are \$3,842,821 of which \$3,813,627 is transferred from the General Fund and the remaining \$29,194 is a planned use of the debt service reserves. In anticipation of the borrowing during FY 2019, the City will increase the reserve by \$749,156 with the understanding the funds will be utilized when the debt is payable. New to the debt service is the principal payment of \$157,000 for the EDA. The City issued general obligation bonds to repay the EDA's line of credit. The interest associated with the bonds is budgeted in the EDA fund.

The graphs on the next page depict the City's debt service over the years. The City's largest outstanding debt is for School Obligation Bonds which were used for School construction projects. The City also has other bonds and notes which have been used to pay for various School and City projects. The graph will not depict the anticipated borrowing of the \$18 million initially in FY 2019 and \$5 million in FY 2020.

Debt Service By Type



Total Debt Service Fund



Capital Projects Fund

The Capital Projects Fund accounts for financial resources used for the acquisition or construction of major City or School capital facilities, infrastructure, and equipment other than those financed by proprietary funds.

Capital Project revenues include \$374,700 in State Highway Funds for street and drainage improvements and a transfer of \$10,186 from the General Fund. (The FY 2019 - Beyond FY 2023 Constrained Capital Improvements Plan (CCIP) prepared by staff has been presented to the Poquoson Planning Commission, who will hold a public hearing in April and will make a recommendation to City Council. Subsequent to the Planning Commission's recommendation, City Council will hold a public hearing as well. Adoption of the CCIP will occur after the public hearing and discussions.)

Total FY 2019 year expenditures for the Capital Projects Fund are \$384,886. Unspent funds from FY 2018 are allowed to be carried forward for two additional years. If the project is not completed in three years, City Council must reappropriate the unspent funds to complete the project. If there are any unspent funds when the project is completed, funds can revert to the General Fund.

Historically the City has not included in the proposed budget the revenue and expenditures of the projects that the City anticipated to issue new debt service for. At such time the debt is issued, the revenue and expenditures will be presented to City Council to appropriate to the Capital Projects Fund. In FY 2019, the recommended projects total \$18.6 million.

CAPITAL PROJECTS FUND REVENUE SOURCES

State Funds	\$374,700
Transfer from the General Fund	<u>10,186</u>
Total	<u>\$384,886</u>

CAPITAL PROJECTS FUND EXPENDITURE USES

Street Paving	\$374,700
Wythe Creek Road Milling	3,778
Poquoson Avenue sidewalks	<u>6,408</u>
Total	<u>\$384,886</u>

Solid Waste Fund

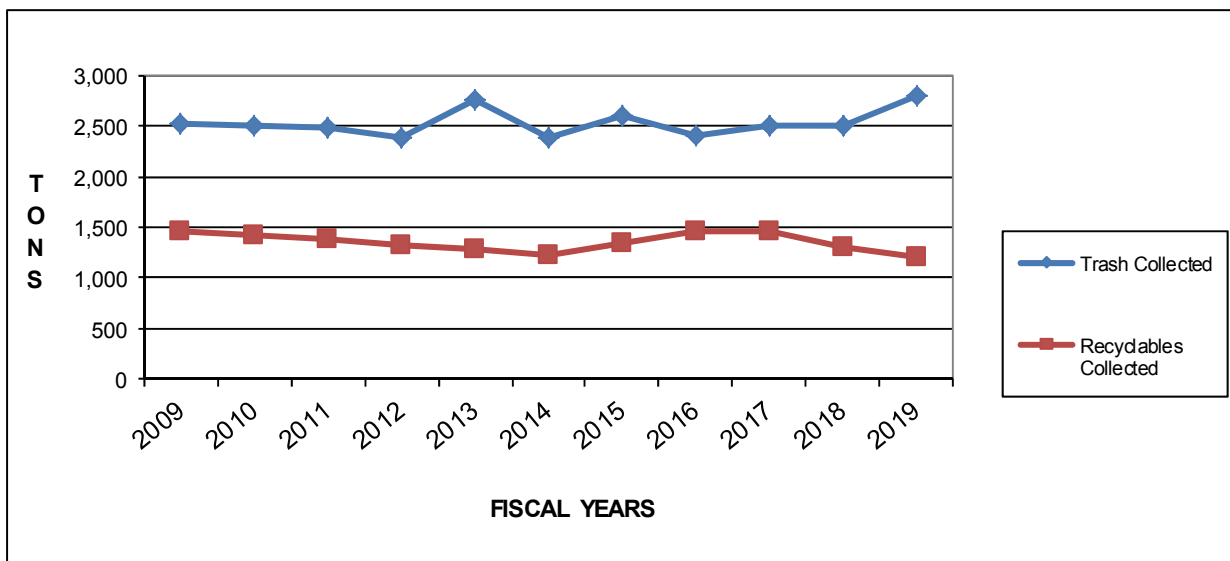
The Solid Waste Fund is an enterprise fund which accounts for the collection, disposal, and recycling of household and municipal solid waste, residential hazardous materials, bulky items, and landscaping debris. The projected revenues for FY 2019 are \$856,207. The proposed fee structure remains the same as FY 2018.

Citizens have the option to select a container/cart size and are billed bi-monthly along with the sewer service fee. Trash bags are available for those residents who exceed the capacity of their trash cart/container.

The City provides curbside pickup services for woody waste at a rate of \$60 per pickup and bulky waste item pickup at a rate of \$63. Each household gets one free bulk item or landscape curbside pickup each year. The fee is intended to cover a small portion of the cost incurred in picking up landscaping debris and bulky items, not to cover the cost of the programs. Residents may also take their landscaping debris to the VPPSA regional composting facility located at the York County landfill at no charge to the resident. The City is estimated to pay VPPSA \$36,693 to operate the composting/disposal facility in FY 2019.

This will be the ninth year that the City offers a program whereby residents of the City may drop off their bulky and landscaping debris at a temporary convenience site on two Saturdays a month. There is no charge for these services. The City offers a leaf pickup program. During the months of November through February, residents may put their leaves at curbside to be picked up by the City as long as the requirements of packing the leaves are met.

As noted on the graph below, trash tons collected and recyclables have remained level.



Solid Waste Fund (continued)

SOLID WASTE

SOURCES OF REVENUE

Solid Waste Fees	\$824,207
Bag Fees	22,000
Landscaping & Bulky Item Charges	10,000
Use of Reserve	<u>36,053</u>
Total	<u>\$892,260</u>

SOLID WASTE

EXPENDITURE USES

Personnel Services	\$ 93,125
Garbage Disposal	432,000
Recycling	100,531
Bulky Item/Landscaping	106,693
Hazardous Material	24,767
Other Costs	85,144
Transfer to General Fund	<u>50,000</u>
Total	<u>\$892,260</u>

Utilities Fund

The Utilities Fund is operated as an enterprise fund and provides for the maintenance of sewer lines and pump stations. The FY 2019 budget is \$2,372,053 which is 16% more than the FY 2018 budget.

Each household that is available to sewer, pays a fee whether connected to the system or not unless a waiver is granted by City Council. The adopted sewer service fee remains at \$62 bi-monthly for FY 2019. The adopted sewer availability fee remains at \$6,000 for newly created lots. Commercial users also pay a fee based on water consumption. The consumption fee also remains at \$1.75 hcf.

Approximately 30% of the expenditures in the Utilities Fund covers debt service on various improvements and extension of the sewer system. \$798,000 or 34% of the expenditures are for maintenance and capital needs, such as four replacement generators recommended in this budget. Personnel services accounts for 17% of expenditures and includes salaries and benefits for 5 full time employees for FY 2019.

- ◆ **Sewer Fee \$62 Bi-monthly**
- ◆ **Availability Fee \$6,000 for new lots**
- ◆ **Commercial consumption fee \$1.75 hcf**

UTILITIES SOURCES OF REVENUE

Sewer Service Fees	\$1,905,579
Sewer Availability Fee	276,000
Other	<u>190,474</u>
 Total	 <u>\$2,372,053</u>

UTILITIES EXPENDITURE USES

Personnel Services	\$ 400,643
Operating Expenses	316,782
Debt Service	706,628
Capital Outlay	798,000
Transfer to General Fund	<u>150,000</u>
 Total	 <u>\$2,372,053</u>

Fleet Management Fund

The Fleet Management Fund is used to account for financing the costs of vehicle parts, vehicle contracted services, gas and oil, and labor for all City and School vehicles and equipment. Costs are charged to City departments and the School Division for the services of the Fleet Management Fund. The budget is \$757,816 in FY 2019, a \$28,535 increase from the FY 2018 budget.

FLEET MANAGEMENT SOURCES OF REVENUE

Parts and Contracted Services	\$240,640
Garage Labor and Overhead	292,176
Gas and Oil Revenues	<u>225,000</u>
Total	<u>\$757,816</u>

FLEET MANAGEMENT EXPENSE USES

Personnel Services	\$263,476
Fuel and Lubricants	225,000
Parts and Contractors	240,640
Other	<u>28,700</u>
Total	<u>\$757,816</u>

Special Revenue Fund/Grants

The Special Revenue Fund/Grants accounts for revenues and expenditures related to State and Federal grants for community development and public safety.

Currently, the City has four grants outstanding. They include an Enhancement Grant and three Hazard Mitigation Grants. All four grants are federally funded with two of the Hazard Mitigation grants having a state and local component and one that is 100% federally funded. The Enhancement Grant is a pass-through from the Virginia Department of Transportation (VDOT). This grant was obtained to move and renovate the Tom Hunt Store to the Poquoson Museum property for public visitation. The Hazard Mitigation Grants are pass-through from the Virginia Department of Emergency Management (VDEM) for the elevation of 14 homes in the City.

SPECIAL REVENUE FUND/GRANTS SOURCES OF REVENUE

Federal Grants	\$157,510
State Grants	42,003
Grant Local Match	<u>10,500</u>
Total	<u>\$210,013</u>

SPECIAL REVENUE FUND/GRANTS EXPENSE USES

HMGP #4042	<u>\$210,013</u>
Total	<u>\$210,013</u>

Special Revenue Fund/OPEB

The Special Revenue Fund/OPEB accounts for revenues and expenditures related to Other Post Employment Benefits (OPEB). Specifically, retiree health insurance.

In November 2016, City Council approved an enhanced change to OPEB effective July 1, 2017. Retirees who meet required conditions are able to continue health insurance coverage in the City sponsored plan with the City subsidizing 50% of the cost of coverage until age 65, less the VRS Health Insurance Credit amount.

As part of the long-term plan for the benefit, the City joined in a Trust Fund with other Virginia localities to begin funding a portion of the projected liability.

SPECIAL REVENUE FUND/OPEB SOURCES OF REVENUE

Retiree Contributions	\$88,799
Transfer from General Fund	<u>70,534</u>
Total	<u>\$159,333</u>

SPECIAL REVENUE FUND/OPEB EXPENSE USES

Retiree Benefits	\$88,799
City Share	55,534
Contribution to Trust	<u>15,000</u>
Total	<u>\$159,333</u>

Unbudgeted Needs

There are a number of items which have not been included in the budget due to budget constraints. Some of the more important items include:

Personnel: The Fire Department needs an additional firefighter/paramedic. Although one additional has been adopted in FY 2018, the City is still below National Fire Protection Association recommendations for staffing of firefighter/paramedics. There is also a need for a human resources manager to help address the complexity of regulations relating to labor relations. The Police Department needs an additional uniform officer and administrative support. After a comprehensive review of the police department's operation, the assessment provides for the need for an uniform officer due to current allocation of manpower and the current crime trends. The request for administrative support takes into consideration an approved 0.5 FTE and would allow the police department to effectively address the amount of citizen interactions and record processing. The positions are not funded in the budget. There is additional funding for a 2% cost of living increase in employee salaries but it does not adequately address compensation. Lastly, should development activity increase in the future, the City will need to reassess its staffing to meet increased service requirements.

Unbudgeted Needs (continued)

Operating Costs: This budget limits the amount budgeted for maintaining existing infrastructure and equipment and also does not include any new services or programs. Existing services and programs are budgeted at adequate levels. Requests were made by the departments, but were not recommended for this budget. The requests ranged from increased contracted services, software and furniture replacement.

Capital: The majority of the capital outlay funds in this budget are for library books, AV materials and street materials, curb and gutter repair, and periodical subscriptions. While this budget has addressed some replacements of capital equipment, vehicles and small computer equipment it still does not fund these capital outlays to the extent needed by the departments. In addition, capital replacement or maintenance needs to be addressed concerning the City facilities. The Police station is more than 65 years old and the Municipal building is more than 40 years old. Additionally, the City's capital equipment replacements have not been addressed in this budget. In FY 2018, the City did enter into leasing four police vehicles. The vehicles were necessary to maintain an adequate safe and dependable fleet. The City will continue to look for future opportunities when replacing the aging fleet.

GFOA Distinguished Budget Award

The Government Finance Officers Association of the United States and Canada (GFOA), a national organization, each year nationally recognizes budgets which meet certain rigorous standards. GFOA presented the City of Poquoson an Award for Distinguished Budget Presentation for the Fiscal Year Beginning July 1, 2017. In order to receive this award, a governmental unit must publish a document that meets program criteria as a policy document, an operations guide, a financial plan, and a communications medium. This award is valid for a period of one year only. After receiving the award for twenty seventh consecutive years, we believe our current budget continues to conform to the program requirements. We have tried to incorporate comments for improvement in this document, and will submit this FY 2019 Annual Financial Plan to the GFOA to determine eligibility for another award.

THE BUDGET PROCESS IN POQUOSON

The Commonwealth of Virginia requires each municipality in Virginia to adopt an annual budget which conforms to certain minimum standards. The purpose of this requirement is to ensure accountability for the public funds entrusted to the City's elected officials. While accountability is certainly an important element, our approach to budget development in Poquoson goes beyond accounting.

The Annual Financial Plan is one of the most important accomplishments by City Council during any fiscal year. Expressed in very simple terms, this budget document is the City's "Plan of Action" for the next year. The document tells the reader where and in what priority the City will apply its resources and what the City expects to accomplish. If we have been successful in our efforts, a reading of this document should give our citizens a fairly good idea of the financial status of our City as well as the progress being made in many service areas.

Departmental budget and agency requests are submitted to the Finance Department in mid-January. The Finance Department reviews the budget with the Departments. Every line item in a departmental budget must be fully justified.

The City Manager and Director of Finance meet with department heads as necessary to review requests. Inevitably, revenue estimates fall short of total departmental requests. It is the responsibility of the City Manager to prepare a budget in which available revenues are budgeted with the proposed expenditures of City departments, regional agencies and the local funding of the School system. In order to accomplish this, the City Manager must recommend reductions in departmental requests and tax or fee increases or a combination of both if necessary.

As a final step, the City Manager's recommended budget is presented to City Council during the month of April. Subsequently, a public hearing and several work sessions take place. During this period City Council may insert expenditures or may increase, decrease, or strike out any expenditure in the recommended budget except for already approved debt service. Within forty days of the budget being presented to Council, but in no event later than the thirty-first day of May, City Council shall approve a budget. If for any reason the Council fails to approve a budget on or before such date, then the budget as submitted by the City Manager shall be the budget for the ensuing year.

It is hoped that this Budget document will assist you in better understanding the workings of Poquoson City Government. If your review of the budget raises any questions, please contact the City Manager's Office.

BUDGET POLICIES

The following brief summary of financial and budgetary principles and policies serve to guide the City in developing the Annual Financial Plan. The major components are as follows:

Financial Planning Policies

Balanced Budgets: All funds are subject to the annual budget process. All operating and capital fund budgets must be balanced – total anticipated revenues plus fund balances or reserves brought forward must equal total estimated expenditures each year. The Utilities Fund will be self-supporting. All budgets will be formulated and adopted on the basis of accounting consistent with generally accepted accounting principles (GAAP). The budget process will include coordinating development of the capital improvement budget with development of the operating budget.

Long-Range Planning: Budgets will be adopted annually, taking into consideration input from all organizational levels of the City. The Planning Commission recommends the Constrained Capital Improvement Plan (CCIP); the document then goes to City Council for approval. Approved capital projects are included in the annual budget document to the extent funds are available. The long-term revenue,

THE BUDGET PROCESS IN POQUOSON

expenditure, and service implications of continuing or ending existing programs or adding new programs, services, and debt will be considered while formulating budgets annually. The City will assess the condition of all major capital assets, including buildings, roads, sewer lines, vehicles, and equipment annually.

In preparing the current Annual Financial Plan, the City also looks to its vision included in its Comprehensive Plan. This is the City's long range plan for the physical development of the City. The vision of the City of Poquoson is building a sustainable community. This sustainable community provides financial stability, retention of citizen disposable income, attraction of outside investment and spending, better circulation for mobility, improved transportation, enhanced recreation and amenities, increased quantity and quality in commercial goods and services and low tax rates.

The General Fund will maintain a minimum of 12% - 15% of total operating expenditures as its unassigned fund balance. Fund Balance of the General Fund shall be used only for emergencies, nonrecurring expenditures, major capital purchases that cannot be accommodated through current year revenues, financial opportunities to enhance the well being of the City or State budget shortfalls.

Revenue Policies

Revenue Diversification: The City will strive to maintain a diversified and stable revenue system to protect the City from short-run fluctuation in any one revenue source and ensure its ability to provide ongoing services. The City will identify all revenue and grant options available to the City each year. All revenue collection rates, especially for real estate and personal property taxes, will be reviewed annually, and all efforts to maximize receipt of revenues due will be made by the Treasurer's Office.

User Fees and Charges: Fees will be reviewed and updated on an ongoing basis to ensure that they keep pace with changes in the cost-of-living as well as changes in methods or levels of service delivery. Building permit and inspection fees are reviewed annually.

Recreation program charges will be reviewed annually. In general all efforts will be made to provide programs and activities at an affordable level for the residents while still recovering a major portion of incidental costs of programs, not to include administrative costs or the use of facilities. Charges for specialty classes such as baton, drama, etc. will be set at a level to encourage maximum participation, and also enable 70% to 80% of program receipts to be used to compensate instructors. Team sports participation fees will also be set to encourage maximum participation, while still recovering all direct program costs.

Admission and rental fees for the City pool are intended to provide an affordable service to citizens. Fees are not intended to recover 100% of the costs of operating the facility. The City encourages membership passes at a minimum fee, which provide an even more affordable opportunity for residents to enjoy the pool.

The City's Utilities Fund and Solid Waste Fund will be self-supporting. Sewer and solid waste charges will be reviewed annually and set at levels which fully cover the total direct and indirect costs – including operations, capital outlay, and debt service.

Use of One-time or Limited-time Revenues: To minimize disruptive effects on services due to non-recurrence of these sources, the City will not use one-time revenues to fund operating expenditures.

Expenditure Policies

Operating/Capital Expenditure Accountability: The City will finance all current expenditures with current revenues. The City will not short-term borrow to meet cash flow needs. Future operating costs associated with new capital improvements will be projected and included in operating budgets. Capital Improvement Program budgets will provide for adequate maintenance of capital equipment and facilities and for their orderly replacement.

THE BUDGET PROCESS IN POQUOSON

The budgets for all funds shall be controlled at the fund level. Expenditures may not exceed total appropriations for any fund without approval from the City Council. All operating fund appropriations will lapse at fiscal year-end, except appropriations in the Capital Fund. These monies can be used over a three year period. The City will include a contingency line item in the General Fund to be administered by the City Manager to meet unanticipated expenditures of a nonrecurring nature. The City will maintain a budgetary control system to ensure adherence to the budget and will prepare and present to City Council monthly financial reports comparing actual revenues and expenditures with budgeted amounts.

Fund Balance Reserve

Fund Balance reflects the accumulation of excess revenues over expenditures. The City adopted the current fund balance policy in FY 2010. The Unassigned General Fund balance at the close of the fiscal year shall be no less than 12% - 15% of the total General Fund expenditures. The City has begun to build a fiscal stability reserve of at least \$1 million. As of FY 2018, the City has allocated \$600,000 towards the \$1 million reserve. This unobligated portion of fund balance provides sufficient working capital for the City and serves as a "rainy day" fund for emergencies or unforeseen circumstances.

Debt Policy

The objective of the City's debt policy is to maintain the City's ability to incur present and future debt at the lowest interest rates in amounts needed for financing the adopted Capital Improvement Program without adversely affecting the City's ability to finance essential City services. During FY 2010, the City adopted three debt policies to help ensure and promote long term financial stability. The City's tax supported debt service as a percentage of General government expenditures should not exceed 10%, the tax supported debt of the City shall not exceed 3% of the total assessed value and the City shall retire at least 50% of the principle amount of the City's tax supported debt within 10 years. The City does not issue long-term debt to finance current operations.

A five-year Constrained Capital Improvements Plan is developed and updated annually along with corresponding anticipated funding sources. Capital projects financed through either bank qualified borrowing or the issuance of bonded debt will be financed for a period not to exceed the useful life of the project.

Investment Policy

The following is a brief synopsis of the investment policy of the City of Poquoson. The Treasurer of the City of Poquoson is an elected Constitutional Officer, whose responsibility, in part, is to invest funds in an expedient and prudent manner, meeting or exceeding all statutes and guidelines governing the investment of public funds in Virginia.

Cash and reserve balances from all funds will be consolidated to maximize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping and administration. Investment income will be allocated to the funds based on their respective participation and in accordance with generally accepted accounting principles. Each month, the Treasurer reports to City Council the cash and investment activity and balances.

The primary objectives of investment activities shall be safety, liquidity and yield. Investments shall be undertaken in a manner that seeks to ensure preservation of capital in the overall portfolio. The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. The portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs.

THE BUDGET PROCESS IN POQUOSON

Copies of the City's comprehensive investment policy, including the objectives, allowable investments, quality, maturity restrictions, prohibited securities, and additional requirements are available at the Treasurer's Office.

BUDGET AMENDMENT PROCESS

The adopted General Fund Budget may be amended in one of two ways as outlined by the Code of Virginia. The City Manager is authorized to transfer funds within a fund for transfers of \$50,000 or less. Revisions that alter total appropriations for a fund must be approved by City Council. Therefore, the level of control at which expenditures may not exceed appropriations is the total expenditure level of each fund. In certain instances, as outlined in the State Code, a public hearing may be required before the governing body can amend the budget.

ORGANIZATION OF BUDGET

The financial transactions of the City are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures. The various funds are reported by generic classification within the financial statements of the Comprehensive Annual Financial Report. The City Budget includes all funds where financial transactions are recorded. The following fund types are used by the City:

Governmental Funds

- * **General Fund:** Used to account for all revenues and expenditures applicable to the general operations of the City, which are not accounted for in other funds.
- * **Debt Service Fund:** Used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.
- * **Capital Projects Fund:** Used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary funds.)
- * **Special Revenue Fund/Grants:** Used to account for resources and expenditures related to State and Federal grants for community development and public safety.
- * **Special Revenue Fund/OPEB:** Used to account for resources and expenses related to Other Post Employment Benefits, mainly health insurance.

The General Fund of the City is divided into functional areas, such as General Administration, Public Safety, Public Works, Health & Welfare, Parks, Recreation & Cultural, Community Development, etc. Each department within a functional area has its own budget, for example, Police and Fire within the functional area of Public Safety. The Budget format presents expenditures by functional area and departments within a specific function.

Proprietary Funds

Proprietary Funds are used to account for operations: (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that costs of operating and providing services to the general public is completely or partially financed from user charges; or (b) where the

THE BUDGET PROCESS IN POQUOSON

governing body has determined that the periodic determination of net results of operations is appropriate for management control and accountability.

Proprietary Funds include:

- * **Solid Waste Enterprise Fund**
- * **Utilities Enterprise Fund**
- * **Fleet Management Internal Service Fund**

BUDGETARY BASIS

Budgets are prepared on the modified accrual basis of accounting for all funds. Encumbrance accounting, under which applicable appropriations are reserved for outstanding purchase orders, is employed as an extension of the formal budgetary integration in the General Fund. Encumbrances outstanding at year-end are reported as a Reservation of Fund Balance since they do not constitute expenditures or liabilities. Unexpended and unencumbered appropriations lapse at the end of the fiscal year. Program and project budgets are utilized in the Capital Projects Fund where appropriations remain open for three years.

Governmental Funds use the modified accrual basis for financial reporting purposes. Proprietary Funds are budgeted on the modified accrual basis but use full accrual basis for financial reporting purposes. For budget purposes, Proprietary Funds include capital expenditures that are paid for out of the funds, but capitalize these for financial reporting purposes. Large capital expenditures in the Utilities Fund that are paid for out of bond proceeds are not budgeted, rather capitalized when incurred.

In the Utilities Fund, payments received on Notes Receivable are considered revenue and payments made on debt principal are considered expenditures for budget purposes. For financial reporting purposes these items affect the balance sheet.

DIRECTIONS, PERFORMANCE, MEASUREMENT AND MONITORING

The City Manager imparts to the Departments at the beginning of the budget cycle the tone and the focus of the overall Budget. This information is based on revenue estimates and guidance from City Council on staffing changes, controlling costs, and tax rates.

During the fall of every year, each Department develops individually their overall goals and objectives to be attained during the coming year. The aforementioned provides the basic operating direction for each Department. This information is presented within each Department's budget.

The Budget document provides information regarding performance or the measurement of performance per Department. However, departmental objectives are usually monitored by the City Manager through frequent meetings with the Department Head. In addition, each Department establishes efficiency and effectiveness measures in regards to their operations.

THE BUDGET PROCESS IN POQUOSON

Budgetary control is maintained on a line-item basis. The Budget is monitored by the issuance of Monthly Management Reports. These reports indicate actual financial results compared to Budget and are reviewed thoroughly by the Finance Department. These reports are forwarded to City Departments, the City Manager and City Council.

Purchases of goods and services must be accomplished by the use of a formal purchase order. Funds are encumbered based on purchase orders to ensure that an over-spent condition does not exist per Budget line item.

CONSTRAINED CAPITAL IMPROVEMENTS PROGRAM

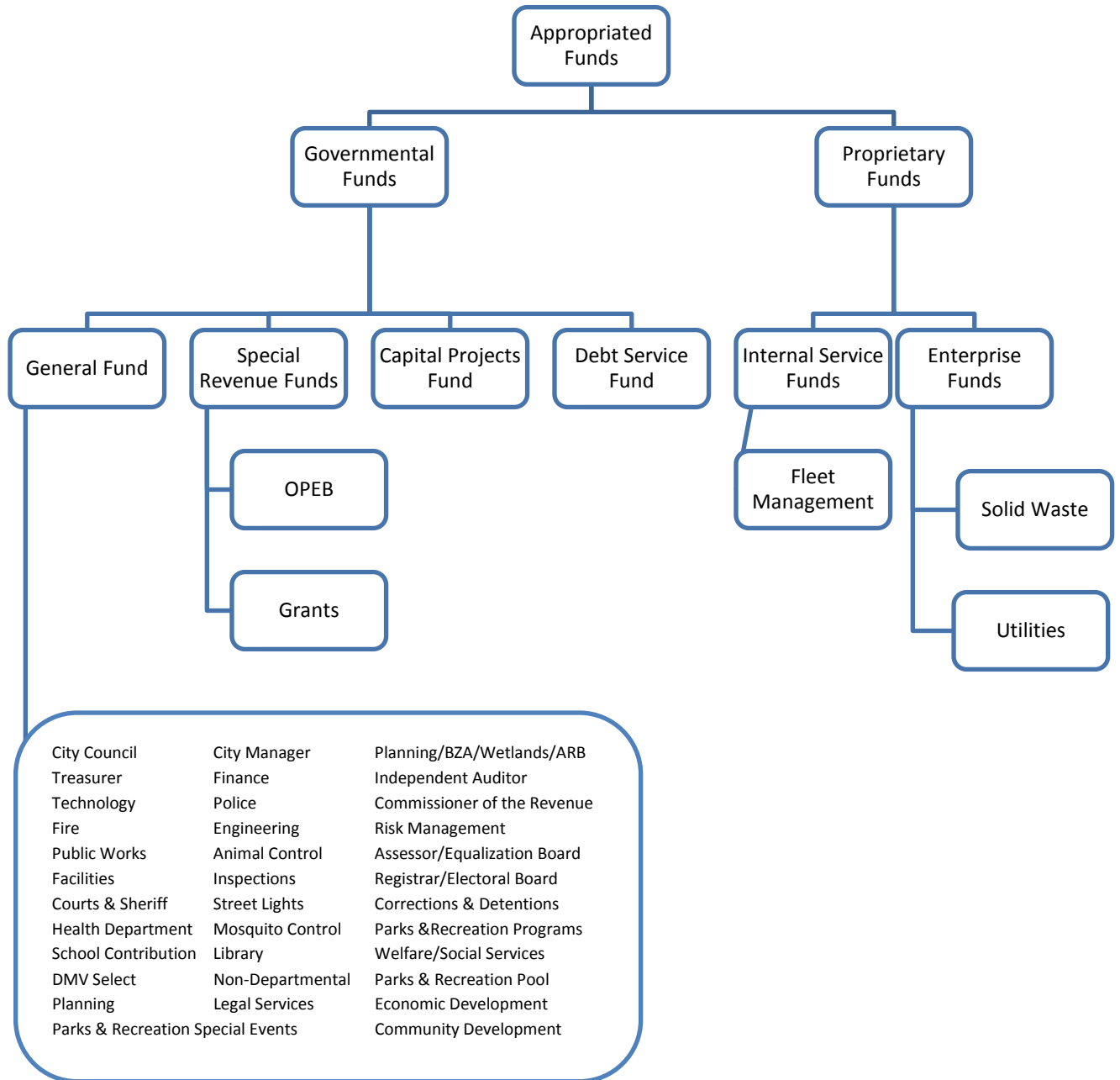
The CCIP is a planning and budgeting tool that identifies the necessary capital projects for the City of Poquoson over a five-year period. The Plan is reviewed and updated annually. The City's first proposed Constrained Capital Improvements Plan for FY 2019 – FY 2023 was presented to the Planning Commission on March 19, 2018. This year, City Council provided direction to the City Manager to develop the plan with the constraints of borrowing \$23 million dollars of debt. The constraints included \$20 million towards School Division projects for which the Poquoson City School Board has determined the project priority and the remaining \$3 million towards City related projects. The City Manager has provided the Proposed CCIP based on the constraints given for the next five years. The Planning Commission will hold a public hearing on April 16, 2018 and make their recommendation to City Council. City Council will also hold a public hearing at which time the recommended CCIP is presented. City Council has the authority to approve the recommended CCIP as presented or approve with amendments. The first year of the Proposed CCIP is incorporated into the City Manager's Recommended Budget as the Capital Budget for the upcoming fiscal year.

OPERATIONS/ACCOUNTING STRUCTURE

<u>Department</u>	<u>General Fund</u>	<u>Debt Fund</u>	<u>Capital Projects Fund</u>	<u>Utilities Fund</u>	<u>Solid Waste Fund</u>	<u>Special Revenue Funds</u>	<u>Fleet Fund</u>
General Govt Admin			X				
City Council	X						
City Manager	X						
Legal Services	X						
Independent Auditor	X						
Commissioner of the Revenue	X						
Assessor/Equalization Board	X						
Treasurer	X						
Finance	X						
Technology	X						
Risk Management	X						
Electoral Board	X						
Judicial	X		X				
Courts and Sheriff	X						
Public Safety			X				
Police Department	X						
Fire Department	X						
Corrections & Detention	X						
Inspections	X						
Animal Control	X						
Public Works			X				
General Engineering	X						
Public Works	X						
Street Lights	X						
Facilities	X						
Health & Welfare			X				
Health Department	X						
Mosquito Control	X						
Mental Health	X						
Welfare/Social Services	X						
School Transfer	X						
Parks, Recreation & Cultural			X				
Parks & Recreation	X						
Parks & Recreation-Pool	X						
Parks & Recreation-Special Events	X						
Library	X						
Community Development			X			X	
Planning	X						
Planning, Zoning, Wetland & ARB	X						
Economic Development	X						
Community Development	X						
Non Departmental	X					X	
DMV Select	X						
Debt Service		X					
Utilities				X			
Solid Waste-Garbage & Recycling					X		
Solid Waste-Bulky Item & Landscaping					X		
Internal Service/Fleet Fund							X
Other Post Employment Benefits	X					X	

CITY OF POQUOSON, VIRGINIA

FUND STRUCTURE



FY 2019 BUDGET CALENDAR

DECEMBER 2017

- | | | |
|----|--------|---|
| 11 | Monday | Budget letter request mailed to Outside Agencies. |
| 11 | Monday | Budget preparation instructions distributed to Department Heads Including FY 2016 and FY 2017 Actual Expenses, FY 2018 Revised Budget and FY 2019 Request Departmental Budgets. |

JANUARY 2018

- | | | |
|----|-----------|---|
| 10 | Wednesday | FY 2019 Departmental Expenditure Budget Requests due to Finance. |
| 10 | Wednesday | FY 2019 Outside Agency budget requests due. |
| 10 | Wednesday | Finance begins review of Departmental Budget Requests. Powhatan 319 |
| 11 | Thursday | Advertise Pre-Budget Public Hearing on January 22, 2018. |
| 22 | Monday | FY 2019 Pre-Budget Public Hearing and Work Session. |
| 29 | Monday | Departmental Budget meetings with City Manager and Finance Director begins. |

FEBRUARY 2018

- | | | |
|----|---------|---|
| 2 | Friday | Department Head Budget Retreat. |
| 20 | Tuesday | School Board work session in which Superintendent's proposed budget is presented depending on the General Assembly. |

MARCH 2018

- | | | |
|----|---------|--|
| 5 | Monday | Final adjustments by Finance Department and City Manager to FY 2019 Proposed Revenue and Expenditures. |
| 20 | Tuesday | School Board work session in which Superintendent's proposed budget is presented if not presented in February. |
| 30 | Friday | School Board approved budget forwarded to City Council. |

FY 2019 BUDGET CALENDAR

APRIL 2018

- | | | |
|----|----------|--|
| 5 | Thursday | Proposed Budget FY 2019 Budget distributed to City Council Members. |
| 6 | Friday | Publish notice of April 23, 2018 Budget Public Hearing and proposed tax rates and fees. |
| 9 | Monday | Presentation to City Council and public of proposed real estate and personal property tax rate and fees for FY 2019. |
| 13 | Friday | Publish notice of April 23, 2018 Budget Public Hearing and proposed tax rates and fees. |
| 23 | Monday | Public Hearing on Budget at City Council Meeting. Budget Work Session prior to Council Meeting. Joint Work Session with Schools. |

MAY 2018

- | | | |
|----|--------|---|
| 14 | Monday | Adoption of FY 2019 Budget at City Council meeting. |
|----|--------|---|

SUMMARY OF TAX RATES AND FEES

	FY 2016 Approved	FY 2017 Approved	FY 2018 Approved	FY 2019 Approved
General Fund Taxes and Fees				
Real Estate Tax	\$1.07/\$100 AV	\$1.07/\$100 AV	\$1.07/\$100 AV	\$1.14/\$100 AV
Public Service Corporation	\$1.07/\$100 AV	\$1.07/\$100 AV	\$1.07/\$100 AV	\$1.14/\$100 AV
Personal Property Tax				
Automobile	\$4.15/\$100 AV	\$4.15/\$100 AV	\$4.15/\$100 AV	\$4.15/\$100 AV
Boat	\$.00001/\$100 AV 1st half	\$.00001/\$100 AV 1st half	\$.00001/\$100 AV 1st half	\$.00001/\$100 AV 1st half
Boat	\$.00001/\$100 AV 2nd half	\$.00001/\$100 AV 2nd half	\$.00001/\$100 AV 2nd half	\$.00001/\$100 AV 2nd half
Trailer (Utility, Boat, etc.)	\$4.15/\$100 AV	\$4.15/\$100 AV	\$4.15/\$100 AV	\$4.15/\$100 AV
Recreation Vehicle	\$1.50/\$100 AV	\$1.50/\$100 AV	\$1.50/\$100 AV	\$1.50/\$100 AV
Mobile Home	\$1.07/\$100 AV 1st Half	\$1.07/\$100 AV 1st Half	\$1.07/\$100 AV 1st Half	\$1.07/\$100 AV 1st Half
Mobile Home	\$1.07/\$100 AV 2nd Half	\$1.07/\$100 AV 2nd Half	\$1.07/\$100 AV 2nd Half	\$1.14/\$100 AV 2nd Half
Local Sales Tax	6.0%	6.0%	6.0%	6.0%
Meals Tax (food and beverage)	6.0%	6.0%	6.0%	6.0%
Consumer Utility Tax				
Commercial	\$10	\$10	\$10	\$10
Residential	\$3	\$3	\$3	\$3
Cigarette Tax	\$.20 per pack	\$.20 per pack	\$.20 per pack	\$.20 per pack
Recovery (EMS) Fees:				
ALS-2	\$750	\$750	\$775	\$775
ALS	\$525	\$525	\$550	\$550
BLS	\$430	\$430	\$450	\$450
Transport Declined Fee	n/a	n/a	n/a	\$375
Oxygen Usage Fee	n/a	n/a	n/a	\$50
Mileage	\$9	\$9	\$12	\$12
Parks & Recreation Fees:**				
Youth Athletics	\$60 - \$65	\$65 - \$70	\$65 - \$70	\$65 - \$80
Adult Athletics	\$220 - \$400/team	\$235 - \$400/team	\$235 - \$400/team	\$235 - \$400/team
Camps	\$75 - \$120	\$75 - \$225	\$75 - \$225	\$75 - \$250
Exercise Classes	\$48 - \$65	\$48 - \$65	\$48 - \$65	\$48 - \$65
Pool Admission	\$1 - \$5	\$3 - \$5	\$3 - \$5	\$3 - \$5
Swimming Lessons	\$25 - \$55	\$30 - \$60	\$30 - \$60	\$30 - \$60
Swim Team - Summer	\$160	\$165	\$165	\$165
Pool Rental	\$175	\$175	\$175	\$185
Pool Passes	\$30 - \$55	\$35 - \$55	\$35 - \$55	\$35 - \$55

**Additional Non-Resident Fees Apply

SUMMARY OF TAX RATES AND FEES

	FY 2016 Approved	FY 2017 Approved	FY 2018 Approved	FY 2019 Approved
Facility Use Fees:				
Community Designated	\$10 resident	\$10 resident	\$10 resident	\$10 resident
Groups per member	\$20 non-resident	\$20 non-resident	\$20 non-resident	\$20 non-resident
Non-Community Groups (based on field location/lights/time)	\$20 - \$110 per hour	\$20 - \$110 per hour	\$20 - \$110 per hour	\$20 - \$110 per hour
DMV Commission				
1st \$500,000 of gross collection	4.5%	4.5%	4.5%	4.5%
over \$500,000 of gross collection	5.0%	5.0%	5.0%	5.0%
<u>Solid Waste Fund Fees</u>				
Bag Fees	\$1.75 per bag	\$1.75 per bag	\$1.75 per bag	\$1.75 per bag
Container/Cart--monthly fee	Fee based on Size	Fee based on Size	Fee based on Size	Fee based on Size
Landscaping Debris Charges	**\$60 per pickup	**\$60 per pickup	**\$60 per pickup	**\$60 per pickup
Bulky Item Pickup	**\$63 per pickup	**\$63 per pickup	**\$63 per pickup	**\$63 per pickup
Drop-Off of Debris or Bulky	Free	Free	Free	Free
<u>Utilities Fund Fees</u>				
Sewer Service Fees				
Commercial	\$62 bi-monthly plus \$1.75/hcf	\$62 bi-monthly plus \$1.75/hcf	\$62 bi-monthly plus \$1.75/hcf	\$62 bi-monthly plus \$1.75/hcf
Residential	\$62 bi-monthly	\$62 bi-monthly	\$62 bi-monthly	\$62 bi-monthly
Sewer Availability Fees	\$6,000 per vacant lot	\$6,000 per vacant lot	\$6,000 per vacant lot	\$6,000 per vacant lot

Note: The Personal Property tax is billed at calendar year rate.

***Rate changes are shown in bold.**

**** Homeowner receives one free pickup per year, either Landscaping Debris or Bulky Item**

AV = Assessed Valuation

SC = Service Charge

hcf = 100 cubic feet

PERSONNEL POSITIONS

Departments and Funds	FY 2016 Authorized FTE	FY 2017 Authorized FTE	FY 2018 Authorized FTE	FY 2019 Dept Head Request FTE	FY 2019 City Council Authorized FTE
City Council	0.40	0.40	0.40	0.40	0.40
City Manager	3.80	4.80	4.80	4.80	4.80
Commissioner of the Revenue	4.00	4.00	4.00	4.00	4.00
Assessor	2.00	2.00	2.00	2.00	2.00
Treasurer	4.00	4.00	4.00	4.00	4.00
Finance	4.00	4.00	4.00	5.00	4.00
Registrar	2.10	2.10	2.10	2.10	2.10
Police -- Sworn Officers	24.50	25.50	26.50	28.50	28.50
Police -- Civilian	1.50	1.50	1.50	2.00	1.50
Fire	31.00	33.00	33.00	34.00	33.00
Inspections	3.75	4.75	4.75	4.75	4.75
Engineering	2.00	2.00	2.00	2.00	2.00
Public Works	17.50	17.50	17.50	17.50	17.50
Mosquito Control	2.00	2.00	3.00	3.00	3.00
Parks & Recreation Programs	3.80	3.80	3.80	3.80	3.80
Parks & Recreation Pool	5.00	5.00	5.00	5.00	5.00
Parks & Recreation Special Events	1.00	1.00	1.00	1.00	1.00
Library	11.95	12.45	12.45	12.45	12.45
Planning	4.00	4.00	4.00	4.00	4.00
Economic Development	1.00	1.00	1.00	1.00	1.00
DMV Select	2.00	2.00	2.00	2.00	2.00
Total General Fund	131.30	136.80	138.80	143.30	140.80
Solid Waste	1.00	1.00	1.00	1.00	1.00
Utilities	4.00	4.00	5.00	5.00	5.00
Fleet Management	3.50	3.50	3.50	3.50	3.50
Total Departments and Funds	139.80	145.30	148.30	152.80	150.30

SUMMARY OF REVENUES AND TRANSFERS IN BY FUND

Fund	FY 2016 Actual	FY 2017 Actual	FY 2018 Adopted Budget	FY 2018 Revised Budget	FY 2019 Dept Head Requested Budget	FY 2019 City Council Adopted Budget
General Fund	\$ 27,142,838	\$ 28,254,891	\$ 27,667,244	\$ 27,885,480	\$ 29,017,354	\$ 29,079,938
Debt Service	20,196,140	2,888,155	2,935,671	2,935,671	3,842,821	3,842,821
Capital Projects	2,418,545	783,648	595,324	595,324	384,886	384,886
Solid Waste Enterprise	801,881	819,925	847,406	847,406	892,260	892,260
Utilities Enterprise	2,050,110	2,224,896	2,052,145	2,052,145	2,372,053	2,372,053
Fleet Management Internal Service	688,662	704,324	729,281	729,281	757,816	757,816
Special Revenue/Grants	100,637	974,832	2,557,395	1,802,691	210,013	210,013
Special Revenue/OPEB	-	59,909	91,695	126,264	159,333	159,333
TOTAL REVENUE AND TRANSFERS	53,398,813	36,710,580	37,476,161	36,974,262	37,636,536	37,699,120
Less: Interfund Transfers	3,988,485	3,216,988	3,237,536	3,237,536	4,094,347	4,094,347
TOTAL REVENUE	\$ 49,410,328	\$ 33,493,592	\$ 34,238,625	\$ 33,736,726	\$ 33,542,189	\$ 33,604,773

SUMMARY OF EXPENDITURES AND TRANSFERS OUT BY FUND

Fund	FY 2016 Actual	FY 2017 Actual	FY 2018 Adopted Budget	FY 2018 Revised Budget	FY 2019 Dept Head Requested Budget	FY 2019 City Council Adopted Budget
General Fund	\$ 27,142,838	\$ 28,254,891	\$ 27,667,244	\$ 27,885,480	\$ 29,572,284	\$ 29,079,938
Debt Service	20,302,190	2,777,371	2,935,671	2,935,671	3,842,821	3,842,821
Capital Projects	1,217,536	1,340,851	595,324	595,324	384,886	384,886
Solid Waste Enterprise	793,688	852,043	847,406	847,406	898,153	892,260
Utilities Enterprise	1,635,293	1,638,407	2,052,145	2,052,145	2,372,053	2,372,053
Fleet Management Internal Service	675,826	695,814	729,281	729,281	825,741	757,816
Special Revenue/Grants	101,106	974,832	2,557,395	1,893,362	210,013	210,013
Special Revenue/OPEB	-	56,740	91,695	101,264	159,333	159,333
TOTAL EXPENDITURES AND TRANSFERS	51,868,477	36,590,949	37,476,161	37,039,933	38,265,284	37,699,120
Less: Interfund Transfers	3,988,485	3,216,988	3,237,536	3,237,536	4,094,347	4,094,347
TOTAL EXPENDITURES	\$ 47,879,992	\$ 33,373,961	\$ 34,238,625	\$ 33,802,397	\$ 34,170,937	\$ 33,604,773

SUMMARY OF REVENUES AND EXPENDITURES BY CATEGORY

Revenues		Expenditures	
General Fund			
General Property Taxes	\$ 20,797,499	Personnel Services	\$ 7,129,002
Other Local Taxes	2,971,000	Employee Benefits	2,987,128
Permits Licenses & Fees	147,000	Purchased Services	1,027,601
Fines & Forfeitures	42,000	Internal Services	456,572
Use of Money & Property	261,300	Other Charges	1,574,602
Charges for Services	765,602	Contributions to Agencies	133,691
Miscellaneous Revenue	6,000	Materials & Supplies	184,350
State Non-Categorical Aid	2,063,435	Payment to Joint Operations	1,407,775
State Categorical Aid	235,327	Capital Outlay	333,050
State Other Categorical Aid	1,587,675	Transfer to Debt Service Fund	3,813,627
Federal Revenue	3,100	Transfer to Capital Projects Fund	10,186
Transfer from Sewer Fund	150,000	Transfer to Special Revenue - OPEB	70,534
Transfer from Solid Waste Fund	50,000	Transfer to EDA	16,417
Transfer from Fund Balance	-	School Contribution	9,935,403
Total	\$ 29,079,938	Total	\$ 29,079,938
Debt Service Fund			
Transfer from General Fund	\$ 3,813,627	City Debt Service	\$ 676,071
Use of Reserve	29,194	School Debt Service	2,260,594
		EDA Debt Service	157,000
		Transfer to Debt Service Fund Balance	749,156
Total	\$ 3,842,821	Total	\$ 3,842,821
Capital Projects Fund			
State Revenue	\$ 374,700	Street Paving	\$ 374,700
Transfer from General Fund	10,186	Other Projects	10,186
Total	\$ 384,886	Total	\$ 384,886
Solid Waste Fund			
Charges for Services - Solid Waste Fees	\$ 824,207	Personnel Services	\$ 61,405
Charges for Services - Other	32,000	Employee Benefits	31,720
Transfer from Unrestricted Net Position	36,053	Purchased Services	494,100
		Internal Services	58,392
		Other Charges	13,351
		Materials & Supplies	17,726
		Payment to Joint Operations	165,566
		Transfer to General Fund	50,000
Total	\$ 892,260	Total	\$ 892,260

SUMMARY OF REVENUES AND EXPENDITURES BY CATEGORY

Revenues		Expenditures	
Utilities Fund			
Charges for Services - Sewer Service Fees	\$ 1,905,579	Personnel Services	\$ 288,287
Sewer Availability Fees	276,000	Employee Benefits	112,356
Late Payment Fees	38,523	Purchased Services	104,400
Miscellaneous Revenue	<u>151,951</u>	Internal Services	31,332
		Other Charges	116,350
		Materials & Supplies	7,700
		Debt Service	706,628
		Transfer to General Fund	150,000
		Capital Outlay	<u>855,000</u>
Total	<u><u>\$ 2,372,053</u></u>	Total	<u><u>\$ 2,372,053</u></u>
Fleet Fund			
Internal Service Revenue - City	\$ 546,785	Personnel Services	\$ 168,218
Internal Service Revenue - Schools	<u>211,031</u>	Employee Benefits	95,258
		Purchased Services	75,365
		Other Charges	11,875
		Materials & Supplies	398,100
		Capital Outlay	<u>9,000</u>
Total	<u><u>\$ 757,816</u></u>	Total	<u><u>\$ 757,816</u></u>
Special Revenue Fund/Grants			
Federal Share	\$ 157,510	Grant #4042	<u>\$ 210,013</u>
State Share	42,003		
Local Share	<u>10,500</u>		
Total	<u><u>\$ 210,013</u></u>	Total	<u><u>\$ 210,013</u></u>
Special Revenue Fund/OPEB			
Retiree Contributions	\$ 88,799	Retiree Benefits	\$ 144,333
Transfer from General Fund:		Contribution to Trust	15,000
City Contribution	55,534		
Trust Contribution	<u>15,000</u>		
Total	<u><u>\$ 159,333</u></u>	Total	<u><u>\$ 159,333</u></u>

SUMMARY OF FUND BALANCE OR NET ASSETS BY FUND

	General Fund	Debt Service	Capital Projects Fund	Solid Waste Fund	Utilities Fund	Fleet Management Fund	Special Revenue Fund/Grants	Special Revenue Fund/OPEB
Beginning Fund Balance - 7/1/2015	7,874,206	417,850	1,347,408	286,784	5,913,758	(147,137)	91,140	-
Actual FY 2016 Revenues	27,142,838	20,196,140	2,418,545	801,881	2,050,110	688,662	100,637	-
Actual FY 2016 Expenditures	(27,588,814)	(20,302,190)	(1,217,536)	(793,688)	(1,635,293)	(675,626)	(101,106)	-
Ending Fund Balance - 6/30/2016	\$ 7,428,230	\$ 311,800	\$ 2,548,417	\$ 294,977	\$ 6,328,575	\$ (134,101)	\$ 90,671	\$ -
Beginning Fund Balance - 7/1/2016	7,428,230	311,800	2,548,417	294,977	6,328,575	(134,101)	90,671	-
Actual FY 2017 Revenues	28,254,891	2,888,155	945,516	819,925	2,224,896	704,324	974,832	59,909
Actual FY 2017 Expenditures	(28,209,770)	(2,777,371)	(1,502,719)	(852,043)	(1,638,407)	(695,814)	(974,832)	(56,740)
Ending Fund Balance - 6/30/2017	\$ 7,473,351	\$ 422,584	\$ 1,991,214	\$ 262,859	\$ 6,915,064	\$ (125,591)	\$ 90,671	\$ 3,169
Beginning Fund Balance - 7/1/2017	7,473,351	422,584	1,991,214	262,859	6,915,064	(125,591)	90,671	3,169
Estimated FY 2018 Revenues	27,885,480	2,902,671	595,324	847,406	2,052,145	729,281	1,802,691	126,264
Estimated FY 2018 Expenditures	(27,938,480)	(2,935,671)	(1,967,184)	(847,406)	(2,052,145)	(729,281)	(1,893,362)	(101,264)
Projected Fund Balance - 6/30/2018	\$ 7,420,351	\$ 389,584	\$ 619,354	\$ 262,859	\$ 6,915,064	\$ (125,591)	\$ -	\$ 28,169
Beginning Fund Balance - 7/1/2018	7,420,351	389,584	619,354	262,859	6,915,064	(125,591)	-	28,169
Estimated FY 2019 Revenues	29,079,938	3,813,627	384,886	856,207	2,372,053	757,816	210,013	159,333
Estimated FY 2019 Expenditures	(29,079,938)	(3,093,665)	(1,004,240)	(892,260)	(2,372,053)	(757,816)	(210,013)	(144,333)
Projected Fund Balance - 6/30/2019	\$ 7,420,351	\$ 1,109,546	\$ -	\$ 226,806	\$ 6,915,064	\$ (125,591)	\$ -	\$ 43,169

Note: Included in the General Fund projected fund balance is a note receivable from the Poquoson Economic Development Authority with a projected balance of \$1,709,587 at 6/30/18 as well as the Revenue Stabilization Fund of \$600,000.

GENERAL FUND - SUMMARY

General Fund Description

The General Fund accounts for all revenues and expenditures applicable to the general operations of the City which are not accounted for in other funds. Principal sources of revenue are property taxes and other local taxes, licenses and permit fees, and intergovernmental revenues. A significant part of the General Fund's revenues is transferred to the Poquoson Public Schools (the component unit) to fund the operation of the City's school system. Primary expenditures are for public safety, public works, health and welfare, parks, recreation and cultural, and the general administration of the City.

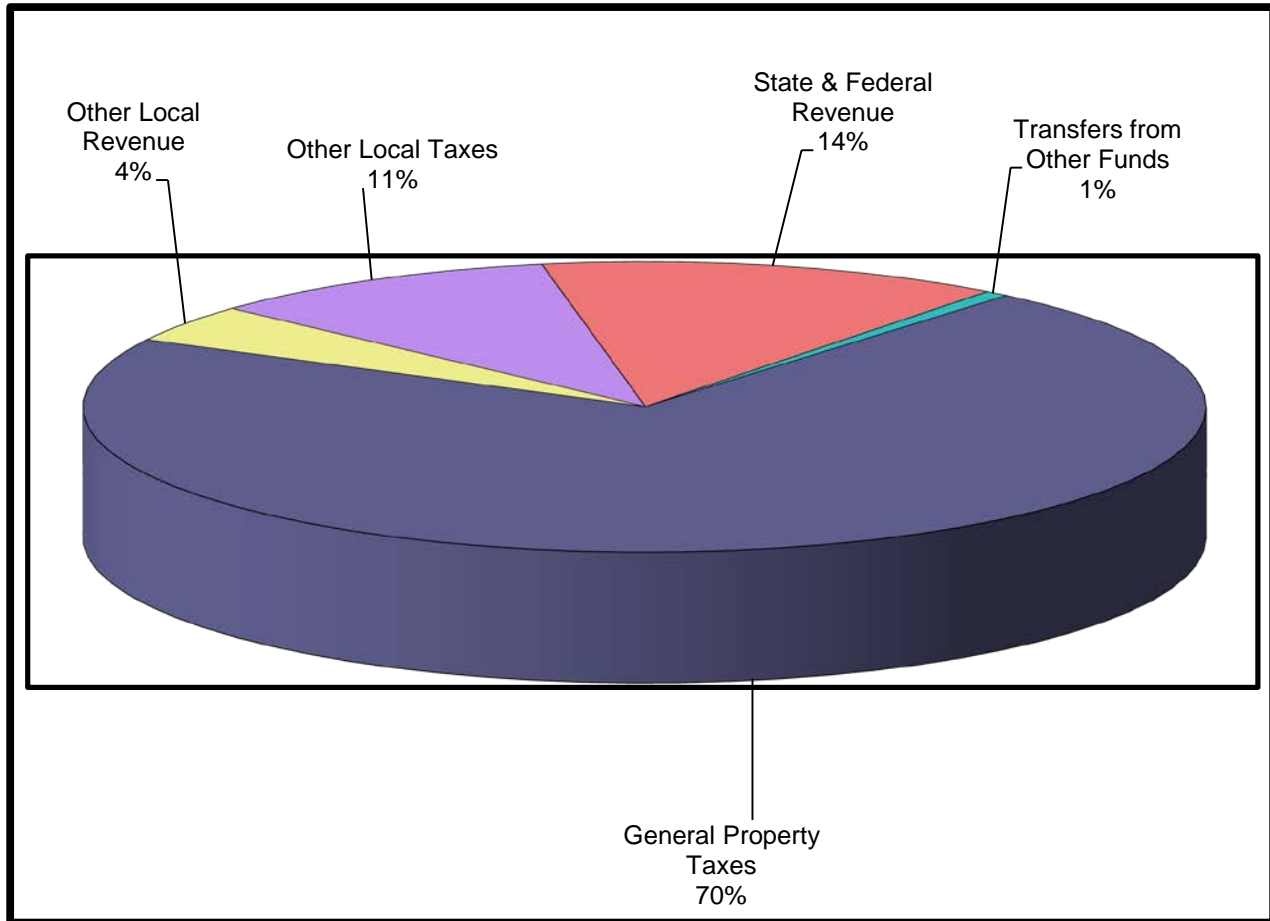
General Fund Projection of Fund Balance (Budgetary Basis)

Beginning Fund Balance - 6/30/2015		\$ 7,874,206
Actual FY 2016 Revenues	\$ 27,142,838	
Actual FY 2016 Expenditures	<u>(27,588,814)</u>	<u>(445,976)</u>
Fund Balance - 6/30/2016		\$ 7,428,230
Actual FY 2017 Revenues	\$ 28,254,891	
Actual FY 2017 Expenditures	<u>(28,209,770)</u>	<u>45,121</u>
Fund Balance - 6/30/2017		\$ 7,473,351 *
Estimated FY 2018 Revenues	\$ 27,885,480	
Estimated FY 2018 Expenditures	<u>(27,938,480)</u>	<u>(53,000)</u>
Projected Fund Balance - 6/30/2018		\$ 7,420,351
Estimated FY 2019 Revenues	\$ 29,079,938	
Estimated FY 2019 Expenditures	<u>(29,079,938)</u>	<u>-</u>
Projected Fund Balance - 6/30/2019		<u>\$ 7,420,351</u>

* Fund balance includes a note receivable of \$1,709, 587 from the Poquoson Economic Development Authority as well as the Revenue Stabilization Fund of \$600,000. It should be noted that the total fund balance that is **unassigned** is \$4,358,819.

GENERAL FUND - SUMMARY

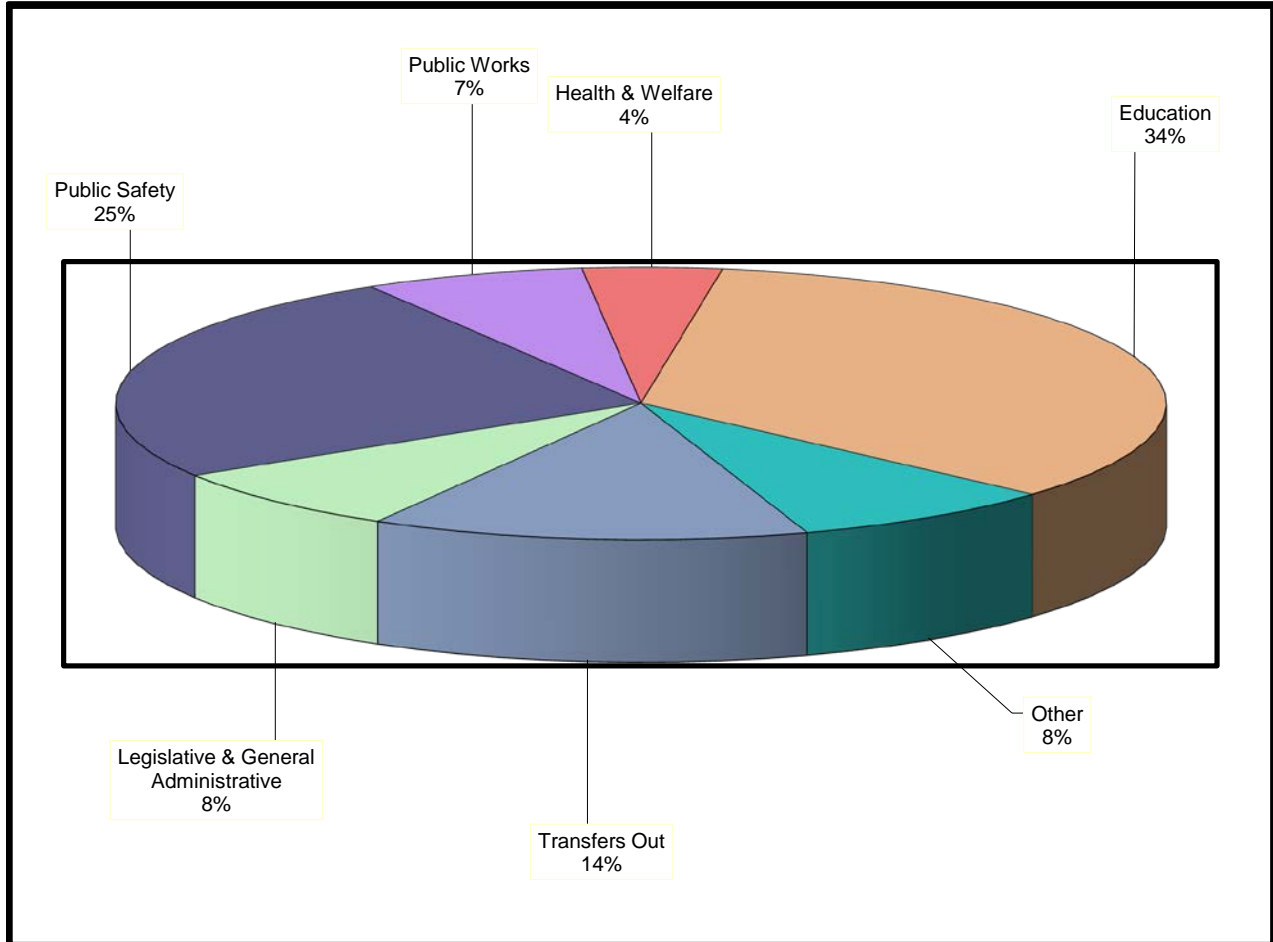
General Fund Revenue



<u>General Fund Revenue</u>	<u>Revised FY 2018</u>	<u>Adopted FY 2019</u>
General Property Taxes	\$ 19,324,599	\$ 20,797,499
Other Local Revenue	1,177,815	1,221,902
Other Local Taxes	2,961,616	2,971,000
State & Federal Revenue	3,890,511	3,889,537
Transfers from Other Funds	200,000	200,000
Use of Unappropriated Fund Balance	330,939	-
TOTAL	\$ 27,885,480	\$ 29,079,938

GENERAL FUND - SUMMARY

General Fund Expenditures



<u>General Fund Expenditures</u>	<u>Estimated FY 2018</u>	<u>Adopted FY 2019</u>
Legislative & General Administrative	\$ 2,285,281	\$ 2,257,177
Public Safety	7,121,611	7,354,675
Public Works	1,966,448	1,982,072
Health & Welfare	1,161,360	1,245,619
Education	9,964,764	9,935,403
Other	2,444,480	2,394,228
Transfers Out	2,994,536	3,910,764
TOTAL	\$ 27,938,480	\$ 29,079,938

GENERAL FUND REVENUE SUMMARY

General Fund Revenues Summary								\$	%
Account Title	FY 2016 Actual	FY 2017 Actual	FY 2018 Original Adopted Budget	FY 2018 Revised Budget	FY 2018 Estimated Revenue	FY 2019 Department Requested Budget	FY 2019 City Council Adopted Budget	Change From 2018 Revised Budget	From 2018 Revised Budget
LOCAL REVENUE:									
<u>GENERAL PROPERTY TAXES</u>									
Real Estate-Current Tax	\$ 15,668,784	\$ 15,862,502	\$ 16,260,000	\$ 16,260,000	\$ 16,260,000	\$ 16,690,000	\$ 17,656,900	\$ 1,396,900	8.6%
Delinquent Real Estate Taxes	125,313	179,804	140,000	140,000	140,000	140,000	140,000	-	0.0%
Public Service Corp.	214,643	222,993	226,000	226,000	226,000	253,700	267,000	41,000	18.1%
Personal Property-Current Tax	2,431,149	2,482,368	2,478,599	2,478,599	2,478,599	2,548,599	2,548,599	70,000	2.8%
Delinquent Personal Property Taxes	57,217	49,311	55,000	55,000	55,000	40,000	40,000	(15,000)	-27.3%
Penalties and Interest	108,857	143,018	165,000	165,000	165,000	145,000	145,000	(20,000)	-12.1%
TOTAL GENERAL PROPERTY TAXES	18,605,963	18,939,996	19,324,599	19,324,599	19,324,599	19,817,299	20,797,499	1,472,900	7.6%
<u>OTHER LOCAL TAXES</u>									
Local Sales Tax	619,048	634,736	656,604	656,604	656,604	656,000	656,000	(604)	-0.1%
Communications Sales & Use Tax	399,648	389,840	400,000	400,000	400,000	400,000	400,000	-	0.0%
Meals Tax	734,619	735,971	749,312	749,312	749,312	755,000	755,000	5,688	0.8%
Consumer Utility Tax	279,272	308,236	305,000	305,000	305,000	305,000	305,000	-	0.0%
Consumption Tax	38,524	39,631	45,000	45,000	45,000	40,000	40,000	(5,000)	-11.1%
Business License Tax	415,080	435,698	430,000	430,000	430,000	435,000	435,000	5,000	1.2%
Cigarette Tax	100,179	102,758	100,000	100,000	100,000	100,000	100,000	-	0.0%
Other Local Taxes	251,750	310,440	275,700	275,700	275,700	280,000	280,000	4,300	1.6%
TOTAL OTHER LOCAL TAXES	2,838,120	2,957,310	2,961,616	2,961,616	2,961,616	2,971,000	2,971,000	9,384	0.3%
TOTAL PERMITS, LICENSES & FEES	150,186	157,800	197,600	197,600	197,600	147,000	147,000	(50,600)	-25.6%
TOTAL FINES & FORFEITURES	41,742	34,665	42,000	42,000	42,000	42,000	42,000	0	0.0%
<u>USE OF MONEY & PROPERTY</u>									
Interest on Investments	20,571	52,286	22,000	22,000	22,000	100,000	70,000	48,000	218.2%
Rental of Property	201,114	199,336	192,800	192,800	192,800	191,300	191,300	(1,500)	-0.8%
TOTAL USE OF MONEY & PROPERTY	221,685	251,622	214,800	214,800	214,800	291,300	261,300	46,500	21.6%
<u>CHARGES FOR SERVICES</u>									
Other Charges for Services	379,878	355,572	368,400	368,400	368,400	371,200	413,200	44,800	12.2%
Parks & Recreation Programs	140,348	138,790	132,600	132,600	132,600	138,400	134,600	2,000	1.5%
Parks & Recreation Pool Programs	63,044	57,422	71,250	71,250	71,250	65,300	65,300	(5,950)	-8.4%
Parks & Recreation Special Events	127,557	121,489	124,930	124,930	124,930	136,002	136,002	11,072	8.9%
Workboat Race	8,800	16,550	11,500	11,500	11,500	20,500	16,500	5,000	43.5%
TOTAL CHARGES FOR SERVICES	719,627	689,823	708,680	708,680	708,680	731,402	765,602	56,922	8.0%
TOTAL MISCELLANEOUS REVENUE	360,361	68,927	6,000	14,735	14,735	-	6,000	(8,735)	-59.3%
TOTAL LOCAL REVENUE	\$ 22,937,684	\$ 23,100,143	\$ 23,455,295	\$ 23,464,030	\$ 23,464,030	\$ 24,000,001	\$ 24,990,401	\$ 1,526,371	6.5%

GENERAL FUND REVENUE SUMMARY

								\$	%
<u>General Fund Revenues Summary</u>								Change	From
	FY 2016	FY 2017	FY 2018	FY 2018	FY 2018	FY 2019	FY 2019	From 2018	2018
Account Title	Actual	Actual	Original Adopted Budget	Revised Budget	Estimated Revenue	Department Requested Budget	City Council Adopted Budget	Revised Budget	Revised Budget
STATE REVENUE:									
<u>NON-CATEGORICAL AID</u>									
PPTRA AID	\$ 1,923,431	\$ 1,923,431	\$ 1,923,435	\$ 1,923,435	\$ 1,923,435	\$ 1,923,435	\$ 1,923,435	\$ -	0.0%
DMV Commission	127,018	131,253	122,000	122,000	122,000	122,000	128,000	6,000	4.9%
Reimbursement to Commonwealth	-	-	-	-	-	-	-	-	n/a
Mobile Home Titling	31,657	6,478	12,000	12,000	12,000	-	12,000	-	0.0%
TOTAL NON-CATEGORICAL AID	2,082,106	2,061,162	2,057,435	2,057,435	2,057,435	2,045,435	2,063,435	6,000	0.3%
<u>CATEGORICAL AID</u>									
TOTAL SHARED EXPENSES	238,762	239,660	242,288	242,288	242,288	235,327	235,327	(6,961)	-2.9%
<u>OTHER CATEGORICAL AID:</u>									
State 599 Funds (Police)	233,204	240,712	240,710	240,710	240,710	240,710	249,610	8,900	3.7%
Street & Highway Maintenance	880,000	880,394	880,000	880,000	880,000	880,000	880,000	-	0.0%
Library Aid	140,899	144,976	144,129	144,129	144,129	143,481	143,481	(648)	-0.4%
Children's Services Act	218,649	279,406	216,000	216,000	216,000	315,000	252,000	36,000	16.7%
Police Grants	-	15,035	-	-	-	-	62,584	62,584	100.0%
Fire and EMS Grants	51,728	40,128	47,857	47,857	47,857	-	-	(47,857)	-100.0%
Other State Revenue	10,881	8,441	-	47,038	47,038	-	-	(47,038)	-100.0%
TOTAL OTHER CATEGORICAL AID	1,535,361	1,609,092	1,528,696	1,575,734	1,575,734	1,579,191	1,587,675	11,941	0.8%
TOTAL CATEGORICAL AID	1,774,123	1,848,752	1,770,984	1,818,022	1,818,022	1,814,518	1,823,002	4,980	0.3%
TOTAL STATE REVENUE	3,856,229	3,909,914	3,828,419	3,875,457	3,875,457	3,859,953	3,886,437	10,980	0.3%
FEDERAL REVENUE:									
Police Grants	65,709	13,583	-	11,754	11,754	-	-	(11,754)	-100.0%
Plum Tree Island Refuge	2,725	3,090	2,500	2,500	2,500	-	2,300	(200)	-8.0%
Fire Grants	7,500	14,015	53,000	53,000	-	-	-	(53,000)	100.0%
DHS and Citizen Corps Grants	21,796	-	-	-	-	-	-	-	n/a
Other Federal Revenue	143	960	800	800	800	-	800	-	0.0%
TOTAL FEDERAL REVENUE	97,873	31,648	56,300	68,054	15,054	-	3,100	(64,954)	-95.4%
TOTAL GENERAL FUND REVENUE	26,891,786	27,041,705	27,340,014	27,407,541	27,354,541	27,859,954	28,879,938	1,472,397	5.4%
TRANSFERS IN:									
Transfer from Sewer Fund	150,000	150,000	150,000	150,000	150,000	148,000	150,000	-	0.0%
Transfer from Solid Waste	-	45,833	50,000	50,000	50,000	50,000	50,000	-	0.0%
Sale of Bonds	-	-	-	-	-	-	-	-	n/a
Transfer from Revenue Stabilization	-	-	-	-	-	-	-	-	n/a
Transfer from Fund Balance	-	-	127,230	330,939	330,939	-	-	(330,939)	-100.0%
TOTAL TRANSFERS IN	150,000	195,833	327,230	530,939	530,939	198,000	200,000	(330,939)	-62.3%
TOTAL REVENUE & TRANSFERS IN	\$ 27,041,786	\$ 27,237,538	\$ 27,667,244	\$ 27,938,480	\$ 27,885,480	\$ 28,057,954	\$ 29,079,938	\$ 1,141,458	4.1%

REVENUE DETAIL

LOCAL REVENUE

General Property taxes account for 82% of locally generated revenues. Included in this category are levies made on real estate and personal property of City residents and businesses.

REAL ESTATE TAX:

The real estate property tax on residential, commercial land and buildings in the City is adopted at a rate of \$1.14 per \$100 of assessed value. Each cent of tax brings approximately \$159,000 of revenue to the City. For FY 2019, the real estate tax rate has an increase of seven cents, of which the six cent increase provides for debt service associated with approximately \$23 million in new debt to support the CCIP and one cent to support the additional resources needed for the Ad Hoc committee on School safety.

The tax rate is applied to the assessed value of individual property, as determined by the Real Estate Assessor during the assessment. The Commonwealth of Virginia requires localities to assess real property at 100% of fair market value. FY 2019 is not a reassessment year. Tax rate and value are effective July 1, 2018.

Residential growth projections in FY 2019 are based on new houses and other residential improvements and commercial improvements estimated in value at \$9,450,023, to be built throughout the year. This will bring approximately \$57,534 in additional tax revenue during FY 2019.

FY 2019 Real Estate Revised Budget Estimate	\$17,949,366
Tax Relief and Deferral	(350,000)
 FY 2019 Residential growth on new assessments of new homes and other improvements	 <u>57,534</u>
 FY 2019 Real Estate Budget	 <u>\$17,656,900</u>

Real estate taxes are due on December 5th and June 5th. Past due balances paid by the end of the month the taxes are due are assessed a 2% penalty. A penalty of \$10 or 10%, whichever is greater, is assessed on past due balances on the first day of the month following the month in which the tax is due. In addition, interest of 10% per annum is assessed on unpaid balances beginning in the month in which the tax was due.

PUBLIC SERVICE CORPORATION TAXES:

The State Corporation Commission assesses a tax on the value of the real estate and personal property of all public service corporations; such as, Dominion Virginia Power, Virginia Natural Gas, Verizon and Cox Communications. The Commissioner of the Revenue certifies the levy as submitted by the State Corporation Commission.

Public service corporations are taxed at the same rate as real estate. The State Corporation Commission assesses public service corporations and the City estimates that assessments will be \$23,710,106 in FY 2019.

REVENUE DETAIL

PERSONAL PROPERTY TAX:

The City imposes a tax on tangible personal property of businesses and individuals, including motor vehicles, business equipment, boats, recreational vehicles (RVs), and trailers.

The City uses the NADA loan value to determine the assessment of automobiles and recreational vehicles. In the FY 2019 budget, the adopted tax rate for automobiles is based on a \$4.15 tax rate per \$100 of assessed value; for recreational vehicles a \$1.50 tax rate per \$100 of assessed value and \$0.00001 for boats. Mobile homes are assessed as personal property on a calendar year basis, and taxed at the adopted real estate rate of \$1.14 per \$100 of assessed value. The low value in the ABOS book is used to determine the assessment for boats.

The FY 2019 personal property tax revenue is \$4,472,034 a \$70,000 increase over the FY 2018 estimated budget. Personal property taxes are due on December 5th and June 5th. A penalty of \$10 or 10%, whichever is greater, is assessed on past due balances. Interest at the rate of 10% per annum accrues on all delinquent taxes on the first day following the due date on which such taxes become delinquent.

The Personal Property Tax Relief Act of 1998 (PPTRA) established a statewide program by which the Commonwealth of Virginia was to provide relief for owners of personal use motor vehicles from personal property taxation. Due to soaring costs associated with PPTRA, the 2004 and 2005 General Assemblies made significant changes to PPTRA. The changes include converting the program from an entitlement program to a block grant formula that caps statewide relief to local governments at \$950 million annually which became effective in FY 2008. The cap for Poquoson as identified by the State Auditor of Public Accounts for Personal Property Tax Relief is \$1,923,435.

In 2006, the City adopted the "specific relief" method of computing and reflecting tax relief. The "specific relief" method allows a set single tax rate and applies tax relief at a specific percentage to each qualifying vehicle. One hundred percent of the personal property tax will continue to qualify for tax relief for qualifying personal use vehicles used for non-business purposes with a value of one thousand dollars (\$1,000) or less. Tax relief percentage will be at 55% for calendar year 2018.

Since not all personal property is affected by PPTRA, the City has estimated that citizens and businesses will pay 57% of personal property tax in FY 2019. The break out between local taxes and state aid is as follows for FY 2019 Personal Property tax revenue.

<u>Local Taxes</u>	<u>State Aid</u>	<u>Total</u>
\$ 2,548,599	\$ 1,923,435	\$ 4,472,034

REVENUE DETAIL

LOCAL SALES TAX:

The general Virginia State Sales Tax rate is 5.3% and an additional 0.7% imposed in localities that make up the Northern Virginia and Hampton Roads areas. Poquoson is one of the Hampton Roads localities. The State returns to the City 1% of the sales tax collected within the City of Poquoson. In FY 2019, it is expected to be \$656,000 or a decrease of \$604 from FY 2018. This projection is based on commercial retail sales in the City.

MEALS TAX:

The meals tax rate for FY 2019 is 6%. This tax has been imposed on all prepared food and beverages sold in the City since FY 2002. In FY 2019, revenue is expected to increase from the FY 2018 budget by \$5,688 for a total of \$755,000.

COMMUNICATIONS SALES & USE TAX:

The 2006 Virginia General Assembly completed a major restructuring of telecommunication taxes. Effective January 1, 2007, a statewide Communications Sales and Use Tax applies to retail communication and video services. The tax rate is 5% on local exchange telephone service, paging, inter-exchange (interstate and intrastate), cable and satellite television, wireless and Voice over the Internet (VoIP).

This tax replaces the local consumer utility tax the City collected from both residential and commercial customers of telephone companies. The local E-911 tax was replaced with a \$0.75 "E-911 tax" applied to each local landline and a \$0.75 "State E-911 fee" applied to each wireless number. The Cable Franchise Fee was replaced by the Communications Sales Tax. The tax is collected by the companies and paid to the State, which administers distribution of the tax revenue. The redistribution of taxes is intended to be revenue neutral to the City. In FY 2019, it is expected to remain \$400,000.

CONSUMER UTILITY TAX:

The City collects a tax based upon consumption from residential and commercial users of the service provided by Dominion Virginia Power and Virginia Natural Gas. The monthly charge for residential and commercial users shall not exceed \$3 and \$10 respectively. It is estimated that the City will receive \$305,000 for FY 2019.

CONSUMPTION TAX:

This is a tax instituted by the State to replace the business license tax that electric and gas utilities are no longer required to pay. It is estimated that the City will receive \$40,000 for FY 2019.

BUSINESS LICENSE TAX:

A tax based upon gross receipts is imposed on local businesses, trades, professions and occupations operating within the City. The rates vary depending upon the type of business or occupation. While there have been changes in local businesses, this tax varies for contractors building new homes and commercial establishments in Poquoson. The amount budgeted for FY 2019 is expected to increase by \$5,000, to \$435,000.

CIGARETTE TAX:

This tax is based on a rate of 20 cents per pack. This tax went into effect October 1, 2001. The amount budgeted for FY 2019 is expected to be \$100,000.

REVENUE DETAIL

OTHER LOCAL TAXES:

Included in this category are:

Bank Franchise Tax	\$ 40,000
Recordation Tax	200,000
Deed of Conveyance	<u>40,000</u>
	<u>\$280,000</u>

The Bank Franchise Tax is a fee that is imposed on the net capital of local banks based on returns filed with the Commissioner of the Revenue. The amount budgeted for Bank Franchise Tax is based on prior years' experience and anticipated economic trends.

Recordation Tax represents fees paid to record any document with the Circuit Court. The Deed of Conveyance is a fee that is charged by the Clerk of the York/Poquoson Circuit Court for recording land transfers.

PERMITS, LICENSES, AND FEES:

Included in this category of revenue are:

Dog Licenses*	\$ 1,000
Subdivision Plan Review Fees	10,000
Zoning Advertising Fees	2,000
Building Permits	45,000
Electrical Permits	15,000
Plumbing Permits	12,000
Mechanical Permits	16,000
Erosion and Sediment Fees	20,000
Right-of-Way Permits	4,000
Drainage Pipe Permits	1,000
Site Plan Inspection Fees	20,000
Other Fees	<u>1,000</u>
	<u>\$ 147,000</u>

*Citizens can purchase one dog license for the life of the dog.

In FY 2019, this represents a decrease of \$50,600 from the FY 2018 budget.

FINES AND FORFEITURES:

This represents fines for violation of local ordinances upon conviction. The amount budgeted for FY 2019 is \$42,000.

INTEREST ON INVESTMENTS:

For FY 2019 revenue of \$70,000 is an increase from the FY 2018 budget due to change in structure of accounts by the Treasurer late in FY 2018.

REVENUE DETAIL

RENTAL OF PROPERTY:

The City rents property to the School Board for administrative office space in City Hall. In FY 2019, the amount will be \$26,300, which is the same since FY 2009. This rental fee is for the maintenance costs on the building space that the School Administration occupies. Also budgeted is \$160,000 for tower rental for communications companies to place their towers on City property. The rental of the Odd Road Community Center is expected to remain level at \$3,500. Messick Point pier rental is expected to be \$1,500 for FY 2019.

CHARGES FOR SERVICES:

Included in this category of revenue are:

EMS Fees	\$334,000
Library Fees/Test Proctor	17,200
Passport Processing	55,000
School Maintenance	3,000
Copying Charges	<u>4,000</u>
	<u>\$413,200</u>

EMS fees are charges for ambulance services. The City began charging for ambulance services in October 2009 and increased the rates utilized in FY 2018 which aligned with the Medicare allowable charges and similar to rates charged by surrounding localities. The rates for the adopted FY 2019 Budget remains level for ALS-2, ALS and BLS transport fees. However, an adopted rate for medic transport decline fee and oxygen usage fee is included for FY 2019.

Library fees are book fines, etc. that are charged to patrons for returning items late and Test Proctor fees are to administer on-line tests to patrons. Locally, the Library issues Passports and the Passport Processing have increased for FY 2019 a total of \$55,000 is anticipated to be collected for the service.

School Maintenance Fees represent the reimbursement from the Poquoson City Public Schools for the maintenance of their grounds at the schools.

CHARGES FOR SERVICES – PARKS AND RECREATION:

Parks & Recreation Programs	\$134,600
Pool Programs	65,300
Special Events	136,002
Workboat Race	<u>16,500</u>
	<u>\$352,402</u>

Parks and Recreation Programs represent fees charged for participating in various activities, such as athletics, arts and crafts, and instructional classes. Pool Programs are fees charged for all activities relating to the pool, including swim lessons, recreational swimming and swim team. Rates for these programs are set to attempt to cover the cost of running the programs.

Special Events are event fees that provide family oriented programs and festivals.

Workboat Race is for the sponsor fees paid for the workboat race as part of the annual Seafood Festival.

REVENUE DETAIL

MISCELLANEOUS REVENUE:

Miscellaneous Revenue for FY 2019 is expected to be \$6,000.

STATE REVENUE

NON-CATEGORICAL AID:

The City receives from the State revenues for the following categories:

Personal Property Tax Relief Act	\$1,923,435
Mobile Home Titling	12,000
DMV Reimbursement	<u>122,000</u>
	<u>\$2,057,435</u>

Total personal property in FY 2019 is \$4,472,034. Of this amount, \$2,548,599 is recorded as general property taxes and \$1,923,435 is recorded as State Non-Categorical Aid. Personal Property is expected to increase by \$70,000; however, the revenue from the State will remain level.

The City opened a Department of Motor Vehicles – Select office (DMV) on January 2, 2002. As part of the City's agreement with DMV, the City receives a commission of 4.5% of the first \$500,000 of gross collections and 5% on gross collection over \$500,000. It is projected the City will receive \$128,000 for FY 2019. The office staff salaries and the majority of office expenses are paid by the City. The total DMV Select expenditure budget is \$120,581.

REVENUE DETAIL

CATEGORICAL AID - SHARED EXPENSES:

The State assists in funding the offices of the Commissioner of the Revenue, Treasurer and Registrar. For the two constitutional officers, the level of State funding is established by the State Compensation Board within certain parameters established by the General Assembly. A portion of the Registrar's salary is paid through the State Department of Elections with the other expenses of the office paid by the City.

The FY 2019 budget is \$235,327 which reflects a slight decrease from FY 2018.

The revenues are:

Commissioner of the Revenue	\$ 98,830
Treasurer	101,497
Registrar	<u>35,000</u>
	<u>\$235,327</u>

OTHER CATEGORICAL AID:

The City also receives funding from the State to be used for specific purposes. Included in this category is State 599 funding for the Police Department, Street and Highway Maintenance funds, Library Aid, and other certain grants. State 599 funding is intended for the operation of the City Police Department. The 599 funding for FY 2019 is anticipated to be \$249,610.

Street and Highway Maintenance aid is received for the upkeep of City roads and streets and is based upon the number of lane miles in the City system. Street and Highway Maintenance funds are also reflected in the Capital Projects Fund. The City estimates a total of \$1,254,700 in FY 2019 for Street and Highway Maintenance funding, which is less than FY 2018. In the General Fund, \$880,000 is budgeted for Public Works and Mosquito Control departments and \$374,700 is budgeted in the Capital Projects Fund to be used for paving and drainage projects.

Library Aid is provided on a per capita basis for the operation of the public library. State money must be expended either for book purchases or partial funding of Library professional employees' salaries. The amount the City estimates in FY 2019 is \$143,481.

Children's Services Act (CSA) funds are provided to partially fund mandated foster care and special education expenses. The State contribution is expected to be \$252,000 and a local cost of \$98,000 for a total of \$350,000 for CSA expenditures.

Various websites from State agencies and the Virginia Municipal League (VML) determined the FY 2019 estimates for State Categorical Aid. VML is an advocate for Virginia localities at the General Assembly. The Virginia General Assembly has not approved a state budget during their regular session; however, the adopted City budget for FY 2019 remains flat.

REVENUE DETAIL

FEDERAL REVENUE

CATEGORICAL AID:

Plum Tree Island Refuge revenue represents payment in lieu of taxes for the Big Marsh area administered by the U.S. Department of Interior.

TRANSFERS IN

The Utilities Fund reimburses the General Fund for expenses incurred in the overall administration of the sewer system. In FY 2019 \$150,000 will be transferred for this purpose. The Solid Waste Fund reimburses the General Fund for expenses incurred for administration of the City's solid waste programs in the amount of \$50,000.

There is no planned use of Fund Balance in FY 2019 to balance the General Fund Budget.

GENERAL FUND EXPENDITURES SUMMARY

General Fund Expenditures Summary

Account Title	FY 2016 Actual	FY 2017 Actual	FY 2018 Original Adopted Budget	FY 2018 Revised Budget	FY 2019 Department Request Budget	FY 2019 City Council Adopted Budget	\$ Change From 2018 Revised Budget	% Change From 2018 Revised Budget
<u>LEGISLATIVE</u>								
City Council	\$ 70,325	\$ 68,709	\$ 65,396	\$ 65,396	\$ 66,402	\$ 66,402	\$ -	0.0%
<u>GENERAL ADMINISTRATION</u>								
City Manager	443,627	459,250	436,261	436,261	444,247	444,247	7,986	1.8%
Legal Services	117,234	118,111	119,305	119,305	119,305	119,305	-	0.0%
Independent Auditor	39,407	41,076	54,980	54,980	45,000	45,000	(9,980)	-18.2%
Commissioner of the Revenue	305,760	296,879	303,193	303,193	286,106	286,106	(17,087)	-5.6%
Assessor/Equalization Board	184,708	191,738	194,576	194,576	209,636	206,261	11,685	6.0%
Treasurer	315,181	323,590	331,261	331,261	347,618	347,093	15,832	4.8%
Finance	391,584	402,138	412,907	412,907	425,674	429,654	16,747	4.1%
Technology	90,231	114,857	106,750	106,750	97,200	97,200	(9,550)	-8.9%
Risk Management	159,418	47,692	54,080	54,080	66,143	52,061	(2,019)	-3.7%
TOTAL ADMINISTRATION	2,047,150	1,995,331	2,013,313	2,013,313	2,040,929	2,026,927	13,614	0.7%
<u>ELECTIONS</u>								
Registrar/Electoral Board	164,626	162,371	158,572	206,572	166,048	163,848	(42,724)	-20.7%
<u>PUBLIC SAFETY</u>								
Courts and Sheriff	474,200	444,949	429,172	429,172	477,020	477,020	47,848	11.1%
Police	2,677,546	2,730,434	2,782,317	2,837,021	3,023,206	3,109,806	272,785	9.6%
Fire	2,604,097	2,902,319	3,027,948	3,188,575	3,335,093	3,113,534	(75,041)	-2.4%
Corrections & Detention	382,728	304,853	325,905	325,905	329,058	329,058	3,153	1.0%
Inspections	267,817	278,133	258,938	258,938	277,247	250,792	(8,146)	-3.1%
Animal Control	103,674	103,482	82,000	82,000	74,465	74,465	(7,535)	-9.2%
TOTAL PUBLIC SAFETY	6,510,062	6,764,170	6,906,280	7,121,611	7,516,089	7,354,675	233,064	3.3%
<u>PUBLIC WORKS</u>								
Engineering	175,549	165,462	196,727	196,727	216,257	201,507	4,780	2.4%
Public Works	1,429,194	1,432,865	1,483,251	1,483,251	1,552,878	1,519,565	36,314	2.4%
Street Lights	85,928	87,112	82,000	82,000	90,000	90,000	8,000	9.8%
Facilities	173,000	211,670	204,470	204,470	213,633	171,000	(33,470)	-16.4%
TOTAL PUBLIC WORKS	1,863,671	1,897,109	1,966,448	1,966,448	2,072,768	1,982,072	15,624	0.8%
<u>HEALTH & WELFARE</u>								
Health Department	36,911	35,158	38,839	38,839	40,219	40,219	1,380	3.6%
Mosquito Control	238,151	242,363	286,752	286,752	318,686	297,403	10,651	3.7%
Mental Health	224,302	235,708	249,899	249,899	251,793	251,793	1,894	0.8%
Welfare/Social Services	629,936	710,606	585,870	585,870	643,204	643,204	57,334	9.8%
TOTAL HEALTH & WELFARE	\$ 1,129,300	\$ 1,223,835	\$ 1,161,360	\$ 1,161,360	\$ 1,253,902	\$ 1,232,619	\$ 71,259	6.1%

GENERAL FUND EXPENDITURES SUMMARY

General Fund Expenditures Summary

Account Title	FY 2016 Actual	FY 2017 Actual	FY 2018 Original Adopted Budget	FY 2018 Revised Budget	FY 2019 Department Request Budget	FY 2019 City Council Adopted Budget	\$ Change From 2018 Revised Budget	% Change From 2018 Revised Budget
<u>EDUCATION</u>								
School Contribution	\$ 9,538,282	\$ 9,711,046	\$ 9,935,403	\$ 9,935,403	\$ 9,935,403	\$ 9,935,403	\$ -	0.0%
Reappropriation	27,886	27,124	-	29,361	-	-	(29,361)	n/a
TOTAL EDUCATION	9,566,168	9,738,170	9,935,403	9,964,764	9,935,403	9,935,403	(29,361)	-0.3%
<u>PARKS, RECREATION & CULTURAL</u>								
Parks & Recreation Programs	430,680	443,119	447,961	447,961	492,453	455,689	7,728	1.7%
Parks & Recreation Pool	118,402	128,979	138,546	138,546	138,882	136,064	(2,482)	-1.8%
Parks & Recreation Special Events	208,200	214,695	220,107	220,107	246,682	222,140	2,033	0.9%
Library	842,375	858,646	869,030	889,536	894,443	873,605	(15,931)	-1.8%
TOTAL PARKS, REC & CULTURAL	1,599,657	1,645,439	1,675,644	1,696,150	1,772,460	1,687,498	(8,652)	-0.5%
<u>COMMUNITY DEVELOPMENT</u>								
Planning	330,057	320,094	322,268	322,268	341,737	330,337	8,069	2.5%
Planning/BZA/Wetlands/ARB	4,450	9,407	9,900	9,900	11,400	9,450	(450)	-4.5%
Economic Development	141,924	114,337	129,753	129,753	173,821	101,471	(28,282)	-21.8%
Community Development	132,080	157,968	151,320	157,358	162,608	133,691	(23,667)	-15.0%
TOTAL COMMUNITY DEVELOPMENT	608,511	601,806	613,241	619,279	689,566	574,949	(44,330)	-7.2%
<u>NON-DEPARTMENTAL</u>								
Non-Departmental	596	39,741	17,430	17,430	24,200	24,200	6,770	38.8%
DMV Select	104,784	103,621	111,621	111,621	123,753	120,581	8,960	8.0%
TOTAL NON-DEPARTMENTAL	105,380	143,362	129,051	129,051	147,953	144,781	15,730	12.2%
<u>TRANSFERS OUT</u>								
Debt Service Fund	3,095,610	2,888,155	2,902,671	2,902,671	3,813,627	3,813,627	910,956	31.4%
Capital Projects Fund	742,875	133,000	88,000	40,000	10,186	10,186	(29,814)	-74.5%
Economic Development Authority	25,000	-	5,000	5,000	16,417	16,417	11,417	n/a
Special Revenue Fund OPEB	-	56,740	46,865	46,865	70,534	70,534	23,669	50.5%
Utilities Fund	-	-	-	-	-	-	-	n/a
Fleet Fund	-	-	-	-	-	-	-	n/a
TOTAL TRANSFERS OUT	3,863,485	3,077,895	3,042,536	2,994,536	3,910,764	3,910,764	916,228	30.6%
TOTAL GENERAL FUND	\$ 27,528,335	\$ 27,318,197	\$ 27,667,244	\$ 27,938,480	\$ 29,572,284	\$ 29,079,938	\$ 1,141,458	4.1%

CITY COUNCIL

Expenditures Summary

								\$	%
	FY 2016	FY 2017	FY 2018	FY 2018	FY 2019	FY 2019		Change	Change
	Actual	Actual	Original	Revised	Department	City Council		From 2018	From 2018
			Adopted	Budget	Request	Adopted		Revised	Revised
			Budget		Budget	Budget		Budget	Budget
Personnel Services	\$ 51,309	\$ 52,136	\$ 53,270	\$ 53,270	\$ 54,762	\$ 54,762	\$	1,492	2.8%
Operating Expenses	14,996	16,573	12,126	12,126	11,640	11,640		(486)	-4.0%
Capital Outlay	4,020	-	-	-	-	-		n/a	n/a
Totals	\$ 70,325	\$ 68,709	\$ 65,396	\$ 65,396	\$ 66,402	\$ 66,402	\$	1,006	1.5%

Personnel Summary

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2019
	Authorized	Authorized	Authorized	Department	City Council
				Request	Authorized
				Positions	Positions
City Clerk	0.4	0.4	0.4	0.4	0.4
Totals	0.4	0.4	0.4	0.4	0.4

* In Personnel Services, a minimal amount is budgeted as a stipend to the City Mayor and six City Council Members. All 7 members' stipends total \$8,700 a year. In addition to the stipends, a portion of the City Clerk's salary is budgeted here with the remaining portion in the City Manager's office.



Goals and Objectives

- * Promote economic development opportunities as a means of bringing balance to local revenue generation.
- * Provide outstanding leadership on behalf of the citizens.

CITY COUNCIL

Major Departmental Functions

- * The City of Poquoson is organized under the Council-Manager form of government. The Poquoson City Council is composed of seven members who are elected by the voters and serve four year staggered terms. The City is divided into three precincts, each of which is entitled to two representatives. The City Mayor is elected at large. Persons elected to City Council take office on the first day of January following the election which is held in November of even numbered years.
- * Council appoints the City Manager, City Clerk, City Attorney, and members to various Boards and Commissions.
- * Council adopts the City Budget and Capital Improvements Plan.
- * Council adopts ordinances and resolutions relating to municipal affairs and imposes fines and penalties for noncompliance.
- * Council is served by a City Clerk who is responsible for transcribing the minutes of Council meetings and generally managing City Council's affairs. The City Clerk provides administrative support to the Mayor and Council and maintains City records in accordance with the Code of Virginia.

Performance Measures

	FY 2016 Actual	FY 2017 Actual	FY 2018 Estimated	FY 2019 Estimated
Regular Meetings	19	18	18	19
Work Sessions	9	10	10	9
Special Sessions/Retreats	1	2	1	1

Significant Budget Items

- * Slight decrease in operating expenses.
- * Increase in Personnel Services due to increase in pay adjustment, VRS rate and health insurance.

CITY MANAGER

Expenditures Summary

							\$	%
	FY 2016	FY 2017	FY 2018	FY 2018	FY 2019	FY 2019	Change	Change
	Actual	Actual	Original	Revised	Department	City Council	From 2018	From 2018
			Adopted	Budget	Request	Adopted	Revised	Revised
			Budget		Budget	Budget	Budget	Budget
Personnel Services	\$ 420,417	\$ 443,675	\$ 414,361	\$ 414,361	\$ 423,247	\$ 423,247	\$ 8,886	2.1%
Operating Expenses	22,691	14,651	21,900	21,900	21,000	21,000	(900)	-4.1%
Capital Outlay	519	924	-	-	-	-	-	n/a
Totals	\$ 443,627	\$ 459,250	\$ 436,261	\$ 436,261	\$ 444,247	\$ 444,247	\$ 7,986	1.8%

Personnel Summary

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2019
	Authorized	Authorized	Authorized	Department	City Council
				Request	Authorized
				Positions	Positions
City Manager	1	1	1	1	1
Assistant City Manager	0.6	0.6	1	1	1
Assistant to the City Manager	1	1	0.6	0.6	0.6
Executive Assistant	1	1	1	1	1
Graduate Management Assistant*	-	1	1	1	1
Part-time (FTE)	0.2	0.2	0.2	0.2	0.2
Totals	3.8	4.8	4.8	4.8	4.8

*Approved but unfunded FTE



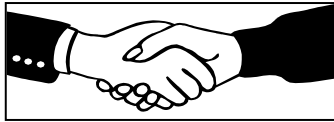
Goals and Objectives

- * Provide outstanding leadership to the City Government.
- * Increase economic growth in the City.
- * Effectively manage governmental services during the current fiscal challenges.
- * Maintain an excellent working partnership with the Superintendent and PCPS.

CITY MANAGER

Major Departmental Functions

- * The City Manager is appointed by City Council to serve as Chief Administrative Officer of the City.
- * Execute and implement ordinances, resolutions and policies established by Council.
- * Oversee the daily administrative operations of the City. Recommend service and policy improvements.
- * Oversee the operations of all City departments, guide the performance of City staff, and encourage excellence in service through problem solving, integrity, responsiveness, innovation, and teamwork.
- * Provide ongoing community/employee relations program.
- * Keep internal and external customers advised of City related media events via public service announcements, press releases, public and employee newsletters, communications to Council members.
- * The City Manager serves as the Director of Emergency Services.
- * The City Manager serves as the Zoning Administrator.



Significant Budget Items

- * Slight decrease in operating expenses.
- * Increase in Personnel Services due to increase in pay adjustment, VRS rate and health insurance.

LEGAL SERVICES

Expenditures Summary

	FY 2016 Actual	FY 2017 Actual	FY 2018 Original Adopted Budget	FY 2018 Revised Budget	FY 2019 Department Request Budget	FY 2019 City Council Adopted Budget	\$ Change From 2018 Revised Budget	% Change From 2018 Revised Budget
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	n/a
Operating Expenses	115,438	114,833	117,105	117,105	117,105	117,105	-	0.0%
Capital Outlay	1,796	3,278	2,200	2,200	2,200	2,200	-	0.0%
Totals	\$ 117,234	\$ 118,111	\$ 119,305	\$ 119,305	\$ 119,305	\$ 119,305	\$ -	0.0%

Personnel Summary

N/A



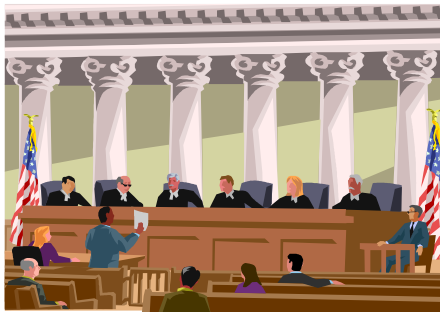
Goals and Objectives

- * Practice preventive law on behalf of the City of Poquoson by regular meetings with the City Manager and recommendations to improve the legal position of the City.
- * Handle legal matters concerning the City in accordance with law in a timely and efficient manner.

LEGAL SERVICES

Major Departmental Functions

- * The City Attorney is appointed by City Council to serve as legal advisor to the City Council, the City Manager, and all Departments and Boards and Commissions of the City.
- * Prepares and reviews ordinances for introduction to Council.
- * Drafts and reviews all contracts, licenses, permits, deeds, leases, and other legal documents to which the City is a party.
- * Represents the City in all legal proceedings and prosecutes violations of City ordinances.
- * This department also funds collection of delinquent real estate and personal property taxes.



Significant Budget Items

- * Budget is projected to be stable with no increase in operating expenses anticipated.

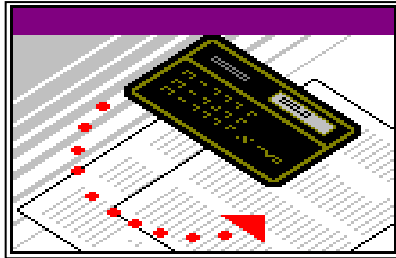
INDEPENDENT AUDITOR

Expenditures Summary

							\$	%
			FY 2018		FY 2019	FY 2019	Change	Change
			Original	FY 2018	Department	City Council	From 2018	From 2018
	FY 2016	FY 2017	Adopted	Revised	Request	Adopted	Revised	Revised
	Actual	Actual	Budget	Budget	Budget	Budget	Budget	Budget
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	n/a	n/a
Operating Expenses	39,407	41,076	54,980	54,980	45,000	45,000	(9,980)	-18.2%
Capital Outlay	-	-	-	-	-	-	n/a	n/a
Totals	<u>\$ 39,407</u>	<u>\$ 41,076</u>	<u>\$ 54,980</u>	<u>\$ 54,980</u>	<u>\$ 45,000</u>	<u>\$ 45,000</u>	<u>\$ (9,980)</u>	<u>-18.2%</u>

Personnel Summary

N/A



Goals and Objectives

- * Provide City Council and City administration analysis, recommendations, counsel and information concerning financial related activities of the City in accordance with generally accepted government auditing standards promulgated by the Comptroller General of the United States and the Auditor of Public Accounts of the Commonwealth of Virginia.
- * Perform FY 2018 audits of the City, School Board, School Activity Funds and Economic Development Authority (EDA) and draft the Comprehensive Annual Financial Report (CAFR) by November 30, 2018.
- * Prepare the Comparative Cost Report for the City.
- * Provide suggestions to strengthen internal accounting and administrative controls.

INDEPENDENT AUDITOR

Major Departmental Functions

* Accounts for an independent accounting firm to conduct an audit of the City's and Schools' financial records for the preceding fiscal year, in accordance with law.

Performance Measures

	FY 2016 Actual	FY 2017 Actual	FY 2018 Estimated	FY 2019 Estimated
Auditing Hours	525	525	525	525

Significant Budget Items

* The decrease is due to known cost associated with the OPEB fund valuation, in addition there is the normal planned increase in fees in accordance with the independent audit contract.

Program Accomplishments

* Assisted in reviewing Government Finance Officers Association (GFOA) prior year comments and financial statement checklist in order to apply for the GFOA Award for Certification of Achievement for Excellence in Financial Reporting for FY 2017.

COMMISSIONER OF THE REVENUE

Expenditures Summary

			FY 2018	FY 2018	FY 2019	FY 2019	\$	%
			Original	Revised	Department	City Council	Change	Change
	FY 2016	FY 2017	Adopted	Adopted	Request	Adopted	From 2018	From 2018
	Actual	Actual	Budget	Budget	Budget	Budget	Revised	Revised
							Budget	Budget
Personnel Services	\$ 280,000	\$ 286,197	\$ 291,143	\$ 291,143	\$ 273,566	\$ 273,556	\$ (17,587)	-6.0%
Operating Expenses	25,760	10,682	12,050	12,050	12,550	12,550	500	4.1%
Capital Outlay	-	-	-	-	-	-	-	n/a
Totals	\$ 305,760	\$ 296,879	\$ 303,193	\$ 303,193	\$ 286,116	\$ 286,106	\$ (17,087)	-5.6%

Personnel Summary

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2019
	Authorized	Authorized	Authorized	Department Request Positions	City Council Authorized Positions
Commissioner of the Revenue	1	1	1	1	1
Deputy Commissioner II	1	1	1	1	1
Deputy Commissioner I	1	1	1	1	1
Assessment Technician/DMV Clerk	1	1	1	1	1
Totals	4	4	4	4	4

Goals and Objectives

- * Prepare the Real Estate Land Book and all necessary supplements. Execute deferral and exemption of real estate taxes for elderly and disabled persons who meet requirements.
- * Maintain, print and mail personal property forms. Have all personal property assessed and the assessment book printed by April 1st.
- * Process business licenses by March 1st of each year.
- * Enforce prepared food and beverage tax and cigarette taxation.
- * Continue to audit the Virginia Department of Taxation for proper remittance of Poquoson's sales tax.

COMMISSIONER OF THE REVENUE

Major Departmental Functions

- * Maintain owners of record for all real estate parcels; prepare land book in accordance with State Code.
- * Ensure that all personal property, business property and public utility taxes are assessed.
- * Render fair and consistent assessments with regards to all personal property.
- * Audit all locally filed Virginia State income tax returns and provide reports to State and City Treasurer.
- * Utilize the online computer system with the Department of Taxation for processing refunds.
- * Administer tax exemption and deferral program for elderly and handicapped.
- * Issue business licenses to all businesses operating within the City and non-city businesses which gross \$25,000 or more in business within the City of Poquoson.
- * Prepare food and beverage tax forms and enforce such tax.
- * Administer and enforce the rules and regulations relating to cigarette taxation.

Performance Measures

	FY 2016 Actual	FY 2017 Actual	FY 2018 Estimated	FY 2019 Estimated
Business License	830	830	825	825
Meals Tax	44	44	45	45
Personal Property Abatements	3,419	3,340	3,500	3,500
Personal Property Assessments	21,405	20,925	21,500	21,500
Property Transfers	452	488	425	425
Public Service Corporations	10	10	10	10
Real Estate Abatements	51	46	40	40
Real Estate Parcels	5,291	5,322	5,350	5,350
State Estimated Returns	241	234	250	230
State Tax Returns Audited	1,051	1,020	1,100	1,000
State Tax Refunds Processed Online (*)	448	-	-	-
Tax Exemption & Deferral Applications	151	136	150	150

* No longer processing on line tax return.

Significant Budget Items

- * In FY 2019, the City expects to receive \$98,830 in State Categorical Aid towards expenses of this office.
- * Decrease in Personnel Services is due to the salary associated with the long serving Commissioner of the Revenue accepting a new position within the City.
- * Within the Personnel Services an increase was reflected for pay adjustment, VRS rate and health insurance.

Program Accomplishments

- * Continue providing efficiency and stability to the DMV Select office by cross-training employees in the Commissioner's office.

ASSESSOR / EQUALIZATION BOARD

Expenditures Summary

							\$	%
	FY 2016	FY 2017	FY 2018	FY 2018	FY 2019	FY 2019	Change	Change
	Actual	Actual	Original	Revised	Department	City Council	From 2018	From 2018
			Adopted	Budget	Request	Adopted	Revised	Revised
			Budget		Budget	Budget	Budget	Budget
Personnel Services	\$ 176,265	\$ 180,443	\$ 183,650	\$ 183,650	\$ 183,211	\$ 183,211	\$ (439)	-0.2%
Operating Expenses	6,108	11,142	10,726	10,726	24,225	23,050	12,324	114.9%
Capital Outlay	2,335	153	200	200	2,200	-	(200)	-100.0%
Totals	\$ 184,708	\$ 191,738	\$ 194,576	\$ 194,576	\$ 209,636	\$ 206,261	\$ 11,685	6.0%

Personnel Summary

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2019
	Authorized	Authorized	Authorized	Department	City Council
				Request	Authorized
				Positions	Positions
City Real Estate Assessor	1	1	1	1	1
Assessor Technician	1	1	1	1	1
Totals	2	2	2	2	2

Ratio of property sales during time period

	6/15-12/15	6/16-12/16	6/17-12/17
Sold 41% or more over Assessed Value	-	1	5
Sold 31% -- 40% over Assessed Value	-	1	2
Sold 11% -- 30% over Assessed Value	14	21	5
Sold 1% -- 10% over Assessed Value	22	31	26
Sold at Assessed Value	4	2	6
Sold 1% -- 10% under Assessed Value	19	18	45
Sold 11% -- 30% under Assessed Value	17	11	20
Sold 31% -- 40% under Assessed Value	2	-	1
Sold 41% or more under Assessed Value	1	-	-

The above shows the shift in properties selling at or over assessed value.

Goals and Objectives

- * Continue to refine program for Computer Assisted Mass Appraisal (CAMA) database.
- * Continue to utilize property surveys and aerial photographs to improve the accuracy of property identification maps.
- * Continue to work with the contractor to maintain property tax maps and the Geographic Information System (GIS).
- * Continue to maintain and provide real estate sales information for the City web site.
- * Continue to modernize the office and the services that are provided to the public.
- * Continue to maintain one of the highest Assessment Ratios among all of the localities in the State of Virginia.
- * Implement the NEW Vision Assessment Software Package.
- * Begin FY 2020 reassessment cycle.
- * Balance database with the Commissioner of the Revenue and print the land book in accordance with State Code.

ASSESSOR / EQUALIZATION BOARD

Major Departmental Functions

- * Maintain owners of record with descriptive information of each real estate parcel within the City.
- * Analyze sales information and monitor new construction costs in order to keep abreast of local property value trends.
- * Inspect and visit properties that transfer. Post to ratio map and perform periodic ratio studies.
- * Inspect and value all new construction. Make scaled drawing and photograph each main improvement.
- * Assist GIS vendor with maintenance of City property tax maps and property information website.
- * Liaison between city departments, various groups with GIS needs and GIS vendor.
- * Conduct the biennial reassessment of real estate within the City.
- * Assist in organizing the Board of Equalization Hearings.

<u>Performance Measures</u>	<u>FY 2016 Actual</u>	<u>FY 2017 Actual</u>	<u>FY 2018 Estimated</u>	<u>FY 2019 Estimated**</u>
Assessor				
Real Estate Parcels	5,337	5,405	5,443	5,500
Total Assessed Value	\$1,504,974,300	\$1,520,227,500	\$1,582,741,600	\$1,600,000,000
Property Transfers	449	395	490	450
Abatement & Supplements	70	127	229	150
Assessed Value - Abate./Sup.	\$4,190,700	\$9,356,600	\$19,446,200	\$17,258,400
**reassessment year FY 2020				
	<u>FY 2016 Actual</u>	<u>FY 2017 Actual*</u>	<u>FY 2018 Actual</u>	<u>FY 2019 Estimated*</u>
Equalization Board				
# of Property Owners Appealing	3	-	4	-
# of Parcels Reviewed	10	-	5	-
# of Parcels Increased	-	-	1	-
Value of Increases	\$ -	\$ -	\$ 6,000	\$ -
# of Assessments Decreased	10	-	4	-
Value of Decreases	\$ 278,500	\$ -	\$ 251,317	\$ -

*Assessments are performed every two years; therefore the Equalization Board only meets every two years.

Significant Budget Items

- * Increase in Personnel Services due to increase in pay adjustment, VRS rate and health insurance

Program Accomplishments

- * Completed the FY 2018 Reassessment, printed and mailed Reassessment Notices - April 2017.
- * Held Assessors Administrative Hearings - May 2017.
- * Held Board of Equalization Hearings - July 2017.
- * Picked up and valued new construction at percentage that was completed as of July 1, 2017.
- * Balanced the database with Commissioner of the Revenue database for printing of the FY 2018 Landbook
- * Continued to maintain one of the best assessment ratios in the state, per the Virginia Department of Taxation.

TREASURER

Expenditures Summary

	FY 2016 Actual	FY 2017 Actual	FY 2018 Original Adopted Budget	FY 2018 Revised Budget	FY 2019 Department Request Budget	FY 2019 City Council Adopted Budget	\$ Change From 2018 Revised Budget	% Change From 2018 Revised Budget
Personnel Services	\$ 287,011	\$ 295,155	\$ 298,670	\$ 298,670	\$ 309,767	\$ 309,767	\$ 11,097	3.7%
Operating Expenses	28,170	28,435	32,591	32,591	37,851	37,326	4,735	14.5%
Capital Outlay	-	-	-	-	-	-	-	n/a
Totals	\$ 315,181	\$ 323,590	\$ 331,261	\$ 331,261	\$ 347,618	\$ 347,093	\$ 15,832	4.8%

Personnel Summary

	FY 2016 Authorized	FY 2017 Authorized	FY 2018 Authorized	FY 2019 Department Request Positions	FY 2019 City Council Authorized Positions
Treasurer	1	1	1	1	1
Deputy Treasurer	1	1	1	1	1
Accounting Technician	1	1	1	1	1
Account Clerk	1	1	1	1	1
Totals	4	4	4	4	4



Goals and Objectives

- * Maintain high collection rates and customer service.
- * Continue training/certification program for Treasurer and deputies. The Treasurer and two deputies will maintain their certifications as Master Governmental Treasurer and Master Governmental Deputy Treasurers.
- * Pursue collections of delinquent accounts through use of DMV stops, debt setoff programs, liens and warrants.
- * Maintain State office accreditation which was received in 2014.

TREASURER

Major Departmental Functions

- * Collect all revenues due to the City and School Division including real estate and personal property taxes, service fees, prepared meals taxes, license fees, and utility fees.
- * Administer online-payment website, direct-debit program and credit cards.
- * Pursue delinquent taxes and fees through warrants, DMV stops, wage liens, and debt setoff.
- * Maintain proper accounting of all cash receipts.
- * Invest idle cash and assist in debt service management.
- * Maintain and reconcile bank accounts used by the City and School Division.
- * Collect and deposit State income taxes and State estimated taxes.
- * Process and mail all original and delinquent personal property and real estate tax bills.
- * Maintain mortgage files so real estate taxes can be conveyed against escrowed funds for taxpayers.

Performance Measures

	FY 2016 Actual	FY 2017 Actual	FY 2018 Estimated	FY 2019 Estimated
First Year Personal Property Collection Rate	92.06%	91.56%	91.75%	91.75%
First Year Real Estate Collection Rate	98.81%	98.63%	98.25%	98.25%
Business Licenses Processed	876	890	880	890
Dog Tags Processed	1,480	1,516	1,570	200
Estimated Tax Payments	712	645	755	640
Meals Tax Payments Processed	340	369	360	370
Personal Property Tax Tickets Processed	39,326	39,370	39,350	39,400
Real Estate Tax Tickets Processed	11,729	11,878	11,720	11,900
Utility Account Payments Processed	26,304	26,999	26,650	27,100

Significant Budget Items

- * In FY 2019, the City expects to receive \$101,497 in State Categorical Aid towards expenses of this office.
- * Increase in Personnel Services due to increase in pay adjustment, VRS rate and health insurance.

Program Accomplishments

- * Treasurer's Office collected taxes on a timely basis. As of December 31, 2017, the collection rate for 2017 personal property was 90.44%. The collection rate for the 2017 first half of real estate was 98.27%.
- * Three employees are certified with the Treasurers Association of Virginia (TAV).
- * There are currently 373 participants in utility the automatic debit program which is an increase of 14 from the prior year.
- * Continued to grow a monthly auto debit program for the pre-payment of taxes. There are currently 81 participants accounting for approximately \$22,000 per month.
- * Filed 71 liens in calendar year 2017 for the benefit of collecting \$6,409.54 in delinquent taxes, fees and library fines.
- * Office maintained State Accreditation from the Treasurer's Association of Virginia.

FINANCE

Expenditures Summary

	FY 2016 Actual	FY 2017 Actual	FY 2018 Original Adopted Budget	FY 2018 Revised Budget	FY 2019 Department Request Budget	FY 2019 City Council Adopted Budget	\$ Change From 2018 Revised Budget	% Change From 2018 Revised Budget
Personnel Services	\$ 334,980	\$ 342,410	\$ 347,657	\$ 347,657	\$ 359,774	\$ 365,754	\$ 18,097	5.2%
Operating Expenses	56,604	59,381	65,250	65,250	65,900	63,900	(1,350)	-2.1%
Capital Outlay	-	347.00	-	-	-	-	-	n/a
Totals	\$ 391,584	\$ 402,138	\$ 412,907	\$ 412,907	\$ 425,674	\$ 429,654	\$ 16,747	4.1%

Personnel Summary

	FY 2016 Authorized	FY 2017 Authorized	FY 2018 Authorized	FY 2019 Department Request Positions	FY 2019 City Council Authorized Positions
Director of Finance	1	1	1	1	1
Assistant Finance Director	1	1	1	1	1
Account Analyst	1	1	1	1	1
Finance Specialist	1	1	1	1	1
Totals	4	4	4	4	4



Goals and Objectives

- * Oversee annual audit, risk management activities, and employee benefits; maintain and monitor all financial records and prepare annual financial plan.
- * Continue to identify areas for cost savings on a City-wide basis.
- * Identify areas where City financial policies should be developed such as cash management, fund balance requirements and equipment replacement.
- * Prepare a budget that meets or exceeds the requirements of the GFOA Distinguished Budget Award.
- * Prepare the annual CAFR that meets or exceeds the requirements of the GFOA Award in Financial Reporting.

FINANCE

Major Departmental Functions

- * Oversee revenues and expenditures of the City.
- * Maintain the City's financial records.
- * Prepare, at the direction of the City Manager, the City's annual operating budget.
- * Prepare the City's bi-weekly payroll and accounts payable.
- * Administer the City's utility and solid waste billing system.
- * Manage the City's Risk Management Program.
- * Administer employee benefits such as health insurance, retirement, life insurance and optional life insurance, flexible spending program, other optional benefits, and workers' compensation.
- * Provide assistance to independent auditors during the annual audit of City financial records.
- * Administer and maintain data processing functions.
- * Manage the City's Purchasing policies.
- * Manage internal controls of the City.
- * Maintain the City's Webpage.

Performance Measures

	FY 2016 Actual	FY 2017 Actual	FY 2018 Estimated	FY 2019 Estimated
Accounts Payable Checks Issued	3,730	3,662	3,800	3,800
Payment Vouchers	4,937	4,750	4,975	4,975
Invoices Paid	7,973	8,289	8,314	8,314
Payroll Checks Issued	711	662	650	650
Payroll Direct Deposits	3,265	3,317	3,350	3,350
Deposits to Different Financial Institutions	24	24	24	24
Utility Bills Printed	29,160	30,888	31,008	31,800
Utility Customers	4,932	5,016	5,059	5,098
Utility Customers with Special Rates	144	136	129	129

Significant Budget Items

- * Increase in Personnel Services due to increase in pay adjustment, VRS rate and health insurance.
- * Slight decrease in operating expenses.

Program Accomplishments

- * Received the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting for FY 2017 and Distinguished Budget Presentation Award for FY 2018.

TECHNOLOGY

Expenditures Summary

							\$	%
	FY 2016	FY 2017	FY 2018	FY 2018	FY 2019	FY 2019	Change	Change
	Actual	Actual	Original	Revised	Department	City Council	From 2018	From 2018
			Adopted	Budget	Request	Adopted	Revised	Revised
			Budget	Budget	Budget	Budget	Budget	Budget
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	n/a	n/a
Operating Expenses	66,981	56,880	56,750	56,750	67,200	67,200	10,450	18.4%
Capital Outlay	23,250	57,977	50,000	50,000	30,000	30,000	(20,000)	-40.0%
Totals	\$ 90,231	\$ 114,857	\$ 106,750	\$ 106,750	\$ 97,200	\$ 97,200	\$ (9,550)	-8.9%

Personnel Summary

N/A

Goals and Objectives

- * Maintenance and technical support for the City's GIS database, computer systems and purchase of technology equipment.
- * Continue City-wide replacement plan for technology equipment.

TECHNOLOGY

Major Departmental Functions

- * This department supports the contractor that maintains and assists with the City's GIS database as well as the shared information technology support from PCPS.
- * Purchases technology equipment for the City.



Significant Budget Items

- * Includes the City's contract for GIS maintenance and technical support with contractor.
- * Includes support provided by the School Division's Information Technology Department.
- * Decrease in capital outlay due to reduction in actual replacement of computers.

Program Accomplishments

- * Increased server redundancy to prevent downtime in case of a failure.
- * Continued to centralize technology purchasing, therefore reducing costs.
- * Instituted City-wide replacement plan of technology equipment.
- * Replaced 10 computers in the Library.

RISK MANAGEMENT

Expenditures Summary

	FY 2016 Actual	FY 2017 Actual	FY 2018 Original Adopted Budget	FY 2018 Revised Budget	FY 2019 Department Request Budget	FY 2019 City Council Adopted Budget	\$ Change From 2018 Revised Budget	% Change From 2018 Revised Budget
Personnel Services	\$ 121,471	\$ 7,711	\$ 12,288	\$ 12,288	\$ 25,053	\$ 13,471	\$ 1,183	9.6%
Operating Expenses	37,947	39,981	41,792	41,792	41,090	38,590	(3,202)	-7.7%
Capital Outlay	-	-	-	-	-	-	n/a	n/a
Totals	\$ 159,418	\$ 47,692	\$ 54,080	\$ 54,080	\$ 66,143	\$ 52,061	\$ (2,019)	-3.7%

Personnel Summary

N/A



Goals and Objectives

- * Work to minimize liability exposure and to seek coverage wherever exposure exists. Continue to stress the importance of safety programs and other preventive measures for reducing loss.
- * Work with departments on safety, conduct inspections and various types of safety training.

RISK MANAGEMENT

Major Departmental Functions

- * Contain expenses relating to the City's property, liability, and automobile insurance coverage for general administration departments.
- * Fund other fringe benefits that cannot be allocated to a particular department.
- * Fund Risk Management Consultant.

Performance Measures

	Year 2016 Actual	Year 2017 Actual	Year 2018 Estimated	Year 2019 Estimated
<u>Worker's Compensation</u>				
Claims Filed	14	12	8	8
Loss Ratio	5.6%	2.5%	2.0%	2.0%
<u>Line of Duty</u>				
Claims Filed	1	-	-	-
Loss Ratio	-	-	-	-
<u>General Liability</u>				
Claims Filed	1	-	-	-
Loss Ratio	-	-	-	-
<u>Auto Liability</u>				
Claims Filed	2	2	2	2
Loss Ratio	60.0%	2.0%	2.0%	2.0%
<u>Property</u>				
Claims Filed	-	1	1	-
Loss Ratio	-	-	-	-
<u>Inland Marine</u>				
Claims Filed	-	-	-	-
Loss Ratio	0.0%	0.0%	0.0%	0.0%

Significant Budget Items

- * Cost of premiums for property and automobile insurance coverage is allocated to the respective City departments.
- * Increase in Personnel Services is due to the Resolution #3553 adopting an incentive for personnel not to retire.

Program Accomplishments

- * Continual protection of the City's assets through emphasis on safety, proper insurance coverage, and other preventive measures to minimize the adverse effects of accidental losses.
- * Safety Committee reviews accidents to limit exposure of claims, reviews potential liability areas throughout City buildings and grounds.
- * Conduct driver license check to ensure employees are eligible to drive City vehicles.

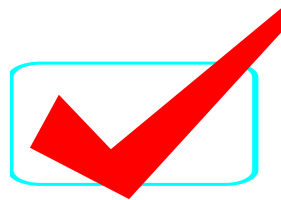
REGISTRAR / ELECTORAL BOARD

Expenditures Summary

	FY 2016 Actual	FY 2017 Actual	FY 2018 Original Adopted Budget	FY 2018 Revised Budget	FY 2019 Department Request Budget	FY 2019 City Council Adopted Budget	\$ Change From 2018 Revised Budget	% Change From 2018 Revised Budget
Personnel Services	\$ 132,602	\$ 139,207	\$ 137,070	\$ 137,070	\$ 141,851	\$ 141,851	\$ 4,781	3.5%
Operating Expenses	32,024	23,149	21,202	21,202	23,697	21,997	795	3.7%
Capital Outlay	-	15.00	300	48,300	500	-	(300)	n/a
Totals	\$ 164,626	\$ 162,371	\$ 158,572	\$ 206,572	\$ 166,048	\$ 163,848	\$ 5,276	3.3%

Personnel Summary

	FY 2016 Authorized	FY 2017 Authorized	FY 2018 Authorized	FY 2019 Department Request Positions	FY 2019 City Council Authorized Positions
Registrar	1	1	1	1	1
Assistant Registrar	1	1	1	1	1
Part Time (FTE)	0.1	0.1	0.1	0.1	0.1
Totals	2.1	2.1	2.1	2.1	2.1



Goals and Objectives

- * Assist citizens in understanding requirements for voter registration, provide citizens with information and referral for services and inform citizens about absentee voting and photo identification requirements.
- * Protect the integrity of the electoral process and efficiently conduct the elections in FY 2019 within the provisions of the Code of Virginia.
- * Assure that registration opportunities will be equally available to all Poquoson citizens and throughout the United States.
- * Maintain accurate and up-to-date voter records.
- * Increase voter registrations through use of National Voter Registration Act (NVRA).
- * Train Officers of Election so they will be informed of duties on election day.
- * Assist candidates with filing requirements and verify Certificates of Candidate Qualifications, Declarations of Candidacy and all petitions filed by candidates or groups seeking a referendum.
- * Train Officers of Election on new voting equipment.

REGISTRAR / ELECTORAL BOARD

Major Departmental Functions

- * Process registrations of residents not only in Poquoson but throughout Virginia and United States.
- * Assist registrations at Poquoson High School, Bayside Convalescent Center and Dominion Village.
- * Maintain accurate records of all registered voters. Process and enter all registrations, deletions, and name and address changes into the Voter Registration System.
- * Oversee all elections and absentee voting ensuring that they are handled in accordance with Virginia Election Laws.
- * Verify Certificate of Candidate Qualifications, Declarations of Candidacy and all petitions filed by candidates or groups seeking a referendum.
- * Verify results of each election and certify to State Board of Elections.
- * Recruit and train Officers of Election and schedule officers to work at each polling place.

Performance Measures

	FY 2016 Actual	FY 2017 Actual	FY 2018 Estimated	FY 2019 Estimated
Changes in Address	252	620	260	400
Deletions	513	825	520	600
New Registrants	423	589	340	200
Other Changes	276	1,259	400	400
Registered Voters	8,729	8,979	8,900	8,925
Transferred In	644	475	200	300

Significant Budget Items

- * Increase in Personnel Services due to increased in pay adjustment, VRS rate and health insurance.
- * Increase in operating expenses due to additional cost associated with the purchase of voting equipment that requires maintenance fee and training of staff and an anticipated dual primary election.

Program Accomplishments

- * Successfully conducted the June Dual Primary Elections and the November Gubernatorial Election.
- * Trained new Election Officials on the AutoMark and optical scan voting machines.
- * Trained Election Officials on new Advocate Electronic Poll Books.
- * Worked with the Department of Elections to verify voters received credit for voting in elections.
- * Researched and confirmed the National Change of Address list provided by the Department of Elections.
- * Successfully maintained Voter Photo ID processing photo ID's for Poquoson and other localities.
- * Selection and purchase of new voting equipment.

COURTS AND SHERIFF

Expenditures Summary

	FY 2016 Actual	FY 2017 Actual	FY 2018 Original Adopted Budget	FY 2018 Revised Budget	FY 2019 Department Request Budget	FY 2019 City Council Adopted Budget	\$ Change From 2018 Revised Budget	% Change From 2018 Revised Budget
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	n/a	n/a
Operating Expenses	474,200	444,949	429,172	429,172	477,020	477,020	47,848	11.1%
Capital Outlay	-	-	-	-	-	-	n/a	n/a
Totals	\$ 474,200	\$ 444,949	\$ 429,172	\$ 429,172	\$ 477,020	\$ 477,020	\$ 47,848	11.1%

Personnel Summary

N/A

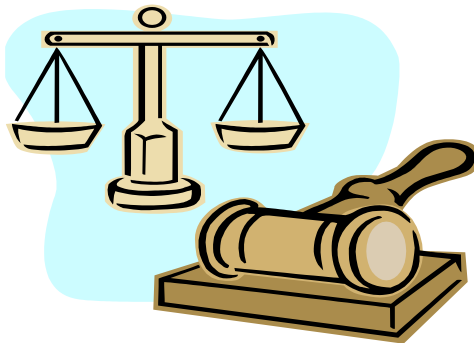


* York County sets the Poquoson Courts and Sheriff budgets. By legislation Poquoson pays 19.9% of the total budget of \$2,363,764 plus a 6% management fee to York County to administer the services. Poquoson receives an agreed credit that will be utilized until the next census is performed. The credit is taken against the courthouse requested budget. In FY 2018, Poquoson agreed to pay York County a projection of estimated cost with the following budget cycle to correct for any overage/shortage of funding. Prior to FY 2018, Poquoson had paid actuals for a given fiscal year in the next budget cycle which provided challenges when determining the budget for any given year. (ie. Actual FY 2016 was recommended in FY 2017).

COURTS AND SHERIFF

Major Departmental Functions

- * This department includes the cost of judicial services which are shared with York County. Included are the prorated costs of the Commonwealth Attorney, Juvenile/Domestic Relations Court, services provided by the Clerk of the court, Sheriff services, and certain capital and maintenance costs for the Court buildings. All court activity is located in Yorktown.
- * This department also includes Colonial Community Corrections whose mission is to enhance public safety, empower clients and improve the quality of the community by providing judicial alternatives to adult incarceration, transitional services, and criminal justice planning to the localities served in the region.



Significant Budget Items

- * The projections provided by York County reflects a slight decrease in Sheriff's operating expenses. An increase in the courthouse expenses due to cost to administer court cases and the request for capital improvements plan. The CIP will be used to perform building maintenance and replace equipment in the court rooms.

Budget Detail

	FY 2016 Actual	FY 2017 Actual	FY 2018 Original Adopted Budget	FY 2018 Revised Budget	FY 2019 City Council Adopted Budget
York/Poquoson Courthouse	\$251,707	\$220,815	\$ 198,123	\$ 198,123	\$ 242,156
Sheriff	206,340	209,295	214,602	214,602	212,166
9th District Court	5,904	5,957	6,360	6,360	6,360
Colonial Community Corrections	10,249	8,882	10,087	10,087	16,338
Totals	\$474,200	\$444,949	\$ 429,172	\$ 429,172	\$ 477,020

POLICE

Expenditures Summary

			FY 2018		FY 2019	FY 2019	\$	%
	FY 2016	FY 2017	Original	FY 2018	Department	City Council	Change	Change
	Actual	Actual	Adopted	Revised	Request	Adopted	From 2018	From 2018
			Budget	Budget	Budget	Budget	Revised	Revised
							Budget	Budget
Personnel Services	\$ 1,985,191	\$ 2,050,366	\$ 2,109,412	\$ 2,116,166	\$ 2,331,958	\$ 2,227,224	\$ 111,058	5.2%
Operating Expenses	608,476	640,400	630,405	678,355	647,998	857,582	179,227	26.4%
Capital Outlay	83,877	39,668	42,500	42,500	43,250	25,000	(17,500)	-41.2%
Totals	\$ 2,677,544	\$ 2,730,434	\$ 2,782,317	\$ 2,837,021	\$ 3,023,206	\$ 3,109,806	\$ 272,785	9.6%

Personnel Summary

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2019
	Authorized	Authorized	Authorized	Department	City Council
				Request	Authorized
				Positions	Positions
Police Chief	1	1	1	1	1
Captain/Assistant Police Chief	1	1	1	1	1
Lieutenant	1	2	2	2	2
Planning and Administration Sergeant	1	-	-	-	-
Investigations Sergeant	2	2	2	2	2
Patrol Sergeant	4	4	4	4	4
Detective	3	2	2	2	2
Corporal	4	4	4	5	4
School Resources Officer	-	-	-	-	2
Patrolman	6	8	9	9	9
Records Administrator	1	1	1	1	1
Administrative Secretary	-	-	-	1	-
Part Time Clerical (FTE)	0.5	0.5	0.5	-	0.5
Part Time Police (FTE)	1.5	1.5	1.5	2.5	1.5
Totals	26	27	28	30.5	30

* Department requested funding for one FTE to have an additional Corporal. In addition, department requested a part time clerical position convert to full time.

Goals and Objectives

- * Continue to expand training and leadership development opportunities for all department personnel, including personal safety and conducting complex criminal investigations.
- * Continue the replacement program for aging body armor and personal protective equipment for all sworn members.
- * Make improvements and upgrades to the software and hardware systems that support the in-car cameras and incident based reporting system.
- * Continue to expand the "Holiday Patrol Program".
- * Continue to make crime prevention a priority while focusing on alcohol and drug violations, larceny, and vandalism.
- * Expand crime prevention programs and opportunities for community outreach through participation in community events, information sharing and involvement in Hampton Roads Crime Line.

POLICE

Major Departmental Functions

- * Enforce the laws of the Commonwealth of Virginia and the ordinances of the City of Poquoson.
- * Prevent and deter crime so as to provide for the safety of the public.
- * Preserve and maintain a safe and secure living and business environment in Poquoson.
- * Provide assistance and friendly service to all persons within the City.
- * Assist in providing on-scene emergency medical assistance to persons in need.
- * Provide quality investigative services to the community and pursue those who violate the law or threaten the safety of our community.

Performance Measures

	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimated
Accidents	141	157	182	175
Arrests/Charges/Apprehensions	259	270	263	300
Calls for Service	15,600	16,787	16,794	17,000
First Responder Calls	399	325	278	300
Traffic Tickets	714	824	841	850
Training Man-hours	2,485	2,267	2,143	2,500

Significant Budget Items

- * Increase in Personnel Services due to increase in pay adjustment, VRS rate and health insurance. Not included in the Personnel Services is the cost associated with the Safety Resource Officer (SRO) that was directed to be included by City Council. The funds associated with the SRO positions and additional cost associated with the program is located in operating expenses with aspiration to be transferred to the appropriate lines within the budget once the cost are formalized.
- * Decrease in capital outlay due to decrease in funds available to purchase a police vehicle. The City entered into a lease with Enterprise Car Rental for four police vehicles in FY 2018 with the funding to purchase one vehicle.

Program Accomplishments

- * Assisted the Poquoson City Public Schools in improving its emergency communications and upgrading the radio communications systems at 4 schools. Continued focus on communication and interaction between school staff, students, and police officers.
- * Enhanced the quality and frequency of departmental personnel training, including but not limited to Active Shooters, Critical Incident Management, Advanced Supervision and Management, Defensive Tactics, Basic Crash Investigations, death Investigations, Cultural Diversity, Blood Borne Pathogens, Crisis Intervention Team, Firearms Training, Media Relations, Driving Under the Influence of Alcohol, First Responder Training and legal updates.
- * Received Grant from Virginia DMV for DUI checkpoints and annual DUI Conference.
- * Continued preparing and developing employees for promotion.
- * Partnered with Poquoson City Public Schools to assist in updating the Crisis Management Plans and Emergency Response Policies.
- * Partnered with the DEA and Poquoson Pharmacy for the National Drug Take Back events and collected over 500 pounds of discarded prescription drugs.
- * Continued the Holiday Patrol program in November and December.
- * Police Chief is a member of the Board of Directors for the Hampton Roads Criminal Justice Training Academy (HRCJTA) which provides oversight of the daily operations of the Academy and its success.
- * Continue to focus on dangerous drugs and narcotics violations through membership of Tri-Rivers Drug Task Force.
- * With a focus on community and crime prevention programs members of the Police department spoke at various civic and church meetings on a number of topics such as crime trends, identity theft, the Code Red Emergency Weather Alert program, and Police enforcement operations.

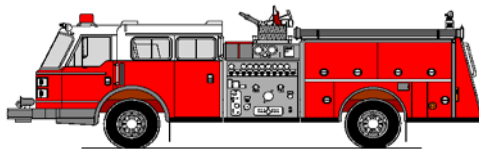
FIRE

Expenditures Summary

			FY 2018		FY 2019	FY 2019	\$	%
			Original	FY 2018	Department	City Council	Change	Change
	FY 2016	FY 2017	Adopted	Revised	Request	Adopted	From 2018	From 2018
	Actual	Actual	Budget	Budget	Budget	Budget	Revised	Revised
							Budget	Budget
Personnel Services	\$ 2,209,855	\$ 2,437,275	\$ 2,583,335	\$ 2,583,335	\$ 2,808,154	\$ 2,720,654	\$ 137,319	5.3%
Operating Expenses	392,852	461,883	436,535	597,162	518,861	390,880	(206,282)	-34.5%
Capital Outlay	1,390	3,161	8,078	8,078	8,078	2,000	(6,078)	-75.2%
Totals	\$ 2,604,097	\$ 2,902,319	\$ 3,027,948	\$ 3,188,575	\$ 3,335,093	\$ 3,113,534	\$ (75,041)	-2.4%

Personnel Summary

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2019
	Authorized	Authorized	Authorized	Department	City Council
				Request	Authorized
				Positions	Positions
Fire Chief/Fire Official	1	1	1	1	1
Deputy Fire Chief/Emergency Mgt Coordinator	1	1	1	1	1
Battalion Chief	3	3	3	3	3
Fire Lieutenant	3	3	3	3	3
Firefighter: Paramedic, Enhanced or EMT	22	24	24	25	24
Office Manager	1	1	1	1	1
Totals	31	33	33	34	33



Goals and Objectives

- * Continue to improve training program through increased teaching aids, equipment, and class offerings.
- * Continue a basic community education program.
- * Continue to refine and improve our fire prevention program.
- * To further develop our Marine Program.
- * Start an Ambulance Fund Drive.
- * Continue to secure the Burn Training Trailer from the Virginia Department of Fire Programs for annual training with all staff.
- * Begin to replace all SCBA's with new updated equipment using Aid to Locality Money.
- * Seek out and apply for various grants to assist with training, equipment or programs enhancing the department.
- * Purchase permanent operational Drone and obtain permanent Certificate of Authorization.
- * Achieve Class 2 rating from ISO.

FIRE

Major Departmental Functions

- * Provide twenty-four hour emergency services for fire suppression, ambulance service, rescue service, hazardous material spills, water rescue, and radiological monitoring.
- * Provide non-emergency services in fire prevention, education, and training.

Performance Measures

	FY 2016 Actual	FY 2017 Actual	FY 2018 Estimated	FY 2019 Estimated
Average Fire/EMT calls per month	166	186	183	230
Training hours	7,500	7560	7,945	8,600
Fire Calls:				
Structure Fire	21	7	8	9
Brush Fire	32	9	10	11
Miscellaneous Fire	715	920	974	1,022
Ambulance Calls:				
Advanced Life Support	539	656	618	710
Basic Life Support	263	247	312	358
Miscellaneous	425	393	568	653

Significant Budget Items

- * Increase in Personnel Services due to increase in pay adjustment, VRS rate and health insurance.
- * Decrease in operating expenses due to a reduction of carryover Fire Grant Funding in FY 2017.
- * The department requested funding for one additional firefighter and grants in which the department will apply for in FY 2019. The additional position was not recommended in this budget. The grants will be recommended to City Council at such time the grant award is received. At that time the appropriation for revenues and expenditures will be made to the department.



Program Accomplishments

- * All Drone Pilots have completed and received certification as Drone Pilots by the FAA.
- * Completed an ISO review and received a Class Rating of 3. We are currently 2.41 points from Class 2, as of January 2018. We hope to achieve Class 2 rating shortly.
- * Conducted multiple promotional processes and one hiring process resulting in hiring 2 new employees and promoting 2 Battalion Chiefs, 2 Lieutenants, and 3 Master Firefighter/EMTs.
- * Replaced all personnel's Personal Protective Clothing.
- * Developed and implemented an Awards/Recognition Program.

CORRECTIONS AND DETENTIONS

Expenditures Summary

							\$	%
	FY 2016	FY 2017	FY 2018	FY 2018	FY 2019	FY 2019	Change	Change
	Actual	Actual	Original	Revised	Department	City Council	From 2018	From 2018
			Adopted	Budget	Request	Adopted	Revised	Revised
			Budget		Budget	Budget	Budget	Budget
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	n/a	n/a
Operating Expenses	382,728	304,853	325,905	325,905	329,058	329,058	3,153	1.0%
Capital Outlay	-	-	-	-	-	-	n/a	n/a
Totals	\$ 382,728	\$ 304,853	\$ 325,905	\$ 325,905	\$ 329,058	\$ 329,058	\$ 3,153	1.0%

Personnel Summary

N/A

	FY 2016	FY 2017	FY 2018	FY 2018	FY 2019	FY 2019
	Actual	Actual	Original	Revised	Department	City Council
			Adopted	Budget	Request	Adopted
			Budget		Budget	Budget
Adult Detention	\$ 317,156	\$ 296,199	\$ 270,080	\$ 270,080	\$ 270,080	\$ 255,139
Juvenile Services						
Juvenile Detention	58,904	1,920	35,925	35,925	48,879	48,879
Project Insight	6,668	6,734	19,900	19,900	25,040	25,040
Totals	\$ 382,728	\$ 304,853	\$ 325,905	\$ 325,905	\$ 343,999	\$ 329,058

CORRECTIONS AND DETENTIONS

Major Departmental Functions

- * The City of Poquoson shares the Virginia Peninsula Regional Jail Authority with York County, James City County and the City of Williamsburg. Poquoson's financial share is determined by a cost formula based on an overall percentage of use history.
- * The City of Poquoson shares the Middle Peninsula Juvenile Detention Center with 18 other localities.
- * Prior to FY 2018, Poquoson's financial share was based on a per diem rate for each day a juvenile offender from Poquoson was incarcerated. Beginning in FY 2018, Poquoson's financial share will be determined by a cost formula based on overall percentage of use history.
- * Along with jail costs, other rehabilitative and correctional programs are accounted for in this department; which include Family Group Homes, Project Insight which is a work program that provides opportunity for young people to perform public service work in lieu of traditional sanctions and other services.

Performance Measures

Adult Detention:

	FY 2016 Actual	FY 2017 Actual	FY 2018 To Date	FY 2019 Estimated
Average Daily Population	14.4	22.4	18.5	17
Percentage of Use	3.3%	5.5%	4.0%	4.2%
Jail Days	5,280	8160	5,942	6,260

Juvenile Services:

	FY 2016 Actual	FY 2017 Actual	FY 2018 Estimated	FY 2019 Estimated
Juvenile Detention (Days)	296	10	N/A	N/A
Per Diem Rate	\$199.00	\$192.00	N/A	N/A
Average 5 year usage days	N/A	N/A	346	291
Member usage percentage	N/A	N/A	3.13%	2.84%

Significant Budget Items

- * Decrease in adult detention due to an expected decrease of percentage use by the City.
- * Juvenile Detention: Beginning with the budget for FY 2018 and each year thereafter, the Juvenile Detention Center Commission shall establish each Member Jurisdiction's annual charge "Member Usage Fee" for the fiscal year based on the ratio of such Member Jurisdiction's usage of space in the Detention Center during the preceding five fiscal years to the aggregate usage of space by all Member Jurisdictions during the same five fiscal years.

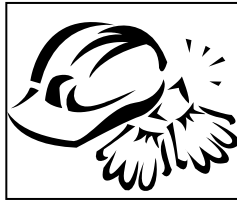
INSPECTIONS

Expenditures Summary

	FY 2016	FY 2017	FY 2018	FY 2018	FY 2019	FY 2019	\$	%
	Actual	Actual	Original	Revised	Department	City Council	Change	Change
			Adopted	Budget	Request	Adopted	From 2018	From 2018
			Budget		Budget	Budget	Revised	Revised
							Budget	Budget
Personnel Services	\$ 258,541	\$ 264,818	\$ 241,414	\$ 241,414	\$ 238,406	\$ 236,406	\$ (5,008)	-2.1%
Operating Expenses	9,276	12,535	17,524	17,524	38,841	14,386	(3,138)	-17.9%
Capital Outlay	-	780	-	-	-	-	-	n/a
Totals	\$ 267,817	\$ 278,133	\$ 258,938	\$ 258,938	\$ 277,247	\$ 250,792	\$ (8,146)	-3.1%

Personnel Summary

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2019
	Authorized	Authorized	Authorized	Department	City Council
				Request	Authorized
				Positions	Positions
Building Official	1	1	1	1	1
Senior Building Inspector	1	1	1	1	1
Inspector	0	1	1	1	1
Administrative Assistant	1	1	1	1	1
Part Time (FTE)	0.75	0.75	0.75	0.75	0.75
Totals	3.75	4.75	4.75	4.75	4.75



Goals and Objectives

- * Continue staff education in various building related trades.
- * Provide the citizens and contractors the most updated information on codes and ordinances.
- * Continue to improve the methods used to obtain compliance with zoning, property maintenance and building codes.
- * Work toward Class 7 Community Rating Service rate to increase percentage of discounts on flood insurance rates.
- * Continue to implement and improve on the electronic method of field inspections.
- * Continue to build an electronic database of permit information.
- * Facilitate an update of the GIS to include flood zone information and elevation certificates.
- * Initiate discussions with City leaders on establishing a rental inspection program.
- * Create an additional building inspector's position to perform city-wide building maintenance functions and assist with inspections.
- * Prepare for potential Building Code cycle changes adopted by the Virginia General Assembly.
- * Hold public meetings related to major changes in the Building Code cycle within 60 days of adoption.
- * Prepare and host a minimum of two citizen workshops related to flood issues.

INSPECTIONS

Major Departmental Functions

- * Ensure through inspection process, plan review and issuing permits that construction performed in the City is in accordance with all applicable City ordinances, State Codes and Federal requirements.
- * Provide information to contractors, the public and any interested parties as requested.
- * Issue building, electrical, plumbing, mechanical, sign, driveway, land disturbance and demolition permits.
- * Verify that contractors are licensed with the City and through the Commonwealth of Virginia.
- * Enforce zoning, building, and property maintenance requirements as specified by City ordinance and State law.
- * Ensure, through the permitting process, that requirements for new and existing structures are in compliance with Federal Emergency Management Agency (FEMA) regulations.
- * Assign addresses to new structures located on existing and newly created lots.
- * Review all building plans.
- * Manage CRS program.

Performance Measures

	FY 2016 Actual	FY 2017 Actual	FY 2018 Estimated	FY 2019 Estimated
Building Permits Issued	125	445	500	500
Certificate of Occupancies Issued	45	52	75	75
Code Violations Cited & Enforced	450	450	450	450
Inspections Performed	1,604	2,067	2,700	2700
Meetings	350	350	350	350
Plans Reviewed	200	250	275	275
Other Permits (Elect, Plumbing, Mech, etc.)	575	400	600	600

Significant Budget Items

- * Decrease in Personnel Services due to the delay in the Legacy project. An inspection position was approved in FY 2018 budget with the position starting in January 2018. Since the delay of the project, the budget now reflects the position.
- * An increase was included for pay adjustment, VRS rate and health insurance.
- * Decrease in operating expenses. It should be noted that the department requested funding for a vehicle, additional funding for travel and training that was not recommended in this budget.

Program Accomplishments

- * Continued the development of efficient methods of notifying violators the City Code and Policies.
- * Continued to update/maintain a database of all elevation certificates currently on file with the department.
- * Continued to put elevation certificates online through the City's GIS program.
- * Maintained CRS Class 8 Program rating.
- * Continued education of staff in related building trades.
- * Communicated with the community and contractors on the most updated information in regard to codes and ordinances.
- * Hosted Regional VAZO and CRS meetings.
- * Expanded the usage of the Civicgov permit program.
- * Developed and taught the first "Building in a Flood Zone" course for the Virginia DHCD.
- * Assisted 23 citizens in obtaining a LOMA from FEMA.
- * Continued to help citizens reduce flood insurance premiums.
- * Expanded work with realtors related to flood issues, how to lower flood insurance premium costs and helping with the sale and purchase of structures in the City.

ANIMAL CONTROL

Expenditures Summary

	FY 2016 Actual	FY 2017 Actual	FY 2018 Original Adopted Budget	FY 2018 Revised Budget	FY 2019 Department Request Budget	FY 2019 City Council Adopted Budget	\$ Change From 2018 Revised Budget	% Change From 2018 Revised Budget
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	n/a	n/a
Operating Expenses	103,674	103,482	82,000	82,000	74,465	74,465	(7,535)	-9.2%
Capital Outlay	-	-	-	-	-	-	n/a	n/a
Totals	\$ 103,674	\$ 103,482	\$ 82,000	\$ 82,000	\$ 74,465	\$ 74,465	\$ (7,535)	-9.2%

Personnel Summary

N/A



Goals and Objectives

- * Continue to provide education and intervention when needed to prevent animal suffering and facilitate compatibility between our citizens and the animals in our community.
- * Train humane officers in mandated animal control training school.
- * Answer citizen complaints involving wild as well as domestic animals.
- * Enforce animal control and cruelty laws and ordinances of the City of Poquoson, issuing summonses for violations of any applicable ordinances.
- * Pick up dogs running loose, feral cats, and dead animals on public roadways and dispose of animals.
- * Continue to enforce dog licensing law which requires proof of rabies, one of the most effective means of limiting the number of rabies cases.

ANIMAL CONTROL

Major Departmental Functions

* Animal Control is handled by City of Newport News Animal Control. The fully certified officers pick up stray animals, nuisance wildlife, deceased animals on public roadways, and investigate cruelty complaints.

* The City of Poquoson joined the Peninsula Regional Animal Shelter along with the cities of Newport News, Hampton and York County. Poquoson's financial share of the operating costs is determined by a cost formula based on overall percentage. Debt service share is based on total population at the time of debt issuance.

Budget Detail

	FY 2016	FY 2017	FY 2018 Original Adopted Budget	FY 2018 Revised Budget	FY 2019 Department Request Budget	FY 2019 City Council Adopted Budget
	Actual	Actual	Budget	Budget	Budget	Budget
Newport News Animal Control	\$ 42,043	\$ 42,394	\$ 44,000	\$ 44,000	\$ 42,543	\$ 42,543
Regional Animal Shelter	61,631	61,088	38,000	38,000	31,922	31,922
Totals	\$ 103,674	\$ 103,482	\$ 82,000	\$ 82,000	\$ 74,465	\$ 74,465

Significant Budget Items

* Decrease in expenses due to decrease in percentage of use of the Regional Animal Shelter.

	Year 2016 Actual	Year 2017 Actual	Year 2018 Estimated	Year 2019 Estimated
Calls for Service	127	155	159	160
Written Warnings	17	22	23	23
Summons Issued	12	3	9	4
Calls for Stray Animals	38	38	38	50
Calls for Animal Bites	12	17	12	14
Calls for Sick/Injured Animal	7	15	7	28
Calls for Nuisance Wildlife	37	75	37	35
Other Calls	19	5	19	12
Dogs Impounded	23	18	33	28
Cats Impounded	4	6	5	10
Wildlife Impounded	11	45	27	25
Cruelty	14	15	14	17

ENGINEERING

Expenditures Summary

			FY 2018		FY 2019	FY 2019	\$	%
	FY 2016	FY 2017	Original	FY 2018	Department	City Council	Change	Change
	Actual	Actual	Adopted	Revised	Request	Adopted	From 2018	From 2018
			Budget	Budget	Budget	Budget	Revised	Revised
							Budget	Budget
Personnel Services	\$ 137,883	\$ 149,346	\$ 173,544	\$ 173,544	\$ 182,897	\$ 180,897	\$ 7,353	4.2%
Operating Expenses	8,552	16,676	23,183	23,183	31,760	20,610	(2,573)	-11.1%
Capital Outlay	29,114	(560)	-	-	1,600	-	-	n/a
Totals	<u>\$ 175,549</u>	<u>\$ 165,462</u>	<u>\$ 196,727</u>	<u>\$ 196,727</u>	<u>\$ 216,257</u>	<u>\$ 201,507</u>	<u>\$ 4,780</u>	<u>2.4%</u>

Personnel Summary

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2019
	Authorized	Authorized	Authorized	Department	City Council
				Request	Authorized
				Positions	Positions
City Engineer	1	1	1	1	1
Engineer I	1	1	1	1	1
Totals	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

Goals and Objectives

- * Provide sound engineering solutions to technical problems. Respond to citizen, City Council and City staff concerns and requests for information.
- * Develop Chesapeake Bay TMDL second phase action plan and implement MS4 state permit requirements.
- * Provide close oversight of consultant work needed to supplement engineering staff in order to ensure use of funds and final products are the most cost effective.
- * Provide professional engineering oversight of City's road system, in accordance with VDOT requirements; coordinate technical issues on Wythe Creek Road design.
- * Provide engineering/technical information required for Comprehensive Plan, Multi-Hazard Mitigation Plan updates, and the Emergency Operations Center.
- * Represent the City on regional environmental, utility and other technical panels. Continue to advocate for sound technical guidelines that will not adversely impact Poquoson and its citizens.
- * Develop grant-eligible projects to improve City infrastructure.
- * Review development submittals.

ENGINEERING

Major Departmental Functions

- * Provide or oversee all engineering services required by the City of Poquoson.
- * Direct City's storm water permit; lead development of new environmental programs; provide engineering and technical services required for new permits.
- * Develop, lead design and construction of infrastructure projects, with an emphasis on storm water, public right-of-way, and flood control projects.
- * Manage special projects, studies and analyses related to the City's infrastructure.
- * Lead development and implementation of the Chesapeake Bay TMDL program.
- * Provide technical reviews/guidance on Consent Order work.
- * Provide solutions for drainage, transportation, environmental and other civil engineering issues.
- * Represent the City in negotiations and meetings with various Federal and State agencies on technical issues.
- * Provide technical input to DEQ during its development of a Bacterial TMDL implantation plan.
- * Handle all storm water issues within the City. This includes response to citizen concerns, flood mitigation, water quality issues, and water-related environmental programs.

Performance Measures

	FY 2016 Actual	FY 2017 Actual	FY 2018 Estimated	FY 2019 Estimated
Right of Way Permits Issued	81	68	75	75
Major Capital Projects	1	4	4	4
Citywide Permits Reissued/Maintained	2	2	2	2
Request for Engineering Information	300	180	200	200

Significant Budget Items

- * Increase in Personnel Services due to pay adjustments, VRS rates and health insurance.
- * Slight decrease in operating expenses.
- * It should be noted that the department requested funding for new software and tablet that was not recommended

Program Accomplishments

- * Obtained additional transportation funding of approximately \$500,000 by quickly developing new projects. Staff is permitting and performing project development work for the Traffic Signal Upgrade, Poquoson Avenue Sidewalk, and Wythe Creek Road south repaving projects.
- * Developed a City drainage outfall plan and Public Works Stormwater Pollution Prevention Plan to meet state permit requirements.
- * Worked with Hampton, VDOT, and citizens to keep Wythe Creek Road widening project on track. Provided information to citizens on right of way acquisition phase and provided input on environmental permitting.
- * Working on new VDOT Smart Scale Application for Victory Boulevard Improvement Project.
- * Wrote and submitted annual report and re-registration documents for MS4 permit. Completed approximately 100 tasks in support of the permit.
- * Completed Messick Point Breakwater Repair project. Storm damage was repaired and the structures were strengthened.
- * Design and construction of next phase of Breakwater work: 200+ foot breakwater to be constructed spring/early summer 2018.
- * Developed project scope/budget cost estimates for two conceptual infrastructure projects: amphitheater and emergency connector road.
- * Reviewed subdivision plans; construction cost estimates. Responded to citizen, staff, & Council inquiries on a variety of technical issues including drainage, road safety, and signal timing.

PUBLIC WORKS

Expenditures Summary

			FY 2018		FY 2019	FY 2019	\$	%
	FY 2016	FY 2017	Original	FY 2018	Department	City Council	Change	Change
	Actual	Actual	Adopted	Revised	Request	Adopted	From 2018	From 2018
			Budget	Budget	Budget	Budget	Revised	Revised
							Budget	Budget
Personnel Services	\$ 958,700	\$ 990,461	\$ 1,035,023	\$ 1,035,023	\$ 1,087,289	\$ 1,075,789	\$ 40,766	3.9%
Operating Expenses	392,312	346,094	360,728	360,728	378,089	\$ 356,276	(4,452)	-1.2%
Capital Outlay	78,182	96,310	87,500	87,500	87,500	87,500	-	0.0%
Totals	\$ 1,429,194	\$ 1,432,865	\$ 1,483,251	\$ 1,483,251	\$ 1,552,878	\$ 1,519,565	\$ 36,314	2.4%

Personnel Summary

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2019
	Authorized	Authorized	Authorized	Department Request Positions	City Council Authorized Positions
Director of Public Works	1	1	1	1	1
Construction Inspector	1	1	1	1	1
Street Maintenance Supervisor	1	1	1	1	1
Crew leader	2	2	2	2	2
Equipment Operator II	1	1	1	1	1
Equipment Operator I	2	2	2	2	2
Maintenance Worker IV	1	1	1	1	1
Maintenance Worker III	2	2	2	2	2
Maintenance Worker II	1	1	1	1	1
Maintenance Worker I*	2	2	2	1	1
Parks Maintenance Supervisor	1	1	1	1	1
Parks Maintenance Worker	2	2	2	2	2
Administrative Assistant*	-	-	-	1	1
Office Manager	0.5	0.5	0.5	0.5	0.5
Totals	17.5	17.5	17.5	17.5	17.5

* The department has requested funding from the Maintenance Worker I position be utilized to hire an Administrative Assistant. No additional FTE will be recommended, but the FTE for Maintenance Worker I will be removed.

Goals and Objectives

- * Oversee construction and maintenance of all City streets in accordance with Virginia Department of Transportation (VDOT) standards to ensure safe vehicle operation for all motorists.
- * Maintain all City public right-of-ways to create a positive City image and promote safety and environmental quality throughout the City. Maintenance includes cleaning streets twice a year, mowing grass and medians during normal growing season, beautification and maintenance of landscaped areas.
- * Schedule at least one in-house training session per month to train employees for more versatility in infrastructure maintenance; "on and off the job" safety issues, and teach correct procedures for performance of specific tasks.
- * Continue to complete 100% of all work orders within the same week of receipt of request.
- * Replace sections of concrete containment system for stone, select fill etc. in the Compound.
- * Replace ADA ramp to glider at Kids Island.
- * Regrade various roadside ditches - Ridge Road, Messick Road, Church Street.
- * Conduct regular maintenance to keep all equipment in good running order.
- * If needed, remove any and all storm (snow/hurricane) debris in a timely and safe manner.

PUBLIC WORKS

Major Departmental Functions

- * Construct and maintain all City streets to VDOT standards.
- * Keep roadside drainage ditches clean to eliminate standing water and to reduce pavement failure.
- * Maintain road shoulders by placing stone along edge of pavement, mowing grass and policing litter.
- * Maintain traffic control devices, traffic lines, traffic lights, and traffic signs.
- * Provide safe travel for the public on City right-of-ways.
- * Oversee the maintenance of parks and athletic fields.
- * Continue to upgrade roadside and outfall drainage systems throughout the City in accordance with the City's drainage study.
- * Review new construction plans and perform inspections of all new infrastructure work.
- * Maintain 39 acres of recreation, park, and municipal property, including 7 baseball/softball fields, 7 soccer fields, 3 tennis courts, 2 playgrounds, 4 picnic areas, Oxford Run Trail, and the City's public boat launching facilities.
- * Assist with sewer repairs and installations.
- * Replace roof on glider and mulch at Kids Island.
- * Upgraded cement swale on Woodrum Place.

Performance Measures

	FY 2016 Actual	FY 2017 Actual	FY 2018 Estimated	FY 2019 Estimated
Street Maintenance:				
Asphalt Material Used for Patching (tons)	51	43	46	46
Asphalt Paving Material Applied (tons)	3,318	3,840	5,000	7,350
Delivery of cases of Green Bags	86	61	85	85
Installation of New Drainage Pipe (feet)	48	48	50	50
Regrading of Roadside Ditches (feet)	12,358	9,036	6,000	6,000
Stone Used for Street Maintenance (tons)	145	321	350	350
Work Orders Completed	43	49	50	50
Construction Inspections Performed:				
Driveways	64	76	55	60
Erosion & Sediment Control	59	15	25	15
Sewer	8	6	5	5
Curb & Gutter (feet)	3,722	3,752	4,000	4,000
Sanitary Sewer Pipeline (feet)	2,351	2,351	1,500	1,500
Storm Pipe & Drainage Ditches (feet)	2,831	4,652	2,500	2,500
New Street Construction (feet)	5,005	5,000	5,000	5,000

Significant Budget Items

- * Increase in Personnel Services due to increase in pay adjustment, VRS rate and health insurance.
- * Decrease in operating expenses to reflect the appropriation in Mosquito and Drainage Division.
- * It should be noted that the department requested additional part time pay which is not recommended for this budget.

Program Accomplishments

- * Installed radar sign on Bunting Lane for safety and to reduce speeding violations.
- * Completed paving operations to include installing traffic markings and pavement reflectors where needed on Victory Blvd, North Lawson Road, Forrest Road, Terrace Drive, and South Terrace Drive.
- * Raised elevation of low lying pavement section on Bennett Road to relieve flooding on roadway.
- * Refurbished Poquoson Fishing Center building on Messick Road for curb appeal.
- * Completed repair work to the Messick Point boat ramp and pier.
- * Inspected the removal and replacement of the concrete valley gutter on Lauren Drive, Rowe Drive Crosby Circle, Susan Drive, Lee Avenue, Dorothy Drive and Grace Circle.

STREET LIGHTS

Expenditures Summary

	FY 2016	FY 2017	FY 2018	FY 2018	FY 2019	FY 2019	\$	%
	Actual	Actual	Original	Revised	Department	City Council	Change	Change
			Adopted	Budget	Request	Adopted	From 2018	From 2018
			Budget		Budget	Budget	Revised	Revised
							Budget	Budget
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	n/a
Operating Expenses	78,712	87,112	81,000	81,000	89,000	89,000	8,000	9.9%
Capital Outlay	7,216	-	1,000	1,000	1,000	1,000	-	n/a
Totals	\$ 85,928	\$ 87,112	\$ 82,000	\$ 82,000	\$ 90,000	\$ 90,000	\$ 8,000	9.8%

Personnel Summary

N/A

Goals and Objectives

* Provide electricity for the City streetlights in order to maintain a safe community.

STREET LIGHTS

Major Departmental Functions

* This department contains funding for electricity for existing streetlights and the installation of new streetlights. Developers pay the cost of installing streetlights in new subdivisions. The City is responsible for paying the cost of installing new streetlights in already developed areas.

Performance Measures

	FY 2016 Actual	FY 2017 Actual	FY 2018 Estimated	FY 2019 Estimated
Number of Street Lights	586	586	595	595
New Lights Installed:				
City Installed	-	-	-	-
Developer Installed	-	-	9	-

Program Accomplishments

- * Provided the necessary electrical services essential for public safety.
- * Arranged for Dominion Virginia Power to replace burnt out light bulbs in the City.

FACILITIES

Expenditures Summary

			FY 2018		FY 2019	FY 2019	\$	%
	FY 2016	FY 2017	Original	FY 2018	Department	City Council	Change	Change
	Actual	Actual	Adopted	Revised	Request	Adopted	From 2018	From 2018
			Budget	Budget	Budget	Budget	Revised	Revised
							Budget	Budget
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	n/a
Operating Expenses	156,357	164,475	186,470	186,470	191,683	149,000	(37,470)	-20.1%
Capital Outlay	16,643	47,195	18,000	18,000	22,000	22,000	4,000	22.2%
Totals	\$ 173,000	\$ 211,670	\$ 204,470	\$ 204,470	\$ 213,683	\$ 171,000	\$ (33,470)	-16.4%

Personnel Summary

N/A

Goals and Objectives

- * Maintenance of all facilities used by the staff and citizens of the City of Poquoson.
- * Update and improve facilities as approved or requested by City Manager and City Council.
- * Control and improve costs of building operations.
- * Update lighting for buildings as well as streets with more eco friendly and cost effective LED lighting.
- * Implement tracking program for buildings and equipment for better budgeting and resource projections.

FACILITIES

Major Departmental Functions

- * A portion of this department's cost is supported by the PCPS Administration's rent of \$26,300 per year.
- * Operating items include general liability and property insurance; building heating, ventilation, and air conditioning repairs; and janitorial services.
- * To maintain the appearance of all City properties and to address every day maintenance needs as they become apparent.
- * Maintain and repair facilities.
- * On call 24/7 for emergency operations.



Performance Measures

	FY 2016 Actual	FY 2017 Actual	FY 2018 Estimated	FY 2019 Estimated
Facilities Maintained	7	7	7	7

Significant Budget Items

- * Decrease in Operating Expense due to replacement of HVAC at City Hall.

HEALTH DEPARTMENT

Expenditures Summary

	FY 2016 Actual	FY 2017 Actual	FY 2018 Original Adopted Budget	FY 2018 Revised Budget	FY 2019 Department Request Budget	FY 2019 City Council Adopted Budget	\$ Change From 2018 Revised Budget	% Change From 2018 Revised Budget
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	n/a	n/a
Operating Expenses	36,911	35,158	38,839	38,839	40,219	40,219	1,380	3.6%
Capital Outlay	-	-	-	-	-	-	n/a	n/a
Totals	\$ 36,911	\$ 35,158	\$ 38,839	\$ 38,839	\$ 40,219	\$ 40,219	\$ 1,380	3.6%

Personnel Summary

N/A

Goals and Objectives

* Continue to provide funding for the regional Public Health Department's services.



HEALTH DEPARTMENT

Major Departmental Functions

- * Provide for the City's contribution to the Poquoson Health Department, which is an organizational unit of the Peninsula Health District. The Peninsula Health District is funded through a cooperative agreement between its five local governments and the Commonwealth of Virginia. The City's minimum "match" requirement is 32.545% of the City's portion of the total Peninsula Health District budget. The total Health Department budget for Poquoson is \$140,620 net of estimated revenues. The total Health District's budget for FY 2019 is \$8,035,418 net of estimated revenues.
- * The Health Department offers a wide range of preventative, diagnostic and rehabilitative medical and health services to City residents. Clinics are held regularly for family planning, immunization, pediatrics, and senior citizen medical exams, among others. Nurses provide home care for homebound patients. Sanitarians inspect all eating establishments, train food handlers, supervise the installation and proper operation of septic tanks, inspect housing, and provide rabies surveillance for all animal bites.

Significant Budget Items

- * Health Department contribution is calculated based on population data from the Weldon Cooper Center for Public Service.

MOSQUITO AND DRAINAGE

Expenditures Summary

	FY 2016 Actual	FY 2017 Actual	FY 2018 Original Adopted Budget	FY 2018 Revised Budget	FY 2019 Department Request Budget	FY 2019 City Council Adopted Budget	\$ Change From 2018 Revised Budget	% Change From 2018 Received Budget
Personnel Services	\$ 142,969	\$ 147,138	\$ 193,806	\$ 193,806	\$ 206,737	\$ 202,737	\$ 8,931	4.6%
Operating Expenses	93,918	94,496	91,146	91,146	110,549	93,266	2,120	2.3%
Capital Outlay	1,264	729	1,800	1,800	1,400	1,400	(400)	-22.2%
Totals	\$ 238,151	\$ 242,363	\$ 286,752	\$ 286,752	\$ 318,686	\$ 297,403	\$ 10,651	3.7%

Personnel Summary

	FY 2016 Authorized	FY 2017 Authorized	FY 2018 Authorized	FY 2019 Department Request Positions	FY 2019 City Council Authorized Positions
PW Manager/Mosq & Drainage Coordinator	1	1	1	1	1
Crew leader	1	1	1	1	1
M&D Technician I	-	-	1	1	1
Totals	2.0	2.0	3.0	3.0	3.0

Goals and Objectives

- * Obtain drainage easements in areas where outfall ditches need to be upgraded.
- * Educate the public on mosquito prevention and have property owners remove obstructions from drainage easements to allow proper cleaning with City equipment.
- * Continue to stress on and off the job safety through departmental training.
- * Improve drainage maintenance and mosquito prevention with additional manpower and equipment.
- * Clean the outfall ditches throughout the City on a preventative maintenance schedule.
- * Work with the City Engineer on drainage projects.
- * Larvicide and treat all drop inlets, catch basins in the City for mosquito control.
- * Pipe in outfall ditches necessary to improve drainage maintenance.
- * Line 210' of concrete drainage pipe at 236-238 Cedar Road due to continued maintenance and deteriorating drainage system.
- * Line 150' of concrete drainage pipe at 8-10 Canal Drive due to continued maintenance and deteriorating drainage system.



MOSQUITO AND DRAINAGE

Major Departmental Functions

- * Provide good drainage in the City's Rights-of-way to improve pavement life.
- * Eliminate or treat standing water to reduce mosquito breeding.
- * Keep outfall drainage ditches clean to improve water runoff from streets and reduce property flooding.
- * Spray mosquito adulticide and larvicide to reduce chance of infectious diseases carried by mosquitoes.
- * Educate employees through in-house training.
- * Maintain 26.22 miles of outfall ditches and cement swales as part of regular maintenance of storm system.

Performance Measures

	FY 2016 Actual	FY 2017 Actual	FY 2018 Estimated	FY 2019 Estimated
Cleaning Outfall Ditches by Hand (Feet)	105,295	142,495	113,000	125,000
Cleaning Outfall Ditches with Equip (Feet)	-	-	600	1,300
Drainage Pipe Installed (Feet)	92	92	100	250
Drainage Structures Maintained	825	825	835	845
Larvicide for Mosquito Control (Pounds)	20	30	40	50
Mosquito Spray Applied (Gallons)	30	30	35	70
Weed Killer Applied (Gallons)	35	25	25	50

Significant Budget Items

- * Increase in Personnel Services due to increase in pay adjustment, VRS rate and health insurance.
- * Increase in Operating Expenses due to appropriations from the Public Works Division.
- * It should be noted that the department requested additional funding for contracted labor which was not recommended for this budget. Additionally, the funding request for chemicals was decreased due to actual expenditures from prior years.

Program Accomplishments

- * Outfall drainage ditches cleaned by using contracted labor in conjunction with staff.
- * Provided education programs at the Public Library on mosquito awareness and prevention.
- * Attended recertification courses to keep Pesticide Users' Certificates up-to-date.
- * Hand dug outfall ditches that equipment could not reach to help eliminate standing water and improve drainage.
- * Received fewer complaints from residents.
- * Completed and submitted our application to the Pentagon for continued aerial spraying in our jurisdiction.
- * Delivered educational materials to all homes within the City on mosquito control.
- * Re-instated the City's blanket permit from the Army Corps of Engineers so the cleaning of the outfall in tidal areas can be accomplished.
- * Moved forward with drainage projects per Engineers' plan.
- * Upgrade pipes in City park and Poquoson Ave/Cedar Rd for drainage issues.



MENTAL HEALTH

Expenditures Summary

							\$	%
	FY 2016	FY 2017	FY 2018	FY 2018	FY 2019	FY 2019	Change	Change
	Actual	Actual	Original	Revised	Department	City Council	From 2018	From 2018
			Adopted	Budget	Request	Adopted	Revised	Revised
			Budget		Budget	Budget	Budget	Budget
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	n/a	n/a
Operating Expenses	224,302	235,708	249,899	249,899	251,793	251,793	1,894	0.8%
Capital Outlay	-	-	-	-	-	-	n/a	n/a
Totals	\$ 224,302	\$ 235,708	\$ 249,899	\$ 249,899	\$ 251,793	\$ 251,793	\$ 1,894	0.8%

Personnel Summary

N/A

Goals and Objectives

* Provide funding to Colonial Behavioral Health for Poquoson's share of needed programming for mental health, mental retardation, or substance abuse. The total budget for Colonial Behavioral Health is \$17,737,487 with the local share of \$2,848,768. Poquoson's share is 7% or \$190,000; James City County's share is 55% or \$1,578,768; York County's share is 29% or \$825,000 and Williamsburg's share is 9% or \$255,000.

* Provide services for outreach detention, community supervision and Crossroads Teen House.

MENTAL HEALTH

Major Departmental Functions

- * Provide the City's contribution to Colonial Behavioral Health, a regional agency that provides overall administration and coordination of mental health, mental retardation and substance abuse programs for Poquoson, Williamsburg, York County and James City County. Services include psychiatric evaluation and treatment, individual and group counseling, drug and alcohol abuse treatment, vocational workshops for the developmentally disabled, special education and rehabilitation programs for handicapped children. Local funding is shared according to a predetermined formula. Funding for administrative expenses is based on 20% of the City's population and 80% of current utilization figures. The headquarters for Colonial Behavioral Health is located in Williamsburg.
- * Provide for City contribution to the Crossroads Teen House, located in Williamsburg, which serves youth who are removed from a home setting but for whom traditional institutional care would not be appropriate.

Budget Detail

	FY 2016	FY 2017	FY 2018 Original Adopted Budget	FY 2018 Revised Budget	FY 2019 City Council Adopted Budget
	Actual	Actual			
Colonial Behavioral Health	\$180,000	\$190,000	\$190,000	\$190,000	\$190,000
Crossroads Programs	44,302	45,708	59,899	59,899	61,793
Totals	<u>\$224,302</u>	<u>\$235,708</u>	<u>\$249,899</u>	<u>\$249,899</u>	<u>\$251,793</u>

Significant Budget Items

- * Crossroads programs funding formula changes effective FY 2018 resulting in an increased funding share for the City of Poquoson.
- * Flat funding has been requested from Colonial Behavioral Health for FY 2019.

WELFARE / SOCIAL SERVICES

Expenditures Summary

							\$	%
	FY 2016	FY 2017	FY 2018	FY 2018	FY 2019	FY 2019	Change	Change
	Actual	Actual	Original	Revised	Department	City Council	From 2018	From 2018
			Budget	Budget	Request	Adopted	Revised	Revised
					Budget	Budget	Budget	Budget
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	n/a	n/a
Operating Expenses	629,936	710,606	585,870	585,870	643,204	643,204	57,334	9.8%
Capital Outlay	-	-	-	-	-	-	n/a	n/a
Totals	\$ 629,936	\$ 710,606	\$ 585,870	\$ 585,870	\$ 643,204	\$ 643,204	\$ 57,334	9.8%

Personnel Summary

N/A

Goals and Objectives

* Maintain the current level of services to our citizens.

WELFARE / SOCIAL SERVICES

Major Departmental Functions

* This department funds the Peninsula Agency on Aging, York / Poquoson Social Services, Department of Medical Assistance Service, and Children's Services Act (CSA).

	FY 2016	FY 2017	FY 2018	FY 2018	FY 2019
	Actual	Actual	Original	Revised	City Council
<u>Budget Detail</u>			Budget	Budget	Adopted
					Budget
Children's Services Act	\$ 354,408	\$ 432,770	\$ 300,000	\$ 300,000	\$ 350,000
Peninsula Agency on Aging	2,822	2,870	2,870	2,870	3,204
York / Poquoson Social Services	272,706	274,966	283,000	283,000	290,000
Totals	\$ 629,936	\$ 710,606	\$ 585,870	\$ 585,870	\$ 643,204

Significant Budget Items

* Cost of York / Poquoson Social Services is for actual services utilized by the citizens of Poquoson.
 * Children's Services costs can fluctuate depending on the number of cases and type of treatment. Projections indicate that this will be \$350,000 in FY 2019.

SCHOOL CONTRIBUTION

Expenditures Summary

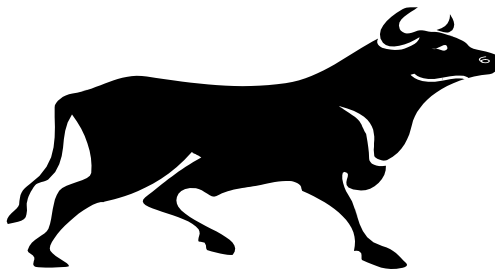
	FY 2016 Actual	FY 2017 Actual	FY 2018 Original Adopted Budget	FY 2018 Revised Budget	FY 2019 School Request Budget	FY 2019 City Council Adopted Budget	\$ Change From 2018 Revised Budget	% Change From 2018 Revised Budget
Operation Transfer	\$ 9,538,282	\$ 9,711,046	\$ 9,935,403	\$ 9,935,403	\$ 9,935,403	\$ 9,935,403	\$ -	0.0%
Reappropriation	27,886	27,124	-	29,361	-	-	(29,361)	n/a
Totals	\$ 9,566,168	\$ 9,738,170	\$ 9,935,403	\$ 9,964,764	\$ 9,935,403	\$ 9,935,403	\$ (29,361)	-0.3%

Personnel Summary

N/A

Goals and Objectives

- * Provide a respectful, safe, caring environment for students to master content as well as to learn and use skills of critical thinking, collaboration and communication.
- * Exceed student achievement requirements through quality instruction that promotes student engagement and reflects teaching innovations, research-based instruction, effective teaching strategies, and highly qualified educators.
- * Provide professional development to maintain highly qualified educators.
- * Continuous student improvement through the implementation of quality programs that meet the needs of all students.



Poquoson High School Mascot

SCHOOL CONTRIBUTION

Major Departmental Functions

- * City Council appoints a seven member School Board to administer the Poquoson City Public School system. The School Board is the policy making body for the school system and appoints the School Superintendent who is responsible for the day-to-day administration of the schools. Funding for the operation of the schools and administration is shared by the State and the City with some limited assistance from the Federal government. The State's funding is determined by a formula based on the average daily membership (ADM) of students and Poquoson's local composite index (LCI) which measures a locality's ability to pay.

Performance Measures

- * Poquoson students continue to perform well on tests that measure content mastery and the schools are fully accredited according to the standards set by the Virginia Board of Education.

Significant Budget Items

- * The FY 2019 operational funding for the Poquoson City Public School system is supported by federal and state funds totaling \$12,767,758, City support of \$9,955,403 and other support of \$126,931. The City support is made of two items in the budget. In Technology the City has budgeted \$20,000 for schools support and \$9,935,403 in School Contribution. The request from the School Board's FY 2019 Approved Budget does not include an increase due to additional state funding and decrease in expenditures relating to health insurance and retirement.
- * Unexpended transfers from one fiscal year may be reappropriated to the current fiscal year.
- * The School's budget is based on an average daily membership of 2,126 for the FY 2018-2019 school year.
- * The School's total budget of \$22,850,092 is an increase of 2.51% from FY 2018. This budget is a reflection of the increased cost of operations.
- * The School's budget includes a 2% pay increase for non-teaching positions.
- * Teacher compensation includes transition to the third and final year of the new step pay plan plus a 2% increase.
- * Three additional teaching positions are included in the budget to support enrollment increase and specific increase of students with disabilities.

Program Accomplishments

- * Poquoson City Public Schools is a fully accredited school division.
- * SAT scores continue to be above state and national average.
- * The on-time graduation rate is 94.7%.
- * Poquoson High School had 80% of its students score three or above on their Advanced Placement tests, resulting in many of these students earning college credit.
- * 98% of the Career and Technical Education students at Poquoson High School passed the Workplace Readiness Skills Assessment.
- * PCPS continued implementation of unique programs such as the international partnership, provided the students with internship experiences, and established a partnership with the Aviation Academy.
- * PCPS continued to provide programs that prepare students for careers and college coursework in the area of STEM (Science, Technology, Engineering, and Mathematics) and PBL (Project Based Learning), having received two separate five year grants from the Department of Defense Education Activity Competitive Grant Program.
- * PCPS continues to enhance its instructional technology program and provides students with experiences in the areas such as coding and programming.

PARKS & RECREATION PROGRAMS

Expenditures Summary

	FY 2016 Actual	FY 2017 Actual	FY 2018 Original Adopted Budget	FY 2018 Revised Budget	FY 2019 Department Request Budget	FY 2019 City Council Adopted Budget	\$ Change From 2018 Revised Budget	% Change From 2018 Revised Budget
Personnel Services	\$ 268,055	\$ 274,115	\$ 275,487	\$ 275,487	\$ 288,703	\$ 283,939	\$ 8,452	3.1%
Operating Expenses	159,772	168,757	170,274	170,274	201,550	170,750	476	0.3%
Capital Outlay	2,853	247	2,200	2,200	2,200	1,000	(1,200)	-54.5%
Totals	\$ 430,680	\$ 443,119	\$ 447,961	\$ 447,961	\$ 492,453	\$ 455,689	\$ 7,728	1.7%

Personnel Summary

	FY 2016 Authorized	FY 2017 Authorized	FY 2018 Authorized	FY 2019 Department Request Positions	FY 2019 City Council Authorized Positions
Director of Economic Dev/Community Rec	1	1	1	1	1
Assistant Director of Community Rec	0.5	0.5	0.5	0.5	0.5
Program Support Technician	1	1	1	1	1
Administrative Support Technician	1	1	1	1	1
Part-time (FTE)	0.3	0.3	0.3	0.3	0.3
Totals	3.8	3.8	3.8	3.8	3.8

Goals and Objectives

- * Provide the City of Poquoson a comprehensive system of parks, recreation, and leisure services that are of the highest quality and most beneficial to improving the quality of life for its citizens.
- * Follow and use the Parks and Recreation Master Plan and City's Comprehensive Plan to reflect current changes and citizen needs.
- * Continue to plan for needed recreational facilities in the Capital Improvements Plan.
- * Engage Poquoson Civic Groups in a mutual support agreement whereby both the PPR Department and Poquoson Civic Groups share resources and defray costs for their respective projects.

PARKS & RECREATION PROGRAMS

Major Departmental Functions

- * Plan, coordinate, organize and administer a variety of programs, activities and special functions to meet the needs of Poquoson citizens.
- * Coordinate departmental/school/independent league/community group activities at park/recreational/school facilities.
- * Provide support to the Peninsula Agency on Aging's programs, and support civic initiatives and activities.
- * Serve as the production house for the Island Tide, a three times a year publication to communicate with citizens City information and events.
- * Coordinate leisure and athletic programs.
- * Provide interconnectivity between civic groups, churches, and community groups for use of City facilities.

Performance Measures

	FY 2016 Actual	FY 2017 Actual	FY 2018 Estimated	FY 2019 Estimated
Participants in:				
Adult Athletic Leagues	510	420	500	500
Adult Instructional Classes	165	132	140	130
Senior Center (Mature Adults)	687	620	650	600
Trips -- Youth/Adult	258	190	225	200
Youth Athletic Leagues	2,039	1,650	1,900	1,600
Youth Instructional Classes	438	425	425	400

Significant Budget Items

- * Increase in Personnel Services due to increase in pay adjustment, VRS rate and health insurance.
- * Slight decrease in operating expenses.
- * It should be noted that the department requested funds to purchase new tables and chairs for the Community Center and additional funding for printing which was not recommended for this budget.

Program Accomplishments

- * Continued to work with Public Works, community civic groups and citizen volunteers for park refurbishments and improvements.
- * Published program booklet 3 times per year to City residents highlighting events and recreation for community participants.
- * Developed a sailing camp program that served 33 youth and partnered equipment rental with the Poquoson Sailing Foundation.
- * Developed and introduced new instructional and athletic programs throughout the year.
- * Coordinated a multi-group work effort which included Poquoson Lions Club and Public Works on the installation of new park amenities at South Lawson Park.
- * In coordination with Economic Development division, supported the effort for Area Realtor's event to showcase and highlight the City.
- * In conjunction with the Economic Development division, continued to support advertising efforts for the Poquoson is the Place campaign.
- * The Poquoson Seafood Festival saw strong attendance at its 37th Anniversary thanks to a variety of media avenues and sponsorships.
- * Continued to provide spring and fall youth soccer league, and youth basketball league that supported 700 youth and instructional programs to support preschoolers for introductory skills in soccer, field hockey, and basketball.

PARKS & RECREATION POOL

Expenditures Summary

							\$	%
	FY 2016	FY 2017	FY 2018	FY 2018	FY 2019	FY 2019	Change	Change
	Actual	Actual	Original	Revised	Department	City Council	From 2018	From 2018
			Adopted	Budget	Request	Adopted	Revised	Revised
			Budget		Budget	Budget	Budget	Budget
Personnel Services	\$ 75,802	\$ 74,845	\$ 80,896	\$ 80,896	\$ 83,652	\$ 82,439	\$ 1,543	1.9%
Operating Expenses	40,319	47,891	52,650	52,650	48,230	46,625	(6,025)	-11.4%
Capital Outlay	2,281	6,243	5,000	5,000	7,000	7,000	2,000	40.0%
Totals	\$ 118,402	\$ 128,979	\$ 138,546	\$ 138,546	\$ 138,882	\$ 136,064	\$ (2,482)	-1.8%

Personnel Summary

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2019
	Authorized	Authorized	Authorized	Department	City Council
				Request	Authorized
				Positions	Positions
Assistant Director of Community Recreation	0.5	0.5	0.5	0.5	0.5
Part Time (FTE)	4.5	4.5	4.5	4.5	4.5
Totals	5.0	5.0	5.0	5.0	5.0



Goals and Objectives

- * Provide a comprehensive seasonal aquatics program for citizens.
- * Continue to provide swimming lessons and aquatic safety classes for all citizens.
- * Continue to provide an opportunity for youth to participate in a competitive swim program.
- * Review Pool Operations Procedures Manual to ensure all safety and operations standards are current with accepted industry practices.
- * Represent the City at a regional recreation level in the area of swimming.

PARKS & RECREATION POOL

Major Departmental Functions

- * Provide nationally accredited swimming instruction for youth and adults.
- * Refine and develop the swimming ability of City youth by providing competitive swimming opportunities through the Department's Barracuda Swim Team and Rip Tide Swim Team.
- * Educate children and adults regarding safety around pools and other bodies of water.
- * Provide seasonal recreational swimming opportunities for Poquoson families.

Performance Measures

	FY 2016 Actual	FY 2017 Actual	FY 2018 Estimated	FY 2019 Estimated
Daily Gate Admissions	3,850	3,750	3,500	3,500
Season Pass Admissions (*)	225	225	200	200
Swimming Lessons	287	300	300	300
Swim Teams-- combined	125	100	105	105

*One pass for each swim team participant as required to participant in league.

Significant Budget Items

- * Increase in Personnel Services due to increase in pay adjustment, VRS rate and health insurance.
- * Decrease in operating expenses due to FY 2018 maintenance costs not projected in FY 2019.
- * Increase in Capital Outlay for replacement of pool equipment.

Program Accomplishments

- * Completed another season with no serious injuries or drowning incident.
- * Provided lifeguarding and Water Safety Instructor Course enabling young people the opportunity to obtain employment at aquatic facilities.
- * Provided American Red Cross swimming lessons to community youth.
- * Supported swimming opportunities for community youth programs with local day camps.
- * Continued a program, Strive for 25, to encourage young members to join the Barracuda Swim Team.
- * Support swimming opportunities for community youth programs such as YMCA day camps, Playtime, and area daycares, and Poquoson High School summer school physical education classes.
- * Maintained aging equipment for completion of a successful season at the Municipal Pool.

PARKS & RECREATION SPECIAL EVENTS

Expenditures Summary

			FY 2018		FY 2019	FY 2019	\$	%
	FY 2016	FY 2017	Original	FY 2018	Department	City Council	Change	Change
	Actual	Actual	Adopted	Revised	Request	Adopted	From 2018	From 2018
			Budget	Budget	Budget	Budget	Revised	Revised
							Budget	Budget
Personnel Services	\$ 88,666	\$ 90,908	\$ 93,027	\$ 93,027	\$ 101,390	\$ 94,880	\$ 1,853	2.0%
Operating Expenses	119,534	123,787	127,080	127,080	145,292	127,260	180	0.1%
Capital Outlay	-	-	-	-	-	-	-	n/a
Totals	\$ 208,200	\$ 214,695	\$ 220,107	\$ 220,107	\$ 246,682	\$ 222,140	\$ 2,033	0.9%

Personnel Summary

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2019
	Authorized	Authorized	Authorized	Department	City Council
				Request	Authorized
				Positions	Positions
Community Events Coordinator	1	1	1	1	1
Totals	1	1	1	1	1

Existing part-time staff work at various special events as needed.

Goals and Objectives

- * Continue to generate revenues through fees and sponsorships to support the Seafood Festival and other special events.
- * Provide safe family oriented events for the citizens of Poquoson including the Poquoson Seafood Festival, Holiday Parade and other seasonal celebrations.
- * Co-sponsor and/or assist with local businesses and civic group events.

PARKS & RECREATION SPECIAL EVENTS

Major Departmental Functions

- * Plan, organize and produce special events throughout the year, the largest being the Seafood Festival.
- * Maintain calendar of special events through the City with points of contact for each.
- * Provide leadership and direction to the Poquoson Seafood Festival Committee and the various activities and events included in the Seafood Festival.
- * Prepare and administer proposals for service needed for special events.
- * Provide communication between government and residents by maintaining the community cable channel, sign board and public service announcements in local news print.

Performance Measures

	FY 2016 Actual	FY 2017 Actual	FY 2018 Estimated	FY 2019 Estimated
Poquoson Seafood Festival:				
Arts & Crafts Vendors	165	160	166	170
Exhibitors	40	35	40	40
Food Vendors	22	23	23	23
Attendance	45,000	45,000	45,000	46,000
Workboat Race Entries	60	60	60	60

Significant Budget Items

- * In FY 2019, the planned festivals include the 38th Anniversary Poquoson Seafood Festival Weekend on October 19-21, 2018 and the Poquoson Holiday Parade on December 7, 2018.
- * Increase in Personnel Services due to increase in pay adjustment, VRS rate and health insurance.
- * Slight increase in operating expenses.

Program Accomplishments

- * Maintained the quality of existing events such as the Poquoson Seafood Festival and Poquoson Holiday Parade while introducing new activities to each event.
- * Continued to enhance and foster the Poquoson Seafood Festival and Holiday Parade.
- * Assisted Pomoco Nissan of Hampton, host of the workboat race.
- * Assisted City civic groups with events such as the Trinity Sunrise Service, Tabernacle Church block party, and other races/runs and community events.

LIBRARY

Expenditures Summary

							\$	%
	FY 2016	FY 2017	FY 2018	FY 2018	FY 2019	FY 2019	Change	Change
	Actual	Actual	Original	Revised	Department	City Council	From 2018	From 2018
			Adopted	Budget	Request	Adopted	Revised	Revised
			Budget		Budget	Budget	Budget	Budget
Personnel Services	\$ 558,480	\$ 546,875	\$ 587,443	\$ 587,443	\$ 599,867	\$ 599,867	\$ 12,424	2.1%
Operating Expenses	110,074	113,926	126,158	132,958	130,288	119,788	(13,170)	-9.9%
Capital Outlay	173,821	197,845	155,429	169,135	164,288	153,950	(15,185)	-9.0%
Totals	\$ 842,375	\$ 858,646	\$ 869,030	\$ 889,536	\$ 894,443	\$ 873,605	\$ (15,931)	-1.8%

Personnel Summary

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2019
	Authorized	Authorized	Authorized	Department	City Council
				Request	Authorized
				Positions	Positions
Library Director	1	1	1	1	1
Adult Services Librarian	1	1	1	1	1
Youth Services Librarian	-	-	1	-	-
Technical Services Librarian	1	1	1	-	-
Librarian	-	-	-	1	1
Library Associate	1	1	-	1	1
Administrative Services Coordinator	1	1	1	1	1
Library Associate (FTE)	1.25	1.25	1.25	1.25	1.25
Senior Library Associate (FTE)	1.40	1.40	1.40	1.40	1.40
Library Assistant (FTE)	3.80	4.30	4.30	4.30	4.30
Library Page (FTE)	0.50	0.50	0.50	0.50	0.50
Totals	11.95	12.45	12.45	12.45	12.45



Goals and Objectives

- * Ensure the library is reaching and engaging citizens and effectively articulating the library's value to Poquoson's quality of life.
- * Expand outreach services into the community , enhance public relations, and increase visibility.
- * Outline and institute clear marketing and branding strategies for the library.
- * To recruit and retain skilled and knowledgeable staff.
- * Actively participate in succession planning and management and seek out training opportunities.
- * Continue to use technology to enhance library services and provide community needs.
- * Leverage funding resources to improve and update the library facility.
- * Identify and manage emerging library trends and best practices that best serve the community.
- * Seek out partnerships that will help leverage resources and meet the needs of the community.
- * Guarantee the library is meeting the needs and expectations of the community by continuing development of the library's print and digital collection, providing excellent customer service, and providing enhanced supplemental services.
- * Support a vibrant and educated community by providing classes and events that support the K-12 learning initiatives and provide innovative and stimulating programming for all ages that is relevant and high quality.

LIBRARY

Major Departmental Functions

- * Operate as a free public lending facility with reading materials for all ages, in all media.
- * Serve as a community center where exhibits, workshops, book talks, story times, poetry readings, musical performances, reading clubs and other programs and activities for all ages are offered.
- * Provide community with meeting and gathering space to facilitate sharing of ideas.
- * Work with the Library Advisory Board, Friends of the Library, Library volunteers, and local business partners to encourage Library usage, endowments and bequests in the community.
- * Encourage pre-schoolers to develop an interest in reading and learning through services for children and for parents and children together.
- * Support students in their educational needs with the various public library/school cooperative programs.
- * Provide the public with free notary public service and serve as a passport acceptance agency for the U.S. State Department.
- * Promote lifelong learning through classes, seminars and hands on workshops.

Performance Measures

	FY 2016 Actual	FY 2017 Actual	FY 2018 Estimated	FY 2019 Estimated
Active Library Members	13,377	13,876	13,400	13,400
Attendance at Library Programs	11,002	10,195	11,000	11,000
Circulation	185,361	167,890	185,500	185,500
Documents Notarized	898	1,009	900	900
Interlibrary Loans	56	62	60	60
Internet, MS Office, etc. usage	13,350	14,506	13,500	13,500
Items Purged	5,725	6,933	6,000	6,000
Library Visits	111,672	100,921	112,000	112,000
Meeting Room Usage	1,705	1,586	1,700	1,700
New Items added to Collection	8,533	6,800	8,500	8,500
Overdue Items Retrieved	916	860	900	900
Passport Applications Processed	2,408	2,466	2,000	2,000
Reading Material Reserves	11,356	11,110	12,000	12,000
Web Page Hits	74,860	64,212	75,000	75,000

Significant Budget Items

- * Increase in Personnel Services is due to increase in proposed merit, VRS rate and health insurance.
- * Decrease in operating expenses due to cost associated with HVAC system which will be replaced in FY 2019 and reduction in computer equipment due to purchase in FY 2018.
- * A slight increase operating expenses is reflected due to a new copy machine contract for FY 2019.
- * It should be noted that the department requested additional funds to purchase self-checkout kiosk which was not recommended this budget.

Program Accomplishments

- * Received the 2017 Outstanding Program for Adults Award and the 2017 Outstanding Program for Children Award from the Virginia Public Library Director's Association.
- * Welcomed 100,921 library patrons, averaging more than 9 visits per person.
- * Circulated 167,890 items, averaging 14 items per person.
- * Provided a collection of 170,066 items both within the library and downloadable digital materials through subscription.
- * Offered 367 free educational and cultural programs including reading clubs, book talks, programs, and STEM workshops.
- * Conducted 23 free technology classes and provided 14,506 computer sessions.
- * Hosted 1,586 meetings for library events, 64 civic and service organizations.
- * Registered 1,244 new readings, bringing active cardholders to 13,876.

PLANNING

Expenditures Summary

			FY 2018		FY 2019	FY 2019	\$	%
	FY 2016	FY 2017	Original	FY 2018	Department	City Council	Change	Change
	Actual	Actual	Adopted	Revised	Request	Adopted	From 2018	From 2018
			Budget	Budget	Budget	Budget	Revised	Revised
							Budget	Budget
Personnel Services	\$ 301,098	\$ 293,825	\$ 292,988	\$ 292,988	\$ 301,537	\$ 301,037	\$ 8,049	2.7%
Operating Expenses	28,959	25,463	29,280	29,280	40,200	29,300	20	0.1%
Capital Outlay	-	806	-	-	-	-	-	n/a
Totals	\$ 330,057	\$ 320,094	\$ 322,268	\$ 322,268	\$ 341,737	\$ 330,337	\$ 8,069	2.5%

Personnel Summary

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2019
	Authorized	Authorized	Authorized	Department	City Council
				Request	Authorized
				Positions	Positions
Director of Community Development	1	1	1	1	1
Planner	1	1	1	1	1
Environmental Compliance Officer	1	1	1	1	1
Administrative Assistant	1	1	1	1	1
Totals	4	4	4	4	4

Goals and Objectives

- * Assist the EDA, City Manager and City Council in promoting economic growth.
- * Continue to lead the Development Plan Review Committee in processing development plans for adherence of regulations.
- * Continue development of the GIS program for the City.
- * Continue to seek grants in conjunction with implementation of land use applications.
- * Work with the Virginia Department of Transportation in planning for City roadway improvements.
- * Continue to work with Hampton Roads Planning District Commission in monitoring development of regional planning practices and issues.
- * Continue to update City land use ordinances to reflect the City's economic development needs and trends.
- * Assist in the implementation of the updated Comprehensive Plan.
- * Maintain and update the Comprehensive Plan to encourage and recognize it's goals and objectives.
- * Strive to provide professional, expeditious, thorough, accurate and courteous service to the public on local, State and Federal land use regulations.
- * Continue to provide adequate staff support to the Architectural Review Board, Board of Zoning Appeals, Wetlands Board, Planning Commission, and the City Council.
- * Continue to process a variety of land use applications.
- * Seek to achieve certifications that will allow staff to further their professional development and remain in compliance with State regulations.

PLANNING

Major Departmental Functions

- * Update and administer City land use ordinances including Zoning Ordinance, Subdivision Ordinance, Erosion & Sediment Control Ordinance, Site Plan Ordinance, Wetlands Ordinance and Sign Ordinance.
- * Monitor compliance of issued use permits and zoning violations.
- * In coordination with Inspections Department administer the City's Federal Flood Insurance rating program and the Community Rating System.
- * Provide technical assistance to other departments, real estate agents, developers, contractors, and citizens.
- * Provide staff support to City Council, Planning Commission, Board of Zoning Appeals, Wetlands Board, Architectural Review Board and Economic Development Authority.
- * Manage economic development through comprehensive planning, rezoning and master planning process.
- * Serve as participating department for the Hazard Mitigation Planning Committee.
- * Serve as lead department for the Environmental Development Plan Review Committee.
- * Coordinate and monitor ongoing residential and commercial site development.
- * Develop and maintain community access cable TV channel.
- * Department staff serve as liaison to multiple State and regional agencies and committees.
- * Prepare special project studies as assigned by the City Manager.

Performance Measures

	FY 2016 Actual	FY 2017 Actual	FY 2018 Estimated	FY 2019 Estimated
Citizen requests for information	1,600	1,600	2,000	2,000
City Council/Board/Comm Agenda Items	15	15	15	15
Erosion and Sediment Applications Processed	21	58	48	80
Erosion and Sediment Inspections	966	923	1,000	1,000
Farm Animal Permits Processed	48	48	50	45
Major subdivision plans reviewed	2	1	2	2
Minor subdivision plans reviewed	4	2	4	4
Sign Permit Applications	22	15	15	15
Site Plans reviewed	25	4	25	25
Special Projects (non Planning)	15	17	20	20
Zoning Ordinance/City Code Amendments	12	1	12	12

Significant Budget Items

- * Increase in Personnel Services due to increase in pay adjustment, VRS rate and health insurance.
- * It should be noted that the department requested additional funding for professional consulting services which was not recommended for this budget.

Program Accomplishments

- * Continued the process of updating the City's Comprehensive Plan.
- * Continued the process of updating the City's Land Use Ordinances and City Code provisions.
- * Processed 17 land use applications.
- * Implemented and monitored State highway, environmental and stormwater regulations.
- * Actively participated in regional planning meetings.
- * Continued to update the City's official zoning map for adoption by City Council.
- * Facilitated the compliance of outstanding non-conforming uses.
- * Transitioned the function of performing all erosion and sediment control permit inspections.
- * Processed 5 residential developments and 2 commercial site improvements plans.
- * Continued to work with Legacy of Poquoson developers.

PLANNING / BZA / WETLANDS / ARB

Expenditures Summary

								\$	%
	FY 2016	FY 2017	FY 2018	FY 2018	FY 2019	FY 2019		Change	Change
	Actual	Actual	Original	Revised	Department	City Council		From 2018	From 2018
			Adopted	Budget	Request	Adopted		Revised	Revised
			Budget		Budget	Budget		Budget	Budget
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		n/a	n/a
Operating Expenses	4,450	9,407	9,900	9,900	11,400	9,450		(450)	-4.5%
Capital Outlay	-	-	-	-	-	-		n/a	n/a
Totals	\$ 4,450	\$ 9,407	\$ 9,900	\$ 9,900	\$ 11,400	\$ 9,450	\$ (450)		-4.5%

Personnel Summary

N/A

Goals and Objectives

Architectural Review Board (ARB)

- * Regulate exterior appearance of buildings, structures and improvements proposed for erection or alteration in the Village Commercial, General Commercial and Research and Development Districts and the City's business corridor.
- * Encourage construction of attractive commercial development and prevent garish, bizarre and inappropriate exterior designs which could deteriorate the appearance of development and ultimately threaten the integrity of future development and revenue within the City of Poquoson.

Board of Zoning Appeals (BZA)

- * Provide relief to property owners from the Zoning Ordinance when the strict application of the ordinance would prevent the reasonable use of land. Determine mitigation requirements.
- * Continue education and certification of Board Members through the Certified Professional Education Association of Virginia.

Planning Commission

- * Provide competent, expedient and professional advice and technical support to City Council pertaining to land use and development issues facing Poquoson.
- * Expand staff's knowledge and technical abilities of planning, land use, development, and zoning issues.
- * Assist in guiding development of a revised Comprehensive Plan and in conjunction facilitate a public outreach program for the formulation of the revised plan.
- * Assist in guiding development in a fashion compatible with the City's adopted Comprehensive Plan.
- * Oversee and guide the process to update the City's Comprehensive Plan.

Wetlands Board

- * Provide competent, expedient and professional services and technical support to property owners proposing to perform development activities in wetlands.
- * Protect Poquoson's environmentally sensitive wetlands, through the enforcement and administration of local and State wetlands laws and expand upon the Board's and staff's knowledge.
- * Review permit applications for projects proposing impact to wetlands per State guidance and regulations.
- * Monitor progress of permitted projects.

Environmental Development Plan Review Committee

- * Review site and subdivision plans, proposed Resource Protection Area (RPA) encroachment on grandfathered lots, grant waivers where appropriate and determine mitigation requirements.
- * Determine mitigation requirements for waivers to Chesapeake Bay regulations.
- * Review wetland permits for land disturbance impacts in the RPA.
- * Meet with potential developers to discuss requirements and offer guidance and assistance during the early stages of development to ensure applications are handled in an expeditious manner.

PLANNING / BZA / WETLANDS / ARB

Major Departmental Functions

- * Process a variety of land use applications.
- * Assist public in City land use policies and standards.
- * Prepare and modify the City's Comprehensive Plan.
- * Prepare applications for public hearings, inspecting sites, monitoring construction, assisting public in preparation and delivery of formal applications.
- * Presentations to City Council/Boards/Commissions.

Performance Measures

	FY 2016 Actual	FY 2017 Actual	FY 2018 Estimated	FY 2019 Estimated
Architectural Review Applications	7	7	7	7
Board of Zoning Appeals - Ches Bay Exceptions	5	2	2	2
Board of Zoning Applications	6	7	8	8
*EDPRC Chesapeake Bay Waivers	12	7	8	8
Ordinance Amendments	12	1	12	12
Wetland Board Applications	4	1	2	2

*EDPRC is Environmental Development Plan Review Committee that is made up of staff members

Significant Budget Items

- * Decrease in operating expenses due to less travel for existing board member training.

Program Accomplishments

- * Continued to advance education opportunities and obtain certifications.
- * BZA approved two Chesapeake Bay exception and two Zoning variances.
- * The EDPRC considered seven waiver requests. .
- * The Wetlands Board approved one final and two permit extensions.
- * The Planning Commission recommended approval of one ordinance amendment.

ECONOMIC DEVELOPMENT

Expenditures Summary

	FY 2016 Actual	FY 2017 Actual	FY 2018 Original Adopted Budget	FY 2018 Revised Budget	FY 2019 Department Request Budget	FY 2019 City Council Adopted Budget	\$ Change From 2018 Revised Budget	% Change From 2018 Revised Budget
Personnel Services	\$ 69,962	\$ 72,073	\$ 71,383	\$ 71,383	\$ 67,861	\$ 67,861	\$ (3,522)	-4.9%
Operating Expenses	46,962	42,264	58,370	58,370	105,960	33,610	(24,760)	-42.4%
Capital Outlay	-	-	-	-	-	-	n/a	n/a
Totals	\$ 116,924	\$ 114,337	\$ 129,753	\$ 129,753	\$ 173,821	\$ 101,471	\$ (28,282)	-21.8%

Personnel Summary

	FY 2016 Authorized	FY 2017 Authorized	FY 2018 Authorized	FY 2019 Department Request Positions	FY 2019 City Council Authorized Positions
Economic Development Coordinator	1	1	1	1	1
Totals	1	1	1	1	1

Goals and Objectives

- * Continue to assist in the marketing of the Big Woods, Messick Point and other Poquoson properties with potential for commercial development.
- * Continue to pursue commercial marine opportunities for facilities to enhance Messick Pt.
- * Utilize START, a Peninsula annual entrepreneurial competition, and other sources to seek new business potential for startups and entrepreneurial opportunities.
- * Coordinate efforts to seek grant support and jointly market marine and water based businesses for tourism and patronage opportunities.
- * Digital Media focus on high impact, low cost sources to increase awareness and utilization of existing digital sites.
- * Work with multiple developers on the Big Woods project to facilitate, plan and achieve a ground breaking event.

ECONOMIC DEVELOPMENT

Major Departmental Functions

- * Serve as staff liaison for the Economic Development Authority.
- * Retain and expand existing businesses and recruit new prospects. Promote quality, safe and environmentally friendly growth in the City.
- * Implement the City's Economic Development Strategic Plan.
- * Work with City businesses and organizations to support a productive growth atmosphere for existing and future businesses.
- * Serve as City representative to Hampton Roads Economic Development Alliance, Poquoson Business Alliance, Virginia Peninsula Chamber of Commerce, RAISE Airport Commission, Virginia Economic Development Partnership, and the International Economic Development Council.
- * Develop and implement marketing initiatives to publicize the Poquoson Business Community.
- * Update, revise and distribute the Poquoson Business Resource Guide.
- * Schedule and coordinate business appreciation and business development events.

Performance Measures

	FY 2016 Actual	FY 2017 Actual	FY 2018 Estimated	FY 2019 Estimated
Ribbon cutting ceremony	7	11	7	7
Sponsor Economic Development Events	6	7	10	10

Significant Budget Items

- * Decrease in personnel services due to change in health insurance subscription.
- * It should be noted that the department requested funding for the business incentive, additional advertising, special events and travel which was not recommended for this budget.

Program Accomplishments

- * Conducted 11 Business Ribbon Cuttings in 2017.
- * Hosted 3 Mayor's Breakfasts in 2017.
- * Coordinated and programmed the Annual Residential Real Estate Event, which included a Boat Cruise Tour of Poquoson.
- * Exhibited at regional "Tour of Hampton Roads" event at the Nusbaum Building in Norfolk.
- * Received significant press coverage.
- * Participated on the planning committee and contributed financially in the sponsorship of START Peninsula, supporting entrepreneurship.
- * Continued to support Big Woods economic growth through participation on the Big Woods Study Group.
- * The first "Taste of Poquoson" Restaurant Week event led to participation from eleven Poquoson restaurants with plans for future events.
- * A networking and resource meeting tailored to the Home Based Businesses of Poquoson.
- * STAMP (Small Town & Merchant Program) was introduced to Poquoson businesses at a series of presentation opportunities in October.

COMMUNITY DEVELOPMENT

Expenditures Summary

			Original		FY 2019	FY 2019	\$	%
	FY 2016	FY 2017	FY 2018	FY 2018	FY 2019	FY 2019	Change	Change
	Actual	Actual	Adopted	Revised	Department	City Council	From 2018	From 2018
			Budget	Budget	Request	Adopted	Revised	Revised
					Budget	Budget	Budget	Budget
Personnel Services	\$ -	-	\$ -	\$ -	\$ -	\$ -	n/a	n/a
Operating Expenses	132,080	\$ 157,968	151,320	157,358	162,608	133,691	(23,667)	-15.0%
Capital Outlay	-	-	-	-	-	-	n/a	n/a
Totals	\$ 128,391	\$ 157,968	\$ 151,320	\$ 157,358	\$ 162,608	\$ 133,691	\$ (23,667)	-15.0%

Personnel Summary

N/A

Goals and Objectives

- * Continue to contribute to a number of agencies which provide services to disadvantaged, elderly, and youth.
- * Continue to contribute to agencies which provide services which benefit Poquoson's economy, including those which attract new businesses to the area and increase local tourism.

COMMUNITY DEVELOPMENT

Major Departmental Functions

* Participate in agencies which provide services that improve the quality of life for citizens of Poquoson.

<u>Budget Detail</u>	FY 2016 Actual	FY 2017 Actual	FY 2018 Revised Budget	FY 2019 Requested Budget	FY 2019 Adopted Budget
Litter Control Grant	\$ 6,427	\$ 6,120	\$ 6,038	\$ -	\$ -
Contributions to Agencies:					
CASA	500	500	750	750	750
Children's Hospital of the King's Daughters	-	-	-	10,000	-
Commission on Homelessness	2,781	2,781	2,781	2,781	2,781
Disabilities Transportation	3,800	3,800	3,800	3,800	3,800
Green Jobs Alliance	-				
Hampton Roads Economic Development (HREDA)	11,499	11,499	11,456	11,417	-
Hampton Roads Planning District Comm (HRPDC)	9,661	9,770	9,887	10,075	10,075
HRPDC Municipal Construction Standards	479	479	479	479	479
HRPDC Other Projects	3,408	5,909	7,512	5,028	5,028
HRPDC Regional Groundwater Mitigation	3,791	2,350	2,412	3,177	3,177
HRPDC Stormwater Management Program	2,785	4,357	4,170	4,082	4,082
HR Military/Federal Facilities Alliance	6,038	6,106	6,180	6,180	6,180
NASA Aeronautics Support Team (NAST)	6,000	6,000	6,000	6,000	6,000
Poquoson Animal Welfare Sanctuary (PAWS)	2,500	5,000	5,000	5,000	5,000
Peninsula Chamber of Commerce	1,750	1,750	1,750	1,750	1,750
Peninsula Council for Workforce Development	5,847	5,847	5,847	5,847	5,847
Peninsula Emergency Medical Services	1,229	1,259	1,606	1,597	1,597
Poquoson Historical Commission	500	500	500	500	500
Poquoson Museum Foundation	25,385	37,653	32,597	36,970	36,970
Regional Air Service Enhancement Fund (RAISE)	4,860	4,860	4,860	-	-
Small Business Development Center	3,000	3,000	3,000	-	-
The Healing Place	7,407			-	-
Thomas Nelson Community College	13,134	27,726	29,433	27,175	27,175
Transitions Family Violence Services	1,745	2,000	2,500	2,500	2,500
Virginia Air & Space Museum				7,500	
York/Poquoson Extension Service	7,554	8,702	8,800	10,000	10,000
Totals	\$ 132,080	\$ 157,968	\$ 157,358	\$ 162,608	\$ 133,691

Significant Budget Items

- * Hampton Roads Planning District Commission provides oversight for various projects. Total requested funding for HRPDC is \$22,841 for FY 2019.
- * Poquoson Museum Foundation requested funding in the amount of \$22,597 for FY 2019 which is a forgiveness of 1/10th of the Deed of Trust Note with the City as well as the interest relating to that note. This is year number 9 of 10. An additional \$14,373, will be used to help operate and maintain the Museum and present the WWI and WWII event.
- * Thomas Nelson Community College requested \$27,175 for lease payments and capital improvements.
- * The Hampton Roads Economic Development moved to the Poquoson EDA to support the regional economic development efforts.

NON-DEPARTMENTAL

Expenditures Summary

									\$	%
	FY 2016	FY 2017	FY 2018	FY 2018	FY 2019	FY 2019	FY 2019	FY 2019	Change	Change
	Actual	Actual	Original	Revised	Department	City Council	Adopted	Revised	From 2018	From 2018
			Budget	Budget	Budget	Budget	Budget	Budget		
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	n/a
Operating Expenses	596	36741	17,430	17,430	24,200	24,200	24,200	6,770	38.8%	38.8%
Capital Outlay	-	-	-	-	-	-	-	n/a	n/a	n/a
Totals	\$ 596	\$ 36,741	\$ 17,430	\$ 17,430	\$ 24,200	\$ 24,200	\$ 24,200	\$ 6,770	38.8%	38.8%

Personnel Summary

N/A

Goals and Objectives

- * Provide a contingency for certain unanticipated expenses which inevitably arise during the year.
- * Continue to keep the contingency account less than one quarter of one percent of the total general fund budget.

NON-DEPARTMENTAL

Major Departmental Functions

- * Account for expenses that are not readily classified in other areas.
- * Hold funds in reserve for any contingent situations which may occur.

Budget Detail

	FY 2016 Actual	FY 2017 Actual	FY 2018 Revised Budget	FY 2019 Department Request Budget	FY 2019 City Council Adopted Budget
Personnel Services	\$ -		\$ -	\$ -	\$ -
Refunds		15,410	-	-	-
Treasurer Cash Overages/Shortages	(72)	(15)	-	-	-
Contingencies	668	24,346	17,430	24,200	24,200
Totals	\$ 596	\$ 39,741	\$ 17,430	\$ 24,200	\$ 24,200

Significant Budget Items

- * Minimal funding for contingencies to pay for any unforeseen expenses throughout the City.

DMV SELECT

Expenditures Summary

			FY 2018		FY 2019	FY 2019	\$	%
	FY 2016	FY 2017	Original	FY 2018	Department	City Council	Change	Change
	Actual	Actual	Adopted	Revised	Request	Adopted	FY 2018	From 2018
			Budget	Budget	Budget	Budget	Revised	Revised
							Budget	Budget
Personnel Services	\$ 98,332	\$ 102,050	\$ 107,611	\$ 107,611	\$ 120,253	\$ 117,781	\$ 10,170	9.5%
Operating Expenses	3,482	1,055	4,010	4,010	3,500	2,800	(1,210)	-30.2%
Capital Outlay	2,970	516	-	-	-	-	-	n/a
Totals	\$ 104,784	\$ 103,621	\$ 111,621	\$ 111,621	\$ 123,753	\$ 120,581	\$ 8,960	8.0%

Personnel Summary

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2019
	Authorized	Authorized	Authorized	Department	City Council
				Request	Authorized
				Positions	Positions
Senior DMV Service Clerk	1	1	1	1	1
DMV Service Clerk	1	1	1	1	1
Totals	2	2	2	2	2

Goals and Objectives

- * Continue to provide excellent customer service to all DMV customers.
- * Advertise and promote new services offered (boat registrations, hunting and fishing licenses) as a result of the relationship established with the Department of Game and Inland Fisheries (DGIF).

DMV SELECT

Major Departmental Functions

- * Process applications for titling and registration of motor vehicles.
- * Issue motor vehicle license plates and/or decals.
- * Issue handicap placards.
- * Issue driver transcripts.
- * Collect fees, taxes, penalties and other monies in connection with above transactions.
- * Issue boat registrations, hunting and fishing licenses for the Department of Game and Inland Fisheries.

Performance Measures

	FY 2016 Actual	FY 2017 Actual	FY 2018 Estimated	FY 2019 Estimated
Total DMV Transactions	39,481	43,068	40,000	40,000
Car Dealers Served	20	18	15	15

Significant Budget Items

- * In FY 2019, it is estimated that the DMV operations will generate \$128,000 in commission to the City.
- * Rate of compensation for DMV services is 4.5% of the first \$500,000 of gross collections and 5% of gross collections over \$500,000.
- * Increase in Personnel Services due to proposed pay adjustment, VRS rate and health insurance and subscription level.

Program Accomplishments

- * Cross-trained with the Commissioner of the Revenue employees.
- * Continued relationship with DMV by securing monthly City Hall visits of DMV Connect that issues drivers licenses and identification cards.
- * Established a partnership with the Department of Game and Inland Fisheries (DGIF) to register boats and issue hunting and fishing licenses.

TRANSFER TO OTHER FUNDS

Expenditures Summary

			FY 2018		FY 2019	FY 2019	\$	%
	FY 2016	FY 2017	Original	FY 2018	Department	City Council	Change	Change
	Actual	Actual	Adopted	Revised	Request	Adopted	From 2018	From 2018
			Budget	Budget	Budget	Budget	Revised	Revised
							Budget	Budget
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	n/a	n/a
Operating Expenses	3,863,485	3,077,895	3,042,536	2,994,536	3,910,764	3,910,764	916,228	30.6%
Capital Outlay	-	-	-	-	-	-	n/a	n/a
Totals	\$ 3,863,485	\$ 3,077,895	\$ 3,042,536	\$ 2,994,536	\$ 3,910,764	\$ 3,910,764	\$ 916,228	30.6%

Personnel Summary

N/A

TRANSFERS

Goals and Objectives

- * Transfer to Debt Service Fund to cover current payment of all general governmental debt service for the City and Schools. In FY 2019, the principal payment for the EDA begins for the general obligation bonds issued to repay the EDA's bank line of credit. The transfers for FY 2019 will include the principal for the EDA as well.
- * For FY2019, City Council provided direction to the City Manager to develop a constrained capital improvement plan with an anticipated borrowing \$23 Million. In anticipation of the borrowing during FY 2019, the City included in the proposed budget a six cent tax increase to support the anticipated borrowing. The transfer to Debt Service will include the tax increase as a reserve in FY 2019 with the understanding of utilizing the funds when the debt is payable.

TRANSFER TO OTHER FUNDS

Major Departmental Functions

* Account for all transfers from the General Fund to other funds of the City.

Budget Detail

	FY 2016 Actual	FY 2017 Actual	FY 2018 Original Adopted Budget	FY 2018 Revised Budget	FY 2019 Department Request Budget	FY 2019 City Council Adopted Budget
Transfer to Debt Service	\$ 3,095,610	\$2,888,155	\$ 2,902,671	\$2,902,671	\$ 3,813,627	\$ 3,813,627
Transfer to Capital Projects	\$ 742,875	133,000	88,000	40,000	10,186	10,186
Transfer to Special Revenue/OPEB	\$ -	56,740	46,865	46,865	70,534	70,534
Transfer to Utilities	\$ -	-	-	-	-	-
Transfer to Fleet	\$ -	-	-	-	-	-
Transfer to Economic Development Authority	\$ 25,000	-	5,000	5,000	16,417	16,417
Totals	\$ 3,863,485	\$ 3,077,895	\$ 3,042,536	\$2,994,536	\$ 3,910,764	\$ 3,910,764

Significant Budget Items

- * The transfer to Debt Service of \$3,813,627 for City and School debt.
- * Transfer of \$10,186 to the Capital Projects fund for local projects requiring City match.
- * Transfer of \$70,534 to the Special Revenue Fund/OPEB (Other Post Employment Benefits) for benefits offered to retired employees.
- * Transfer of \$16,417 to the Economic Development Authority for operations and to support regional economic development efforts. The funds associated with regional economic development has been included under contributions to agencies in the past years.

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DEBT SERVICE FUND - SUMMARY

Debt Service Fund Description

The Debt Service Fund accounts for the accumulation of resources for the payment of general obligation debt service for the City and the School Division, except for debt payable by the Utilities Fund. Revenues of the Debt Service Fund are derived from transfers from the General Fund and/or Capital Projects Fund.

City of Poquoson Charter Article 13 "Limitation on the issuance of bonds or other interest bearing obligations" addresses the debt limit. It states that there shall not be any issued bonds or other interest-bearing obligations which exceed for any one issuance, one and one-half percentum of the assessed valuation of the real estate in the City subject to taxation, according to the most current assessment for taxes, without voter approval. Certificates of indebtedness, revenue bonds, or other obligations issued in anticipation of the collection of the revenues for the current year, provided they mature within one year from issuance, are not required to be voted on by the qualified voters of the City.

In 2012, the rating agencies of Standard & Poor and Moody's gave the City standalone ratings of AA+ and Aa3 respectively. In May 2014, Standard & Poor upgraded the long-term rating for the City to AAA, the highest possible rating from Standard & Poor. In June 2016, Standard & Poor reaffirmed the AAA rating. In 2012, Moody's upgraded the City's long-term rating to Aa2. In December 2017, Moody's upgraded the City's outstanding bonds an additional notch to Aa1 as a result of the strength of the Virginia State Intercept program along with the City's underlying credit quality.

The City's most significant debt is in School bonds and literary loans. Other significant debt service items relate to notes and bonds of the City and Economic Development Authority (EDA). All the debt service presented in the budget is based on legally binding agreements, unless it is labeled estimate.

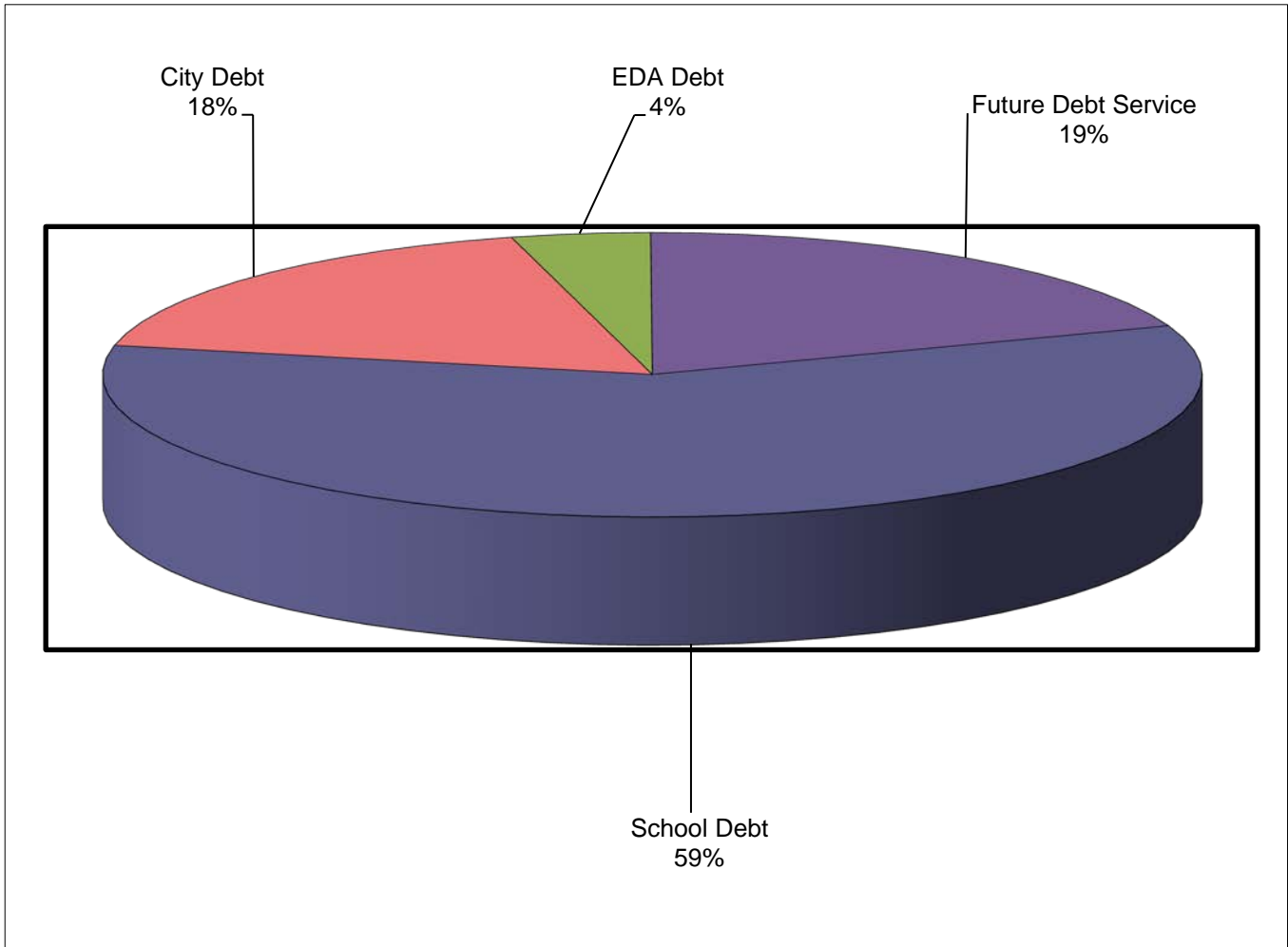
Projected fund balance is to be used to offset debt service costs in future years.

Debt Service Projection of Fund Balance

Beginning Fund Balance - 6/30/2015		\$ 417,850
Actual FY 2016 Revenues	\$ 20,196,140	
Actual FY 2016 Expenditures	<u>(20,302,190)</u>	<u>(106,050)</u>
Fund Balance - 6/30/2016		\$ 311,800
Actual FY 2017 Revenues	\$ 2,888,155	
Actual FY 2017 Expenditures	<u>(2,777,371)</u>	<u>110,784</u>
Fund Balance - 6/30/2017		\$ 422,584
Estimated FY 2018 Revenues	\$ 2,902,671	
Estimated FY 2018 Expenditures	<u>(2,935,671)</u>	<u>(33,000)</u>
Estimated Fund Balance - 6/30/2018		\$ 389,584
Estimated FY 2019 Revenues	\$ 3,813,627	
Estimated FY 2019 Expenditures	<u>(3,093,665)</u>	<u>719,962</u>
Projected Fund Balance - 6/30/2019		<u><u>\$ 1,109,546</u></u>

DEBT SERVICE FUND - SUMMARY

Debt Service Expenditures



<u>Debt Service Expenditures</u>	<u>Estimated FY 2018</u>	<u>Adopted FY 2019</u>
School Debt	\$ 2,261,767	\$ 2,260,594
City Debt	673,904	676,071
EDA Debt	-	157,000
Future Debt Service	-	749,156
TOTAL	<u>\$ 2,935,671</u>	<u>\$ 3,842,821</u>

DEBT SERVICE FUND - REVENUE

Debt Service Revenue

Account Title	FY 2016 Actual	FY 2017 Actual	FY 2018 Revised Budget	FY 2018 Estimated Revenue	FY 2019 City Council Adopted Revenue	\$ Change From 2018 Budget	% Change From 2018 Budget
Transfer from General Fund	\$ 3,095,610	\$ 2,888,155	\$ 2,902,671	\$ 2,902,671	\$ 3,813,627	\$ 910,956	31.4%
Issuance of Debt	17,100,530	-	-	-	-	-	n/a
Use of Reserve	-	-	33,000	33,000	29,194	(3,806)	-11.5%
TOTAL TRANSFERS IN	\$ 20,196,140	\$ 2,888,155	\$ 2,935,671	\$ 2,935,671	\$ 3,842,821	\$ 907,150	30.9%

Revenue Explanations

Transfers: The Debt Service Fund is financed exclusively from transfers made by other funds. Usually the transfer of debt comes from the General Fund.

Use of Reserve: In FY 2013, the City established a debt reserve to set aside funds for future debt service. In FY 2018, the City adopted the use of the reserve and the estimated balance of the reserve at 6/30/2018 is \$389,584. In anticipation of the borrowing during FY 2019, the City will increase the reserve in FY 2019 with the understanding of utilizing the funds when the debt is payable.

Computation of Estimated Legal Debt Margins for FY 2019

There is a legal limit for cities in Virginia whereby the amount of bonded long-term debt cannot exceed 10% of the City's total assessed value of real estate. The computation of the margin for additional borrowing, based on estimated assessed values as of 7/1/2018, is shown below. A further discussion of the City's debt service can be found in the Appendix section of this document.

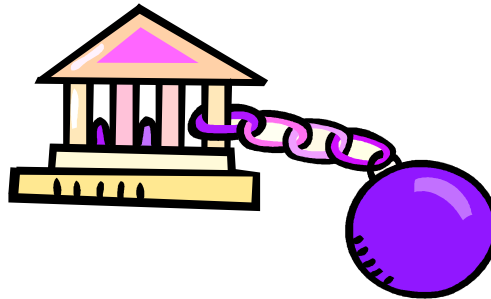
Estimated Assessed Value of Real Estate as of 7/1/2018

General	\$1,592,017,400
Public Service Corporation	23,710,106
Total	<u>\$1,615,727,506</u>
Total Bonding Limit (10% of total assessed value)	\$161,572,751
General Obligation Bonds, other than those authorized for a specific revenue producing project	\$21,783,999
State Literary Fund Loans	250,000
Sewer Bonds	<u>5,940,000</u>
Net Bonded indebtedness subject to limit	\$27,973,999
Bonded indebtedness as percent of assessed value of real estate	<u>1.73%</u>
Margin for Additional Borrowing	<u>\$133,598,752</u>

DEBT SERVICE FUND - EXPENDITURES

Debt Service Expenditures

	FY 2016 Actual	FY 2017 Actual	FY 2018 Revised Budget	FY 2019 City Council Adopted Budget	\$ Change From 2018 Budget	% Change From 2018 Budget
School Principal	\$ 1,132,449	\$ 1,444,892	\$ 1,464,548	\$ 1,520,744	\$ 56,196	3.8%
School Interest	878,414	650,933	797,219	739,850	(57,369)	-7.2%
City Principal	945,609	490,109	470,452	494,256	23,804	5.1%
City Interest	246,670	191,437	201,052	179,415	(21,637)	-10.8%
EDA Principal	-	-	-	157,000	157,000	100.0%
Bond Issuance Costs	284,041	-	-	-	-	n/a
Trustee Fees	3,150	-	2,400	2,400	-	0.0%
Advance Refunding	16,811,858	-	-	-	-	n/a
Reserve	-	-	-	749,156	749,156	100.0%
Totals	\$ 20,302,191	\$ 2,777,371	\$ 2,935,671	\$ 3,842,821	\$ 907,150	30.9%



Significant Budget Items

* In FY 2013, the City began funding a debt reserve to use for future debt service. Subsequent to the FY 2017 budget adoption, the City refunded a portion of the outstanding debt, reducing the FY 2017 debt service to \$2,777,872, therefore increasing the debt reserve in FY 2017.

* In FY 2018 and 2019, a total of \$33,000 and \$29,194, respectively will be used to fund a portion of the increase in debt service. In addition to the use in FY 2019 of \$29,194, a net increase of \$749,156 will be added to the reserve to prepare for the new proposed Debt Service.

* In FY 2019, the principal payment of \$157,000 is due for the general obligation bonds issued to repay the EDA's bank line of credit. The FY 2019 interest associated with the bonds will be budgeted in the EDA fund. The total of the interest is \$36,918.

DEBT SERVICE FUND - EXPENDITURES

Expenditures Summary

DEBT INSTRUMENT	FY 2019 Principal	FY 2019 Interest	FY 2019 Other Fees	FY 2019 Adopted Budget
Schools				
<u>Bonds:</u>				
1998A VPSA PHS Addition/Renovations	\$ 30,000	\$ 765	\$ -	\$ 30,765
2010 Refunded 2005 PES	154,000	20,456	-	174,456
2010 Refunded 2006B PES	230,000	20,081	-	250,081
2010 Refunded 2007 PES	40,500	3,763	-	44,263
2012 Refunded 2002 Refunded 1994A (Cafeteria)	19,388	3,061	-	22,449
2012 Refunded 2009C Refunded 2001 School's VRS	55,000	8,500	-	63,500
2012 Refunded 2011 Refunded 2008 PMS Stadium	188,132	39,827	-	227,959
2012 Refunded 2011 Refunded 2007 Unrefunded PES	360,357	76,286	-	436,643
2016 Refunded 2010 Refunded 2005 PES	-	96,980	-	96,980
2016 Refunded 2010 Refunded 2007	-	126,625	-	126,625
2016 Refunded 2010 Refunded 2006B-PES	-	224,830	-	224,830
2016 Refunded 2011B Refunded 2009A Refunded 2006A PES	158,367	90,826	-	249,193
2016 Primary School HVAC	15,000	7,650	-	22,650
2016 High School HVAC	5,000	2,900	-	7,900
2016 High School Track	15,000	9,800	-	24,800
<u>Literary Loans:</u>				
1998 PHS Addition/Renovations	250,000	7,500	-	257,500
Total Schools	\$1,520,744	\$739,850	\$ -	\$2,260,594
City				
<u>Bonds:</u>				
2010 Refunded 2005 Fire Station #1	66,000	8,767	-	74,767
2010 Refunded 2007 Fire Station #1	9,500	883	-	10,383
2012 Refunded 2002 Refunded 1994 A (City Hall)	75,612	11,939	-	87,551
2012 Refunded 2011 Refunded 2007 Unrefunded Fire Station #1	84,528	17,894	-	102,422
2012 Refunded 2011 Refunded 2009B & 1998A Refunded Court House	111,983	28,180	-	140,163
2012 Refunded 2011 Refunded 2009B & 2001 Fire Station #2	110,000	18,813	-	128,813
2016 Refunded 2010 Refunded 2005 Fire Station #1	-	41,563	-	41,563
2016 Refunded 2010 Refunded 2007 Fire Station #1	-	29,702	-	29,702
2016 Refunded 2011B Public Works	26,633	15,274	-	41,907
2016 Fire Apparratus (Formerly Messick Point Beach)	5,000	4,100	-	9,100
2016 City Hall HVAC (Formerly undesignated projects)	5,000	2,300	-	7,300
<u>Trustee Fees:</u>				
US Bank	-	-	2,400	2,400
Total City	\$494,256	\$179,415	\$2,400	\$676,071
EDA				
2013 Refinance LOC	\$157,000	-	-	\$157,000
TOTAL DEBT SERVICE FY 2019	\$2,172,000	\$919,265	\$2,400	\$3,093,665

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DEBT SERVICE FUND - LONG TERM DEBT OBLIGATIONS

Summary of Long Term Debt Obligations

General Long Term Obligations

	Projected Balance 6/30/2018	Additions	Retirement	Projected Balance 6/30/2019
<u>School Bonds:</u>				
1998A VPSA PHS Addition/Renovations	\$ 30,000	\$ -	\$ 30,000	\$ -
2010 Refunded 2005 PES	535,500	-	154,000	381,500
2010 Refunded 2006B PES	440,000	-	230,000	210,000
2010 Refunded 2007 PES	85,050	-	40,500	44,550
2012 Refunded 2002 Refunded 1994A (Cafeteria)	61,225	-	19,388	41,837
2012 Refunded 2009C Refunded 2001 School's VRS	170,000	-	55,000	115,000
2012 Refunded 2011 Refunded 2008 PMS Stadium	844,941	-	188,132	656,809
2012 Refunded 2011 Refunded 2007 Unrefunded PES	1,618,446	-	360,357	1,258,089
2016 Refunded 2010 Refunded 2005 PES	2,080,673	-	-	2,080,673
2016 Refunded 2010 Refunded 2007	2,716,700	-	-	2,716,700
2016 Refunded 2010 Refunded 2006B-PES	4,823,659	-	-	4,823,659
2016 Refunded 2011B Refunded 2009A Refunded 2006A PES	2,229,982	-	158,367	2,071,615
2016 Primary School HVAC	160,000	-	15,000	145,000
2016 High School HVAC	60,000	-	5,000	55,000
2016 High School Track	260,000	-	15,000	245,000
	<u>\$ 16,116,176</u>	<u>\$ -</u>	<u>\$ 1,270,744</u>	<u>\$ 14,845,432</u>

School Literary Loans:

1998 PHS Addition/Renovations	250,000	-	250,000	-
	<u>\$ 250,000</u>	<u>\$ -</u>	<u>\$ 250,000</u>	<u>\$ -</u>

City Bonds:

2010 Refunded 2005 Fire Station #1	229,500	-	66,000	163,500
2010 Refunded 2007 Fire Station #1	19,950	-	9,500	10,450
2012 Refunded 2002 Refunded 1994 A (City Hall)	238,775	-	75,612	163,163
2012 Refunded 2011 Refunded 2009B & 1998A Refunded Court House	379,634	-	84,528	295,106
2012 Refunded 2011 Refunded 2007 Unrefunded Fire Station	620,726	-	111,983	508,743
2012 Refunded 2011 Refunded 2009B & 2001 Fire Station #2	376,252	-	110,000	266,252
2016 Refunded 2010 Refunded 2005 Fire Station #1	891,717	-	-	891,717
2016 Refunded 2010 Refunded 2007 Fire Station #1	637,251	-	-	637,251
2016 Refunded 2011B Public Works	375,018	-	26,633	348,385
2016 Fire Apparratus (Formerly Messick Point Beach)	105,000	-	5,000	100,000
2016 City Hall HVAC (Formerly undesignated projects)	60,000	-	5,000	55,000
	<u>\$ 3,933,823</u>	<u>\$ -</u>	<u>\$ 494,256</u>	<u>\$ 3,439,567</u>

EDA 2013 Refinance LOC	\$ 1,734,000	\$ -	\$ 157,000	\$ 1,577,000
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Total General Long Term Obligations	\$ 22,033,999	\$ -	\$ 2,172,000	\$ 19,861,999
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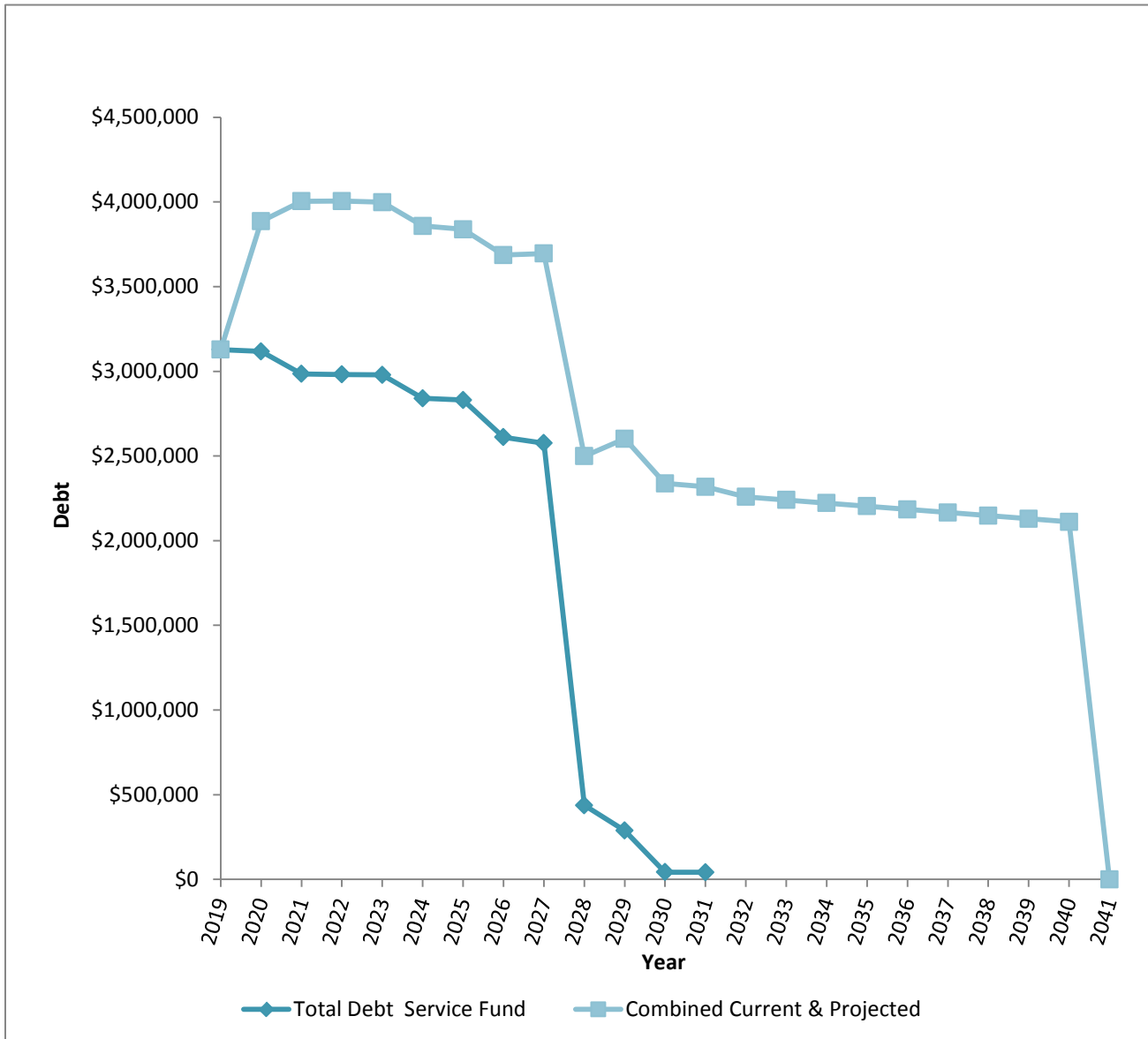
Sewer Fund Obligations

Sewer Bonds:

2010 VRA Refunded 2002 Bond	305,000	-	70,000	235,000
2012 Refunded 2011 Refunded 2009B & 1998B Bond	1,725,589	-	20,494	1,705,095
2012 Refunded 2011 Refunded 2009B & 2003B Bond	379,411	-	4,506	374,905
2012 Refunded 2000 DEQ Loan	1,090,000	-	120,000	970,000
2012 Refunded 2000 DEQ Loan	2,440,000	-	275,000	2,165,000
Total Sewer Obligations	\$ 5,940,000	\$ -	\$ 490,000	\$ 5,450,000

DEBT SERVICE FUND

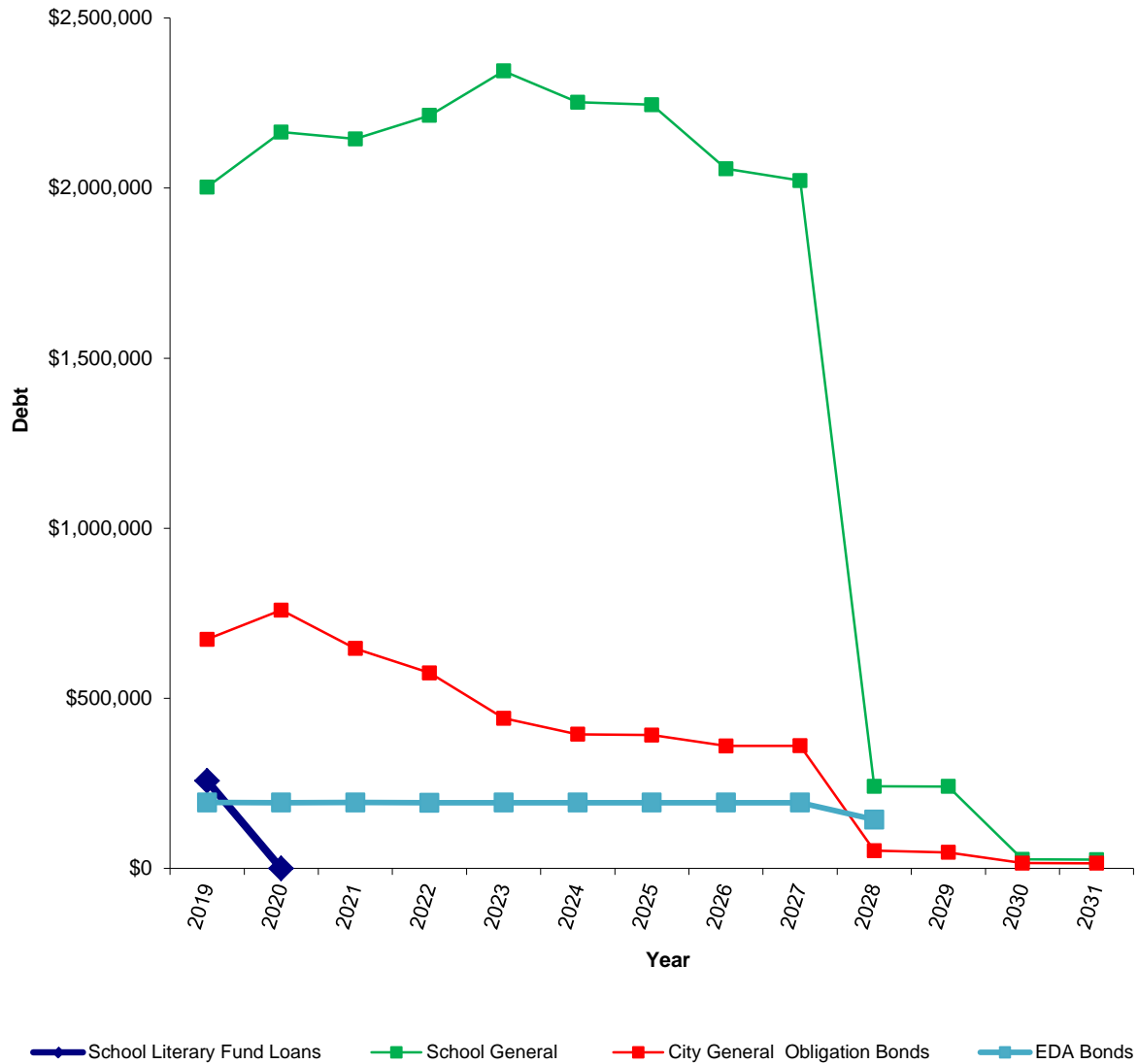
Total Current and Projected Debt Service Fund



The above graph depicts the City's current debt service until the debt is paid. In addition to current, the graph provides the combined current and projected debt based on the anticipated borrowing.

DEBT SERVICE FUND

Debt Service By Type



The City has various debt instruments which have been used to pay for various School and City projects. This graph only depicts the current debt of the City. The graph will be updated once the anticipated borrowing has occurred.

DEBT SERVICE FUND--AMORTIZATION OF LONG TERM DEBT

Amortization of Long Term Debt

Year Ending June 30	School Literary Fund Loans		School General Obligation Bonds (*)		City General Obligation Bonds (**)		EDA Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2019	250,000	7,500	1,270,744	732,350	494,256	179,415	157,000	36,918
2020	-	-	1,486,850	677,915	603,151	156,135	160,000	33,384
2021	-	-	1,536,429	608,022	518,571	128,129	164,000	29,771
2022	-	-	1,682,145	531,200	472,855	102,201	167,000	26,080
2023	-	-	1,897,020	447,093	362,981	78,557	171,000	22,311
2024	-	-	1,897,630	354,871	332,370	61,879	175,000	18,453
2025	-	-	1,983,813	261,081	346,186	45,869	179,000	14,506
2026	-	-	1,893,830	162,980	331,170	29,169	183,000	10,470
2027	-	-	1,952,536	69,380	347,462	13,221	187,000	6,345
2028	-	-	230,449	10,804	49,551	2,796	141,587	2,130
2029	-	-	234,730	6,195	45,270	1,805	-	-
2030	-	-	25,000	1,500	15,000	900	-	-
2031	-	-	25,000	750	15,000	450	-	-
TOTAL	\$ 250,000	\$ 7,500	\$ 16,116,176	\$ 3,864,141	\$ 3,933,823	\$ 800,526	\$ 1,684,587	\$ 200,368

* The City anticipates borrowing \$17.1 Million initially in FY 2019 for the Middle School Renovation and a purchase of a bus. An additional \$2.9 Million will be borrowed in FY 2020 for roof replacement on the Primary and High School along with purchasing additional buses. The amortization of the future debt service is not reflected in this schedule. The schedule will be updated at such time the borrowings are finalized for both FY 2019 and FY 2020.

** The City anticipates borrowing \$0.9 Million initially in FY 2019 for the additional funds needed for the fire apparratus, the replacement of the HVAC at City Hall and the TMDL/Stormwater improvement. An additional \$2.1 Million will be earmarked in FY 2020 for borrowing for the TMDL/Stormwater improvement. The amortization of the future debt service is not reflected in this schedule. The schedule will be updated at such time the borrowings are finalized for both FY 2019 and FY 2020.

DEBT SERVICE FUND--AMORTIZATION OF LONG TERM DEBT

Amortization of Long Term Debt

Year Ending June 30	Total Debt Service Fund		Total Debt Service Fund Principal & Interest	Sewer Fund Bonds/Notes		Total Sewer Fund Principal & Interest
	Principal	Interest		Principal	Interest	
2019	2,172,000	919,265	3,091,265	490,000	216,628	706,628
2020	2,250,001	834,050	3,084,051	515,000	192,183	707,183
2021	2,219,000	736,151	2,955,151	540,000	166,878	706,878
2022	2,322,000	633,401	2,955,401	565,000	140,774	705,774
2023	2,431,001	525,650	2,956,651	590,000	114,900	704,900
2024	2,405,000	416,750	2,821,750	610,000	97,200	707,200
2025	2,508,999	306,950	2,815,949	630,000	78,900	708,900
2026	2,408,000	192,149	2,600,149	650,000	60,000	710,000
2027	2,486,998	82,601	2,569,599	665,000	40,500	705,500
2028	421,587	13,600	435,187	685,000	20,550	705,550
2029	280,000	8,000	288,000	-	-	-
2030	40,000	2,400	42,400	-	-	-
2031	40,000	1,200	41,200	-	-	-
TOTAL	\$ 21,984,586	\$ 4,672,167	\$ 26,656,753	\$ 5,940,000	\$ 1,128,513	\$ 7,068,513

Note:

All sewer debt service is accounted for in the Utilities Fund in accordance with Governmental Accounting practice. This schedule is shown so that the reader will have a comprehensive listing of all future City and School debt payments.

Not included in the totals is \$36,918 in interest associated with the general obligation bonds issued by the City of Poquoson for Economic Development Authority (EDA). The EDA in its operating budget accounts for the interest and intends to pay this debt with proceeds from the sale of EDA owned property.

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CAPITAL PROJECTS FUND - SUMMARY

Capital Projects Fund Description

The Capital Projects Fund accounts for financial resources to be used for the acquisition or construction of major City or School capital facilities, infrastructure, and equipment other than those financed by proprietary funds.

For presentation purposes, the FY 2019 through FY 2023 Proposed CCIP's General Fund Projects are shown in detail and found on page 116.

Unlike the City's General Fund in which any unexpended funds lapse at the end of the fiscal year, the monies appropriated in the Capital Fund lapse into the fund balance for future expenditures. Those unspent funds are then reappropriated to the next fiscal year provided the project is not completed. Completed projects with leftover funds may be transferred to the General Fund.

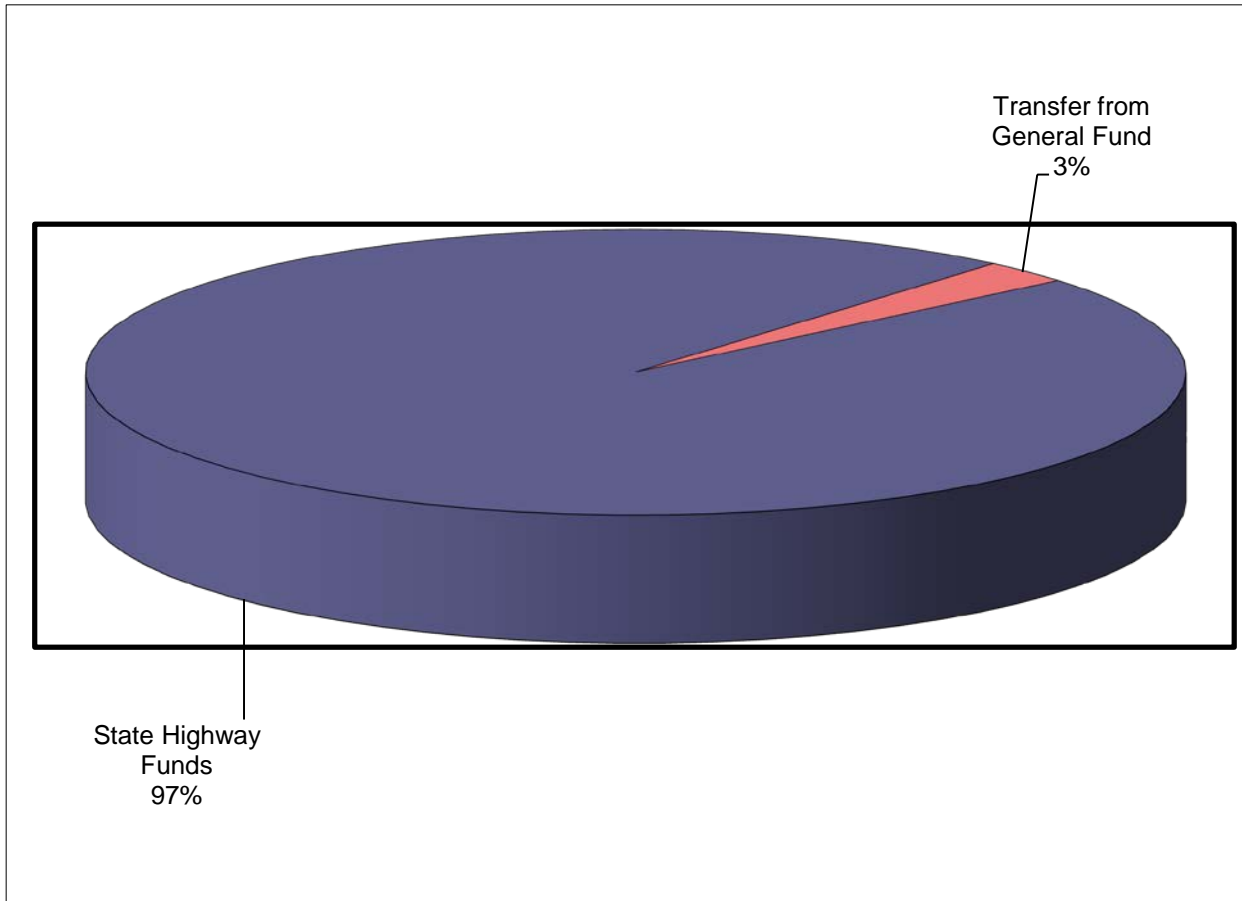
Capital Projects Projection of Fund Balance

Fund Balance - 6/30/2015		\$ 1,347,408
Actual FY 2016 Revenues	\$ 2,418,545	
Actual FY 2016 Expenditures	<u>(1,217,536)</u>	<u>1,201,009</u>
Fund Balance - 6/30/2016		\$ 2,548,417
Actual FY 2017 Revenues	\$ 783,648	
Actual FY 2017 Expenditures	<u>(1,340,851)</u>	<u>(557,203)</u>
Fund Balance - 6/30/2017		\$ 1,991,214
Estimated FY 2018 Revenues	\$ 595,324	
Estimated FY 2018 Expenditures	<u>(1,967,184)</u>	<u>(1,371,860)</u>
Projected Fund Balance - 6/30/2018		\$ 619,354
Estimated FY 2019 Revenues	\$ 384,886	
Estimated FY 2019 Expenditures	<u>(1,004,240) *</u>	<u>(619,354)</u>
Projected Fund Balance - 6/30/2019		<u><u>\$ -</u></u>

* Historically the City has not included in the proposed budget the revenue or expenditures of the projects that the City anticipates to issue new debt service for. At such time the debt is issued, the revenue and expenditures will be presented to City Council to appropriate to the Capital Improvement Fund. For purpose of this document, the anticipated bond proceeds are discussed on page 114 and page 116 identifies the projects in which the debt service will be issued for.

CAPITAL PROJECTS FUND - SUMMARY

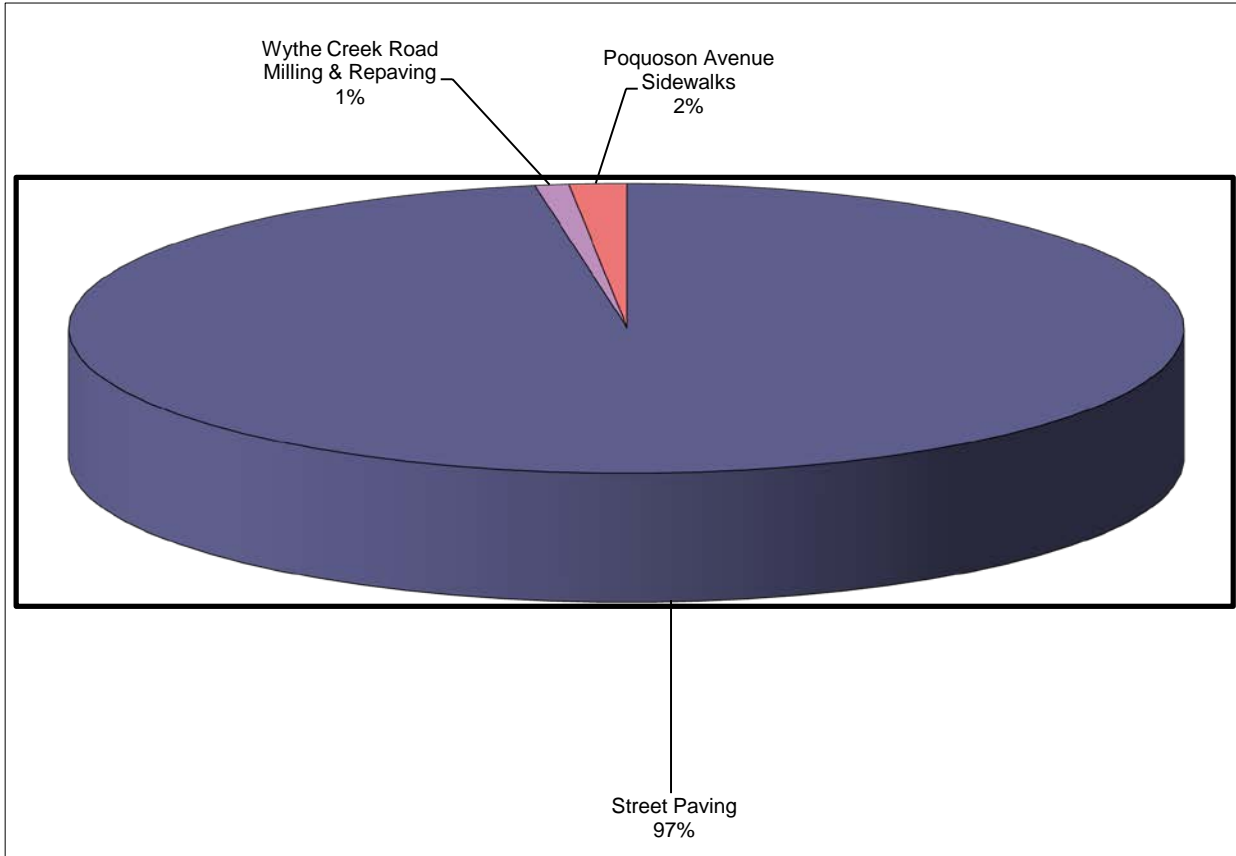
Capital Projects Revenue



<u>Capital Projects Revenue</u>	<u>Estimated FY 2018</u>	<u>Adopted FY 2019</u>
State Highway Funds	\$ 507,324	\$ 374,700
Transfer from General Fund	88,000	10,186
TOTAL	\$ 595,324	\$ 384,886

CAPITAL PROJECTS FUND - SUMMARY

Capital Projects Expenditures



<u>Capital Projects Expenditures</u>	<u>Estimated FY 2018</u>	<u>Adopted FY 2019</u>
Street Paving	\$ 507,324	\$ 374,700
Wythe Creek Road Milling & Repaving	-	3,778
Poquoson Avenue Sidewalks	-	6,408
School Projects	88,000	-
TOTAL	\$ 595,324	\$ 384,886

CAPITAL PROJECTS FUND - REVENUE

Revenue Summary

Account Title	FY 2016 Actual	FY 2017 Actual	FY 2018 Adopted Budget	FY 2018 Revised Budget	FY 2018 Estimated Revenue	FY 2019 Department Estimated Budget	FY 2019 City Council Adopted Budget	% Change From 2018	
								\$ Change From 2018 Revised Budget	% Change From 2018 Revised Budget
State Highway Funds	\$ 565,520	\$ 565,520	\$ 507,324	\$ 507,324	\$ 507,324	\$ 374,700	\$ 374,700	\$ (132,624)	-26.1%
Note or Bond Proceeds	690,000	-	-	-	-	-	-	-	n/a
Bond Premium	106,771	-	-	-	-	-	-	-	n/a
Interest -- Bond Proceeds	133	-	-	-	-	-	-	-	n/a
State Grants	206,945	80,045	-	-	-	-	-	-	n/a
Miscellaneous Revenue	41,320	5,083	-	-	-	-	-	-	n/a
Air Boat	64,981	-	-	-	-	-	-	-	n/a
Donations	-	-	-	-	-	-	-	-	n/a
Reappropriation of Fund Bal	-	-	-	-	-	-	-	-	n/a
Transfer from General Fund	742,875	133,000	88,000	40,000	40,000	10,186	10,186	(29,814)	-74.5%
TOTAL REVENUE	\$ 2,418,545	\$ 783,648	\$ 595,324	\$ 547,324	\$ 547,324	\$ 384,886	\$ 384,886	\$ (162,438)	-29.7%

Revenue Explanations

State Highway Funds: Each year the City allocates a portion of the funding it receives from the Virginia Department of Transportation (VDOT) to the City for the annual paving and drainage programs ("Street Paving and Drainage" projects). The City is projected to receive a total of \$1,254,700 from the State Highway Maintenance Fund, \$374,700 is recorded in the Capital Projects Fund, and the remaining \$880,000 is recorded in the General Fund. The exact amount of revenue for FY 2019 will not be known until August 2018.

Transfer from General Fund: Local funding provided for Capital Projects.

Bond Proceeds: The City issued debt in FY 2016 for a High School Track project, School HVAC systems project and the Messick Point beach. The funds designated for Messick Point beach have been reallocated to purchasing a new fire apparatus in FY 2019. The total amount of the borrowing, including the bond premium was \$796,771. The City anticipates a new borrowing in FY 2019 associated with the proposed Constrained Capital Improvement Plan (CCIP). This year City Council provided direction to the City Manager to develop the CCIP with the constraints of borrowing \$23 Million of debt.

State Grants: The City anticipates being awarded two grants in FY 2019 that require a local match. For budget purposes, we have included the local match piece for Wythe Creek Road Milling and Repaving and the Poquoson Avenue Sidewalks in anticipation of receiving the grant award in FY 2019.

CAPITAL PROJECTS FUND - EXPENDITURES

Expenditures Summary

Project	Estimated FY 2018 Expended Projects	Estimated Prior Fiscal Year's Unexpended	FY 2019 New Projects Adopted Budget	Total FY 2019 Projects
		Prior Year	Year 1	
School Projects				
School Bus	\$ 90,568	\$ -	\$ -	\$ -
High School Track	87,924	18,111	-	18,111
School HVAC Projects	64,783	84,169	-	84,169
Public Works, Transportation & Drainage Projects				
Street Paving	911,414	-	374,700	374,700
Drainage Projects	597,354	-	-	-
Ditch Piping	145,557	-	-	-
Wythe Creek Road Milling & Repaving	-	-	3,778	3,778
Poquoson Avenue Sidewalks	-	-	6,408	6,408
Beta Street Improvements	-	41,240	-	41,240
TMDL/Stormwater	5,244	61,408	-	61,408
Miscellaneous Projects				
Playground Equipment	-	635	-	635
Floating Dock	-	44,181	-	44,181
Fire Apparatus	-	125,000	-	125,000
HVAC-City Hall	-	73,038	-	73,038
Reassessment Software	47,913	87,087	-	87,087
Messick Point Improvements	16,427	84,485	-	84,485
Totals	\$ 1,967,184	\$ 619,354	\$ 384,886	\$ 1,004,240

Expenditures Explanations

Funds are appropriated in the Capital Projects Fund as Year 1 projects usually with a Transfer from the General Fund. Unexpended funds at the end of Year 1 lapse into the Fund Balance of the Capital Projects fund for future expenditures. Those unspent funds are then reappropriated the next fiscal year shown above as "Prior Fiscal Year" provided the project is not completed. Completed projects with leftover funds may be transferred to the General Fund Unassigned Fund Balance.

Major Fund Functions

- * Account for financial resources to be used for the acquisition or construction of major City or School capital facilities, land, infrastructure, and equipment, other than those financed by proprietary funds.
- * Incorporate into the Annual Financial Plan those items of a general governmental nature planned for in the Constrained Capital Improvements Plan.
- * May include projects such as parks and recreation improvements, transportation projects and capital feasibility studies where project total is greater than \$50,000.

FY 2019 New Projects

Street Paving: Projects are funded through VDOT State Highway Funds for maintenance, resurfacing and improvements. Projects are at the City's discretion based on needs. The City allocated \$374,700 towards paving for FY 2019.

Wythe Creek Road Milling & Repaving: This project initiated in FY 2017, is the milling and repaving of Wythe Creek Road South. The work is being financed primarily with VDOT Urban Funding, with a local match equal to 2% of the total cost or \$3,778.

Poquoson Avenue Sidewalks: This project will extend the Poquoson Avenue sidewalks from its terminus at 914 Poquoson Avenue through the intersection of Poquoson Avenue and Cedar Road. The work is being financed primarily with VDOT Urban Funding, with a local match equal to 2% of the total cost or \$6,408.

CAPITAL PROJECTS FUND - CCIP PLAN SUMMARY

Adopted CCIP Summary FY 2019 - FY 2023

Project	FY 2019 Adopted Project	FY 2020 Adopted Project	FY 2021 Adopted Project	FY 2022 Adopted Project	FY 2023 Adopted Project	Total Cost
School Projects						
Middle School Renovation (FY 2019 Debt Issue)	\$ 17,001,100	\$ -	\$ -	\$ -	\$ -	\$ 17,001,100
Primary School Roof Replacement	-	1,067,300	-	-	-	\$ 1,067,300
High School Roof Replacement		1,423,600				\$ 1,423,600
Bus Replacement (FY 2019 Debt Issue)	68,000	440,000	-	-		508,000
Total School Projects	\$ 17,069,100	\$ 2,930,900	\$ -	\$ -	\$ -	\$ 20,000,000
Transportation and Drainage Projects						
Street Paving	\$ 374,700	\$ 394,300	\$ 403,700	\$ 350,175	\$ 390,146	\$ 1,913,021
Drainage Projects-Poquoson Shores Tidal Flooding	-	-	-	80,000	-	80,000
City Ditch Safety & Erosion Improvements	100,000	100,000	50,000	80,000	-	330,000
TMDL/Stormwater (FY 2019 Debt Issue)	150,000	500,000	1,000,000	1,000,000	100,000	2,750,000
Wythe Creek Road Signal Upgrade	-	260,000	-	-	-	260,000
Wythe Creek Road Milling & Repaving (*)	188,899	-	-	-	-	188,899
Poquoson Avenue Sidewalk Project (*)	320,408	-	-	-	-	320,408
Total Transportation and Drainage Projects	\$ 1,134,007	\$ 1,254,300	\$ 1,453,700	\$ 1,510,175	\$ 490,146	\$ 5,842,328
Miscellaneous City Projects						
Public Safety -Fire Apparatus (FY 2019 Debt Issue)	\$ 135,000	\$ -	\$ -	\$ -	\$ -	\$ 135,000
Parks & Rec -South Lawson Park Upgrades	5,000	-	-	-	-	5,000
HVAC -- City Hall (FY 2019 Debt Issue)	277,000	-				277,000
Total	\$ 18,620,107	\$ 4,185,200	\$ 1,453,700	\$ 1,510,175	\$ 490,146	\$ 26,259,328
Projects Managed and Funded by State or Federal Agencies						
Wythe Creek Road South	-	-	19,800,000	-	-	19,800,000
Total Projects Managed and Funded by State or Federal Agencies	\$ -	\$ -	\$ 19,800,000	\$ -	\$ -	\$ 19,800,000

*Total cost of the project is provided, the work is being financed primarily with VDOT Urban Funding with the local match equals to 2% of total cost. The Capital Project Fund includes the 2% of the total cost with the anticipation of the award from VDOT. At the time of the award, City Council will appropriate the remaining cost of the project.

Expenditures Explanations

The City's first Proposed Constrained Capital Improvements Plan for FY 2019 - FY 2023 was presented to the Planning Commission on March 19, 2018. This year City Council provided direction to the City Manager to develop the plan with the constraints of borrowing \$23 Million of debt. The constraints included \$20 Million towards School Division projects, for which the Poquoson City School Board has determined the project priority and the remaining \$3 Million towards City related projects. The City Manager has provided the Proposed CCIP based on the constraints given for the next five years. The Planning Commission held a public hearing on April 16, 2018 and recommended its adoption to City Council. City Council held a public hearing on May 14, 2018 when the recommended CCIP was presented. City Council has the authority to approve the recommended CCIP as presented, or approve with amendments. City Council move to adopt the resolution recommending approval of the CCIP as presented. The first year of the Proposed CCIP is incorporated into the City Manager's Proposed Budget as the Capital Budget for the upcoming fiscal year. The projects identified above as FY 2019 Debt Issue will be appropriated (revenue and expenditures) by City Council once the debt has been issued.

Operational Impact

The operational impact for the next five years is limited to transfers from the General Fund to finance the projects as well as debt service based on a \$23 Million borrowing is anticipated to be \$749,156 per year. The projects for the next five years require no new personnel or increased fixed costs.

CAPITAL PROJECTS FUND - CCIP DEPARTMENT & SCHOOL REQUEST

FY 2019 Departmental and School Request and Included in the Adopted CCIP FY 2019 - Beyond FY 2023

Project :	FY 2019 Adopted Project	FY 2020 Adopted Project	FY 2021 Adopted Project	FY 2022 Adopted Project	FY 2023 Adopted Project	Beyond FY 2023 Project	Total Cost
School Projects							
High School Forum Renovation	\$ -	\$ -	\$ -	\$ -	\$ -	2,580,600	\$ 2,580,600
Middle School Renovation	17,001,100	-	-	-	-	-	17,001,100
Primary School Roof Replacement	-	1,067,300	-	-	-	-	1,067,300
High School Locker Room Renovation	-	-	-	-	-	97,600	97,600
Bus Replacement	68,000	440,000	-	-	-	187,000	695,000
Asphalt Repairs	-	-	-	-	-	151,700	151,700
High School Roof Replacement	-	1,423,600	-	-	-	-	1,423,600
High School Gym HVAC	-	-	-	-	-	183,000	183,000
High School Chiller/Water Tower	-	-	-	-	-	305,100	305,100
Total School Projects	\$ 17,069,100	\$ 2,930,900	\$ -	\$ -	\$ -	\$ 3,505,000	\$ 23,505,000
Transportation and Drainage Projects							
Street Paving	\$ 374,700	\$ 394,300	\$ 403,700	\$ 350,175	\$ 390,146	\$ -	\$ 1,913,021
Wythe Creek Road Signal Upgrade	-	260,000	-	-	-	-	260,000
Wythe Creek Road Milling & Repaving	188,899	-	-	-	-	-	188,899
Poquoson Shores Tidal Flooding	-	-	-	80,000	-	-	80,000
Poquoson Avenue Piping Upgrade	-	-	-	-	-	145,000	145,000
City Ditch Safety & Erosion Improvements	100,000	100,000	500,002	80,000	-	-	780,002
TMDL/Stormwater -- Chesapeake Bay	150,000	500,000	1,000,000	1,000,000	1,000,000	10,000,000	13,650,000
Oxford Mews Drainage Improvements	-	-	-	-	-	130,000	130,000
Poquoson Avenue Sidewalk Project	320,408	-	-	-	-	-	320,408
Total Transportation and Drainage Projects	\$ 1,134,007	\$ 1,254,300	\$ 1,903,702	\$ 1,510,175	\$ 1,390,146	\$ 10,275,000	\$ 17,467,330
Public Safety: Fire and Police Projects							
Replacement of Engine 102	\$ 135,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 135,000
Replacement of Medic 4	210,000	-	-	-	-	-	210,000
Public Safety Building	-	50,000	4,450,000	-	-	-	4,500,000
Total Public Safety: Fire and Police Projects	\$ 345,000	\$ 50,000	\$ 4,450,000	\$ -	\$ -	\$ -	\$ 4,845,000
Public Works Projects							
Equipment Replacement	\$ 800,000	\$ 670,000	\$ 150,000	\$ 160,000	\$ -	\$ 130,000	\$ 1,910,000
Public Works Compound	-	-	-	-	-	875,200	875,200
Total Public Works Projects	\$ 800,000	\$ 670,000	\$ 150,000	\$ 160,000	\$ -	\$ 1,005,200	\$ 2,785,200

CAPITAL PROJECTS FUND - CCIP DEPARTMENT & SCHOOL REQUEST

FY 2019 Departmental and School Request and Included in the Adopted CCIP FY 2019 - Beyond FY 2023

Project :	FY 2019 Adopted Project	FY 2020 Adopted Project	FY 2021 Adopted Project	FY 2022 Adopted Project	FY 2023 Adopted Project	Beyond FY 2023 Project	Total Cost
Parks & Recreation Projects							
Municipal Ballfield Lighting Upgrade	\$ -	\$ 248,000	\$ -	\$ -	\$ -	\$ -	\$ 248,000
Municipal Pool Reconstruction	-	-	-	-	-	3,000,000	3,000,000
Firth Field Light Replacement	-	310,000	-	-	-	-	310,000
Public Fishing Pier - Messick Point	-	-	-	-	-	600,000	600,000
Blue Way System	-	-	-	-	70,500	-	70,500
Western Precinct Park	-	-	-	-	-	1,000,000	1,000,000
South Lawson Park Upgrades	5,000	25,000	-	-	-	220,000	250,000
Recreation Center	-	-	-	-	-	15,500,000	15,500,000
Total Parks & Recreation Projects	\$ 5,000	\$ 583,000	\$ -	\$ -	\$ 70,500	\$ 20,320,000	\$ 20,978,500
Facilities & Miscellaneous City Projects							
Financial System Upgrade	-	-	-	300,000	-	-	300,000
City Hall Parking Lot Repaving	-	-	57,061	-	-	-	57,061
HVAC -- City Hall	277,000	-	-	-	-	-	277,000
Total Facilities & Miscellaneous City Projects	\$ 277,000	\$ -	\$ 57,061	\$ 300,000	\$ -	\$ -	\$ 634,061
Total :	\$ 19,630,107	\$ 5,488,200	\$ 6,560,763	\$ 1,970,175	\$ 1,460,646	\$ 35,105,200	\$ 70,215,091
Projects Managed and Funded by State or Federal Agencies							
Wythe Creek Road South	-	19,800,000	-	-	-	-	19,800,000
Victory Boulevard	-	-	-	-	-	24,900,000	24,900,000
Total Projects Managed and Funded by State or Federal Agencies	\$ -	\$ 19,800,000	\$ -	\$ -	\$ -	\$ 24,900,000	\$ 44,700,000

The Proposed CCIP for FY 2019 and Beyond FY 2023 included the requests of City Departments and School Division. Due to the constraints of City Council, the City Manager recommended the projects based on the anticipated borrowing of \$23 Million.

Street and Drainage: Projects are funded

SOLID WASTE FUND - SUMMARY

Solid Waste Fund Description

The Solid Waste Fund is an Enterprise Fund which accounts for the collection, disposal, and recycling of household and municipal solid waste, residential hazardous materials, bulky items, and landscaping debris.

In January 2007, City Council adopted a Committee's recommendation and City staff implemented the container/cart program on October 1, 2007. This program utilizes contracted disposal of all household solid waste.

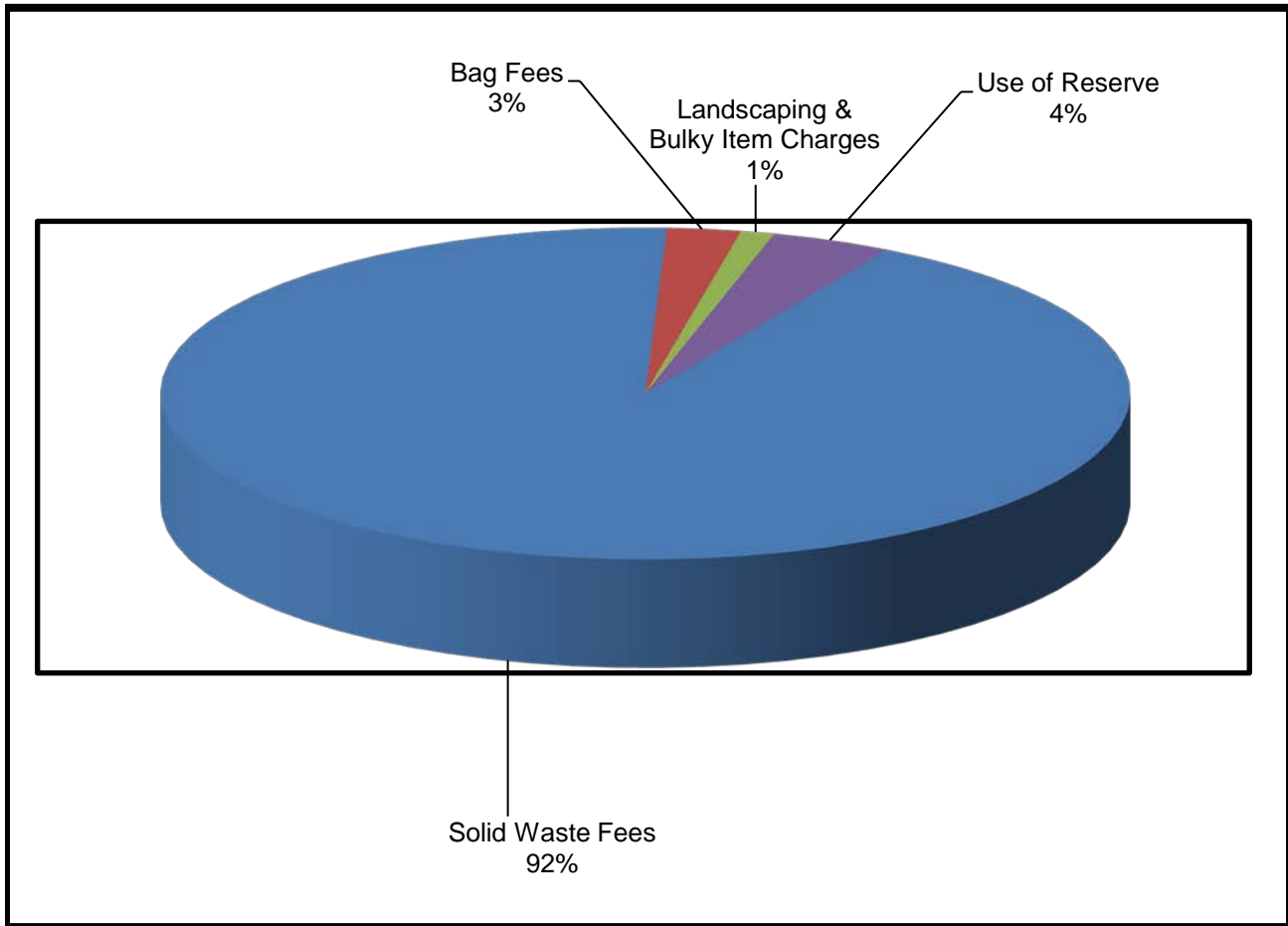
Solid Waste Projection of Net Assets

Beginning Net Assets - 6/30/2015		\$ 286,784
Actual FY 2016 Revenues	\$ 801,881	
Actual FY 2016 Expenses	(793,688)	8,193
Net Assets - 6/30/2016		\$ 294,977
Actual FY 2017 Revenues	\$ 819,925	
Actual FY 2017 Expenses	(852,043)	(32,118)
Net Assets - 6/30/2017		\$ 262,859 *
Estimated FY 2018 Revenues	\$ 847,406	
Estimated FY 2018 Expenses	(847,406)	-
Projected Net Assets - 6/30/2018		\$ 262,859
Estimated FY 2019 Revenues	\$ 856,207	
Estimated FY 2019 Expenses	(892,260)	(36,053)
Projected Net Assets - 6/30/2019		\$ 226,806

*Includes undepreciated fixed assets of \$62,540 and unrestricted net assets of \$200,319.

SOLID WASTE FUND - SUMMARY

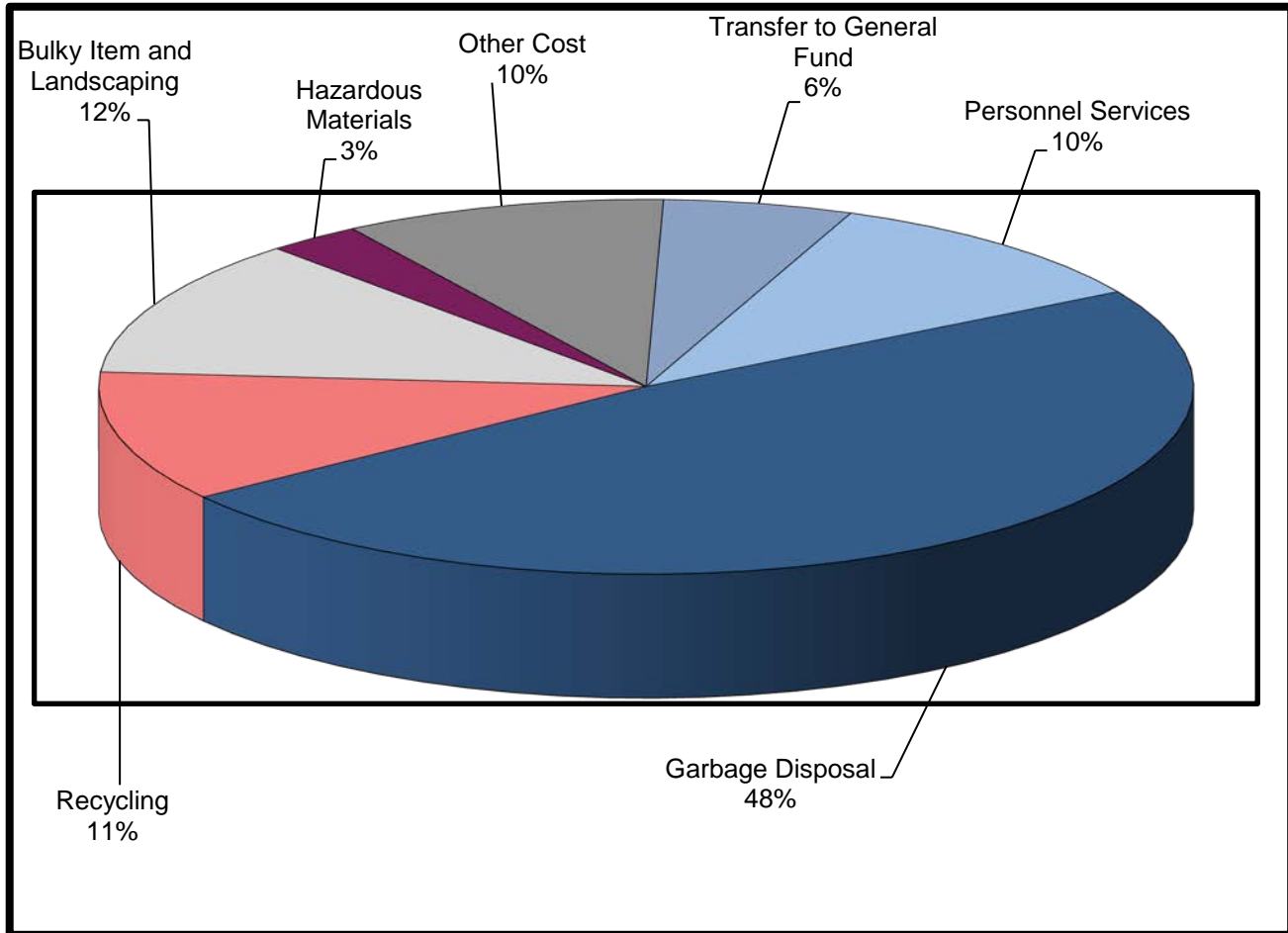
Solid Waste Revenue



<u>Solid Waste Revenue</u>	<u>Estimated FY 2018</u>	<u>Adopted FY 2019</u>
Solid Waste Fees	\$ 815,406	\$ 824,207
Bag Fees	23,000	22,000
Landscaping & Bulky Item Charges	9,000	10,000
Use of Reserve	-	36,053
TOTAL	<u>\$ 847,406</u>	<u>\$ 892,260</u>

SOLID WASTE FUND - SUMMARY

Solid Waste Expenses



<u>Solid Waste Expenses</u>	<u>Adopted FY 2018</u>	<u>Adopted FY 2019</u>
Personnel Services	\$ 91,024	\$ 93,125
Garbage Disposal	404,006	432,000
Recycling	95,055	100,531
Bulky Item and Landscaping	97,290	106,693
Hazardous Materials	25,637	24,767
Other Cost	84,394	85,144
Transfer to General Fund	50,000	50,000
TOTAL	\$ 847,406	\$ 892,260

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SOLID WASTE FUND - REVENUE

Solid Waste Revenue

Account Title			FY 2018		FY 2018		FY 2019	FY 2019	\$	%
			Original	FY 2018	FY 2018	Department	City Council	Change	Change	
	FY 2016	FY 2017	Adopted	Revised	Estimated					
	Actual	Actual	Budget	Budget	Revenue					
Solid Waste Fees	\$ 777,896	\$ 793,920	\$ 815,406	\$ 815,406	\$ 815,406	\$ 824,207	\$ 824,207	8,801	1.1%	
Bag Fees	17,325	19,172	23,000	23,000	23,000	22,000	22,000	(1,000)	-4.3%	
Disposal Fees	345	525	-	-	-	-	-	-	n/a	
Landscaping Debris Charge	1,598	2,283	5,000	5,000	5,000	5,000	5,000	-	0.0%	
Bulky Item Charge	3,645	3,276	4,000	4,000	4,000	5,000	5,000	1,000	25.0%	
Miscellaneous	1,072	749	-	-	0	0	-	-	n/a	
Use of Reserve	-	-	-	-	-	-	36,053	36,053	100.0%	
TOTAL REVENUE & TRANSFERS	\$ 801,881	\$ 819,925	\$ 847,406	\$ 847,406	\$ 847,406	\$ 856,207	\$ 892,260	\$ 44,854	5.3%	

Revenue Explanations

Solid Waste Fees: In FY 2019, the fees are based on the container/cart program implemented on October 1, 2007. Citizens have the option to choose from 3 plans, or an additional 2 plans if eligible. The Solid Waste Ordinance has a sliding scale that is offered to households who meet certain income requirements. It is estimated that \$13,705 of Solid Waste fees will be waived due to the scale.

Residents have a choice of Plan A, Plan B or Plan C. Residents who qualify, have a choice of Plan D for pick-up every other week based on age. Plan E is offered only to residents who live on a private lane or townhomes where a hardship exists that a trash container/cart is impractical to use. Residents choosing Plan E will still use the pay-by-the-bag system and the bimonthly fee is to cover the cost of recycling. All residents may use the pay-by-the-bag system when their chosen trash container/cart is not large enough for their weekly trash service. Trash bags will still be available for purchase at local businesses.

It is estimated that 69 new units will be added in FY 2019 bringing \$8,415 in revenue.

	Number of Units	FY 2018	FY 2019	FY 2019	FY 2019	FY 2019 Total
		Adopted	Proposed		Authorized	
		Bi-Monthly	Bi-Monthly	Estimated	Fees Waived	Revenue
		Fees	Fees	Revenue		
Plans:						
Plan A = 35 gallon container/cart	1,838	\$24.75	\$24.75	\$ 274,403	\$ (7,165)	\$ 267,238
Plan B = 65 gallon container/cart	1,981	41.00	41.00	\$ 494,091	(3,137)	490,954
Plan C = (2) 65 gallon container/carts	74	75.00	75.00	\$ 33,300	(902)	32,398
Plan D = 35 gallon container/cart (bi-weekly pickup)	353	15.00	15.00	\$ 31,770	(2,340)	29,430
Plan E = no container/cart (private lanes, townhomes)	84	8.25	8.25	\$ 4,348	(161)	4,187
	4,330			\$ 837,912	\$ (13,705)	\$ 824,207

Bag Fees: The fee for the green bags remains at 5 bags for \$8.75 per package (\$1.75 per bag). This fee has been the same for the previous 13 fiscal years.

Landscaping Debris Charges: The City provides curbside pickup service for woody waste. The fee for this service is \$60 per pickup. The fee is intended to cover a small portion of the cost incurred in picking up landscaping debris. The City is estimated to pay VPPSA \$36,693 to operate the composting/disposal facility in FY 2019. Residents may take their landscaping debris to the VPPSA regional composting facility located at the York County Landfill at no charge to the resident. Residents may also bring woody waste to a free designated drop off site that is provided twice a month.

Bulky Item Charge: The City also provides curbside pickup for bulky items. In FY 2019 the fee is at \$63 per pickup. The fee is intended to limit the number of bulky item pickups in a year, not to cover the cost of the operation. In 2011, the City implemented a free drop off service twice a month for residents to dispose of unwanted items instead of paying for a residential pickup.

The resident has the choice of one free landscaping debris or bulky pick up each year before being charged the respective fee.

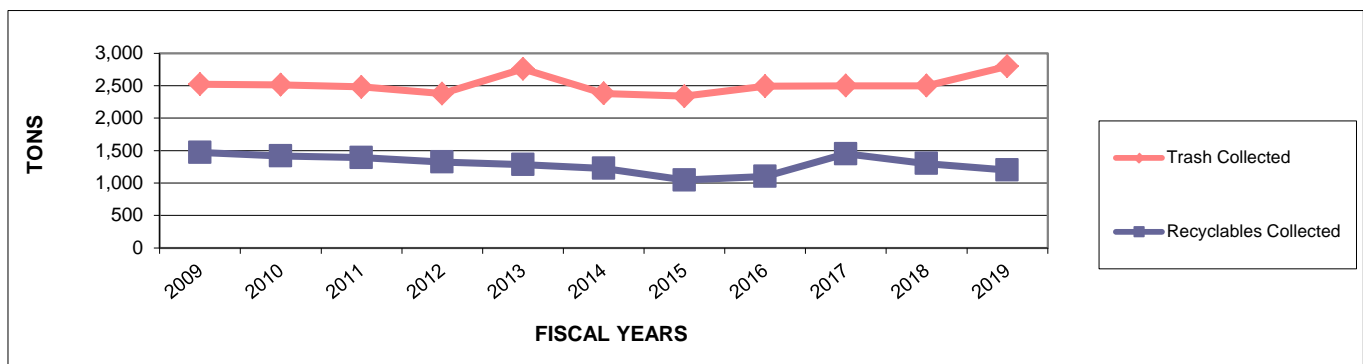
SOLID WASTE FUND - GARBAGE AND RECYCLING

Expenditures Summary

	FY 2016 Actual	FY 2017 Actual	FY 2018 Adopted Budget	FY 2018 Revised Budget	FY 2018 Estimated Expenses	FY 2019 Department Request Budget	FY 2019 City Council Adopted Budget	\$ Change From 2018 Budget	% Change From 2018 Budget
Personnel Services	\$ 495	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	n/a
Operating Expenses	516,337	511,510	537,324	537,324	537,324	564,674	564,674	27,350	-4.9%
Capital Outlay	15,520	12,963	-	-	-	-	-	-	n/a
Totals	\$ 532,352	\$ 524,473	\$ 537,324	\$ 537,324	\$ 537,324	\$ 564,674	\$ 564,674	\$ 27,350	-4.9%

Personnel Summary

N/A



Goals and Objectives

- * Oversee the trash collection program that began on October 1, 2007.
- * Continue collecting all City trash routes within three days per week using a contractor.
- * Oversee curbside recycling to insure a quality service for the citizens of Poquoson.
- * Collect waste oil, tires, and batteries for recycling,

SOLID WASTE FUND - GARBAGE AND RECYCLING

Major Departmental Functions

- * Oversee the contracted solid waste disposal service to the citizens of Poquoson.
- * Collect and dispose of non-recyclable waste.
- * Oversee the curbside recycling program which is administered by VPPSA.
- * Provide quality service to the citizens of Poquoson.

Performance Measures

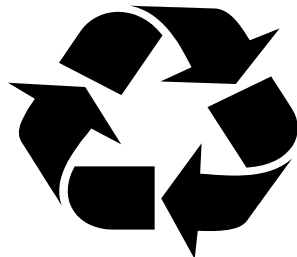
	Actual FY 2016	Actual FY 2017	Estimated FY 2018	Estimated FY 2019
Trash Collected (Tons)	2,491	2,688	2,500	2,800
Recyclables Collected by Contractor (Tons)	1,102	1,025	1,300	1,200

Significant Budget Items

- * Increased cost for household garbage collection fee paid to contractors and increase for collection fee for curbside recycling fee charged by VPPSA. Transfer of \$50,000 to the General Fund to help pay for administrative costs of the Solid Waste program performed by existing staff.

Program Accomplishments

- * This is the third year that the Solid Waste Calendar will be mailed to all residents who have solid waste service within the City.
- * Continued to oversee the outsourcing of the trash collection service to Bay Disposal.
- * Worked with VPPSA, County Waste and the residents to make the recycling program change as smooth as possible.



SOLID WASTE FUND - BULKY ITEM AND LANDSCAPING

Expenditures Summary

	FY 2016	FY 2017	FY 2018	FY 2018	FY 2018	FY 2019	FY 2019	\$	%
	Actual	Actual	Adopted	Revised	Estimated	Department	City Council	Change	Change
			Budget	Budget	Expenses	Request	Adopted	From 2018	From 2018
			Budget	Budget		Budget	Budget	Budget	Budget
Personnel Services	\$ 82,891	\$ 88,148	\$ 91,024	\$ 91,024	\$ 91,024	\$ 95,766	\$ 93,125	\$ 2,101	2.3%
Operating Expenses	178,248	193,589	169,058	169,058	169,058	187,713	184,461	15,403	9.1%
Capital Outlay	197	-	-	-	-	-	-	-	n/a
Transfer to General Fund	-	45,833	50,000	50,000	50,000	50,000	50,000	-	0.0%
Totals	\$ 261,336	\$ 327,570	\$ 310,082	\$ 310,082	\$ 310,082	\$ 333,479	\$ 327,586	\$ 17,504	5.6%

Personnel Summary

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2019
	Authorized	Authorized	Authorized	Department Request	City Council Authorized
				Positions	Positions
Equipment Operator II	1	1	1	1	1
Totals	1	1	1	1	1

Goals and Objectives

- * Furnish bulky item and landscaping debris pickup for the citizens of Poquoson.
- * Collect waste oil and batteries for recycling.
- * Collect metal items for recycling to help reduce disposal costs.
- * Continue to pick up bulk items and landscaping debris within seven days from when it is placed in the City's right-of-way and /or when a request from the property owner has been received.
- * Continue to operate Convenience Site drop off for citizens.
- * Furnish manpower and trucks for leaf pickup program, every other week from November through February.
- * Assist in the recycling of landscaping debris to produce mulch and compost throughout the year, including seasonal Christmas trees collected and delivered to VPPSA Compost Facility.

SOLID WASTE FUND - BULKY ITEM AND LANDSCAPING

Major Departmental Functions

- * Furnish quality service to the citizens of Poquoson.
- * Complete all bulky item and landscaping debris pickup within one week.
- * Educate citizens about the availability and use of the regional composting facility in York County.
- * Educate citizens about the need to call in for debris pickups.

Performance Measures

	Actual FY 2016	Actual FY 2017	Estimated FY 2018	Estimated FY 2019
Waste Oil Collected for Recycling (gallons)	3,095	3,083	2,300	3,100
Bulky Item Debris Collected for Disposal*	2,212	1,897	2,300	2,100
Landscape Debris Collected for Recycling*	1,116	1,170	1,200	1,400
Convenience site visitors	7,349	8,062	7,500	8,500
Used Tires Collected for Recycling	474	*11.83	400	*12

* Amounts given in tons

Significant Budget Items

- * Increase in budget due to cost associated with the maintenance of older equipment and fees associated with disposal of the debris at the Bethel Landfill and VPPSA.

Program Accomplishments

- * Provided good and dependable bulky item and landscaping debris pickup service. Received compliments on how clean the City employees leave the bulky item area after pickup.
- * Picked up storm debris using only City workforce.
- * Continued to provide the convenience site.
- * Continued to pick up leaves bi-weekly (seasonally).
- * Provided chemical drop off for residents.

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UTILITIES FUND - SUMMARY

Utilities Fund Description

The Utilities Fund is operated as an Enterprise Fund which is used to account for sewer operations that function as though they were a private-sector entity. An Enterprise Fund is expected to cover its costs through user charges. The Utilities Fund provides for the maintenance of sewer lines and pump stations and the debt service incurred in having the sewer originally extended and renovated. The Department provides 24 hour service for the 29 pump stations, 51.7 miles of gravity sewer lines and 12.4 miles of sewer force mains, installation of sewer taps, replacement or repair of broken or misaligned lines.

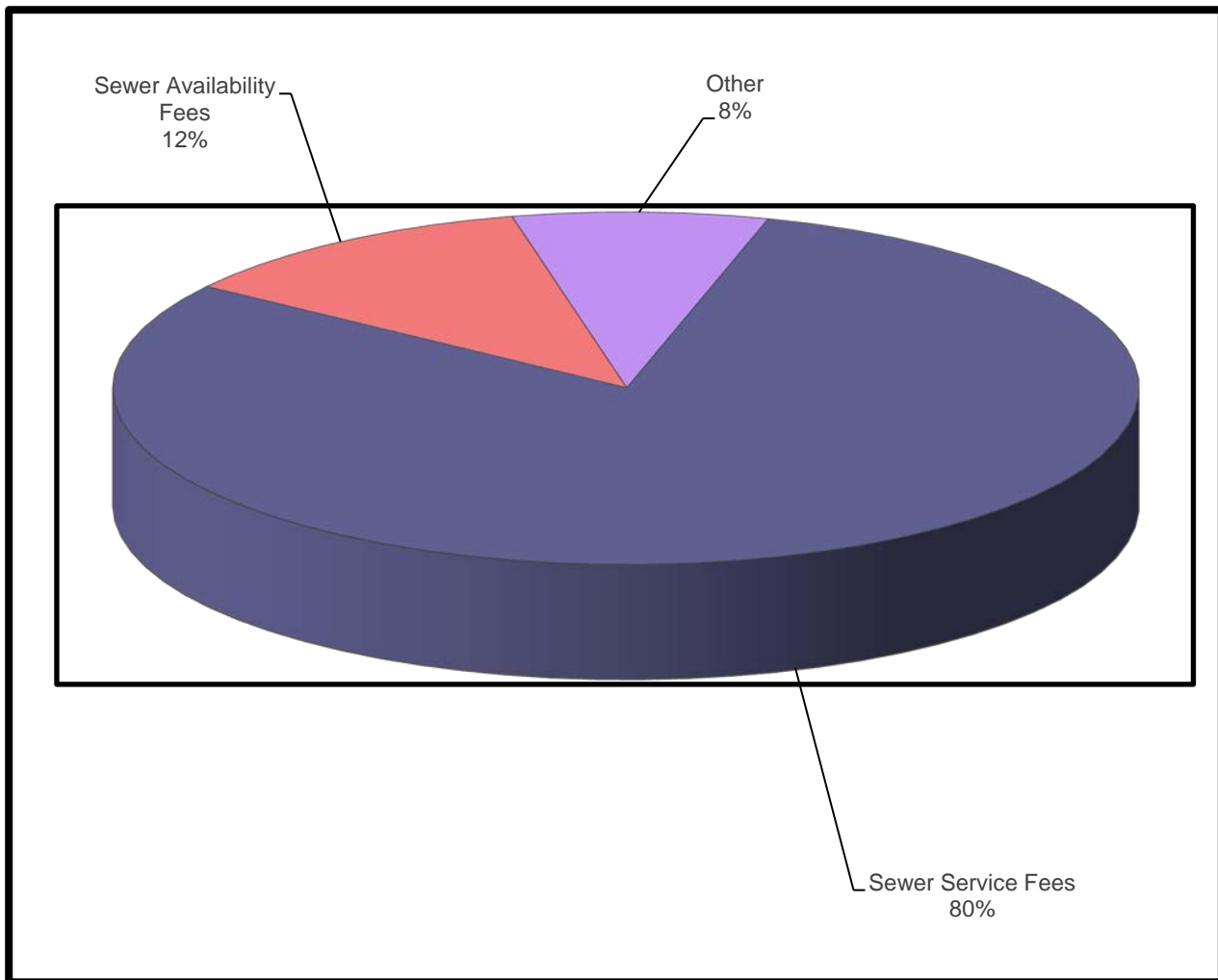
Utilities Fund Projection of Net Assets

Beginning Net Assets - 7/1/2015		\$ 5,913,758
Actual FY 2016 Revenues	\$ 2,050,110	
Actual FY 2016 Expenses	(1,635,293)	414,817
Net Assets - 6/30/2016		<u>\$ 6,328,575</u>
Actual FY 2017 Revenues	\$ 2,224,896	
Actual FY 2017 Expenses	(1,638,407)	586,489
Net Assets - 6/30/2017		<u>\$ 6,915,064</u>
Estimated FY 2018 Revenues	\$ 2,052,145	
Estimated FY 2018 Expenses	(2,052,145)	-
Projected Net Assets - 6/30/2018		<u>\$ 6,915,064</u>
Estimated FY 2019 Revenues	\$ 2,372,053	
Estimated FY 2019 Expenses	(2,372,053)	-
Projected Net Assets - 6/30/2019		<u><u>\$ 6,915,064</u></u> *

*Includes undepreciated fixed assets of \$4,549,437 and unrestricted net assets of \$2,365,627.

UTILITIES FUND - SUMMARY

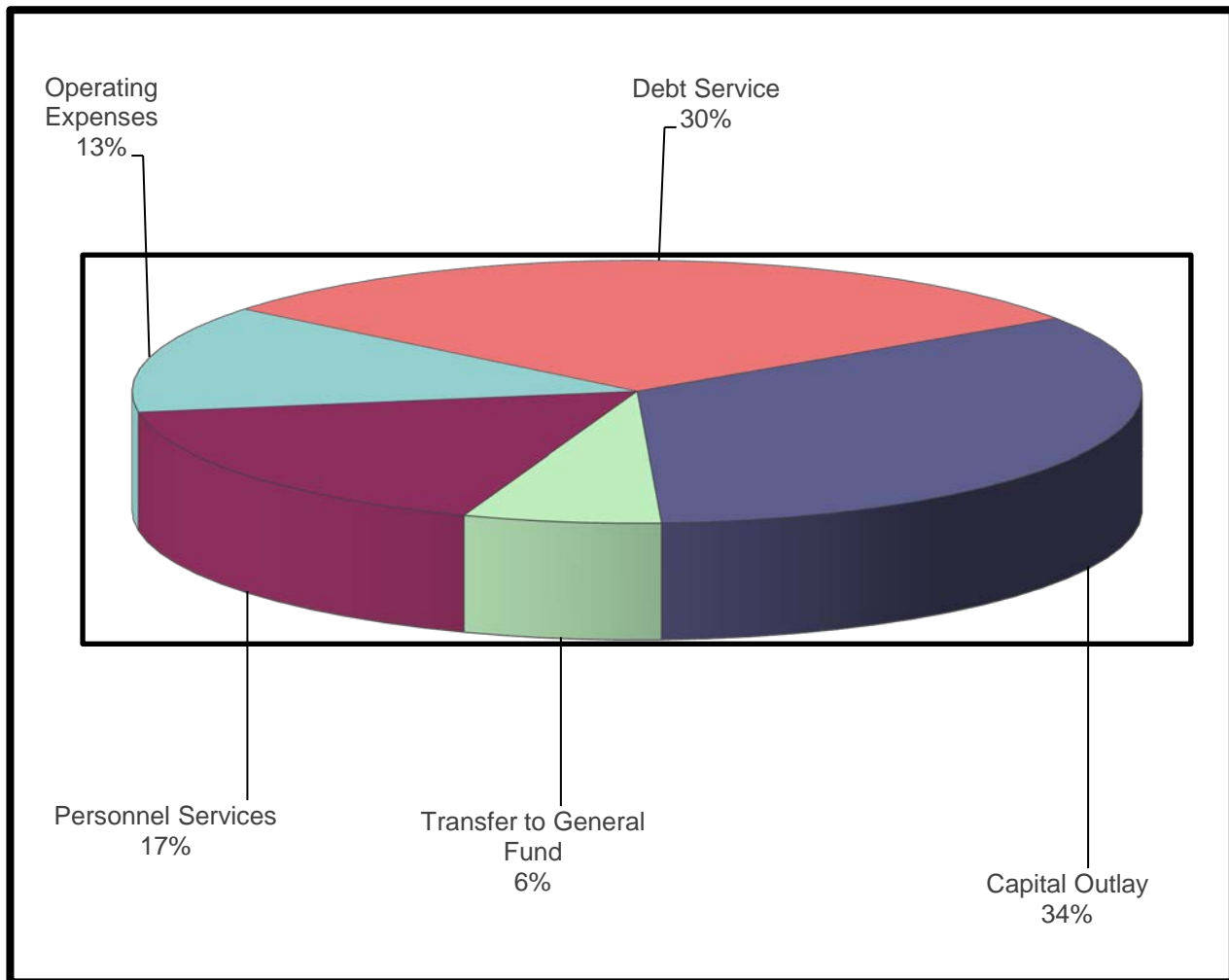
Utilities Fund Revenue



<u>Utilities Fund Revenue</u>	<u>Estimated FY 2018</u>	<u>Adopted FY 2019</u>
Sewer Service Fees	\$1,894,145	\$1,905,579
Sewer Availability Fees	120,000	276,000
Other	38,000	190,474
TOTAL	<u>\$2,052,145</u>	<u>\$2,372,053</u>

UTILITIES FUND - SUMMARY

Utilities Fund Expenditures



<u>Utilities Fund Expenditures</u>	<u>Estimated FY 2018</u>	<u>Adopted FY 2019</u>
Personnel Services	\$364,425	\$400,643
Operating Expenses	276,996	316,782
Debt Service	710,068	706,628
Capital Outlay	550,656	798,000
Transfer to General Fund	150,000	150,000
TOTAL	<u>\$2,052,145</u>	<u>\$2,372,053</u>

UTILITIES FUND - REVENUE

Utilities Revenue

Account Title	FY 2016 Actual	FY 2017 Actual	FY 2018 Revised Budget	FY 2018 Estimated Revenue	FY 2019 Department Request Revenue	FY 2019 City Council Adopted Revenue	\$ Change From 2018 Budget	% Change From 2018 Budget
Sewer Service Fees	\$ 1,841,626	\$ 1,855,672	\$ 1,894,145	\$ 1,894,145	\$ 1,905,579	\$ 1,905,579	\$ 11,434	0.6%
Sewer Availability Fees	173,400	333,000	120,000	120,000	276,000	276,000	156,000	130.0%
Notes Receivable - Interest	167	109	-	-	-	-	-	0.0%
Miscellaneous Revenue	120	35,864	-	-	151,951	151,951	151,951	100.0%
Late Payment Fees	34,903	251	38,000	38,000	38,523	38,523	523	1.4%
Interest Income	(106)	-	-	-	-	-	-	0.0%
TOTAL REVENUE & TRANSFERS IN	\$ 2,050,110	\$ 2,224,896	\$ 2,052,145	\$ 2,052,145	\$ 2,372,053	\$ 2,372,053	319,908	15.6%

Revenue Explanations

Sewer Service Fees: Each household which is connected to sewer is assessed a flat sewer service fee unless a waiver is granted by City Council. In FY 2019, the Sewer Service fee is proposed at \$62 bi-monthly.

The Sewer Ordinance has a sliding scale that is offered to households that meet certain income requirements. It is estimated that \$35,247 of sewer fees is waived due to the scale. Revenues from reduced fee accounts are estimated to be \$10,881.

Sliding Scale Sewer Service Fees:

Combined Income	FY 2018 Adopted Bi-Monthly Fees	FY 2019 Bi-Monthly Proposed Fees	Projected Number of Accounts	FY 2019 Revenue	FY 2019 Estimated Loss Revenue
\$25,000 or less	\$0	\$0	56	\$ -	\$ 20,832
25,001 - 33,000	15.50	15.50	30	2,790	8,370
33,001 - 41,000	31.00	31.00	27	5,022	5,022
41,001 - 47,600	46.50	46.50	11	3,069	1,023
over 47,601	62.00	62.00	4,905	1,824,660	-
FY 2019 new sewer connections			69	15,314	-
			5,098	\$ 1,850,855	\$ 35,247

In FY 2019, there are an estimated 5,098 users of sewer for total revenues of \$1,850,855, including an estimated 69 new homes that will connect to sewer and pay bi-monthly fees totaling \$15,314.

Commercial users are charged the flat sewer service fee plus a fee based on water consumption. In FY 2019, the commercial fee is proposed at \$1.75 for every 100 cubic feet of water consumed. In FY 2019, it is estimated that \$54,824 in commercial water consumption fees will be collected.

UTILITIES FUND - REVENUE

Sewer Availability Fees: The sewer availability fee for a vacant lot is \$6,000. For FY 2019, it is estimated that new properties will generate \$276,000 in revenue.

The Sewer Availability Fee is as follows:

Water Meter Size (inches)	<u>Availability Fee</u>
5/8	\$6,000
3/4	6,600
1	7,200
1 1/2	7,800
2	8,400
3	9,000
4	10,500
6	14,500

Late Payment Fees: Represents \$5 fee bi-monthly plus 1% interest per month on unpaid bi-monthly sewer service fees for homeowners and commercial accounts.

Miscellaneous Revenue: The City has received a grant through the Hazard Mitigation Grant Program that provides for emergency pumping station generators. The grant program will provide \$119,692 in federal award and \$31,989 from state award. The City has included in the FY 2019 CCIP the replacement of the generators that have been awarded through this grant.

Interest Income: Includes interest earned on non-restricted investments.

UTILITIES FUND - EXPENDITURES

Expenditures Summary

			FY 2018		FY 2019	FY 2019	\$	%
	FY 2016	FY 2017	Original	FY 2018	Department	City Council	Change	Change
	Actual	Actual	Adopted	Revised	Request	Adopted	From 2018	From 2018
			Budget	Budget	Budget	Budget	Revised	Revised
							Budget	Budget
Personnel Services	\$ 267,532	\$ 307,657	\$ 364,425	\$ 364,425	\$ 400,643	\$ 400,643	\$ 36,218	9.9%
Operating Expenses	276,719	258,045	276,996	276,996	316,782	316,782	39,786	14.4%
Depreciation & Amortization	631,275	636,265	-	-	-	-	-	n/a
Debt Service	260,348	244,552	710,068	710,068	706,628	706,628	(3,440)	-0.5%
Transfer to General Fund	150,000	150,000	150,000	150,000	150,000	150,000	-	0.0%
Capital Outlay*	49,423	41,885	550,656	550,656	798,000	798,000	247,344	44.9%
Totals	\$ 1,635,297	\$ 1,638,404	\$ 2,052,145	\$ 2,052,145	\$ 2,372,053	\$ 2,372,053	\$ 319,908	15.6%

*Capital Outlay does not include larger capital expenditures paid for with bond issuances.

Personnel Summary

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2019
	Authorized	Authorized	Authorized	Department	City Council
				Request	Authorized
				Positions	Positions
Superintendent of Utilities	1	1	1	1	1
Utilities Foreman	1	1	1	1	1
Technical Assistant	0	0	1	1	1
Utilities Technician	1	1	1	1	1
Utilities Worker	1	1	1	1	1
Totals	4	4	5	5	5

Goals and Objectives

- * Maintain current level of system reliability and provide 24 hour emergency service.
- * Continue to operate the sewer system in a safe and cost effective manner.
- * Continuing to develop a FOG (Fat, Oil, Grease) elimination program.
- * Replace pumps in stations with upgrade.

UTILITIES FUND - EXPENDITURES

Major Departmental Functions

- * Operate and maintain the City's sanitary sewer system.
- * Train employees in the areas of system operation and safety.
- * Document and explain departmental programs and expenditures.
- * Assist in planning and inspections of proposed development and building projects within the City.
- * Coordinate with engineering on sewer extension, rehabilitation and other infrastructure projects.
- * Assist other departments with services and special projects.
- * Continue to meet the requirements for complying with the DEQ and EPA Consent Order and other mandated programs.

Performance Measures

	FY 2016 Actual	FY 2017 Actual	FY 2018 Estimated	FY 2019 Estimated
Force Main Miles	12.4	12.4	12.4	12.4
Grinder Pump Stations	19	19	19	19
Grinder Pumps Repaired	-	-	-	2
Laterals Cleaned bi-monthly	14	15	14	15
Laterals Cleaned bi-yearly	16	22	16	22
Laterals Installed	4	9	4	4
Laterals Repaired	15	16	15	15
Back-up Calls	90	83	80	80
Locations Marked for Miss Utilities	2,244	2,107	2,300	2,200
Pump Stations	29	29	29	29
Pumps Repaired	8	3	10	4
Sewer Connections	4,932	5,004	5,059	5,098
Sewer Gravity Miles	51.3	51.7	51.7	52
Pumps Replaced	1	5	3	4
Grinder Pumps Replaced	1	3	2	4

Significant Budget Items

- * Increase in personnel services for a new staff member in Finance for a four month duration for training purposes with the Accounting Analyst who will be retiring at the end of December. This position is responsible for utility billing.

Program Accomplishments

- * Continued to maintain a high level of system reliability and service.
- * Met the requirements of the "Miss Utilities" system by marking a total of 2,107 tickets; 109 were emergency utility marks.
- * Replaced both pumps, discharge valves, electric motors and wet well level controller as well as upgraded electrical motor starters to provide bypass operation at pump station #1.
- * Replaced two of three variable frequency drive units at pump station #2.
- * Replaced three e-one submersible grinder pumps on North Lawson Road.
- * Replaced both submersible pumps at pump station #17 and one submersible pump at pump station #16.
- * Rebuilt two Gorman Rupp pumps and replaced one Gorman Rupp pump rotating assembly at pump station #10.

UTILITIES FUND CAPITAL PROJECTS - CCIP PLAN SUMMARY

FY 2019 Utilities Fund Capital Projects

Adopted CCIP Summary FY 2019 -- Beyond FY 2023

Project	FY 2019 Adopted Budget	FY 2019 Adopted Project	FY 2020 Adopted Project	FY 2021 Adopted Project	FY 2022 Adopted Project	FY 2023 Adopted Project	Beyond FY 2023 Adopted Project	Total Cost
Facility Projects								
Pump Station Generators	\$ 316,000	\$316,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 316,000
PS 10 Replacement Pumps	65,000	65,000	-	-	-	-	-	65,000
Pump Station Equipment Upgrades	95,000	95,000	95,000	-	-	-	-	190,000
Replace SCADA	-	-	-	200,000	-	-	-	200,000
Replacement of Power Supplies	42,000	42,000	42,000	42,000	42,000	42,000	-	210,000
Total Facility Projects	\$ 518,000	\$518,000	\$ 137,000	\$242,000	\$ 42,000	\$ 42,000	\$ -	981,000
Sanitary Sewer Evaluation Study (SSES)								
Sanitary Sewer Consent Repairs	280,000	280,000	350,000	350,000	350,000	350,000	350,000	2,030,000
Total Utilities Projects	\$ 798,000	\$798,000	\$ 487,000	\$592,000	\$392,000	\$392,000	\$ 350,000	\$3,011,000

Expenditure Explanations

The FY 2019 - Beyond FY 2023 CCIP prepared by staff will be presented to the Poquoson Planning Commission. After reviewing the Plan and holding a public hearing, the Commission recommended its adoption to City Council on April 16, 2018. Subsequent to the Planning Commission's recommendation, City Council will held a public hearing and adopted the CCIP on May 14, 2018.

FLEET MANAGEMENT FUND - SUMMARY

Fleet Management Fund Description

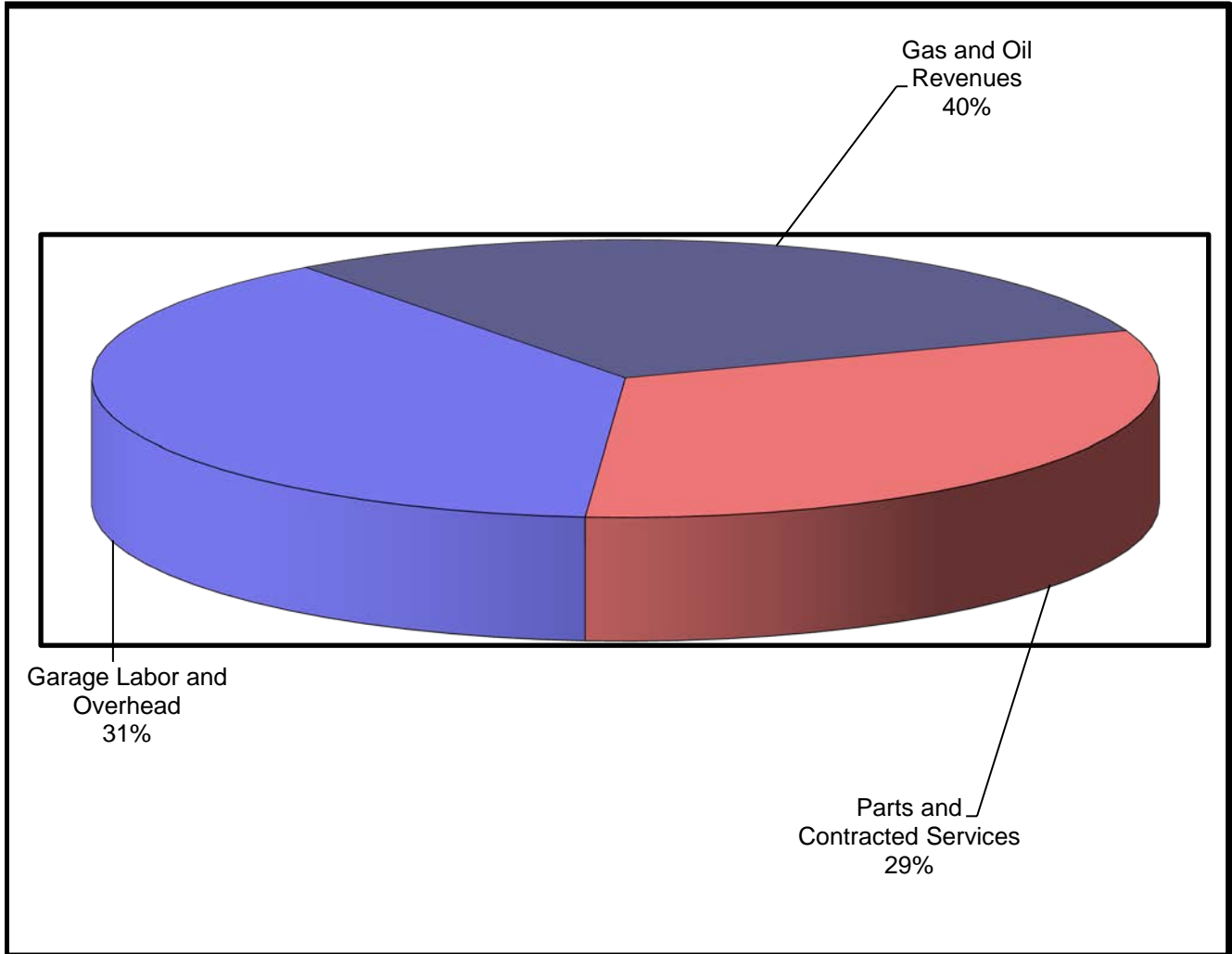
The Fleet Management Fund is operated as an Internal Service Fund. An Internal Service Fund is used to account for the financing of costs of services provided by one department to other departments or agencies of the governmental unit, or to other governmental units on a cost-reimbursement basis. Internal Service Funds are classified as proprietary funds in recognition of the commercial accounting principles they follow. The Fleet Management Fund, which consists of the garage operation, provides maintenance/repair service of all City vehicles and equipment as well as School Division vehicles and buses. The charging of garage services through an Internal Service Fund allows for equitable distribution of the cost of operating the garage to the departments using the services. Each department is billed directly for repair and maintenance of vehicles. The Fleet Management Fund also provides fuel and lubricants for City and School vehicles which are billed directly to the departments based on usage.

Fleet Management Projection of Net Assets

Beginning Net Assets - 6/30/2015		\$ (147,137)
Actual FY 2016 Revenues	\$ 688,662	
Actual FY 2016 Expenses	<u>(675,626)</u>	<u>13,036</u>
Net Assets - 6/30/2016		\$ (134,101)
Actual FY 2017 Revenues	\$ 704,324	
Actual FY 2017 Expenses	<u>(695,814)</u>	<u>8,510</u>
Net Assets - 6/30/2017		\$ (125,591)
Estimated FY 2018 Revenues	\$ 729,281	
Estimated FY 2018 Expenses	<u>(729,281)</u>	<u>-</u>
Projected Net Assets - 6/30/2018		\$ (125,591)
Estimated FY 2019 Revenues	\$ 757,816	
Estimated FY 2019 Expenses	<u>(757,816)</u>	<u>-</u>
Projected Net Assets - 6/30/2019		<u><u>\$ (125,591)</u></u>

FLEET MANAGEMENT FUND - SUMMARY

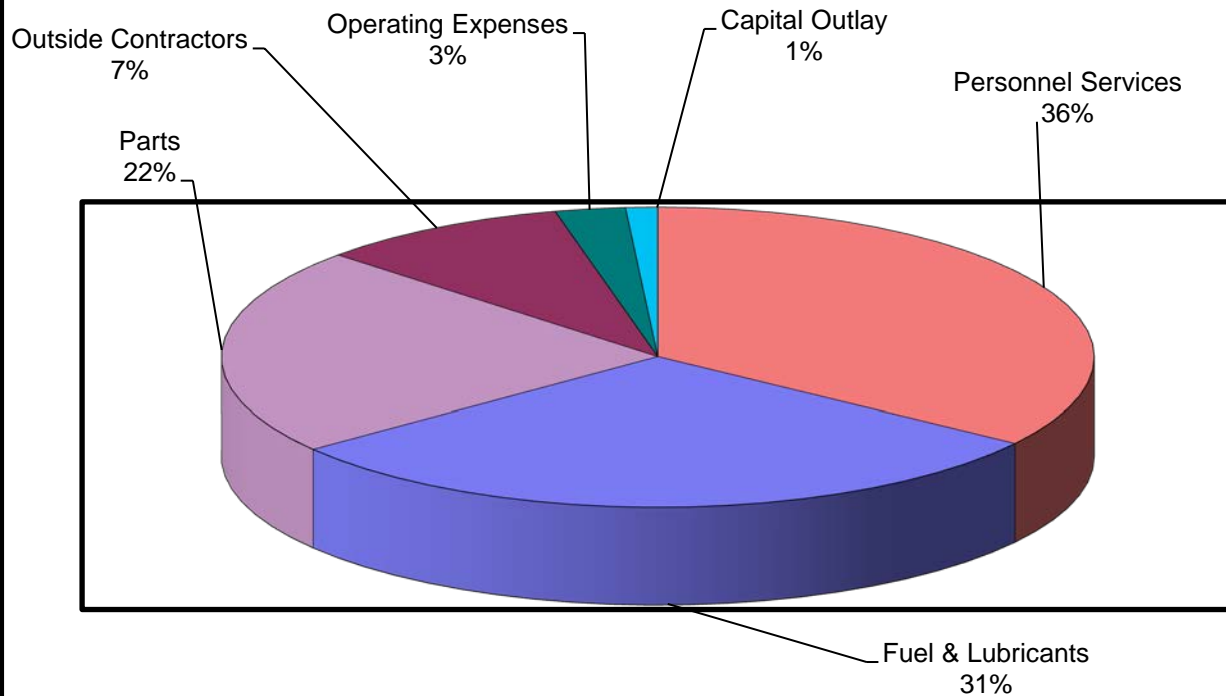
Fleet Management Revenue



<u>Fleet Management Revenue</u>	<u>Estimated FY 2018</u>	<u>Adopted FY 2019</u>
Parts and Contracted Services	\$ 210,000	\$ 240,640
Garage Labor and Overhead	295,477	292,176
Gas and Oil Revenues	223,804	225,000
TOTAL	\$ 729,281	\$ 757,816

FLEET MANAGEMENT FUND - SUMMARY

Fleet Management Expenses



<u>Fleet Management Expenses</u>	<u>Estimated FY 2018</u>	<u>Adopted FY 2019</u>
Personnel Services	\$ 266,401	\$ 263,476
Fuel & Lubricants	223,804	225,000
Parts	160,000	170,000
Outside Contractors	50,000	70,640
Operating Expenses	20,276	19,700
Capital Outlay	8,800	9,000
TOTAL	<u>\$ 729,281</u>	<u>\$ 757,816</u>

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FLEET MANAGEMENT FUND - REVENUE

Fleet Management Revenue

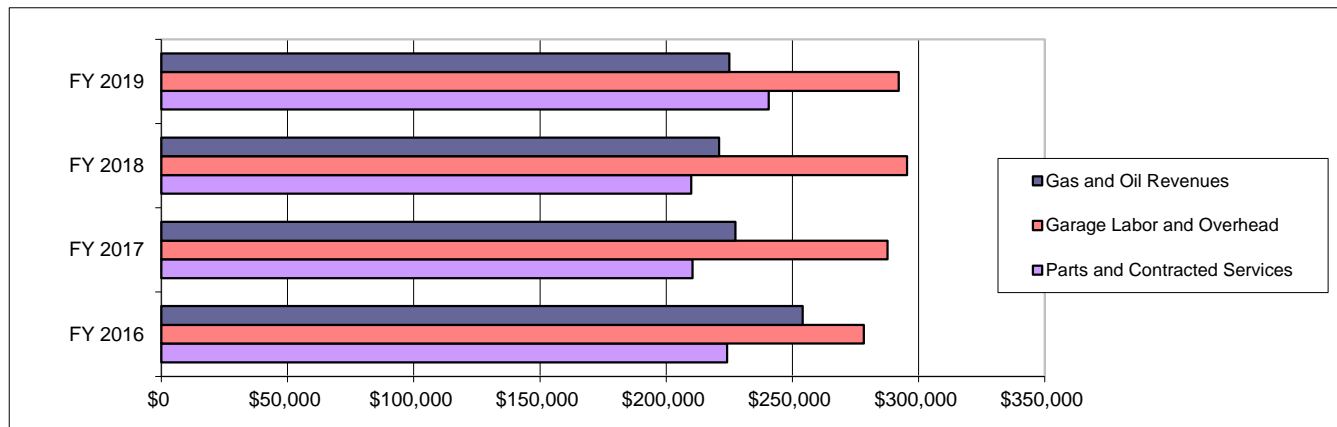
Account Title	FY 2016 Actual	FY 2017 Actual	FY 2018		FY 2018 Estimated Revenue	FY 2019 City Council Adopted Revenue	\$	%
			Original Adopted Budget	FY 2018 Revised Budget			Change From 2018 Revised Budget	Change From 2018 Revised Budget
Parts and Contracted Services	\$ 260,479	\$ 251,547	\$ 210,000	\$ 210,000	\$ 210,000	\$ 240,000	\$ 30,000	14.3%
Garage Labor and Overhead	278,324	287,751	295,477	295,477	295,447	292,176	(3,301)	-1.1%
Gas and Oil Revenues	149,859	165,026	223,804	223,804	223,804	225,640	1,836	0.8%
Transfer from General Fund	-	-	-	-	-	-	-	-
TOTAL REVENUE	\$ 688,662	\$ 704,324	\$ 729,281	\$ 729,281	\$ 729,251	\$ 757,816	\$ 28,535	3.9%

Revenue Explanations

Parts and Contracted Services: Anticipated revenue for charges to users for the cost of parts for vehicles and equipment. Parts and contracted services are charged to departments based on actual costs incurred. The amount for FY 2019 is based on estimates from the Fleet Manager.

Garage Labor and Overhead: Fleet employee salaries, benefits, and garage charges are billed to users as labor involved with repairing and maintaining vehicles and equipment. Each department is charged a pro-rated share of the Fleet operating costs based on the anticipated time that will be spent repairing and maintaining their vehicles in FY 2019. Departments' labor line item is charged based on overall percentage of vehicles and equipment for each department.

Gas and Oil Revenues: Projected revenues from the direct billing to users of gas and oil for vehicles and equipment. Gas and oil are charged to departments based on actual costs incurred. The increase is based on an estimated cost of \$2.30 per gallon of fuel. Usage is an estimated 53,340 gallons of diesel fuel and 42,066 gallons of gasoline. Anticipated oil usage is 2,221 gallons at a cost of \$2.75 per gallon.



FLEET MANAGEMENT FUND - EXPENSES

Expense Summary

			FY 2018		FY 2019	FY 2019	\$	%
	FY 2016	FY 2017	Original	FY 2018	Department	City Council	Change	Change
	Actual	Actual	Adopted	Revised	Request	Adopted	From 2018	From 2018
			Budget	Budget	Budget	Budget	Revised	Revised
							Budget	Budget
Personnel Services	\$ 233,033	\$ 249,364	\$ 266,401	\$ 266,401	\$ 272,353	\$ 263,476	\$ (2,925)	-1.1%
Operating Expenses	434,692	18,220	454,080	454,080	538,054	485,340	31,260	6.9%
Capital Outlay	7,901	9,630	8,800	8,800	15,334	9,000	200	2.3%
Totals	<u>\$ 675,626</u>	<u>\$ 277,214</u>	<u>\$ 729,281</u>	<u>\$ 729,281</u>	<u>\$ 825,741</u>	<u>\$ 757,816</u>	<u>\$ 28,535</u>	<u>3.9%</u>

Personnel Summary

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2019
	Authorized	Authorized	Authorized	Department	City Council
				Request	Authorized
				Positions	Positions
Fleet Maintenance Supervisor	1	1	1	1	1
Chief Mechanic	1	1	1	1	1
Mechanic	1	1	1	1	1
Office Manager (FTE)	0.50	0.50	0.50	0.50	0.50
Totals	<u>3.50</u>	<u>3.50</u>	<u>3.50</u>	<u>3.50</u>	<u>3.50</u>

Goals and Objectives

- * Maintain a safe, serviceable fleet of approximately 335 vehicles and equipment at the lowest possible costs to the individual departments. At the same time we must be cognizant of the demand and need of the equipment to the user. Every repair is balanced between need and costs, while never overlooking safety.
- * Provide vehicle users with safe and dependable vehicles.
- * Purchase vehicle and equipment parts and components from the most cost effective supplier.
- * Perform as many repairs in-house as economically and practically possible.
- * Ensure that all Vehicle Maintenance personnel are kept abreast of the many changes that occur in the various vehicles and equipment.
- * Assist departments in replacement of vehicles and equipment that are no longer economical to maintain through or monitoring of repair frequency, cost and vehicle downtime.
- * Provide a safe working environment through safety programs that identify potential hazards and train employees to identify and correct these discrepancies.
- * De-brief vehicle operators whenever possible to ensure all discrepancies are identified and corrected.
- * Coordinate repair costs with Department managers when extensive repairs are needed on their vehicles.
- * Maintain a labor rate of at least 85% of available man hours.
- * Maintain effective communication between Vehicle Maintenance and other City Departments.

FLEET MANAGEMENT FUND - EXPENSES

Major Departmental Functions

- * Perform necessary repairs to City and School vehicles and equipment.
- * Perform State and locally established safety and preventive maintenance inspections and services.
- * Ensure a qualified mechanic is available to respond to emergencies after normal working hours.
- * Provide training and/or education to staff regarding changes in vehicle/equipment repair and maintenance.
- * Maintain complete service records, including costs and downtime, for all vehicles and equipment.
- * Provide technical assistance to Department Heads concerning vehicle and equipment replacement.
- * Develop vehicle and equipment repair estimates for budgeting purposes.
- * Assist in safety, disaster preparedness, and other programs involving the operation of motor vehicles.

Performance Measures

	Actual FY 2016	Actual FY 2017	Estimated FY 2018	Estimated FY 2019
Number of Vehicles & Equipment	324	335	320	326
% of Maintenance Performed In-House	98%	95%	98%	98%
Scheduled Maintenance Work Orders	503	481	510	510
Scheduled Work %	35%	32%	35%	35%
Unscheduled Maintenance Work Orders	1,286	1,033	1,000	1,000
Unscheduled Work %	65%	68%	65%	65%
Direct Labor Hours	5,360	5,200	5,200	5,200
% Direct Labor Hours of Available Hours	89%	97%	85%	85%
Sublet Work Orders (Outside Repairs)	124	82	120	100
Service Calls for Repairs Out of Shop	82	61	80	70
Quality Control Inspections %	4%	4%	4%	5%
Parts Transactions	4,000	2,712	3,500	3,200

Significant Budget Items

- * Increase in operating costs due to anticipated increase in sublet parts, which is charged to appropriate department.
- * Department requested additional operating expenses for software and equipment that were not recommended in this budget.

Program Accomplishments

- * Maintained 90% or higher on in-house repairs.
- * All over visual inspections during preventative maintenance work and addressing issues seen during inspections has cut back overall parts transactions and cost.

FLEET MANAGEMENT FUND - EXPENSES

FY 2019 costs charged to City Departments and Schools

	Actual FY 2016 Parts	Actual FY 2017 Parts	Budget FY 2018 Parts	Adopted Budget FY 2019 Parts	Actual FY 2016 Gas & Oil	Actual FY 2017 Gas & Oil	Budget FY 2018 Gas & Oil	Adopted Budget FY 2019 Gas & Oil	Actual FY 2016 Overhead	Actual FY 2017 Overhead	Budget FY 2018 Overhead	Adopted Budget FY 2019 Overhead
Police	\$31,507	\$20,772	\$22,763	\$23,250	\$37,082	\$40,232	\$59,031	\$62,315	\$53,436	\$53,244	\$53,184	\$52,596
Fire	28,108	46,566	41,086	51,100	14,400	15,636	21,373	21,250	27,828	35,676	36,960	36,528
Inspections	-	-	940	200	1,425	682	960	897	1,104	1,440	1,476	1,464
Engineering	-	-	-	-	-	-	988	1,035	-	-	-	-
Public Works	37,871	52,199	44,886	57,000	18,888	19,047	28,760	30,471	54,576	73,680	61,764	60,780
General Properties	1,949	1,412	1,080	1,000	1,260	934	1,481	529	2,508	3,159	2,952	2,905
Mosquito	34,758	33,703	16,270	16,550	8,344	9,435	14,495	14,476	18,648	20,136	20,388	20,160
Parks	153	316	1,555	800	850	332	850	-	840	-	-	-
Events	-	-	-	-	1,045	844	1,000	1,255	-	-	-	-
Utilities	35,453	6,910	12,225	10,450	7,974	6,639	11,030	11,246	15,312	10,068	9,744	9,636
Solid Waste	21,964	35,766	19,360	25,500	9,107	10,341	15,662	15,360	12,804	12,948	17,724	17,532
Fleet	98	97	450	500	275	464	547	-	-	-	-	-
Total City Depts	\$191,861	\$197,741	\$160,615	\$186,350	\$100,650	\$104,586	\$156,177	\$158,834	\$187,056	\$210,351	\$204,192	\$201,601
Schools	68,737	68,737	49,385	54,290	48,161	48,161	67,627	66,166	91,267	77,347	77,347	90,575
Total Fleet	\$260,598	\$266,478	\$210,000	\$240,640	\$148,811	\$152,747	\$223,804	\$225,000	\$278,323	\$287,698	\$281,539	\$292,176

SPECIAL REVENUE FUND/GRANTS - SUMMARY

Special Revenue Fund Description

The Special Revenue Fund/Grants accounts for revenues and expenditures related to State and Federal grants for community development and public safety.

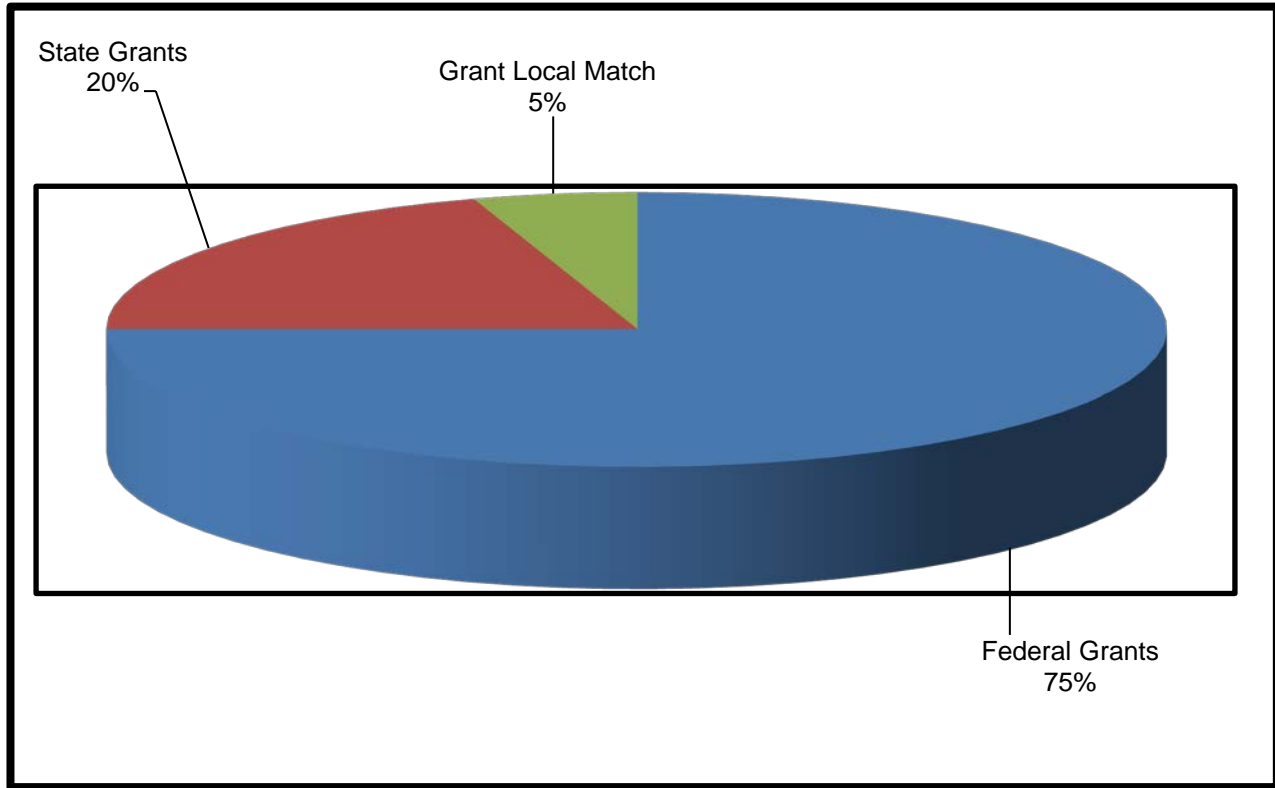
Currently, the City has four grants outstanding. They include an Enhancement Grant and three Hazard Mitigation Grants from the Federal Emergency Management Agency. All four grants are federally funded with the Hazard Mitigation grants having a State and local component. The Enhancement Grant is a pass-through from the Virginia Department of Transportation (VDOT). This grant was obtained to move and renovate the Tom Hunt Store to the Poquoson Museum property for public visitation. The Hazard Mitigation Grants are pass-through from the Virginia Department of Emergency Management for the elevation of 14 homes in the City.

Special Revenue Projection of Fund Balance

Beginning Fund Balance - 6/30/2015		\$ 91,140
Actual FY 2016 Revenues	\$ 100,637	
Actual FY 2016 Expenditures	(101,106)	(469)
Fund Balance - 6/30/2016		\$ 90,671
Actual FY 2017 Revenues	\$ 974,832	
Actual FY 2017 Expenditures	(974,832)	-
Fund Balance 6/30/2017		\$ 90,671
Estimated FY 2018 Revenues	\$ 1,802,691	
Estimated FY 2018 Expenditures	(1,893,362)	-
Projected Fund Balance 6/30/2018		\$ -
Estimated FY 2019 Revenues	\$ 210,013	
Estimated FY 2019 Expenditures	(210,013)	-
Projected Fund Balance 6/30/2019		\$ -

SPECIAL REVENUE FUND/GRANTS - SUMMARY

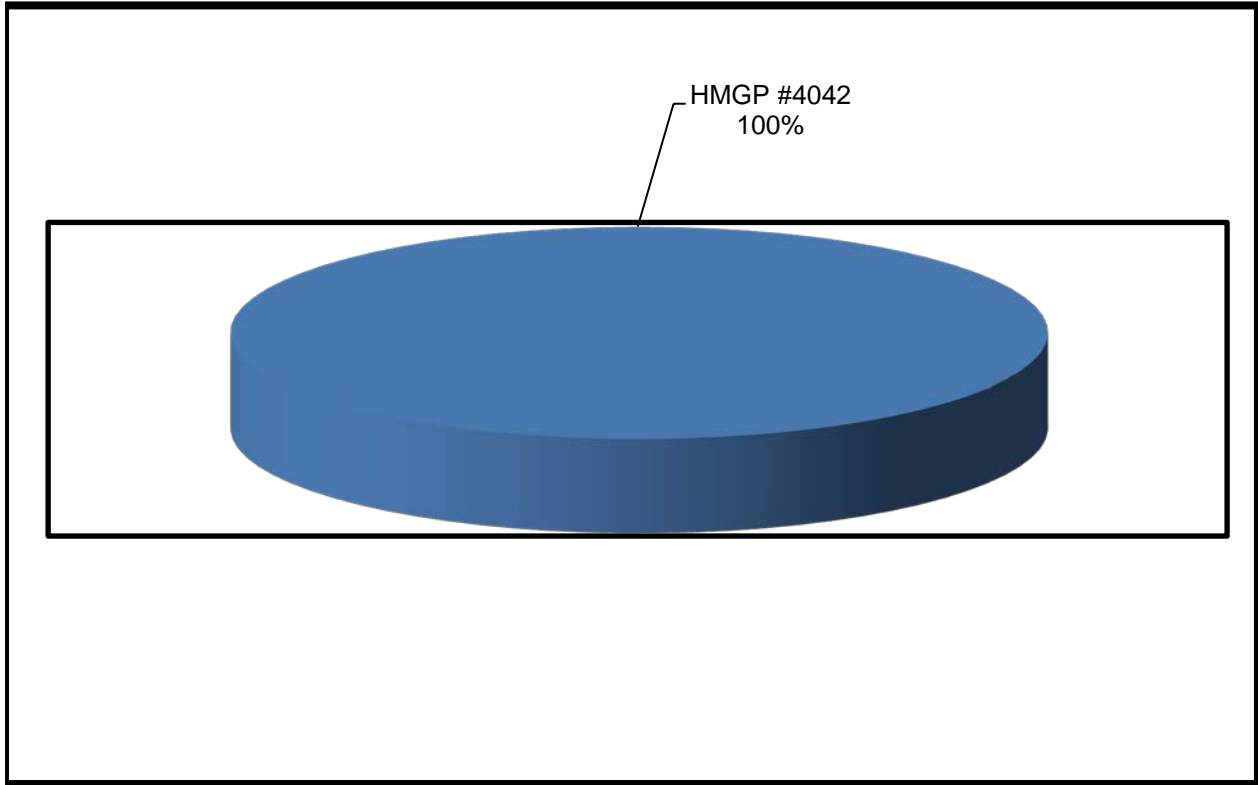
Special Revenue Fund Revenue



<u>Special Revenue Fund Revenue</u>	<u>Estimated FY 2018</u>	<u>Adopted FY 2019</u>
Federal Grants	\$ 1,409,791	\$ 157,510
State Grants	314,319	42,003
Grant Local Match	78,580	10,500
Transfer from Fund Balance	90,671	-
TOTAL	<u>\$ 1,893,361</u>	<u>\$ 210,013</u>

SPECIAL REVENUE FUND/GRANTS - SUMMARY

Special Revenue Fund Expenditures



<u>Special Revenue Fund Expenditures</u>	<u>Estimated FY 2018</u>	<u>Adopted FY 2019</u>
HMGP #4042	\$ 788,952	\$ 210,013
HMGP #4072	873,314	-
FMA 2014-001	231,095	-
TOTAL	<u>\$ 1,893,361</u>	<u>\$ 210,013</u>

SPECIAL REVENUE/GRANTS FUND-REVENUE

Special Revenue Fund Revenue

Special Revenue Fund Revenue								\$	%
Account Title	Revised	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2019	Change	Change
	Grant Award				Estimated Revenue	Department Estimated Revenue	City Council Adopted Revenue	From 2018 Estimated Revenue	From 2018 Estimated Revenue
HMGP #4042 Local Match	\$ 52,167	\$ 127	\$ 821	\$ 1,271	\$ 39,449	\$ 10,500	\$ 10,500	\$ 9,229	23.4%
HMGP #4042 State 20%	208,667	510	3,282	5,082	157,790	42,003	42,003	36,920	23.4%
HMGP #4042 Federal 75%	782,502	1,912	12,308	19,058	591,714	157,510	157,510	138,452	23.4%
HMGP #4042 Total	1,043,336	\$ 2,549	\$ 16,411	\$ 25,411	\$ 788,953	\$ 210,013	\$ 210,013	\$ 184,601	23.4%
HMGP #4072 Local Match	\$ 94,946	\$ 409	\$ 3,471	\$ 47,400	\$ 39,132	-	-	(47,400)	-100.0%
HMGP #4072 State 20%	379,784	1,637	13,884	189,599	156,529	-	-	(189,599)	-100.0%
HMGP #4072 Federal 75%	1,424,188	6,140	52,066	710,997	586,982	-	-	(710,997)	-100.0%
HMGP #4072 Total	1,898,918	\$ 8,186	\$ 69,421	\$ 947,996	\$ 782,643	-	-	(947,996)	-100.0%
FMA 2014 Federal 100%	248,745	-	16,225	1,425	231,095	-	-	(231,095)	-100.0%
VDOT Grant Local Match	n/a	-		-		-	-	-	n/a
Museum VDOT Grant	n/a	-		-		-	-	-	n/a
Interest Income	n/a	8	5	-		-	-	-	n/a
Transfer from General Fund	n/a	-		-		-	-	-	n/a
TOTAL REVENUE	\$ 3,190,999	\$ 10,743	\$ 102,062	\$ 974,832	\$ 1,802,691	\$ 210,013	\$ 210,013	\$ (994,490)	-55.2%

Revenue Explanations

HMGP:

In FY 2015, the City was awarded two Hazard Mitigation Grants for the elevating homes above flood level.

-Grant #4042 is for the revised budget of \$1,043,336 which includes a 75% Federal share, 20% State share and a 5% local share paid by the property owner. A total of 5 homes will be elevated at the conclusion of this grant. The grant was slated to elevated 9 homes. In FY 2018, it was determined that 4 homes exceeded the cost benefit to elevate them through the grant.

-Grant #4072 is for the revised budget of \$1,898,918 which includes a 75% Federal share, 20% State share and a 5% local share paid by the property owner. A total of 8 homes will be elevated at the conclusion of this grant.

FMA:

Late in FY 2015, the City was awarded a Flood Mitigation Assistance Grant (FMA), in the amount of \$459,519 for the elevation of three homes as they were identified as severe repetitive loss (SRL) properties. FEMA provides 100% of the funds for the project. However in FY 2018, it was determined by FEMA that two of the homes no longer qualified for the Grant. Therefore, one home will be elevated by the Grant by late FY 2018.

Museum VDOT Grant:

Enhancement grant through the Virginia Department of Transportation for the purpose of moving the Tom Hunt Store to the Poquoson Museum property for public visitation. The City is continuing to work with VDOT to refine the information needed to submit a formal Invitation For Bid on moving the store.

SPECIAL REVENUE/GRANTS FUND - EXPENDITURES

Expenditures Summary of all Grants

	Revised					FY 2019	FY 2019	\$	%
	Grant	FY 2015	FY 2016	FY 2017	FY 2018	Department	City Council	Change	Change
	Award	Actual	Actual	Actual	Estimated	Request	Adopted	From 2018	From 2018
					Expenditure	Budget	Budget	Estimated	Estimated
HMGP #4042	\$ 1,043,336	\$ 2,549	\$ 16,411	\$ 25,411	\$ 788,953	\$ 210,013	\$ 210,013	\$ (578,940)	-73.4%
HMGP #4072	1,898,918	8,186	69,421	947,996	873,314	-	-	(873,314)	-100.0%
FMA 2014-001	248,745	-	16,225	1,425	231,095	-	-	(231,095)	-100.0%
CDBG Grant	-	-	-	-	-	-	-	-	n/a
Museum VDOT Grant	-	8	5	-	-	-	-	-	n/a
Totals	\$ 3,190,999	\$ 10,743	\$ 102,062	\$ 974,832	\$ 1,893,362	\$ 210,013	\$ 210,013	\$ (1,683,349)	-88.9%

Goals and Objectives

* Assure the grants obtained by the City of Poquoson are administered according to grant guidelines.

Major Fund Functions

* Administer Federal and State grants for the citizens of the City.

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SPECIAL REVENUE FUND/OPEB - SUMMARY

Special Revenue Fund Description

The Special Revenue Fund/OPEB accounts for revenues and expenditures related to Other Post Employment Benefits (OPEB). Specifically, retiree health insurance.

In November 2016, City Council approved an enhanced change to OPEB effective July 1, 2017. Prior to July 1, 2017, employees who had met certain conditions were given an option of continuing health insurance coverage in the City-sponsored plan at the City's rate. The total cost of the insurance is borne by the retiree. For employees retiring July 1, 2017 or later, in addition to the previous benefit, retirees who meet additional longevity with the City and other criteria will also be able to continue health insurance coverage in the City-sponsored plan with the City subsidizing 50% of the cost of coverage until age 65, less the VRS Health Insurance Credit amount.

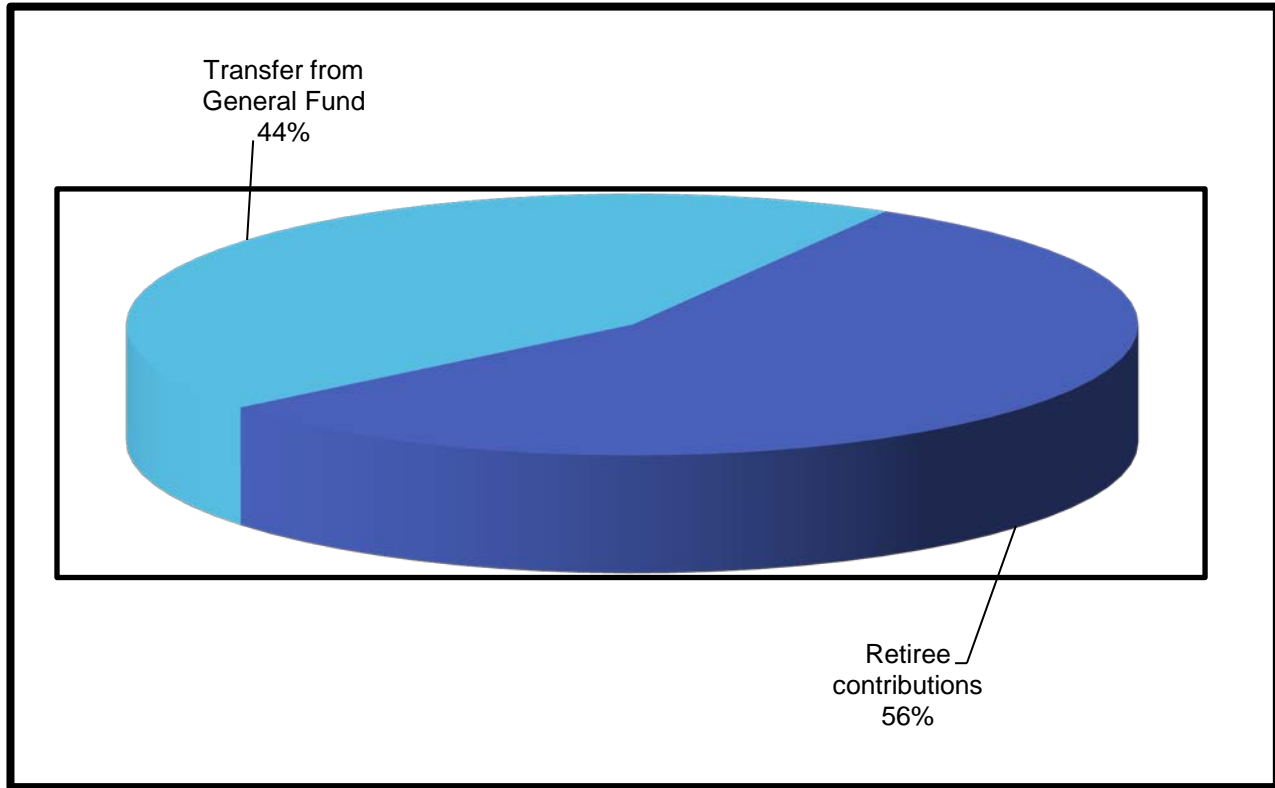
As part of a long-term funding plan for the benefit, the City joined the Virginia Pooled OPEB Trust Fund with other Virginia localities to begin funding and investing a portion of the projected liability.

Special Revenue Projection of Fund Balance

Fund Balance - 6/30/2016		\$ -
Actual FY 2017 Revenues	\$ 59,909	
Actual FY 2017 Expenditures	<u>(56,740)</u>	<u>3,169</u>
Fund Balance 6/30/2017		\$ 3,169
Estimated FY 2018 Revenues	\$ 126,264	
Estimated FY 2018 Expenditures	<u>(101,264)</u>	<u>25,000</u>
Projected Fund Balance 6/30/2018		\$ 28,169
Estimated FY 2019 Revenues	\$ 159,333	
Estimated FY 2019 Expenditures	<u>(144,333)</u>	<u>15,000</u>
Projected Fund Balance 6/30/2019		<u><u>\$ 43,169</u></u>

SPECIAL REVENUE FUND/OPEB - SUMMARY

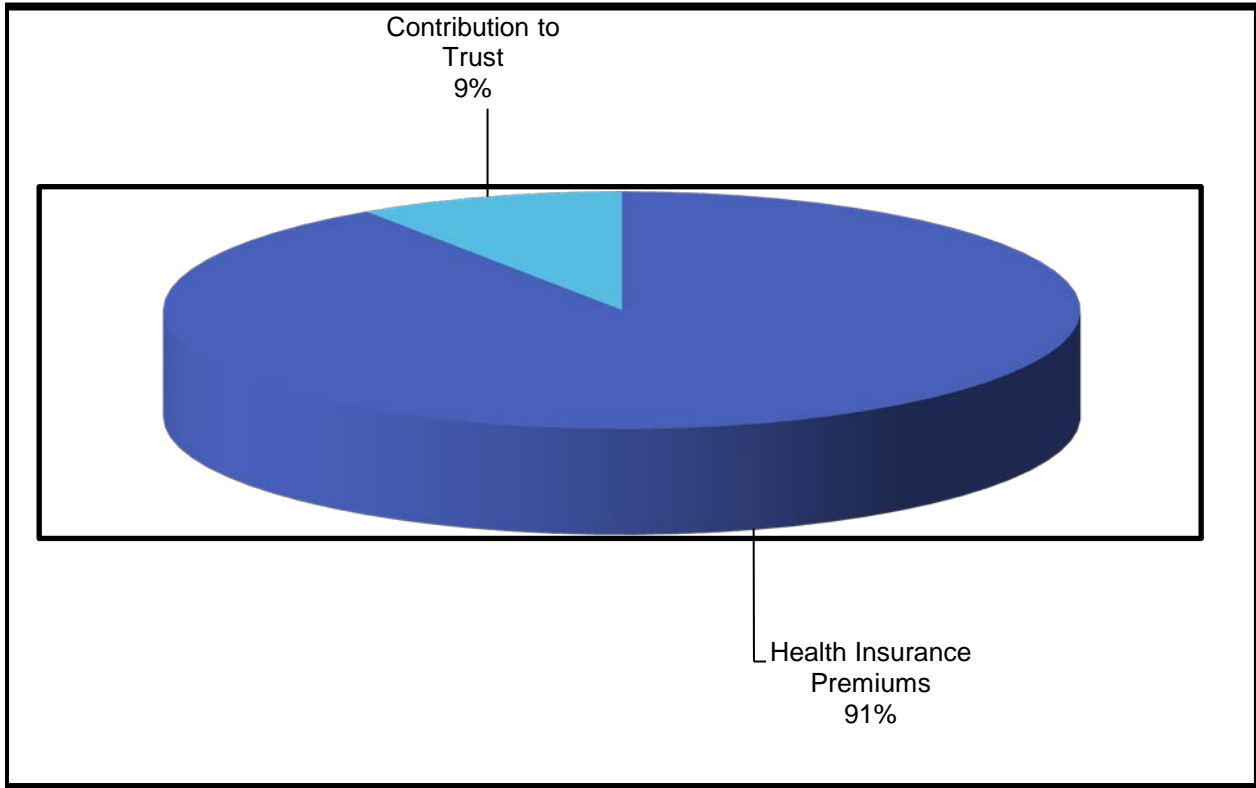
Special Revenue Fund Revenue



<u>Special Revenue Fund Revenue</u>	<u>Estimated FY 2018</u>	<u>Adopted FY 2019</u>
Retiree contributions	\$ 65,464	\$ 88,799
Transfer from General Fund	<u>60,800</u>	<u>70,534</u>
TOTAL	<u>\$ 126,264</u>	<u>\$ 159,333</u>

SPECIAL REVENUE FUND/OPEB - SUMMARY

Special Revenue Fund Expenditures



<u>Special Revenue Fund Expenditures</u>	<u>Estimated FY 2018</u>	<u>Adopted FY 2019</u>
Health Insurance Premiums	\$ 101,264	\$ 144,333
Contribution to Trust	25,000	15,000
TOTAL	<u>\$ 126,264</u>	<u>\$ 159,333</u>

SPECIAL REVENUE FUND/OPEB - REVENUE

Special Revenue Fund/OPEB Revenue

Account Title					FY 2019		FY 2019		\$	%
	FY 2016	FY 2017	FY 2018	FY 2018	Department	City Council	Change	Change		
	Actual	Actual	Revised	Estimated	Estimated	Adopted	From 2018	From 2018		
			Budget	Revenue	Revenue	Revenue	Revised	Revised		
							Budget	Budget		
Retiree Contributions	\$ -	\$ 3,169	\$ 44,830	\$ 65,464	\$ 88,799	\$ 88,799	\$ 43,969		100.0%	
Transfer from General Fund:										
City Contribution	-	-	21,865	35,800	55,534	55,534	33,669		100.0%	
Trust Contribution	-	56,740	25,000	25,000	15,000	15,000	(10,000)		-40.0%	
TOTAL REVENUE	\$ -	\$ 59,909	\$ 91,695	\$ 126,264	\$ 159,333	\$ 159,333	\$ 67,638		73.8%	

Revenue Explanations

Retiree contributions: Revenue from retirees who are eligible and elect to continue on the City-sponsored health insurance plan for their portion of the cost.

Transfer from General Fund:

City Contribution: Transfer to cover the City's portion of the retirement cost for those retirees who are eligible and elect to continue on the City-sponsored health insurance plan for the City's portion of the cost.

Trust Contribution: Transfer to fund the contributions to the Trust.

SPECIAL REVENUE FUND/OPEB - EXPENDITURES

Expenditures Summary

	FY 2016 Actual	FY 2017 Actual	FY 2018 Revised Budget	FY 2018 Estimated Expenditure	FY 2019 Department Request Budget	FY 2019 City Council Adopted Budget	\$ Change From 2018 Budget	% Change From 2018 Revised Budget
Health Insurance Premiums	\$ -	\$ 56,740	\$ 66,695	\$ 101,264	\$ 144,333	\$ 144,333	\$ 77,638	116.4%
Contribution to Trust	-	-	25,000	25,000	15,000	15,000	(10,000)	100.0%
Totals	\$ -	\$ 56,740	\$ 91,695	\$ 126,264	\$ 159,333	\$ 159,333	\$ 67,638	73.8%

Goals and Objectives

- * Assure the retiree other post employment benefits are administered and accounted for according to the personnel policies.
- * Meet the actual cash needs for the OPEB Fund and attempt to provide a contribution to the Trust Fund.

Performance Measures

	FY 2016 Actual	FY 2017 Actual	FY 2018 Estimated	FY 2019 Estimated
No City Contribution:				
Retiree -- Dental only	3	4	5	5
Retiree -- Medical coverage	3	3	4	4
City Contribution:				
Retiree -- Medicare coverage	4	4	4	4
Retiree -- Medical coverage	-	-	5	5
Totals	10	11	18	18

Performance Measures

	FY 2016 Actual	FY 2017 Actual	FY 2018 Estimated	FY 2019 Estimated
Dental coverage:				
Retiree only	1	2	2	2
Retiree with spouse	2	2	3	3
Medical coverage:				
Retiree only	6	6	7	7
Retiree with dependent	1	1	5	5
Retiree with family	-	-	1	1
Totals	10	11	18	18

Major Fund Functions

- * Administer retiree other post employment benefits.

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APPENDIX

A Short History of Poquoson:

“Poquoson” is an Indian word for low, flat land. The City is believed to be one of the older English-speaking American settlements that still bears its original name.

Settlement of the Poquoson area was opened in 1628 by order of the Council of State at Jamestown. Many of the early settlers were plantation owners who, with their tenants and apprentices, originally lived south of the Back River. The Great Marsh and Messick Point were important shipping points as early as 1635 for tobacco and other products from the plantations.

After the Revolutionary War, the larger colonial plantations were divided and sold as smaller farms because they were no longer able to survive financially. Many of the people buying the farms were Methodists from Baltimore and the Eastern Shore area. Methodism is a prevailing denomination in the City today.

Poquoson remained a “backwater” farming and fishing community. While there was extensive civil war action on the Peninsula, there was no known war activity in Poquoson. However, many citizens fought for the confederacy.

Poquoson’s rural lifestyle started to change during World War I with the construction of Langley Field. Rapid changes and population growth occurred in the years following World War II. Farming and fishing quickly gave way to suburbanization.

Poquoson, which had been a part of York County for many years, became a town in 1952 and an independent city in 1975 upon referendum of the citizens. Certain municipal offices and functions continue to be shared with York County.

Form of Government:

Poquoson is organized under the Council-Manager form of government. The Poquoson City Council is composed of seven members who are elected by the voters and serve four year terms. The City is divided into three precincts. Each precinct is entitled to two representatives. One representative is elected at large and is the City Mayor. Persons elected to City Council take office on the first day of January following the election.

The City Council is the policy determining body of the City. Its responsibilities include: adoption of the City budget; creation, combination or elimination of City departments; approval of all tax levies; approval of amendments, supplements or repeals to ordinances, and the City Code; and appointment of the City Manager, City Clerk, City Attorney, School Board and various local boards, commissions and committees. The City Manager acts as Chief Executive and Administrative Officer of the City. The manager serves at the pleasure of Council, carries out its policies, directs business procedures and has the power of appointment and removal of the heads of all departments (except Constitutional Officers) as well as all other employees of the City.

Fiscal Year:

Begins July 1 and ends the following June 30.

APPENDIX

Assessments:

Real estate is assessed biennially at "fair market value" by the City Assessor. This value is currently estimated to be approximately 100% of actual value.

Taxes Due:

Real estate taxes are assessed as of the first day of July. Real estate and personal property taxes are payable in two installments each year on June 5 and December 5. Past due balances paid by the end of the month the taxes are due are assessed a 2% penalty. A penalty of \$10.00 or 10% whichever is greater, is assessed on past due balances on the first day of the month following the month in which the tax is due.

Overlapping Debt:

The City of Poquoson is autonomous and entirely independent of any other political subdivision of the State, being a separate and distinct political unit. It has no overlapping debt with other political units.

Land Area:

	<u>Acres</u>	<u>Square Miles</u>
Non-Wetlands	4,997	7.8
Wetlands	<u>4,398</u>	<u>6.9</u>
Total	<u>9,395</u>	<u>14.7</u>

Miles of Roadway:

	<u>Miles</u>
Primary	1.81
Secondary	<u>52.82</u>
Total	<u>54.63</u>

Population:

1960 U.S. Census Count	4,278
1970 U.S. Census Count	5,441
1980 U.S. Census Count	8,726
1990 U.S. Census Count	11,005
2000 U.S. Census Count	11,566
2010 U.S. Census Count	12,150

Education:

	<u>Number of Schools</u>	<u>Actual 2017 - 2018 Enrollment</u>
Primary (PK-2)	1	426
Elementary (3-5)	1	482
Middle (6-8)	1	523
High (9-12)	1	<u>698</u>
Total		<u>2,129</u>

APPENDIX

FINANCIAL TRENDS ANALYSIS 2008 – 2017

FACTORS USED IN ANALYZING TRENDS

The *Financial Trends Analysis 2008 - 2017* is presented here to show some of the trends over time.

Much of the following data is presented in 2008 dollars as well as current dollars. The intent is to take inflation out of the numbers in order that the real change, if any, will be more apparent. No single statistical index precisely measures inflation in a given locality. The report uses the National Consumer Price Index (CPI) because it is the index most widely understood by the public at large and because it is historically consistent from year to year.

Similarly, data is also presented on a per household basis because as revenues grow and additional expenditures become necessary as a result of population growth, the underlying trend is most important. Household estimates from year to year are not precise, but are derived from a combination of U. S. Bureau of Census information and the University of Virginia Center for Public Service. Therefore, as is the case with the estimates for inflation, no single year's data should be viewed in isolation.

The factors used in the analysis are shown below:

Year	Annual Increase in CPI	Population	Housing Units
2008	0.1%	11,791	4,688
2009	2.7%	11,881	4,737
2010	1.5%	12,150	4,755
2011	3.0%	12,240	4,726
2012	1.7%	12,291	4,731
2013	1.5%	12,076	4,591
2014	0.8%	12,212	4,627
2015	0.7%	12,359	4,642
2016	2.1%	12,287	4,610
2017	2.1%	12,311	4,610*
% Change	15.0%	4.4%	-1.7%

CPI Change is December - December. 2017 change estimated by The Kiplinger Letter.

Population- University of Virginia Weldon Center for Public Service

Households- US Census Bureau Quick Facts

(*) 2017 households unavailable – 2016 housing units used.

APPENDIX

HOUSEHOLD INCOME

Household Income is an important measure of a community's ability to pay for the services provided by the local government. The higher the income, the greater the ability to generate revenue to pay for the desired level of services. For example, a higher income can translate into greater spending power within the community, which translates into greater local sales tax, and meals tax revenue, as well as a greater base of personal property value. In addition, if income is evenly distributed, a higher-than-average household income will usually mean lower dependency upon governmental services, particularly in the health and welfare area. Bond rating firms also use such an indicator as an important measure of a locality's ability to repay debt.

The following table indicates that Poquoson has the highest median household income in the Hampton Roads area for 2016, at \$84,643 which is 22% above the Virginia average of \$66,149.

Median Household Income

	2014	2015	2016
Poquoson	\$83,460	\$83,735	\$84,643
York County	\$80,900	\$81,749	\$83,410
James City County	\$76,705	\$75,710	\$80,226
Chesapeake	\$70,176	\$68,620	\$69,978
Virginia Beach	\$67,001	\$66,634	\$67,719
Suffolk	\$66,822	\$65,499	\$65,435
Gloucester County	\$60,980	\$61,121	\$62,878
Hampton	\$49,879	\$49,190	\$49,890
Williamsburg	\$48,057	\$48,639	\$50,091
Newport News	\$51,000	\$50,077	\$50,089
Portsmouth	\$46,239	\$45,676	\$47,050
Norfolk	\$44,150	\$44,480	\$45,268
Virginia	\$64,792	\$65,015	\$66,149

Source: U.S. Bureau of the Census Quick Facts, WWW.census.gov/quickfacts.

APPENDIX

TOTAL REVENUES

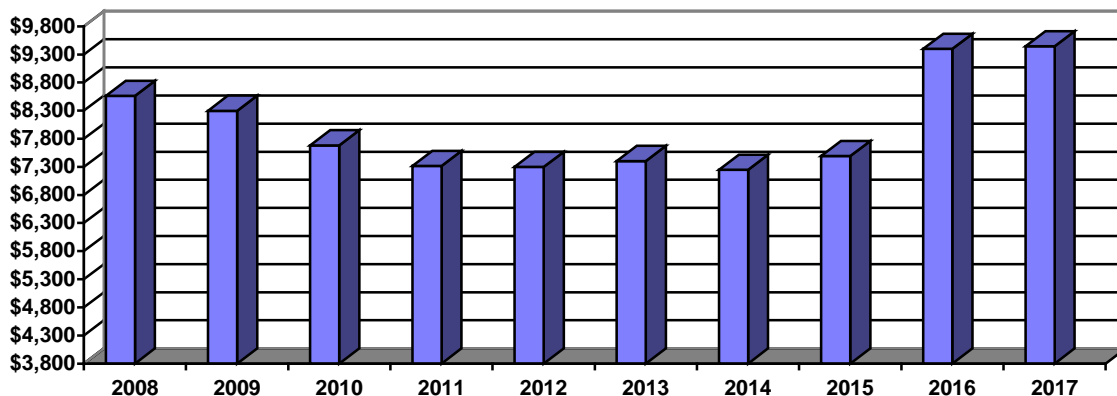
After adjusting for inflation, total revenue received per Poquoson household has increased 10.3% since 2008, or an average of about 1% per year.

Total Revenue Per Household

Year	Revenue in Current Dollars	Revenue Per Household	Revenue in 2008 Dollars	Revenue Per Household
2008	\$40,147,113	\$8,564	\$40,147,113	\$8,564
2009	\$39,340,239	\$8,305	\$39,300,938	\$8,297
2010	\$37,551,873	\$7,897	\$36,528,100	\$7,682
2011	\$36,072,531	\$7,633	\$34,570,531	\$7,315
2012	\$37,112,247	\$7,844	\$34,531,024	\$7,299
2013	\$37,151,552	\$8,092	\$33,989,770	\$7,404
2014	\$37,205,734	\$8,041	\$33,536,296	\$7,248
2015	\$38,885,594	\$8,377	\$34,772,300	\$7,491
2016	\$48,800,235	\$10,586	\$43,334,833	\$9,400
2017	\$50,049,640	\$10,857	\$43,530,177	\$9,443
% Change	24.7%	26.8%	8.4%	10.3%

Source: Annual edition of the City of Poquoson's *Comprehensive Annual Financial Report*, includes General, Special Revenue, Debt Service and Capital Projects Funds and Component Unit (School Board).

Total Revenue Per Household in 2008 Dollars



APPENDIX

Federal revenue increase in 2008 and 2010 due to Federal mitigation grants that were awarded. These grants ended during Fiscal Year 2009 and 2011, respectfully. In 2012, Federal revenues increased due to Hurricane Irene and in 2016 and 2017 the City received additional mitigation grants.

Sources of Revenue - Poquoson

Year	Local	State	Federal	Total
2008	54.3%	39.8%	5.9%	100.0%
2009	55.6%	40.6%	3.8%	100.0%
2010	55.8%	37.7%	6.5%	100.0%
2011	57.1%	39.2%	3.7%	100.0%
2012	56.2%	37.9%	5.9%	100.0%
2013	57.2%	38.3%	4.5%	100.0%
2014	58.8%	38.4%	2.8%	100.0%
2015	60.1%	37.0%	2.9%	100.0%
2016	60.0%	36.6%	3.4%	100.0%
2017	58.5%	36.5%	5.0%	100.0%

Source: Annual edition of the *Comparative Report of Local Government Revenues and Expenditures*, Commonwealth of Virginia, Auditor of Public Accounts.

When compared with the following data, Poquoson still relies less upon local revenue sources and more upon State revenue, than does the typical Virginia locality, although it is only a small margin. This is primarily due to Schools receiving approximately 50% of their revenue from the State.

Sources of Revenue - All Virginia Localities

Year	Local	State	Federal	Total
2008	58.3%	33.8%	7.9%	100.0%
2009	57.5%	34.4%	8.1%	100.0%
2010	56.3%	33.4%	10.3%	100.0%
2011	57.1%	32.8%	10.1%	100.0%
2012	57.3%	32.7%	10.0%	100.0%
2013	58.2%	33.9%	7.9%	100.0%
2014	59.2%	33.8%	7.0%	100.0%
2015	59.7%	33.3%	7.0%	100.0%
2016	60.2%	32.9%	6.9%	100.0%
2017	59.5%	32.4%	8.1%	100.0%

Source: Annual edition of *Comparative Report of Local Government Revenues and Expenditures*, Commonwealth of Virginia, Auditor of Public Accounts.

APPENDIX

It is also useful to consider the various sources from which local revenue is received. As can be seen from the following table, 84.9% comes from General Property Taxes (Real Estate and Personal Property) and Other Local Taxes (Local Sales Tax and Consumer Utility Tax, etc.). This percentage has fluctuated between 81.8% and 88.1% since 2008.

Sources of Local Revenue - Poquoson

Year	General Property Taxes	Other Local Taxes	Permits & Fees	Fines	Charges For Services	Interest and Rent	Misc.
2008	71.4%	11.4%	0.4%	0.2%	9.2%	1.3%	6.1%
2009	70.8%	11.0%	0.4%	0.2%	6.8%	0.8%	10.0%
2010	77.8%	9.7%	0.3%	0.3%	10.1%	0.8%	1.0%
2011	75.7%	9.4%	0.4%	0.3%	11.1%	0.8%	2.3%
2012	75.0%	9.7%	0.5%	0.2%	11.1%	0.8%	2.7%
2013	74.1%	11.0%	0.3%	0.3%	10.9%	0.8%	2.6%
2014	75.2%	10.5%	0.4%	0.3%	9.9%	0.8%	2.9%
2015	77.7%	10.4%	0.7%	0.2%	8.2%	0.8%	2.0%
2016	74.5%	9.7%	0.6%	0.2%	11.2%	1.2%	2.6%
2017	74.9%	10.0%	0.6%	0.2%	11.2%	1.4%	1.7%

Source: Annual edition of *Comparative Report of Local Government Revenues and Expenditures*, Commonwealth of Virginia, Auditor of Public Accounts.

As one would expect in a community that does not have an extensive commercial and industrial base, property taxes generate more revenue than in the typical Virginia locality. Poquoson's local revenue sources are compared to the statewide figures in the following table.

Sources of Local Revenue Poquoson Compared to State Average

	2008		2017	
	Poquoson	All Cities	Poquoson	All Cities
General Property Taxes	71.4%	55.0%	74.9%	57.1%
Other Local Taxes	11.4%	27.6%	10.0%	25.2%
Permits & Fees	0.4%	0.7%	0.6%	0.7%
Fines	0.2%	0.8%	0.2%	0.5%
Charges for Services	9.2%	10.4%	11.2%	11.9%
Interest and Rent	1.3%	2.5%	1.4%	1.1%
Miscellaneous	6.1%	3.0%	1.7%	3.5%

Source: Annual edition of *Comparative Report of Local Government Revenues and Expenditures*, Commonwealth of Virginia, Auditor of Public Accounts.

APPENDIX

REAL ESTATE TAX REVENUE

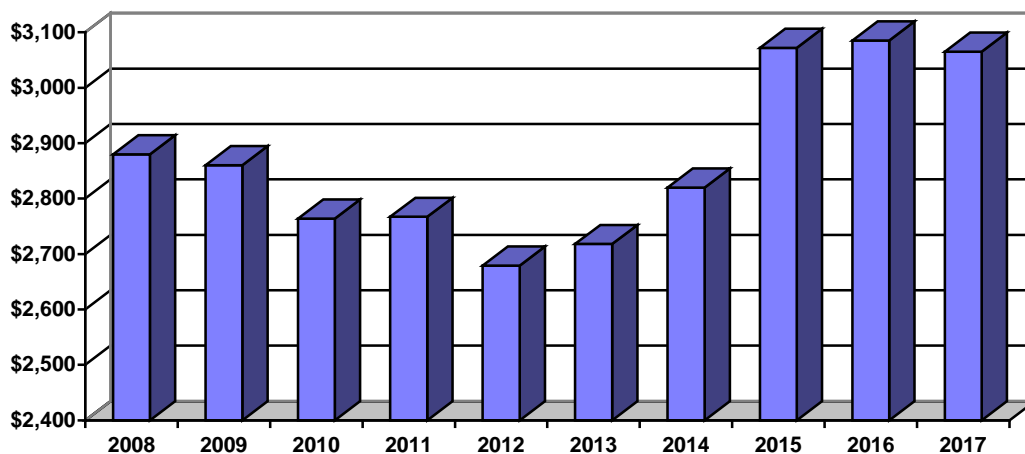
After adjusting for inflation, real estate tax revenue per Poquoson household has increased by approximately 6.4% in 2008 dollars, or an average of .64% per year.

Total Real Estate Property Tax Revenue Per Household

Year	Revenue In Current Dollars	Revenue Per Household	Revenue in 2008 Dollars	Revenue Per Household
2008	\$13,503,563	\$2,880	\$13,503,563	\$2,880
2009	\$13,560,850	\$2,863	\$13,547,303	\$2,860
2010	\$13,511,422	\$2,842	\$13,143,061	\$2,764
2011	\$13,643,196	\$2,887	\$13,075,116	\$2,767
2012	\$13,623,706	\$2,880	\$12,676,153	\$2,679
2013	\$13,639,693	\$2,971	\$12,478,887	\$2,718
2014	\$14,473,989	\$3,128	\$13,046,483	\$2,820
2015	\$15,946,247	\$3,435	\$14,259,463	\$3,072
2016	\$16,013,397	\$3,474	\$14,219,970	\$3,085
2017	\$16,247,330	\$3,524	\$14,130,954	\$3,065
% CHANGE	20.3%	22.4%	4.6%	6.4%

Source: Annual edition of the City of Poquoson's *Comprehensive Annual Financial Report*.

Real Estate Tax Revenue Per Household in 2008 Dollars



APPENDIX

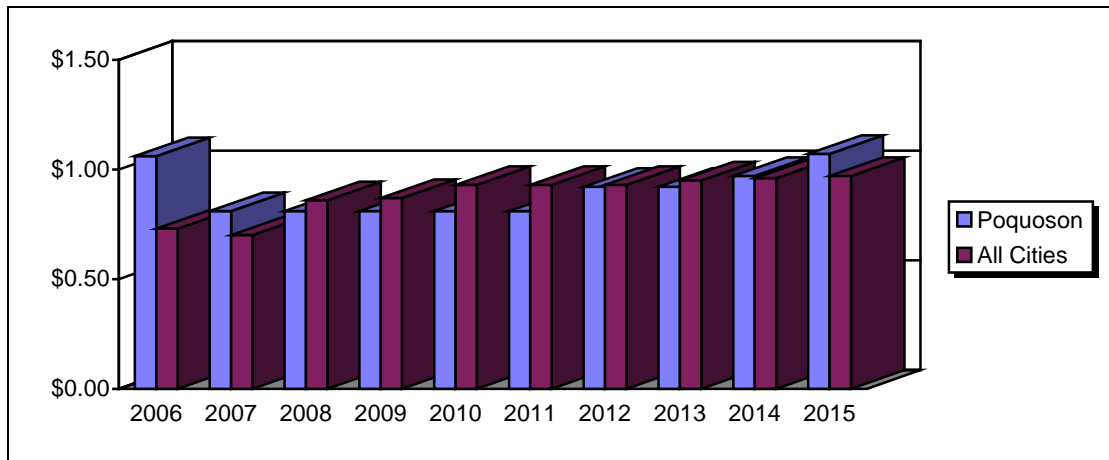
In considering Real Estate Tax Revenue, the locality's assessments must also be considered. The Assessment/Sales Ratio, computed by the State Department of Taxation, compares assessed values and selling prices of all residential property sold within a locality during a given year.

Median, Nominal and Effective Real Estate Tax Rates

Year	Median Ratio		Nominal Tax Rates		Effective Tax Rates	
	Poquoson	VA Cities/ Counties	Poquoson	VA Cities/ Counties	Poquoson	VA Cities/ Counties
2006	67.2%	75.0%	\$1.06	\$0.73	\$0.71	\$0.55
2007	97.0%	86.0%	\$0.81	\$0.70	\$0.79	\$0.88
2008	99.8%	90.9%	\$0.81	\$0.86	\$0.81	\$0.78
2009	101.4%	98.1%	\$0.81	\$0.87	\$0.82	\$0.85
2010	102.8%	92.3%	\$0.81	\$0.93	\$0.83	\$0.86
2011	112.2%	94.5%	\$0.81	\$0.93	\$0.91	\$0.87
2012	102.3%	94.5%	\$0.92	\$0.93	\$0.94	\$0.87
2013	103.2%	89.5%	\$0.92	\$0.95	\$0.95	\$0.85
2014	100.0%	90.2%	\$0.97	\$0.96	\$0.97	\$0.87
2015	99.5%	91.5%	\$1.07	\$0.97	\$1.06	\$0.88

Source: 2015 *Virginia Assessment/Sales Ratio Study*, Virginia Department of Taxation (prepared May 2017)
2016 and 2017 information not available

Nominal Real Estate Tax Rate



APPENDIX

The City remains overwhelmingly dependent upon the single-family residential taxpayer base. The Commissioner of the Revenue and City Assessor provided the assessed values for single-family, multi-family residential property, commercial and agricultural property for each of the years shown below.

Real Property Assessments by Category and Percent of Total

Year	Residential		Other		Total
	Single Family	Multi- Family	Commercial	Agriculture	
2008	93.3%	0.7%	5.8%	0.2%	100.0%
2009	93.6%	0.9%	5.3%	0.2%	100.0%
2010	92.9%	0.9%	6.0%	0.2%	100.0%
2011	93.6%	0.9%	5.3%	0.2%	100.0%
2012	92.4%	0.9%	6.5%	0.2%	100.0%
2013	92.5%	0.9%	6.3%	0.3%	100.0%
2014	92.5%	0.9%	6.5%	0.1%	100.0%
2015	92.6%	0.9%	6.4%	0.1%	100.0%
2016	92.0%	0.9%	7.0%	0.1%	100.0%
2017	92.5%	0.9%	6.5%	0.1%	100.0%

Source: Assessment data furnished by the Commissioner of the Revenue and City Assessor.

APPENDIX

Analysis of real estate revenue must consider the percentage of taxes actually collected by the Treasurer. Poquoson's record is as follows:

Uncollected Current Property Taxes as a Percent of Net Levy as of June 30

<i>Year</i>	<i>Percent</i>
2008	0.05%
2009	0.08%
2010	0.09%
2011	0.10%
2012	0.12%
2013	0.17%
2014	0.32%
2015	0.60%
2016	1.05%
2017	0.90%

Source: *Annual CAFR* City of Poquoson / City of Poquoson Treasurer's Department

Bond rating firms consider that a municipality will normally be unable to collect about two or three percent of its current and back property taxes each year. If uncollected property taxes rise to more than five to eight percent, rating firms consider this a negative factor because it signals potential problems in the stability of the property tax base. Rating firms also consider it a negative factor if the rate of delinquency significantly rises for two consecutive years.

APPENDIX

PERSONAL PROPERTY TAX REVENUE

After adjusting for inflation, personal property tax revenue per Poquoson household has decreased approximately 13.3% or an average of 1.33% per year.

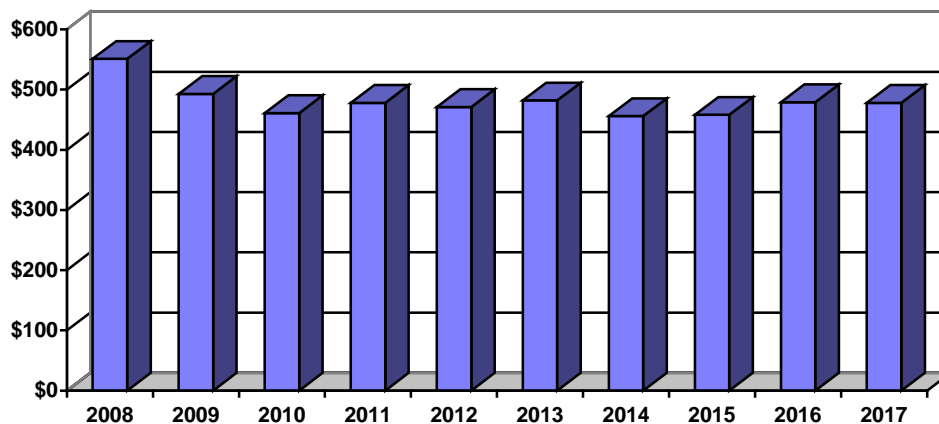
Total Personal Property Tax Revenue Per Household

Year	Revenue in Current Dollars	Revenue Per Household	Revenue in 2008 Dollars	Revenue Per Household
2008	\$2,581,520	\$551	\$2,581,520	\$551
2009	\$2,335,554	\$493	\$2,333,221	\$493
2010	\$2,251,205	\$473	\$2,189,831	\$461
2011	\$2,357,359	\$499	\$2,259,203	\$478
2012	\$2,394,121	\$506	\$2,227,606	\$471
2013	\$2,417,444	\$527	\$2,211,707	\$482
2014	\$2,340,219	\$506	\$2,109,413	\$456
2015	\$2,375,134	\$512	\$2,123,894	\$458
2016	\$2,488,366	\$540	\$2,209,680	\$479
2017	\$2,531,679	\$549	\$2,201,903	\$478*
% CHANGE	-1.9%	-0.3%	-14.7%	-13.3%

Source: Annual edition of the City of Poquoson's *Comprehensive Annual Financial Report*.

*2017 Household number unavailable – 2016 number used

Personal Property Tax Revenue Per Household in 2008 Dollars



APPENDIX

OTHER LOCAL SALES TAX REVENUE

Other Local Tax Revenue consists of revenue received from three general sources: revenue received from the local sales tax of 1% on taxable retail sales, revenue received from the Consumer Utility Tax imposed on electrical, gas and telephone bills, and revenue from other local taxes such as meals tax, business licenses, communication sales tax, taxes on recordation and wills, etc.

In current dollar terms, revenue received from the local 1% sales tax has increased by 6.4% since 2008. However, when viewed on a per household basis and after adjustment for inflation, revenue has decreased by 5.9%. This particular source of revenue, like personal property tax revenue, tends to follow general economic conditions.

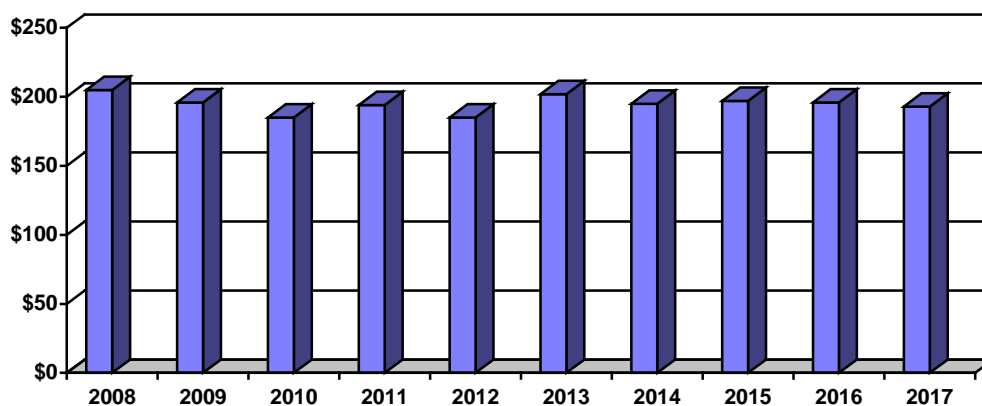
Local Sales Tax Revenue Per Household

<i>Year</i>	<i>Revenue in Current Dollars</i>	<i>Revenue Per Household</i>	<i>Revenue in 2008 Dollars</i>	<i>Revenue Per Household</i>
2008	\$962,735	\$205	\$962,735	\$205
2009	\$929,900	\$196	\$928,971	\$196
2010	\$902,127	\$190	\$877,532	\$185
2011	\$955,937	\$202	\$916,133	\$194
2012	\$940,251	\$199	\$874,855	\$185
2013	\$1,011,835	\$220	\$925,723	\$202
2014	\$1,002,068	\$217	\$903,238	\$195
2015	\$1,020,961	\$220	\$912,964	\$197
2016	\$1,019,774	\$221	\$905,564	\$196
2017	\$1,024,576	\$222	\$891,115	\$193*
% CHANGE	6.4%	8.2%	-7.4%	-5.9%

Source: Annual edition of the City of Poquoson's *Comprehensive Annual Financial Report*.

*2017 Household number unavailable – 2016 number used

Local Sales Tax Revenue Per Household in 2008 Dollars



APPENDIX

Revenue from the Consumer Utility Tax has declined when viewed on a per household basis in 2008 dollars. This is due to the restructuring of the local consumer taxes, which took effect on January 1, 2007. Part of this local Consumer Utility Tax is a 5% Communication Sales and Use Tax and is included in local sales tax revenues.

Consumer Utility Tax Revenue Per Household

Year	Revenue in Current Dollars	Revenue Per Household	Revenue in 2008 Dollars	Revenue Per Household
2008	\$282,436	\$60	\$282,436	\$60
2009	\$285,776	\$60	\$285,491	\$60
2010	\$276,745	\$58	\$269,200	\$57
2011	\$291,323	\$62	\$279,193	\$59
2012	\$284,289	\$60	\$264,516	\$56
2013	\$286,753	\$62	\$262,349	\$57
2014	\$290,806	\$63	\$262,125	\$57
2015	\$293,721	\$63	\$262,651	\$57
2016	\$279,272	\$61	\$247,995	\$54
2017	\$308,236	\$67	\$268,085	\$58*
% CHANGE	9.1%	11.0%	-5.1%	-3.5%

Source: Annual edition of the City of Poquoson's *Comprehensive Annual Financial Report*.

*2017 Household number unavailable – 2016 number used

APPENDIX

When viewed on a per household basis after adjusting for inflation, Other Local Tax Revenue went from \$292 in 2008, to a high of \$315 in 2013, to current level of \$306 in 2017. In 2013, meals tax rate increased from 5.5% to 6.0% and the cigarette tax was increased from 10 cent per pack to 20 cent per pack.

Other Local Tax Revenue

Year	Revenue in Current Dollars	Revenue Per Household	Revenue in 2008 Dollars	Revenue Per Household
2008	\$1,368,024	\$292	\$1,368,024	\$292
2009	\$1,321,878	\$279	\$1,320,557	\$279
2010	\$1,273,060	\$268	\$1,238,353	\$260
2011	\$1,216,963	\$258	\$1,166,291	\$247
2012	\$1,305,455	\$276	\$1,214,658	\$257
2013	\$1,582,709	\$345	\$1,448,013	\$315
2014	\$1,511,886	\$327	\$1,362,775	\$295
2015	\$1,591,606	\$343	\$1,423,247	\$307
2016	\$1,539,074	\$334	\$1,366,705	\$296
2017	\$1,624,498	\$352	\$1,412,891	\$306*
% CHANGE	18.7%	20.8%	3.3%	5.0%

Source: Annual edition of the City of Poquoson's *Comprehensive Annual Financial Report*.

*2017 Household number unavailable – 2016 number used

APPENDIX

EXPENDITURES

Total expenditures supported by Local, Federal and State funding, in current dollar terms, has decreased from \$53.2 million in 2008 to \$42.3 million in 2017, a decrease of 20.4%. However, after adjustment for inflation and growth in households, there has been a decrease of approximately 29.6% since 2008 or an average of 2.96% per year.

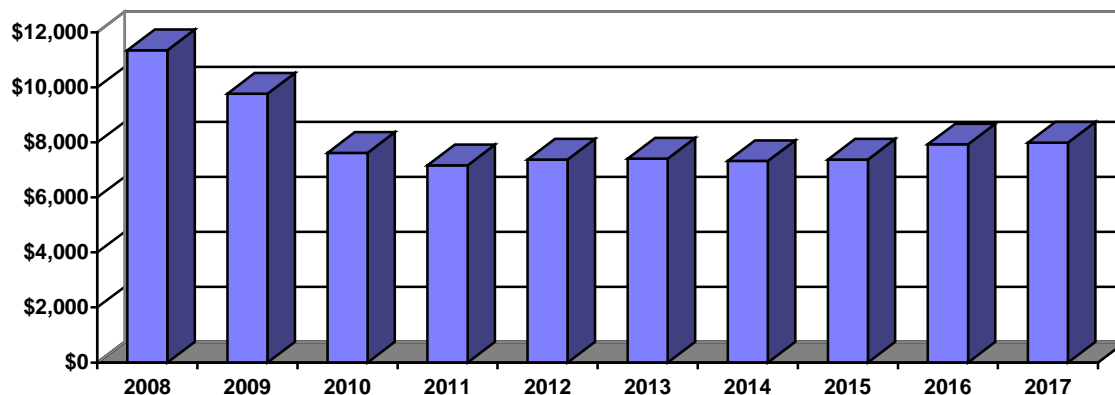
Total Expenditures Per Household

Year	Expenditures in Current Dollars	Expenditures per Household	Expenditures in 2008 Dollars	Expenditures per Household
2008	\$53,225,297	\$11,354	\$53,225,297	\$11,354
2009	\$46,323,837	\$9,779	\$46,277,559	\$9,769
2010	\$37,244,395	\$7,833	\$36,229,005	\$7,619
2011	\$35,355,172	\$7,481	\$33,883,042	\$7,169
2012	\$37,535,846	\$7,934	\$34,925,161	\$7,382
2013	\$37,206,074	\$8,104	\$34,039,651	\$7,414
2014	\$37,605,852	\$8,127	\$33,896,952	\$7,326
2015	\$38,322,906	\$8,256	\$34,269,133	\$7,382
2016	\$41,161,432	\$8,929	\$36,551,541	\$7,929
2017	\$42,351,145	\$9,187	\$36,834,487	\$7,990*
% CHANGE	-20.4%	-19.1%	-30.8%	-29.6%

Source: Annual edition of the City of Poquoson's *Comprehensive Annual Financial Report*, includes General, Special Revenue, Debt Service and Capital Projects Funds and Component Unit (School Board).

*2017 Household number unavailable – 2016 number used

Total Expenditures Per Household in 2008 Dollars



APPENDIX

The operating budget, which funds recurring expenses, has shown a slight decrease per household. However, the decrease has been extremely small at an average of .76% per household per year after adjusting for inflation.

Total Operating Expenditures Per Household

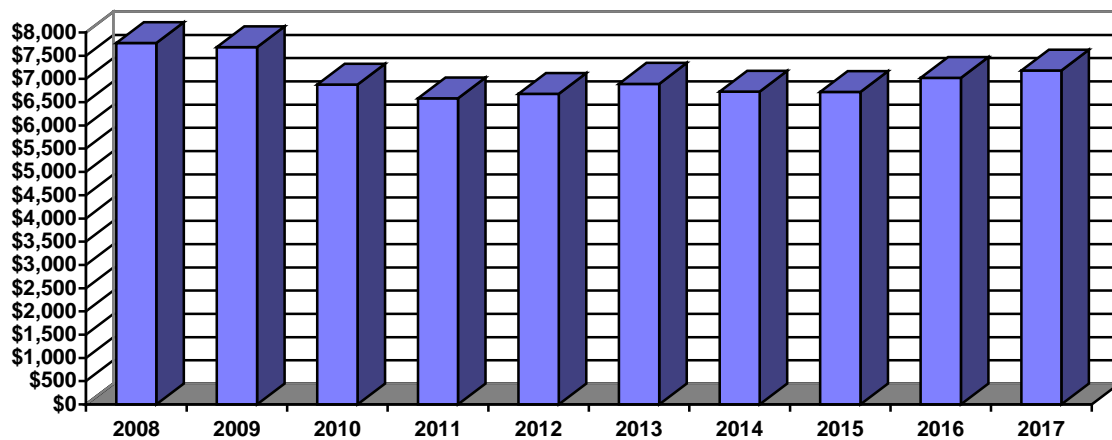
Year	Expenditures in Current Dollars	Expenditures per Household	Expenditures in 2008 Dollars	Expenditures per Household
2008	\$36,435,827	\$7,772	\$36,435,827	\$7,772
2009	\$36,440,375	\$7,693	\$36,403,971	\$7,685
2010	\$33,612,873	\$7,069	\$32,696,489	\$6,876
2011	\$32,463,405	\$6,869	\$31,111,683	\$6,583
2012	\$33,971,841	\$7,181	\$31,609,039	\$6,681
2013	\$34,602,365	\$7,537	\$31,657,531	\$6,896
2014	\$34,537,391	\$7,464	\$31,131,120	\$6,728
2015	\$34,873,382	\$7,513	\$31,184,498	\$6,718
2016	\$36,453,564	\$7,907	\$32,370,932	\$7,022
2017	\$38,071,055	\$8,258	\$33,111,922	\$7,183*
% CHANGE	4.5%	6.3%	-9.1%	-7.6%

Source: Annual edition of the City of Poquoson's *Comprehensive Annual Financial Report*.

*Total Expenditures (-) minus Capital Outlay & Debt Service

*2017 Household number unavailable – 2016 number used

Total Operating Expenditures Per Household in 2008 dollars



APPENDIX

In 2005, the City began the design phase of a new Elementary School and Fire Station which suffered extensive damage caused by Hurricane Isabel in 2003. In 2007 and 2008 the City issued additional debt for the construction of the Elementary School and Fire Station and construction began on these two projects. They were complete in 2009. In 2012, the City began construction on a new public works storage building and an administration building. These buildings were completed in 2013. In 2016, the City was able to purchase some much needed Public Works equipment. In 2017, the City through refinancing of debt was able to provide funds to the School Division for purchase of a bus, renovations to the HVAC systems at two schools and a complete upgrade to the high school track.

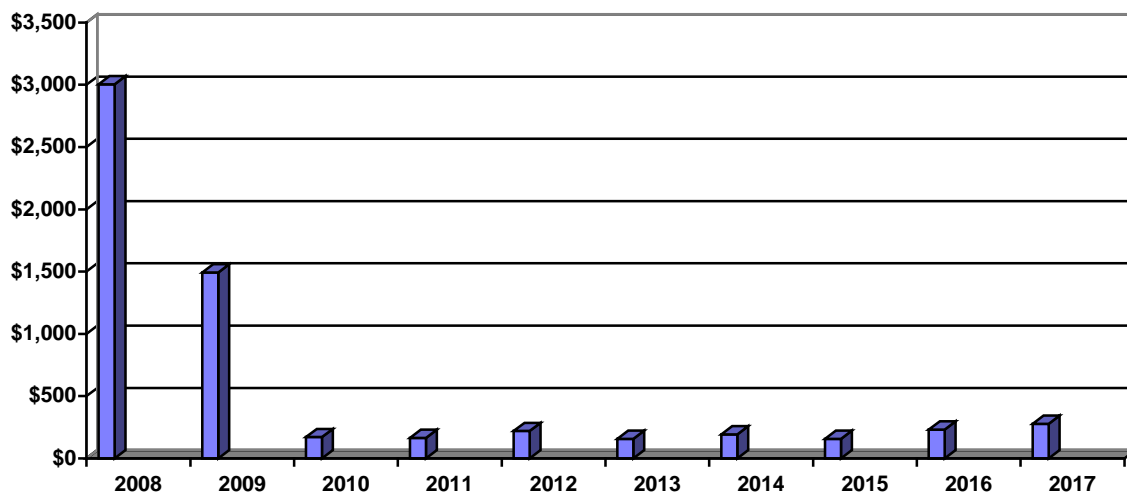
Total Capital Expenditures Per Household

Year	Expenditures in Current Dollars	Expenditures per Household	Expenditures in 2008 Dollars	Expenditures per Household
2008	\$14,078,149	\$3,003	\$14,078,149	\$3,003
2009	\$7,085,050	\$1,496	\$7,077,972	\$1,494
2010	\$838,069	\$176	\$815,221	\$171
2011	\$814,871	\$172	\$780,941	\$165
2012	\$1,119,347	\$237	\$1,041,494	\$220
2013	\$794,678	\$173	\$727,047	\$158
2014	\$991,003	\$214	\$893,265	\$193
2015	\$822,462	\$177	\$735,462	\$158
2016	\$1,202,670	\$261	\$1,067,976	\$232
2017	\$1,468,075	\$318	\$1,276,844	\$277*

Source: Annual edition of the City of Poquoson's *Comprehensive Annual Financial Report*.

*2017 Household number unavailable – 2016 number used

Total Capital Expenditures Per Household in 2008 dollars



APPENDIX

Operating Expenditures By Function in 2008 Dollars

The table below depicts the growth in operating expenditures by function of government, after adjustment for inflation. In 2013, parks and recreation, which was an enterprise fund, was merged into the general fund.

Year	Education	Public Safety	Public Works	Parks, Recreation and Culture
2008	\$22,168,337	\$5,952,162	\$1,503,219	\$1,175,226
2009	\$23,505,702	\$5,322,894	\$1,533,877	\$2,168,160
2010	\$21,047,544	\$5,448,649	\$1,489,167	\$976,429
2011	\$19,791,721	\$5,525,309	\$1,453,718	\$974,600
2012	\$19,910,066	\$5,498,327	\$1,485,128	\$983,998
2013	\$19,544,239	\$5,716,229	\$1,452,043	\$1,414,042
2014	\$19,001,427	\$5,700,043	\$1,548,261	\$1,404,367
2015	\$18,764,466	\$5,851,368	\$1,650,891	\$1,445,503
2016	\$19,775,332	\$5,781,659	\$1,604,540	\$1,425,505
2017	\$19,674,051	\$5,869,645	\$1,656,822	\$1,406,776
% CHANGE	-11.3%	-1.4%	10.2%	19.7%

Year	General Administration	Debt Service	All Other	Total
2008	\$2,018,674	\$2,753,677	\$3,618,209	\$39,189,504
2009	\$2,322,329	\$2,838,530	\$2,551,009	\$39,242,501
2010	\$1,872,014	\$2,717,295	\$1,862,686	\$35,413,784
2011	\$2,018,512	\$1,990,418	\$1,347,824	\$33,102,101
2012	\$2,024,529	\$2,266,387	\$1,706,991	\$33,875,426
2013	\$1,936,718	\$1,655,073	\$1,594,260	\$33,312,605
2014	\$1,938,313	\$1,872,567	\$1,538,709	\$33,003,687
2015	\$1,916,258	\$2,349,173	\$1,556,011	\$33,533,671
2016	\$2,049,031	\$3,099,431	\$1,734,865	\$35,470,363
2017	\$1,911,496	\$2,415,591	\$2,593,132	\$35,527,512
% CHANGE	-5.3%	-12.3%	-28.3%	-9.3%

Source: Annual edition of the City of Poquoson's *Comprehensive Annual Financial Report*.

While operating expenditures per-capita have increased since 2008, total expenditures are still more than 9% under the average level of expenditures incurred by other Virginia localities, as shown on the following

APPENDIX

table. Poquoson residents fund their school system at 109.12% of the average local expenditures, while other areas of government are generally under the average expenditures level prevailing throughout the State.

Operating Expenditures City of Poquoson Compared to All Others by Per-Capita Expenditures

	2008			2017		
	<i>Poquoson</i>	<i>All Cities</i>	<i>% of Avg.</i>	<i>Poquoson</i>	<i>All Cities</i>	<i>% of Avg.</i>
Education	\$1,897.90	\$1,676.23	113.22%	\$1,830.49	\$1,677.33	109.12%
Public Safety	\$507.95	\$649.67	78.19%	\$529.13	\$685.12	77.23%
Public Works	\$206.02	\$302.84	68.03%	\$218.92	\$311.90	70.19%
Parks, Recreation and Cultural	\$137.81	\$161.39	85.39%	\$130.87	\$157.16	83.27%
General Administration	\$181.70	\$153.94	118.03%	\$185.52	\$174.34	106.41%
Judicial Administration	\$23.59	\$66.66	35.39%	\$36.00	\$71.48	50.36%
Health & Welfare	\$170.12	\$447.85	37.99%	\$198.21	\$446.67	44.38%
Community Development	\$257.47	\$152.07	169.31%	\$137.47	\$142.84	96.24%
TOTAL	\$3,382.56	\$3,610.65	93.68%	\$3,266.41	\$3,666.84	89.08%

Source: Comparative Report of Local Government Revenues and Expenditures, Auditor of Public Accounts, Commonwealth of Virginia

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DEBT SERVICE

Debt Service is defined as the amount of interest and principal that must be paid on long-term debt. As the amount decreases, it lessens obligations and increases expenditure flexibility. The City's debt policy requires that the City's tax supported debt service as a percent of general government expenditures shall not exceed 10%. Credit industry standards provide for a 20% ratio of total operating expenditures before debt service is considered to be a potential problem.

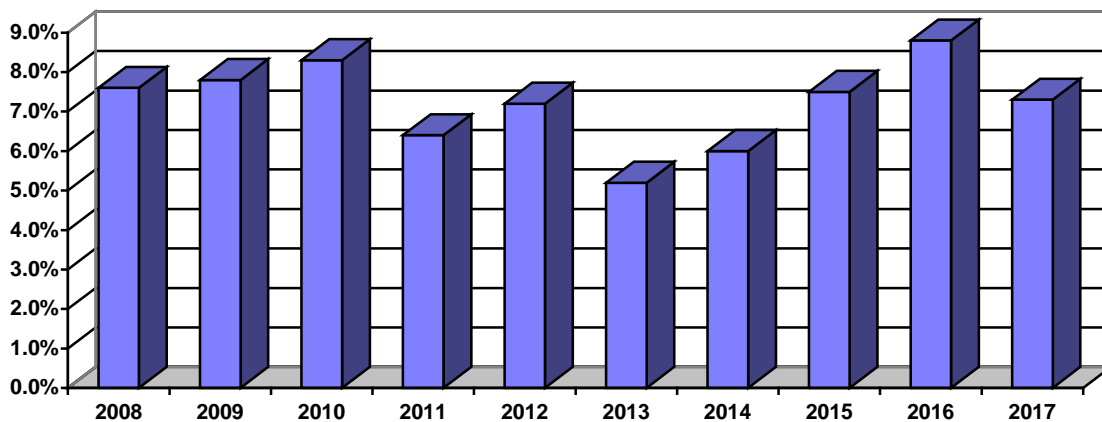
As shown in the table below, the City's 7.3% ratio of debt service to total operating expenditures is acceptable to both the City's policy and the credits industry standards.

Ratio of Debt Service to Total Operating Expenditures

Year	Debt Service	Operating Expenditures	Percent of Expenditures
2008	\$2,753,677	\$36,435,827	7.6%
2009	\$2,841,369	\$36,440,375	7.8%
2010	\$2,793,453	\$33,612,873	8.3%
2011	\$2,076,896	\$32,463,405	6.4%
2012	\$2,435,801	\$33,971,841	7.2%
2013	\$1,809,031	\$34,602,365	5.2%
2014	\$2,077,458	\$34,537,391	6.0%
2015	\$2,627,062	\$34,873,382	7.5%
2016	\$3,206,291	\$36,453,564	8.8%
2017	\$2,777,371	\$38,071,055	7.3%

Source: Annual edition of the City of Poquoson's *Comprehensive Annual Financial Report*.

Ratio of Debt Service to Total Expenditures



APPENDIX

There is also a legal limit for cities in Virginia whereby the amount of bonded long-term debt cannot exceed 10% of the cities total assessed value or real property. As the table below shows, the city's ratio of bonded debt to assessed valuation amounts to 2.41%.

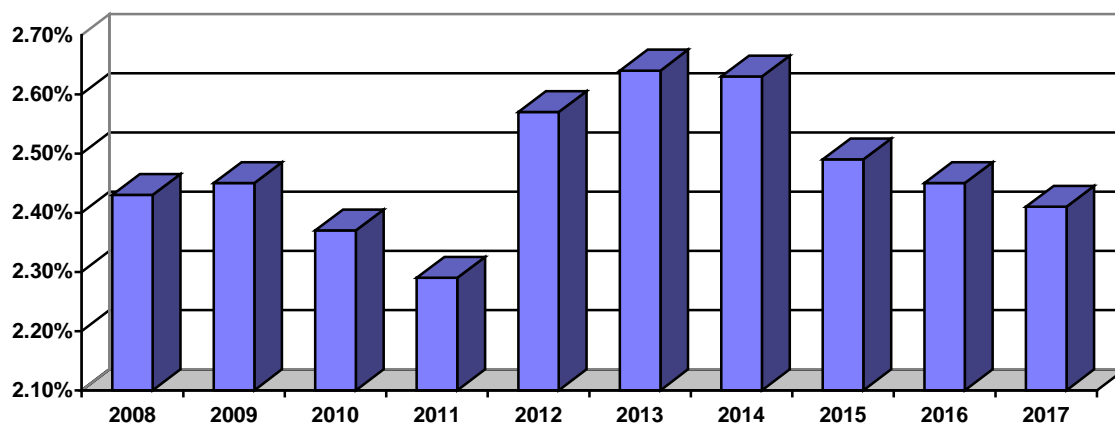
Capacity is therefore available should City Council decide to undertake additional long-term borrowing to fund infrastructure and capital improvements.

Ratio of Bonded Debt to Assessed Value

<i>Bonded Debt</i>					
<i>Year</i>	<i>Assessed Value of Taxable Real Estate</i>	<i>General Fund Supported</i>	<i>Enterprise Funds</i>	<i>Total</i>	<i>Ratio Debt to Assessed Value</i>
2008	\$1,678,329,182	\$30,503,892	\$10,299,394	\$40,803,286	2.43%
2009	\$1,698,795,508	\$32,096,290	\$9,592,392	\$41,688,682	2.45%
2010	\$1,719,852,121	\$31,047,606	\$9,733,441	\$40,781,047	2.37%
2011	\$1,728,246,736	\$30,247,736	\$9,374,924	\$39,622,660	2.29%
2012	\$1,519,389,327	\$30,136,146	\$8,971,631	\$39,107,777	2.57%
2013	\$1,526,769,279	\$32,031,772	\$8,305,000	\$40,336,772	2.64%
2014	\$1,513,018,247	\$31,093,650	\$8,669,904	\$39,763,554	2.63%
2015	\$1,518,712,371	\$30,078,875	\$7,789,604	\$37,868,479	2.49%
2016	\$1,525,034,355	\$30,023,324	\$7,374,457	\$37,397,781	2.45%
2017	\$1,532,812,342	\$30,023,324	\$6,879,307	\$36,902,631	2.41%
% CHANGE	-8.7%	-1.6%	-33.2%	-9.6%	-1.0%

Source: Annual edition of the City of Poquoson's *Comprehensive Annual Financial Report*

Ratio of Bonded Debt to Assessed Value



GLOSSARY

ACCRUAL BASIS – A basis of accounting in which transactions are recognized at the time they are incurred, as opposed to when cash is received or spent.

AMORTIZATION – Spreading out the cost of an intangible asset or debit over the useful life of the asset.

BALANCED BUDGET – A budget in which current expenditures are supported by current revenues.

APPROPRIATION - An authorization made by the legislative body of a government, which permits officials to incur obligations against and to make expenditures of governmental resources. Appropriations are usually made for fixed amounts and are typically granted for a one-year period.

ASSESSED VALUATION - A valuation set upon real estate or other property by the City Assessor as a basis for levying property taxes.

BOND - A written promise to pay (debt) a specified sum of money (called principal or face value) at a specified future date (called the maturity date(s)) along with periodic interest paid at a specified percentage of the principal (interest rate). Bonds are typically used for long-term debt.

BUDGET – A plan of financial activity for a specified period of time (fiscal year or biennium) indicating all planned revenues and expenses for the budget period.

CAPITAL IMPROVEMENTS PLAN CONSTRAINED (CIP) – A planning tool that identifies necessary capital projects for the City of Poquoson over a five-year period.

CAPITAL OUTLAY – Outlays resulting in the acquisition of, or addition to, fixed assets. Exceptions to this are major capital facilities which are constructed or acquired – such as, land and buildings. These are funded in the Capital Improvement Budget.

CHARGES FOR SERVICES – Fees the City charges users of government services, such as recreation fees, court costs, library fines, etc.

CONTINGENCY ACCOUNT - A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted for.

DEBT SERVICE – The annual principal and interest payments for the debt incurred by the City in the process of acquiring capital outlay or constructing capital facilities.

DEPARTMENT – A major administrative division of the City that has overall management responsibility for an operation or a group of related operations within a functional area.

DEPRECIATION - (1) Expiration in the service life of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy or obsolescence; (2) that portion of the cost of a capital asset which is charged as an expense during a particular period.

ECONOMIC DEVELOPMENT AUTHORITY (EDA) – A political subdivision of the Commonwealth of Virginia with such public and corporate powers as set forth in the Industrial Development & Revenue Act.

ENCUMBRANCES – The commitment of appropriated funds to purchase an item or service. To encumber funds means to set aside or commit funds for future expenditures.

GLOSSARY

ENTERPRISE FUND – A separate fund used to account for operations financed and operated similar to private business enterprises. The cost expenses, including depreciation of providing goods or services to the general public on a continuing basis are to be financed or recovered primarily through user charges.

EQUALIZED TAX RATE – The tax rate which would levy the same amount of real estate tax revenue as the previous fiscal year when multiplied by the new total assessed value of real estate.

ESTIMATED REVENUES – Budgetary accounts which reflect the amount of revenue estimated to be accrued during the fiscal year.

EXPENDITURES - An outflow of resources that results in a decrease in the fund's net assets. Expenditures, used with governmental-type funds, are categorized as current expenditures, debt service, capital outlays, and other financing uses. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt and on special assessment indebtedness secured by interest-bearing special assessment levies, which should be recognized when due.

EXPENSES - Charges incurred (whether paid immediately or unpaid) for operation, maintenance, interest, and other charges.

EXECUTIVE SUMMARY - A general discussion of the proposed budget presented in writing as a part of the budget document. The executive summary explains principal budget issues against the background financial experience in recent years and presents recommendations made by the City Manager.

FEDERAL GOVERNMENT – Revenue provided from the Funds provided by the Federal government to compensate the locality for Federal program impact, for programs jointly funded by the locality and the Federal government and outright grants.

FINES AND FORFEITURES – A broad range of fines and forfeitures for violations of local government ordinances.

FIXED ASSETS – Assets of long-term character that are intended to continue to be held or used, such as land, buildings, machinery, furniture and other equipment.

FISCAL YEAR - A twelve-month period to which the annual budget applies and at the end of which a governmental unit determines its financial position and results of operation. The City of Poquoson uses July 1st to June 30th as its fiscal year.

FULL-TIME EQUIVALENT (FTE) – The amount of time a position has been budgeted for in the amount in the amount of time a permanent, full-time employee normally works a year. Most full-time employees are paid 2,080 hours a year.

FUND - An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources together with all related liabilities, obligations, reserves, and equities which are segregated for the purpose of carrying on specific activities or attaining certain objectives.

FUND BALANCE - The excess of a fund's assets over its liabilities. A negative fund balance is sometimes called a deficit.

GLOSSARY

GENERAL FUND – The operating fund which finances the necessary day-to-day actions within the city through taxes, fees, and other revenue sources. This fund includes all revenues and expenditures not accounted for in the specific purpose fund.

GENERAL OBLIGATION BONDS - When a government pledges its full faith and credit to the repayment of the bonds it issues, then those bonds are general obligation (GO) bonds. Sometimes the term is also used to refer to bonds which are to be repaid from taxes and other general revenues.

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) – This refers to a set of standard rules and procedures used to account for the receipt and expenditure of funds.

GENERAL PROPERTY TAXES – Taxes on real and personal property, both tangible and intangible, such as vehicles, real estate and business equipment. Interest and penalties on delinquent taxes are also included in the category.

GOVERNMENT FINANCE OFFICERS ASSOCIATION (GFOA) – An association of public finance professionals founded in 1906 as the Municipal Finance Officers Association. The GFOA has played a major role in the development and promotion of generally accepted accounting principles for State and local government since its inception.

GOVERNMENT ACCOUNTING STANDARDS BOARD (GASB) – The ultimate authoritative accounting and financial reporting standard-setting body for State and local governments. The GASB was established in June 1984 to replace the National Council on Governmental Accounting (NCGA).

GOVERNMENTAL FUNDS – Funds generally used to account for tax-supported activities. The City has four governmental funds: The general fund, debt service fund, capital projects fund and special revenue grant fund. Governmental funds are reported using current financial resources and the modified accrual basis of accounting.

GRANT - A contribution of assets (usually cash) by one governmental unit or other organization to another. Typically, these contributions are made to local governments from the State and Federal governments. Grants are usually made for specified purposes.

INTERNAL SERVICE FUND – Proprietary fund type that is used to report an activity that provides goods or services to other funds, departments, or agencies of the primary government and its component units on a cost-reimbursement basis.

LINE OF CREDIT (LOC) – Short-term interest bearing note issued by the government.

MODIFIED ACCRUAL ACCOUNTING - All governmental funds and expendable trust funds use the modified accrual basis of accounting. The private sector's accrual basis of accounting is "modified" for governmental units, so that revenue is recognized in the accounting period when it becomes measurable and available. Expenditures are recorded when the liability is incurred or in the absence of a liability, when the cash disbursement is made.

NET ASSETS, or EQUITY – The residual interest in the assets of an entity that remains after deducting its liabilities; sometimes referred to as equity.

GLOSSARY

OPERATING BUDGET – An annual financial plan of operating expenditures encompassing all the fund types within the city, and the approved means of financing them. The operating budget is the primary tool by which most of the financing, acquisition, spending and service delivery activities of a government are planned and controlled.

PERMITS, PRIVILEGES FEES, AND REGULATORY LICENSES – The class of permits, fees, and licenses which includes such levies as user permits to cover costs of processing requests for changes in zoning, building permits, electrical permits, plumbing permits, to license animals, etc.

PERSONAL PROPERTY TAX RELIEF ACT OF 1998 (PPTRA) – A State legislative action to decrease the amount of personal property tax that citizens pay on qualified vehicles. The State pays the locality the amount of the relief, so that the locality is not out any money, even though the citizen is given relief. Vehicles must be used for personal use and not a business to qualify for relief. Large trucks, commercial vehicles, RV's, boats, and utility trailers continue to pay full personal property taxes. For qualified vehicles valued at \$1,000 or less, the taxpayer pays nothing and the State reimburses the locality for the entire amount. Qualified vehicles are given 55% relief on the tax for vehicles assessed between \$1,000 and \$20,000. The tax on any assessments over \$20,000 is not given any relief.

RETAINED EARNINGS – An equity account reflecting the accumulated earnings of any enterprise or internal service fund.

REVENUE - The term designates an increase to a fund's assets which does not increase a liability (e.g., proceeds from a loan), does not represent a repayment of expenditure already made, does not represent a cancellation of certain liabilities, and does not represent an increase in contributed capital.

REVENUE ESTIMATE - A formal estimate of how much revenue will be earned from a specific revenue source for some future period; typically, a future fiscal year.

REVENUE AND EXPENDITURE DETAIL - Represents the smallest level or breakdown in budgeting for revenue and expenditures.

TAX RATE - The amount of tax levied for each \$100 of assessed value.

TRANSFERS FROM OTHER FUNDS - Budget line item used to reflect transfers of financial resources into one fund from another fund.

TRANSFERS TO OTHER FUNDS - Budget line item used to reflect transfers of financial resources out of one fund to another fund.

UNAPPROPRIATED FUND BALANCE - The excess of a fund's assets and estimated revenue for a period over its liabilities, reserves, and available appropriations for the period.

UNRESTRICTED NET ASSETS – That portion of net assets that is neither restricted nor invested in capital assets (net of related debt).

VIRGINIA RETIREMENT SYSTEM (VRS) – An agent multiple-employer public retirement system that acts as a common investment and administrative agent for the political subdivisions in the Commonwealth of Virginia.

FREQUENTLY USED ACRONYMS AND ABBREVIATIONS

ABC	-	Alcoholic Beverage Control
ABOS	-	Anderson-Bugg Outboard Services
ACOE	-	Army Corps of Engineers
ADM	-	Average daily membership
ALS	-	Advance life support
ARB	-	Architectural Review Board
ASFPM	-	Association of State Flood Plain Managers
AV	-	Assessed Valuation
AYP	-	Adequate Yearly Progress
BLS	-	Basic Life Support
BMP	-	Best Management Practice
BZA	-	Board of Zoning Appeals
CAD	-	Computer Aided Dispatch
CAFR	-	Comprehensive Annual Financial Report
CAMA	-	Computer Assisted Mass Appraisal
CASA	-	Court Appointed Special Advocates
CBLAD	-	Chesapeake Bay Local Assistance Department
CBRN	-	Chemical, Biological, Radiological, Nuclear
CCIP	-	Constrained Capital Improvement Plan
CCTV	-	Closed Circuit Television
CDBG	-	Community Development Block Grant
CIP	-	Capital Improvement Plan
CPR	-	Cardiopulmonary Resuscitation
CRS	-	Community Rating System
CSA	-	Children's Services Act
DCR	-	Department of Conservation and Recreation
DEA	-	Drug Enforcement Administration
DEQ	-	Department of Environmental Quality
DGIF	-	Department of Game & Island Fisheries
DHS	-	Department of Homeland Security
DMV	-	Department of Motor Vehicles
DPOR	-	Department of Professional Occupation Regulation
DUI	-	Driving Under the Influence
E & S	-	Erosion & Sediment
E-911	-	Emergency 911
EDA	-	Economic Development Authority
EDPRC	-	Environmental Development Plan Review Committee
EMS	-	Emergency Medical Service
EMT	-	Emergency Medical Technician
EPA	-	Environmental Protection Agency
FAA	-	Federal Aviation Administration
FEMA	-	Federal Emergency Management Agency
FMA	-	Flood Mitigation Assistance
FOG	-	Fats, Oils and Grease
FTE	-	Full Time Equivalent
FY	-	Fiscal Year
GAAP	-	Generally Accepted Accounting Principles

FREQUENTLY USED ACRONYMS AND ABBREVIATIONS

GASB	-	Governmental Accounting Standards Board
GFOA	-	Government Finance Officers Association
GIS	-	Geographic Information System
GO	-	General Obligation
HAVA	-	Help America Vote Act
hcf	-	100 cubic feet
HMGP	-	Hazard Mitigation Grant Program
HRCJTA	-	Hampton Roads Criminal Justice Training Academy
HREDA	-	Hampton Roads Economic Development Alliance
HRPDC	-	Hampton Roads Planning District Commission
HRSD	-	Hampton Roads Sanitation District
HVAC	-	Heating, Ventilation, and Air Conditioning
I & I	-	Inflow and Infiltration (I/I)
ICC	-	International Code Council
ISO	-	Insurance Service Office
LCI	-	Local Composite Index
LINX	-	Law Enforcement Information Exchange
LOC	-	Line of Credit
MPO	-	Metropolitan Planning Organization
MS4	-	Municipal Separate Storm Sewer System
NADA	-	National Automobile Dealer's Association
NASA	-	National Aeronautics and Space Administration
NAST	-	NASA Aeronautics Support Team
NFIP	-	National Flood Insurance Program
NFPA	-	National Fire Protection Association
NPDES	-	National Pollutant Discharge Elimination System
NVRA	-	National Voter Registration Act
OPEB	-	Other Post Employment Benefits
PAWS	-	Poquoson Animal Welfare Sanctuary
PBL	-	Project Based Learning
PCPS	-	Poquoson City Public Schools
PES	-	Poquoson Elementary School
PHS	-	Poquoson High School
PMS	-	Poquoson Middle School
PPE	-	Personal Protective Equipment
PPR	-	Poquoson Parks & Recreation
PPS	-	Poquoson Primary School
PPTRA	-	Personal Property Tax Relief Act
RAISE	-	Regional Air Service Enhancement Fund
RE	-	Real Estate
RFP	-	Request for Proposal
ROW	-	Right Of Way
RPA	-	Resource Protection Area
RV	-	Recreational Vehicle
SC	-	Service Charge
SCADA	-	System & Control and Data Acquisition
SCBA	-	Self Contained Breathing Apparatus

FREQUENTLY USED ACRONYMS AND ABBREVIATIONS

SOL	-	Standards of Learning
SPCA	-	Society for the Prevention of Cruelty to Animals
SRL	-	Severe Repetitive Loss
SSes	-	Sanitary Sewer Evacuation System
SSO or SSOS	-	Sanitary Sewer Overflows
State 599	-	State 599 (Police) Funds
STEM	-	Science, Technology, Engineering, and Mathematics
TAV	-	Treasurers Association of Virginia
TMDL	-	Total Maximum Daily Load
TNCC	-	Thomas Nelson Community College
VAZO	-	Virginia Association of Zoning Officials
VDEM	-	Virginia Department of Emergency Management
VDOT	-	Virginia Department of Transportation
VML	-	Virginia Municipal League
VMRC	-	Virginia Marine Resources Commission
VPA	-	Virginia Port Authority
VPDES	-	Virginia Pollutant Discharge Elimination System
VPPSA	-	Virginia Peninsulas Public Service Authority
VPSA	-	Virginia Public Schools Authority
VRA	-	Virginia Resources Authority
VRS	-	Virginia Retirement System

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