

HOPEWELL VIRGINIA

2013-



2014

FINANCIAL PLAN

*Providing a VISION for
Making the community a desired location*

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INTRODUCTION

City Council



Mayor



Vice Mayor



Ward 1



Ward 2



Ward 5



Ward 6



Ward 7

Vision Statement

The City of Hopewell is a dynamic community with a rich history that strives for a high quality of life where neighbors, generations, and cultures connect. We support environmental stewardship and promote a robust and diverse economy. Our community is safe and affordable; a place our children and their children will be proud to call home.

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HISTORY

City Point, the oldest part of Hopewell, was founded in 1613 by Sir Thomas Dale. City Point's location on a bluff overlooking the James and Appomattox Rivers has been an important factor in Hopewell's history for almost four centuries.

The tiny colonial village of City Point saw the Revolutionary War fought on its banks. Later, in 1864-1865, General Ulysses S. Grant directed the 10-month Siege of Petersburg from the grounds of Appomattox Manor. This plantation home is now part of the City Point Unit of Petersburg National Battlefield.

Hopewell was developed by the DuPont Company of Wilmington, Delaware in 1914. This company first built a dynamite factory and then switched to the manufacture of guncotton during World War I.

Although DuPont left Hopewell after the war, many manufacturing giants have since located in the city. These companies have included: Allied Signal, Firestone, Goldschmidt, Hercules/Aqualon, Honeywell and Smurfit-Stone.

Products as diverse as the first automatic dishwasher, the first Kraft paper and cardboard boxes, china and artificial silk have been manufactured in Hopewell.

Since its founding, Hopewell, named after an English ship, has continued its British ties by twinning with the City of Ashford, Kent, England. Hopewell occupies 11 square miles and is bounded by the Appomattox and James Rivers on three sides. The city is 30 minutes from downtown Richmond and 56 miles from Williamsburg.

Hopewell has received the Governor's Clean City Award and is noted for its landscaping and beautification.

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*From the Office of
Edwin C. Daley, City Manager*

May 3, 2013

The Honorable Mayor Michael Bujakowski
and Council Members
Hopewell City Council
300 North Main Street
Hopewell, Virginia 23860

Dear Mayor Bujakowski and Council Members:

I. INTRODUCTION:

Enclosed is the proposed FY 2013-2014 Financial Plan. In legal terms, this document fulfills the statutory requirements and my administrative responsibilities under Chapter V, Section 4 (c) of the Code of the City of Hopewell.

The FY 2013-2014 Financial Plan consists of the General Fund, School Funds, Social Services Fund, Parks and Recreation Fund, Marina Fund, Comprehensive Services Act Fund, Community Development Block Grant Fund; and enterprise funds including Solid Waste, Sewer Services, and Hopewell Regional Wastewater Treatment Facility. The FY 2013-2014 Financial Plan totals \$117,735,500.

The General Fund is the main operating fund of the City and includes most traditional local government programs such as Public Safety and Public Works. The FY 2013-2014 General Fund budget is \$45,826,000.

This Financial Plan addresses several priorities:

1. Community Projects.
2. Investment in our Employees.
3. Public Safety. Infrastructure needs.
4. Improvements to Community appearance.
5. Economic Development.

II. COMMUNITY INVESTMENT

Recent years have resulted in significant city investments in the community.

Council has focused on downtown by allocating funds to the Hopewell Downtown Partnership and for restoration of the Beacon Theatre. When these projects are combined with planning studies, the downtown streetscape, and the new Library and Human Services Buildings; the city has invested over \$ 15,000,000 in downtown since 2000. Restoration of the Theatre will be complete later this year. The Beacon Advisory Committee is working with Mr. Scott Firestone and will recommend an operations plan to Council.

Council has reserved funds for renovations at the Hopewell Marina. This project will also be completed later this year. Staff is preparing an RFP to privatize Marina operations.

Street projects have been a council focus for several years. Council has allocated over \$2,000,000 for street resurfacing. This effort will continue with \$750,000 additional funds this year. The Cabin Creek drainage projects and street projects on Dinwiddie and Atwater, Trenton and Freeman Streets represent additional infrastructure efforts. Public Works and Engineering have been very successful obtaining matching funds from VDOT and using CDBG Funds to reduce local costs.

Street and Storm Drainage

Other street-related projects that have been approved and funded include:

<u>Road Name</u>	<u>Estimated Completion</u>
1) North 14 th Street	Summer 2013
2) Ramsey Avenue	Summer 2013
3) Freeman Street	Summer 2013
4) Davis Lane	Spring 2014
5) Carolina Avenue	Summer 2014
6) North Avenue	Fall 2014
7) Maple Avenue	Fall 2014

Please note that the Trenton Street improvements are funded by the CDBG and the requested allocation from the Osage tax payment funds. This project is under contract.

In addition, the following projects have been submitted for VDOT funding:

- Cattail Creek Drainage Channel – full funding
- East Broadway Bridge – partial funding
- South Sixth Street Bridge – partial funding

Storm drainage continues to be a pressing need in Hopewell. The City of Hopewell is required to participate in Federal and Commonwealth of Virginia mandated stormwater best managements practice programs (BMPs). Municipalities are required to reduce water pollution by aiding in proper management of stormwater systems and soil erosion control, and provide an effective effort to reduce water pollution. Because the Commonwealth and federal governments provide little to no funding to offset implementation costs, the City of Hopewell should consider utilizing a stormwater utility fee. Such a fee would cover the further economic burden of providing proactive stormwater maintenance, drainage improvements, and would help future application of standards set forth by BMPs. Additionally, all gathered fees would be used to adhere to the requirements set forth by § 10.1-603.3 Virginia Stormwater Management Program (VSMP) Code and City of Hopewell's Municipal Separate Storm Sewer System (MS4).

Storm Drainage Utility

Development of a storm drainage utility proposal to finance these needed storm drainage improvements will be a priority for our new Public Works Director.

City Recycling

The new Director will also be responsible for developing a curbside recycling program for Hopewell. The City's sanitation contract expires in June 2014, and the new contract will include this option for Council to consider.

Bus Service

Council will need to address bus service provided by the City of Petersburg this next year. This is funded by a grant until fall 2014. Staff is considering the cost of continuing this service with the current system. An alternative is to use smaller vehicles and City drivers.

HRWTF Phase II

Construction of the City funded Phase I of the Hopewell Regional Wastewater Treatment Facility is nearing completion. Preparations continue for Phase II of this project. HRWTF Director, Mark Haley and Herbert Bragg worked closely with Governor McDonnell, Delegate Ingram, Delegate Dance, local industry, and the Virginia Manufacturers Association to obtain a \$5,000,000 state grant for this project from the Water Quality Improvement Fund.

Phase 2 Project Implementation and Regulatory Timeline

New City Sewer Rate Approved	Spring 2013
Apply for State Funding	July 2013
Pilot Testing	2013
Plant Design	2014
Plant Construction	Winter 2015 – Winter 2018
New Permit Issued	2018

City and School Employees

The current budget highlighted a significant investment in our human infrastructure – our city and school employees. Funds were included to address the state mandate that employees contribute to the Virginia Retirement System last year. This mandate was the result of the state's failure to fund employee retirement for state employees. Virginia localities have always met their obligation to fund employee retirements.

Because the state failed to meet its obligations, local government employees must pay the 5% into the VRS. The City and School System made this switch last July to avoid future obligation and to avoid having employees working under several different sets of retirement regulation.

It is proposed that this year:

- The City increase funding to City Schools by \$540,000 to provide funding for a 3% salary increase effective August 1, 2013.
- This proposal provides funds for a 3% salary increase for City permanent employees effective August 1, 2013.
- The August 1, 2013 date is proposed to align with state approved 3% salary increases for Constitutional Officers and Social Services.
- There are no new positions included in this proposal.

Employee Health Insurance

The City rebid health insurance this year and will be switching to Cigna Health Insurance. Our rate increase will be 2.4%, and we will offer a health savings account with prescription options.

Career Development

The Human Resources Department will continue to focus on career development opportunities and succession planning for employees. We will be recommending that Council adopt a career development program for employees effective January 1, 2014. We anticipate having the program for your review in early fall.

I-295

This proposal continues the transfer of net proceeds from the I-295 project to the Capital Fund. This is estimated to be \$800,000 this year. The state will continue taking all local fines and are rebating a portion to the locality.

III. AID TO THE COMMONWEALTH:

Governor McDonnell proposed and legislature approved terminating the aid to the commonwealth program. Localities will no longer be making this payment to the state budget.

IV. FISCAL GOALS:

The FY 2013-2014 Financial Plan represents significant investment in services and infrastructure. There are changes from the current program of services. The City must maintain its undesignated General Fund balance at a minimum of 10% of its operating budget and resist any efforts to spend the fund balance below 10%.

This will be particularly important in future years as additional responsibilities for state services fall on Virginia's local governments. Adherence to these goals is important to maintain the City's bond rating from the bond rating agencies.

The City does not anticipate the need to utilize the \$889,324 that was budgeted to come from fund balance for this year. I want to express my appreciation to all of the City departments and employees who have helped to reduce expenditures in order to make this possible.

There are no fund balance/reserve funds used with this proposal. The Osage energy tax payments are incorporated and shown as an addition from the General Fund to Capital Improvements. There is also the reallocation of \$277,000 from completed transportation projects to new ones.

V. REVENUE FACTORS:

Ad Valorem Taxes

The FY 2013-2014 Financial Plan proposes tax rates for:

- real property in tax year 2013 at \$1.02 per \$100 of assessed value plus \$0.06 per \$100 of assessed value for new debt service at Hopewell High School.
- personal property tax rate at \$3.50 per \$100.00 of assessed value.
- machinery and tools tax rate at \$3.05 per \$100 of assessed value.

The General Fund Budget is built on a tax rate of \$1.02 per \$100. The \$0.06 tax rate addition is needed to support debt service for the high school renovation project. This is the second of three increases for the high school debt. The third is scheduled for 2014. The budgeted revenue estimate from real property valuations is based on a 100% collection ratio.

VI. INTERGOVERNMENTAL REVENUES

- The CDBG funds are not included in the budget appropriation and will be allocated after the committee makes a recommendation.
- The FY 2013-2014 Financial Plan continues the transition of 5 police officer and 3 firefighter positions from Federal assistance to local funding. These funds will be decreased each year as the city absorbs the costs and grant dollars decrease for these positions over the next two years as indicated below:

Police Grants – City Cost Increase

<u>No. of Positions</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
6	\$168,479	\$206,356	\$252,364	\$ 18,279	\$ 0

Fire Grant – City Cost Increase

<u>No. of Positions</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
3	\$ 92,864	\$ 78,354	\$ 58,766	\$ 29,383	\$ 0

This is the last year we will have outside funding for these positions. We will complete the absorption into the local budget.

VII. CAPITAL PROJECTS

The Capital Projects Fund for FY 2013-2014 totals \$6,917,000, which includes debt service of \$3,869,000. The Capital Projects Fund has a non-recurring fund balance of approximately \$3,000,000 uncommitted as of June 30, 2012. The City Administration recommends the following capital projects:

Police - \$ 515,000

- Police cars with equipment
- Communications equipment
- Animal Shelter Improvements

Sheriff - \$30,000

- Sheriff car with equipment for regular activities.

Public Works - \$ 957,000

- Street Paving Funding
- Bucket Truck
- Backhoe
- Sweeper
- Street and Drainage Projects
- Street Lighting

Beacon Theatre

No additional funds are proposed for capital projects as funds remain from last year's allocation

Recreation - \$220,000

High school tennis courts
Mathis Field resurfacing and reseeding
Riverside Park backstop
Reseeding Atwater Field
Community Center carpeting
Community Parks matching grant

Fire and Rescue - \$290,000

Ambulance with defibrillator
Improvements at Fire Station #1 and Fire Station #2

Information Technology - \$800,000

New management information system software
Continues our existing replacement program

Code Enforcement - \$111,000

Reimbursable account for buildings and grass clean-ups
Two inspector vehicles

Downtown Investment - \$131,000

Third year funding for the downtown partnership
Demolition of the old library building for downtown parking

We are not able to meet all the equipment requests from the Capital Projects Fund, but are able to cover the majority.

VIII. ENTERPRISE FUNDS

- The FY 2013-2014 Financial Plan proposes to continue the Enterprise Fund transfer policy to allow the application of an administrative cost allocation formula. The allocation formula captures administrative costs and charges this cost against the fund. A transfer of \$502,000 from the Solid Waste Fund surplus balance and a transfer of \$382,500 from the Sewer Services Fund to the General Fund are recommended.
- The FY 2013-2014 Financial Plan proposes a Sewer System Fund budget of \$6,297,000.
- One of the large issues facing local governments is storm drainage. The Storm Water Management Engineer is on board and is working on a storm water permit from the state Department of Conservation and Recreation and planning storm drainage improvements. He will be working with the new Public Works Director on our proposal for our storm drainage utility.
- The FY 2013-2014 Financial Plan proposes a HRWTF Fund budget of \$17,732,000. Approximately 16% of this budget is paid by the city and the balance is paid by the industrial customers of the treatment plant. This budget includes the debt service for revenue bonds issued for capital projects at the plant.
- The FY 2013-2014 Financial Plan proposes no increase to the Solid Waste Fee.

IX. OTHER HIGHLIGHTS

A. School Funding

The School Board proposed FY 2013-2014 budget was presented to council by school superintendent on April 23 The recommended local funding for schools is \$12,340,000 for operations plus funds for debt service on renovations at Hopewell High School and other school construction projects. This current year is the second of three increases for this debt service. The final increase will be in spring 2014.

B. Priorities and Revenues

The priority capital project for this coming year is a new **public safety building**. Staff will be working to develop proposals over the next several months. We will also be working on the **regional emergency communications system** with Chesterfield County and other jurisdictions. We anticipate expenditures for the public safety building to begin in 2014-2015 and expenditures for the communications system to begin in 2016-2017.

Other priorities for the year will include:

- Expanded **staff development opportunities** through the Human Resources Department
- **Storm drainage utility**
- **Community curbside recycling program**
- **Focus on community appearance and code enforcement**

C. City and City Schools

The City School Board and City Council have talked about the feasibility of a consolidated health care plan. Other areas of potential consolidation that should be considered include:

Building maintenance	Finance and accounting
Risk management	Human resources administration and training
Information services	Energy management

City departments have been working diligently to reduce operating expenses and consolidate positions as vacancies occur over the past two years.

It is recommended that City Council authorize an analysis of operations for the City and City Schools similar to the analysis performed for Charles City County and other jurisdictions by DecideSmart. The analysis would cost approximately \$45,000 and could lead to significant efficiencies in City and Schools' operations.

D. Economic Development and Community Appearance

The City is looking to focus on Economic Development and Community Appearance this year.

The tourism division will report to the City Manager's office to improve coordination with Economic Development and promotional activities. The City Manager's Office will also become liaison to the Hopewell Downtown Partnership to improve coordination with Economic Development. They will each prepare a strategic plan which will be incorporated into the Economic Development Strategic Plan.

The changes will allow Mr. Altman to focus efforts on Code Enforcement and Community Appearance. March and his staff are working on the Route 10 corridor with will move to other entryways of the City. The new regulations Council has adopted will improve this effort.

Economic Development – Fund 75

- The economic development expenditures consist of debt service on the Old Exeter Site bonds. The FY 2013-2014 Financial Plan includes \$116,880 for debt service.
- No other expenditures are planned or recommended to be taken from this fund.
- It is proposed that \$404,000 of the Osage tax payment funds be used to pay the 2012 taxable bonds that were issued for the improvements to this site.

X. NEXT STEPS:

City Council will need to hold its public hearing on the proposed budget. It is requested that this hearing be scheduled for May 14, 2013.

The FY 2013-2014 Financial Plan proposes an allocation of scarce revenues in a manner that enables the City Council to move forward.

I want to express my sincere appreciation for the cooperation that I received from employees in every department. I want to thank the entire staff for their many hours of hard work and their contribution to the development of this document.

The proposed budget is the first milestone in the annual budget process. The City staff and I look forward to working with you throughout your consideration and the adoption phase of the proposed FY 2013-2014 Financial Plan.

Respectfully submitted,



Edwin C. Daley
City Manager

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**BUDGETARY AND FISCAL
POLICIES AND PROCEDURES**

BUDGETARY AND FISCAL POLICIES AND PRACTICES

I. BUDGET

A. Balanced budget

In accordance with state law, the city must adopt an annual budget. The City Manager is required by city code to prepare and submit an annual budget to City Council where estimated revenues plus fund balance, if used, equals estimated expenditures and be responsible for its administration after the budget is adopted.

B. Level of authority

The budget of the City of Hopewell shall be adopted by fund and department/function classification level.

C. Budget amendments and transfers

The City Manager is authorized to transfer amounts between line items within a department or fund with limitations adopted in the budget resolution.

Money transfers between funds first must be approved by the City Council prior to the transfer.

Excess funds from approved and completed capital projects budgets shall revert back to the Capital Projects Fund Balance for future consideration.

D. Budget Appropriations

Unspent budgeted appropriations elapse at year-end and excess funds reverts back to the fund balance. Only if City Council has authorized a department to reserve any unspent budgeted funds will such funds be set aside in the designated reserve account.

E. Basis of Budgeting

All funds operated by the city are budgeted on the basis of cash. No attempt is made to account for any accrual or modified accrual item during the budget process. This methodology differs from the modified accrual method used in the audit for the General Fund, Special Funds and Capital Project Funds types. The full accrual method is used for all three enterprise type funds.

F. Budget cycle

The budget cycle typically begins in November with budget input instructions released to departments and a deadline set to complete their budget request. Once departments have completed input for their request, the budget director begins review and determining major areas where the city manager will concentrate his effort. Major city departments are given a chance to meet with the city manager on their budget request and review it. Once city manager finishes his department reviews, the budget director begins making estimates on funding sources. After the state General Assembly has passed the state budget, and city manager gets final revenue estimates, the final budget recommendations are completed.

City Manager will deliver his budget recommendations to City Council at its regular second scheduled meeting in March of each year. City Council will set a public hearing on the proposed budget and direct that a synopsis of the budget be advertised. A public hearing is held on the budget so council may hear comments from the public. Before and after the public hearing, City Council will be conducting work sessions to review and understand what is in the budget and how it is proposed to be funded. Three or more work sessions by council will take place. Once council agrees on the budget numbers, usually at its first meeting in May, it will approve a budget resolution and set the tax rate.

City budget resolution becomes effective July 1, each year.

II. FUNDS and ACCOUNTING

A. Basis of Accounting

The accounts of the City of Hopewell are organized on the basis of funds and account groups. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. The accounting records are maintained on the modified accrual basis of accounting for the General Fund, Special Revenue Funds (Social Services, Recreation, Marina and CDBG), and Capital Projects Fund and on the full accrual basis of accounting for its Enterprise Funds (Solid Waste, Sanitary Sewer and Regional Waste Water Treatment Plant).

B. Appropriation

Legally the city must appropriate funds for these funds; General Fund, Social Services, Recreation Fund, Marina, CDBG, and Capital Projects Fund. City is not required to appropriate for its enterprise type funds, but it does adopt a budget for the enterprise funds: Solid Waste, Sanitary Sewer and Regional Waste Water Treatment Plant.

C. Funds

General Fund- The General Fund is the general operating fund and is used to account for all financial resources except those required to be accounted for in another fund. This includes most traditional local government programs such as police, fire, public works, general administration and legislative functions.

Social Services Fund (major) - The Social Services Fund is used to account for all social and welfare services provided by the city and is reported as a major fund in the city's annual audit. Therefore, this fund is budgeted as a separate special revenue fund.

Special Revenue Fund (minor) – Special revenue funds are used to account for certain activities that City Council has established. These are the Recreation Fund, Marina Fund, and CDBG Fund. Each of these funds receives an appropriation by City Council.

Component Unit- Component unit reporting is assigned for two separate units of city government. Separate funds are maintained and City Council appropriates monies for each.

School Funds- City school funds are used to reflect revenues and expenditures for the operations of the city school system and are reported in separate funds: Operating Fund, Textbook Fund, Cafeteria Fund and Bus & Building Replacement Fund.

Community Services Act (CSA) - This fund accounts for the operations of educational and social services needs of children requiring special education, clinical and personal care services.

Capital Projects Fund- Capital Projects Fund is used to account for financial resources used for the acquisition, design, construction and debt service for major capital facilities (other than those financed by Proprietary Funds).

Enterprise Fund- Enterprise funds are used to account for operations that are financed and operated in a manner similar to the private business enterprises where the intent of the governing body is that the costs of providing services are financed or covered primarily through user charges.

Solid Waste Fund: Accounts for the operations and removal of solid wastes for the city.

Sewer Services Fund: Accounts for the operation and maintenance of the sanitary sewer system.

Wastewater Fund: Accounts for the operations, maintenance and treatment for the regional Wastewater treatment plant. This fund serves the major city industrial customers in addition to city residents for final wastewater treatment.

III. REVENUES

City generated revenues are grouped and budgeted within the respective fund for which they have been designated.

A. Major Revenues by Funds

General Fund- Revenues for the General Fund consist of both real and property taxes, state shared revenues, and local option taxes (sales tax, utility tax, business license tax, vehicle registration, revenues from the use of property and monies (interest earnings and rental income) and other miscellaneous income. Federal revenues collected by the General Fund are only a small part of the budget.

Social Services Fund- Revenues collected for Social Services Fund consist of three sources: federal, state and local. Because funding is controlled by the federal and state governments, the local funding represents the “local” match requirement for the federal and state dollars. No revenue projections are done because all funding is determined at a higher control level.

Recreation Fund- Revenues for the Recreation Fund come from two sources; fees and charges for recreation activities and General Fund transfer. General Fund support represents over 80% of the budget, while fees and charges account for the remaining budget. Fees and charges are adjusted every two years so that: 1) recreation activities remain competitive and 2) inflation costs are incorporated into recreation charges.

Marina Fund- Revenues for the Marina Fund come from slip rentals and boat ramp fees. These fees are assessed based on charges for similar services at area water access facilities.

CDBG Fund- Revenues are federal entitlement program funds and estimate is used. Funds come directly from federal government appropriation.

Capital Projects Fund- Capital Projects Fund revenues come from: meals and lodging tax, interest income, and General Fund transfer. Meals and lodging tax revenues represent approximately 48% and General Fund transfer accounts for another 50%, leaving approximately 2% from interest income. Forecasting for the meals and lodging revenues is calculated using 5 years of actual collections and applying a growth percentage.

Enterprise Funds- Revenues for the Enterprise Funds are determined by two methods: for the solid waste and sanitary sewer, a rate study is done every two years to determine demand being placed on the system and based on a classification of users, setting a rate structure for each class of user; the Regional Treatment Plant revenues are based on forecasted loadings from the industrial customers who use the system. Any Regional Treatment Plant excess or deficit in revenue is adjusted once per year when the annual audit is completed and all costs have been determined.

B. Review of fee schedules

All fee schedules and enterprise/user charges are reviewed and adjusted periodically to ensure that rates are equitable and cover the total cost of service or that portion of the total cost deemed appropriate by the City Council.

C. Anticipated grants

Grant funds or similar contractual revenue of a temporary nature is budgeted only if they are contracted and approved by City Council at the time of the recommended budget. Otherwise, separate appropriations will be made during the year as such grants are awarded or contracts made.

The City of Hopewell shall seek its fair share of available State and Federal financial support unless conditions attached to that assistance are contrary to City Council policy.

Prior to applying for and accepting intergovernmental aid, the City Manager will examine the matching requirements so that the source and availability of such funds may be determined before grant application is made.

The City Manager shall seek City Council approval for any grant application requiring local matching funds. Grants requiring "no" local funds may be authorized by the City Manager.

D. Tax Rates

The City Manager shall recommend property tax rates necessary to support the level of city services to be delivered.

E. User fees

The City Manager shall make recommendations to City Council for consideration such user fees and other charges that may support services.

F. Reserve balance limit

The City Council, by ordinance, has established a General Fund Assigned Reserve Balance requirement equal to ten (10) percent of the General Fund Budget for each budget cycle.

IV. EXPENDITURES

Performance Measurers

The City administration attempts to minimize the financial burden on the taxpayer through systematic program reviews and evaluations aimed at improving the efficiency and effectiveness of city services. These periodic reviews consider past trends and experiences elsewhere, and revision to the annual budget guidelines are based on current need and program efficiency. This information becomes an important factor in the preparation of the annual budget. (At this time, this effort has not been fully implemented.)

V. DEBT

A. Long-term debt

Long-term debt financing will be considered when the circumstances are such that the "pay-as-you-go" philosophy of acquiring capital assets cannot meet demand. Long-term borrowing will be confined to capital improvements that cannot be financed from current re-occurring revenues.

B. Debt limitation

The City Council has imposed upon itself guidelines to be used in the management long-term debt. Under state law the maximum debt limit is set at ten (10) percent of the city real estate property valuation. City Council has imposed a maximum debt limit of five (5) percent on the same valuation base.

C. Credit rating

The City of Hopewell will seek to maintain and, if possible, to improve its current Moody's A1 and Fitch and S&P AA- bond rating so its borrowing costs are minimized.

D. Virginia Public Finance Act

This state code section sets forth the policy and procedures whereby the City of Hopewell shall issue bonded indebtedness.

VI. CAPITAL IMPROVEMENTS

A. Develop a CIP

The City of Hopewell will plan for capital improvements over a multi-year period of time. The Capital Improvements Program will directly relate to the long-range plans and policies adopted by City Council.

A. Financing method

The City Manager will determine and recommend to the City Council financing methods for all capital projects.

VII. CASH MANAGEMENT/INVESTMENTS

A. Responsibility

The responsibility for cash management and investments rests with the elected City Treasurer as defined by state code.

State code defines how and what financial institutions must do to hold public monies. Eligible investments are defined by state code and city investment guidelines.

B. Investment Policy

City has a written investment policy which governs how investment decisions are made. Highlights of this policy are: city established an investment committee, investments limited to those allowed by Virginia Code, security dealers must be registered in the state of Virginia to conduct business, no investment purchased with an interest rate lower than the latest treasury auction, limit commercial paper to 35%, ninety (90) percent liquidity of six months or less, mortgage-backed derivative type investments prohibited, and investment of one million dollars must be done by competitive bid.

C. Review of investments

The city investment committee consists of: City Mayor, City Manager and City Treasurer. The City Clerk acts as recorder.

The investment committee meets quarterly to hear and review the city treasurer's investment report, give guidance or amend investment policy.

VIII. Accounting Practices

A. Accounting systems and GAAP

The City of Hopewell shall maintain the highest level of accounting practices possible. Accounting systems shall be maintained in order to facilitate financial reporting in conformance with General Accepted Accounting Principles (GAAP) promulgated by the Governmental Accounting Standards Board.

"Basis of accounting" refers to when revenues and expenditures are "recognized" in the accounts and reported in the financial statements.

The General Fund and All Special Funds of the City of Hopewell are accounted for during the year on the "modified accrual" basis for accounting. The governmental and agency fund revenues and expenditures are recognized on the modified accrual basis, where revenues are recognized in the accounting period in which they become available and measurable and expenditures are recognized in the accounting period in which the

fund liability is incurred, if measurable, except for un-matured principle and interest on general long-term debt, which is recognized when due.

The proprietary funds, or enterprise funds, revenues and expenses are recognized on the "full-accrual basis". Under this basis, revenues are recognized in the accounting period when they are earned and expenses are recognized in the period when they are incurred. Unbilled receivables are accrued as revenues and collected unearned revenues are recorded as a liability.

B. Annual audit and independent auditor

An independent firm of certified public accountants will perform an annual financial and compliance audit according to Generally Accepted Auditing Standards (GAAS) each year and will publicly issue an opinion which will be incorporated in the city's Comprehensive Annual Financial Report.

C. Internal control processes

The city will use internal accounting controls to the maximum extent feasible to insure that proper authority is followed in processing all financial transactions.

IX. RISK MANAGEMENT

A. Insurance coverage

The City Manager will obtain insurance protection for the city thru Virginia Municipal League Insurance Pool. This insurance shall include: property, automobile, equipment, law enforcement, employee honesty bond, general liability, professional liability and excess liability coverage.

All contractors performing services for the city shall carry insurance in the amounts and limits required in the procurement bid.

B. Source of funds

The insurance premiums shall be paid from the Self Insurance Fund except for coverage that can be assigned directly to other managed funds. Specifically, the premiums incurred covering the Social Services Fund, Regional Waster Water Treatment Fund, Recreation Fund, and the City Marina Fund shall be reimbursed by each respect fund.

C. Dividends earned

Any dividends earned and paid by the VML pool shall be returned to the Self Insurance Fund.

**SUMMARY OF
LONG-TERM DEBT REQUIREMENTS**

DEBT MANAGEMENT

Community needs or demands beyond the "CASH" pay-as-you-go philosophy can be met by using long-term debt. Some of the items for which debt may be used are: schools, parks, roads, water and sewer, major equipment and buildings.

Financing of these capital costs can be accomplished through various sources call bonded debt.

The City of Hopewell Council has established a guiding policy in regards to managing debt.

City debt limit may not exceed five (5) percent of the real estate property evaluation.

COMPUTATION OF LEGAL DEBT LIMIT

Calculation of State Legal Limit

Assessed Value of Real Property -2013	\$ 1,310,144,300
Multiplied by State Limit of	10%
DEBT LIMIT	\$ 131,014,430

Calculation of Hopewell Limit

Assessed Value of Real Property -2013	\$ 1,310,144,300
Multiplied by Council Limit of	5%
DEBT LIMIT	\$ 65,507,215
Total Bonded Debt Outstanding 7-01-12	\$ <u>54,708,855</u>
Available Debt to Issue	\$ 10,798,360

FY 2013-2014 Debt Service

The following table outlines the debt service requirements due for FY 2013-2014 and future years.

CITY OUTSTANDING DEBT				
Purpose	OutStanding Debt	Principle Due	Interest Due	Total Payment
<u>CAPITAL PROJECTS FUND</u>				
2008 G O Bonds Series A- Tax Empt	12,725,000	360,000	554,434	914,434
2008 G O Bonds Series B- Taxable	4,220,000	95,000	260,357	355,357
2009 G O Bonds Series A	9,840,000	165,000	512,125	677,125
2009 G O Bonds Series B Refunding	2,155,000	-	97,250	97,250
2009 G O QZAB Bond	2,239,999	186,667	39,284	225,951
2010 G O QSCB VPSA Bonds	7,380,000	255,000	-	255,000
2011 G O QSCB VPSA Bonds	5,000,000	166,666	-	166,666
2011 G O Bonds	2,700,000	-	123,825	123,825
2011 GO Bonds Refunding Series	1,885,000	450,000	50,563	500,563
1992 VPSA Bonds	-	-	-	-
2001 VPSA Bonds Series B(63)	2,463,841	245,172	113,488	358,660
2005D VPSA Bonds (63)	604,015	39,718	29,031	68,749
1997 High School Literary Loan	149,250	29,850	2,985	32,835
1997 Copeland Literary Loan	52,250	10,450	1,045	11,495
1997 Woodson Literary Loan	234,750	46,950	4,695	51,645
1997 Woodlawn Literary Loan	59,750	11,950	1,195	13,145
2001 Copeland Literary Loan	3,000,000	375,000	60,000	435,000
Total Debt Service-Capital Projects Fund	<u>\$ 54,708,855</u>	<u>\$ 2,437,423</u>	<u>\$ 1,850,277</u>	<u>\$ 4,287,700</u>
<u>ENTERPRISE FUND</u>				
2011 Sewer Revenue Bonds	21,595,000	395,000	963,527	1,358,527
2010 Sewer Revenue Bonds	4,160,000	80,000	189,269	269,269
2005 Sewer Revenue Bonds	6,385,000	370,000	288,666	658,666
2012 Sewer Revenue Bonds	2,690,000	305,000	54,841	359,841
Total Debt Service-Enterprise Funds	<u>\$ 34,830,000</u>	<u>\$ 1,150,000</u>	<u>\$ 1,496,303</u>	<u>\$ 2,646,303</u>

SUMMARY OF LONG-TERM DEBT

CAPITAL PROJECTS FUND DEBT							
FISCAL YEAR	GENERAL OBLIGATION BONDS		LITERARY LOAN OBLIGATIONS		TOTAL DEBT DUE		TOTAL
	Principle	Interest	Principle	Interest	Principle	Interest	
2013-2014	\$ 1,963,223	\$ 1,806,399	\$ 474,200	\$ 69,920	\$ 2,437,423	\$ 1,873,992	\$ 4,311,415
2014-2015	2,025,611	1,730,765	474,200	60,436	2,499,811	1,807,787	4,307,598
2015-2016	2,448,488	1,676,299	474,200	50,952	2,922,688	1,738,696	4,661,384
2016-2017	2,410,110	1,608,553	474,200	41,468	2,884,310	1,656,029	4,540,339
2017-2018	2,948,832	1,541,206	474,200	31,984	3,423,032	1,573,190	4,996,222
2018-2019	3,133,011	1,455,166	375,000	22,500	3,508,011	1,477,666	4,985,677
2019-2020	3,237,669	1,358,215	375,000	15,000	3,612,669	1,373,215	4,985,884
2020-2021	2,609,798	1,273,114	375,000	7,500	2,984,798	1,280,614	4,265,412
2021-2022	2,823,968	1,199,828	-	-	2,823,968	1,199,828	4,023,796
2022-2023	2,488,474	1,124,752	-	-	2,488,474	1,124,752	3,613,226
2023-2024	2,549,837	1,057,039	-	-	2,549,837	1,057,039	3,606,876
2024-2025	2,616,204	985,503	-	-	2,616,204	985,503	3,601,707
2025-2026	2,510,968	910,763	-	-	2,510,968	910,763	3,421,731
2026-2027	2,536,662	834,093	-	-	2,536,662	834,093	3,370,755
2027-2028	1,645,000	752,125	-	-	1,645,000	752,125	2,397,125
2028-2029	1,735,000	663,666	-	-	1,735,000	663,666	2,398,666
2029-2030	1,830,000	568,603	-	-	1,830,000	568,603	2,398,603
2030-2031	1,930,000	467,809	-	-	1,930,000	467,809	2,397,809
2031-2032	2,040,000	361,138	-	-	2,040,000	361,138	2,401,138
2032-2033	1,735,000	260,869	-	-	1,735,000	260,869	1,995,869
2033-2034	1,825,000	167,659	-	-	1,825,000	167,659	1,992,659
2034-2035	1,925,000	68,681	-	-	1,925,000	68,681	1,993,681
2035-2036	245,000	11,638	-	-	245,000	11,638	256,638
Total	\$ 51,212,855	\$ 21,883,883	\$ 3,496,000	\$ 299,760	\$ 54,708,855	\$ 22,215,355	\$ 76,924,210

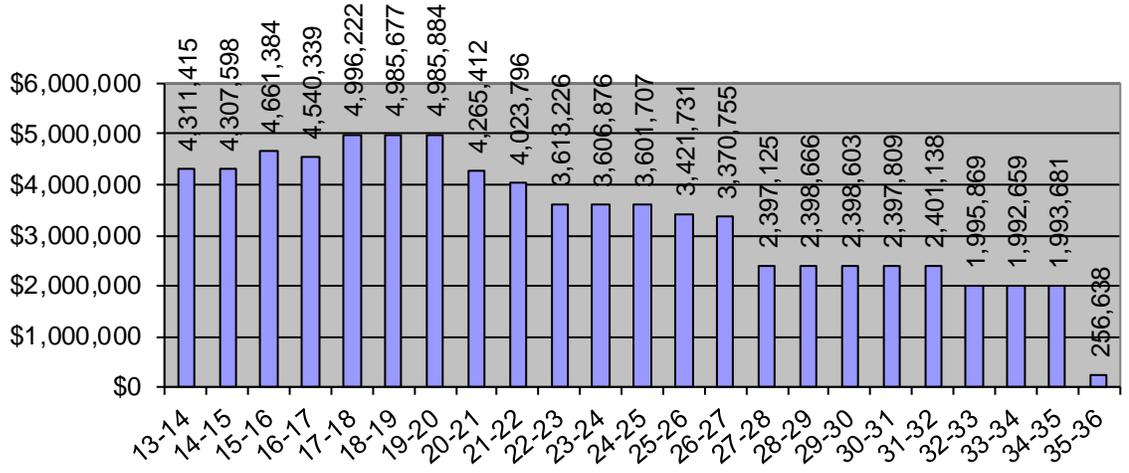
SUMMARY OF LONG-TERM DEBT
(Debt payments by Schools included in total Capital Projects Fund)

SCHOOL PROCEEDS DEBT PAYMENTS							
FISCAL YEAR	GENERAL OBLIGATION BONDS				TOTAL DEBT DUE		
	2001 VPSA B		2005D VPSA		Principle	Interest	TOTAL
	Principle	Interest	Principle	Interest			
2013-2014	\$ 245,172	\$ 113,489	\$ 39,718	\$ 29,031	\$ 284,890	\$ 142,519	\$ 427,409
2014-2015	251,712	100,818	40,566	27,084	292,278	127,902	420,180
2015-2016	258,594	87,805	41,561	24,989	300,155	112,795	412,950
2016-2017	265,836	74,432	42,607	22,843	308,443	97,276	405,719
2017-2018	273,457	60,681	43,708	20,642	317,165	81,322	398,487
2018-2019	281,477	46,530	44,867	18,383	326,344	64,913	391,257
2019-2020	289,916	31,959	46,086	16,064	336,002	48,023	384,025
2020-2021	295,762	19,982	47,369	13,681	343,131	33,663	376,794
2021-2022	301,915	7,699	48,719	11,231	350,634	18,930	369,564
2022-2023	0	0	50,140	8,710	50,140	8,710	58,850
2023-2024	0	0	51,503	6,247	51,503	6,247	57,750
2024-2025	0	0	52,870	3,780	52,870	3,780	56,650
2025-2026	<u>0</u>	<u>0</u>	<u>54,301</u>	<u>1,249</u>	<u>54,301</u>	<u>1,249</u>	<u>55,550</u>
Total	\$ 2,463,841	\$ 543,395	\$ 604,015	\$ 203,933	\$ 3,067,856	\$ 747,328	\$ 3,815,184

SUMMARY OF LONG-TERM DEBT

ENTERPRISE FUND DEBT							
FISCAL YEAR	REVENUE BONDS		CAPITAL LEASES		TOTAL DEBT DUE		TOTAL
	Principle	Interest	Principle	Interest	Principle	Interest	
2013-2014	1,150,000	1,496,303	0	0	1,150,000	1,496,303	2,646,303
2014-2015	1,145,000	1,466,366	0	0	1,145,000	1,466,366	2,611,366
2015-2016	1,185,000	1,434,490	0	0	1,185,000	1,434,490	2,619,490
2016-2017	1,215,000	1,399,228	0	0	1,215,000	1,399,228	2,614,228
2017-2018	1,255,000	1,361,024	0	0	1,255,000	1,361,024	2,616,024
2018-2019	1,290,000	1,319,914	0	0	1,290,000	1,319,914	2,609,914
2019-2020	1,335,000	1,275,413	0	0	1,335,000	1,275,413	2,610,413
2020-2021	1,380,000	1,227,749	0	0	1,380,000	1,227,749	2,607,749
2021-2022	1,435,000	1,176,096	0	0	1,435,000	1,176,096	2,611,096
2022-2023	1,160,000	1,124,366	0	0	1,160,000	1,124,366	2,284,366
2023-2024	1,210,000	1,073,064	0	0	1,210,000	1,073,064	2,283,064
2024-2025	1,265,000	1,018,366	0	0	1,265,000	1,018,366	2,283,366
2025-2026	1,330,000	958,160	0	0	1,330,000	958,160	2,288,160
2026-2027	720,000	907,919	0	0	720,000	907,919	1,627,919
2027-2028	755,000	871,044	0	0	755,000	871,044	1,626,044
2028-2029	795,000	832,294	0	0	795,000	832,294	1,627,294
2029-2030	830,000	791,669	0	0	830,000	791,669	1,621,669
2030-2031	880,000	748,919	0	0	880,000	748,919	1,628,919
2031-2032	920,000	703,919	0	0	920,000	703,919	1,623,919
2032-2033	970,000	656,669	0	0	970,000	656,669	1,626,669
2033-2034	1,020,000	606,919	0	0	1,020,000	606,919	1,626,919
2034-2035	1,070,000	554,556	0	0	1,070,000	554,556	1,624,556
2035-2036	1,125,000	499,450	0	0	1,125,000	499,450	1,624,450
2036-2037	1,180,000	441,581	0	0	1,180,000	441,581	1,621,581
2037-2038	1,245,000	380,700	0	0	1,245,000	380,700	1,625,700
2038-2039	1,305,000	316,681	0	0	1,305,000	316,681	1,621,681
2039-2040	1,375,000	249,397	0	0	1,375,000	249,397	1,624,397
2040-2041	1,445,000	178,597	0	0	1,445,000	178,597	1,623,597
2041-2042	1,515,000	104,284	0	0	1,515,000	104,284	1,619,284
2042-2043	<u>1,325,000</u>	<u>33,125</u>	<u>0</u>	<u>0</u>	<u>1,325,000</u>	<u>33,125</u>	<u>1,358,125</u>
Total	<u>\$34,830,000</u>	<u>\$25,208,262</u>	<u>\$0</u>	<u>\$0</u>	<u>\$34,830,000</u>	<u>\$25,208,262</u>	<u>\$60,038,262</u>

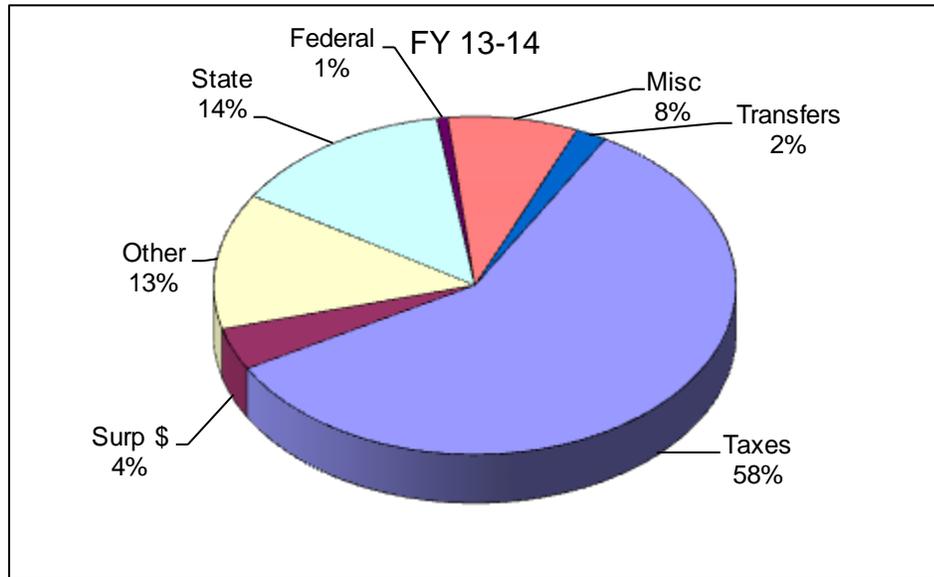
City & School GO Debt Service



BUDGET APPROACH

SUMMARY OF REVENUES						
REVENUES	TOTAL	GENERAL FUND	SPECIAL REVENUE FUNDS	SCHOOL FUNDS	ENTERPRISE FUNDS	CAPITAL PROJECTS FUNDS
Est. Beginning Balance	\$26,358,000	\$3,660,000	\$1,643,000	\$909,000	\$14,419,000	\$5,727,000
Ad Valorem Taxes						
-- Real Estate	13,995,000	13,995,000	0	0	0	0
-- Machinery & Tools	4,759,700	4,759,700	0	0	0	0
-- Personal Property	4,325,000	4,325,000	0	0	0	0
-- Public Service Corporation	3,415,000	3,415,000	0	0	0	0
-- Penalties & Interest	300,000	300,000	0	0	0	0
Subtotal Property Taxes	26,794,700	26,794,700	0	0	0	0
Other Taxes						
-- Sales Tax	1,917,000	1,917,000	0	0	0	0
-- Unility Tax	1,800,000	1,800,000	0	0	0	0
-- Business License Tax	1,650,000	1,650,000	0	0	0	0
-- Motor Vehicle License	360,000	360,000	0	0	0	0
-- Bank Tax	120,000	120,000	0	0	0	0
-- Recordation /Deeds Tax	120,000	120,000	0	0	0	0
-- Meals & lodging Tax	2,550,000	0	0	0	0	2,550,000
Subtotal Other Taxes	8,517,000	5,967,000	0	0	0	2,550,000
Intergovernmental Revenues						
-- State Revenues	34,352,900	6,321,500	3,374,000	24,657,400	0	0
-- Federal Revenues	7,613,400	313,600	2,061,200	5,238,600	0	0
Permits and Fees	81,500	81,500	0	0	0	0
Fines and Violations	1,701,800	1,701,800	0	0	0	0
Use Money & Property	70,500	47,000	3,500	10,000	0	10,000
Operating Revenues	23,937,200	0	0	0	23,937,200	0
In-Lieu of Taxes	1,261,100	1,261,100	0	0	0	0
Other Revenues	7,246,100	600,300	455,300	5,885,000	0	305,500
Total Revenues	111,576,200	43,088,500	5,894,000	35,791,000	23,937,200	2,865,500
Transfers from Other Funds	20,066,500	884,500	2,622,500	12,402,000	0	4,157,500
Bond Proceeds	0	0	0	0	0	0
Fund Balance Use	6,159,300	1,853,000	311,500	1,355,000	2,639,800	0
Total Resources	137,802,000	45,826,000	8,828,000	49,548,000	26,577,000	7,023,000
Less Transfers from Other Funds	(20,066,500)	(884,500)	(2,622,500)	(12,402,000)	-	(4,157,500)
Total Resources net of Transfers	\$117,735,500	\$44,941,500	\$6,205,500	\$37,146,000	\$26,577,000	\$2,865,500
Ending Balance	\$20,198,700	\$1,807,000	\$1,331,500	-\$446,000	\$11,779,200	\$5,727,000

REVENUE SUMMARY ALL FUNDS



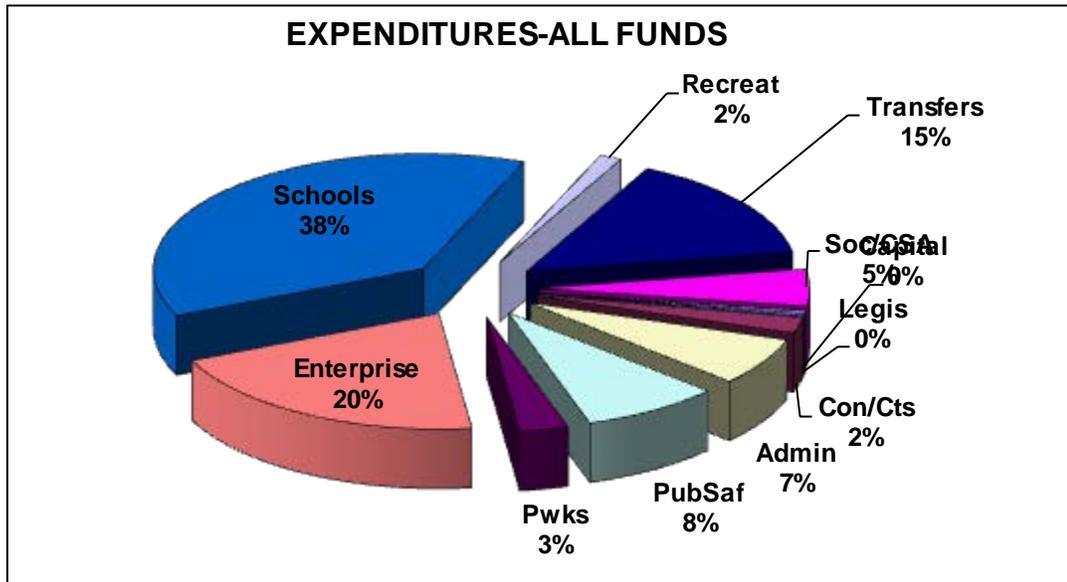
INDEX-

- Taxes = All Property Taxes
- Other = All other Taxes Levied by City
- State = State Revenues
- Federal = Federal Revenues
- Transfer = Funds Transferred between Funds
- Surp = Use of Surplus Fund Balance
- Misc = Misc. & Operating Revenues generated from the Enterprise Funds

EXPENDITURES SUMMARY ALL FUNDS- FY 13-14

PROGRAMS/ DEPARTMENTS	TOTAL	GENERAL FUND	SPECIAL REVENUE FUNDS	SCHOOL FUNDS	ENTERPRISE FUNDS	CAPITAL PROJECTS FUNDS
Legislative						
-- City Council	\$ 111,000	\$ 111,000	\$ -	\$ -	\$ -	\$ -
-- City Clerk	62,000	62,000	-	-	-	-
-- City Attorney	173,000	173,000	-	-	-	-
Constitutional Offices/Courts						
-- Clerk of Circuit Court	290,000	290,000	-	-	-	-
-- Commonwealth Attorney	415,000	415,000	-	-	-	-
-- Commissioner of Revenue	310,000	310,000	-	-	-	-
-- City Treasurer	293,000	293,000	-	-	-	-
-- Electoral Board/Registrar	135,000	135,000	-	-	-	-
-- City Sheriff	540,000	540,000	-	-	-	-
-- City Sheriff- I-295 Project	540,000	540,000	-	-	-	-
-- Circuit Court	70,000	70,000	-	-	-	-
-- General District Court	55,000	55,000	-	-	-	-
-- Court Services	7,000	7,000	-	-	-	-
-- VJCCCA	147,000	147,000	-	-	-	-
-- Crater Detention Center	252,000	252,000	-	-	-	-
-- Riverside Regional Jail	2,453,000	2,453,000	-	-	-	-
Administration						
-- City Manager	246,000	246,000	-	-	-	-
Economic Develop Office	312,600	312,600	-	-	-	-
InterGovernment Affairs	90,000	90,000	-	-	-	-
Human Resources	260,000	260,000	-	-	-	-
-- Finance	1,211,000	1,211,000	-	-	-	-
-- Development	587,400	587,400	-	-	-	-
-- Police	5,245,000	5,245,000	-	-	-	-
Victim-Witness Grant	114,000	114,000	-	-	-	-
-- Fire	2,829,000	2,829,000	-	-	-	-
-- Public Works	3,785,000	3,785,000	-	-	-	-
-- Health/Outside Agencies	1,293,000	1,293,000	-	-	-	-
-- Non-Departmental	4,433,000	4,433,000	-	-	-	-
-- Transfers/Contingency	19,567,000	19,567,000	-	-	-	-
-- Social Services	3,775,000	-	3,775,000	-	-	-
-- Comprehensive Services	2,990,000	-	2,990,000	-	-	-
-- Parks & Recreation	1,633,000	-	1,633,000	-	-	-
-- Harbor Master/Marina	100,000	-	100,000	-	-	-
-- CDBG	-	-	-	-	-	-
-- Self Insurance	290,000	-	290,000	-	-	-
-- Anti-Litter	5,000	-	5,000	-	-	-
-- Cemetery	35,000	-	35,000	-	-	-
-- School Board	49,548,000	-	-	49,548,000	-	-
-- Solid Waste	2,548,000	-	-	-	2,548,000	-
-- Sewer Services	6,297,000	-	-	-	6,297,000	-
-- HRWTF	17,732,000	-	-	-	17,732,000	-
-- Capital Projects/Debt	6,619,000	-	-	-	-	6,619,000
-- Economic Development	404,000	-	-	-	-	404,000
Total Expenditures	\$ 137,802,000	\$ 45,826,000	\$ 8,828,000	\$ 49,548,000	\$ 26,577,000	\$ 7,023,000
Less: Transfer to Other Funds	\$ (20,066,500)	(19,120,000)	(62,000)	-	(884,500)	-
Total Net Expenditures	\$ 117,735,500	\$ 26,706,000	\$ 8,766,000	\$ 49,548,000	\$ 25,692,500	\$ 7,023,000

EXPENDITURE SUMMARY ALL FUNDS



INDEX-

- Legis = Council, City Clerk, City Attorney
- Con/Cts = Constitutional offices, Registrar, Courts, Jail
- Admin = General Fund departments less: police, Fire, Public Works
- PubSaf = Police and Fire Departments
- Pwks = Public Works Department
- Schools = All School Budgets
- Recreat = Recreation Fund and Harbor Fund
- Transfer = Transfers
- Soc/CSA = Social Services, CSA Funds
- Services = Enterprise Fund Services
- Capital = Capital Projects Fund

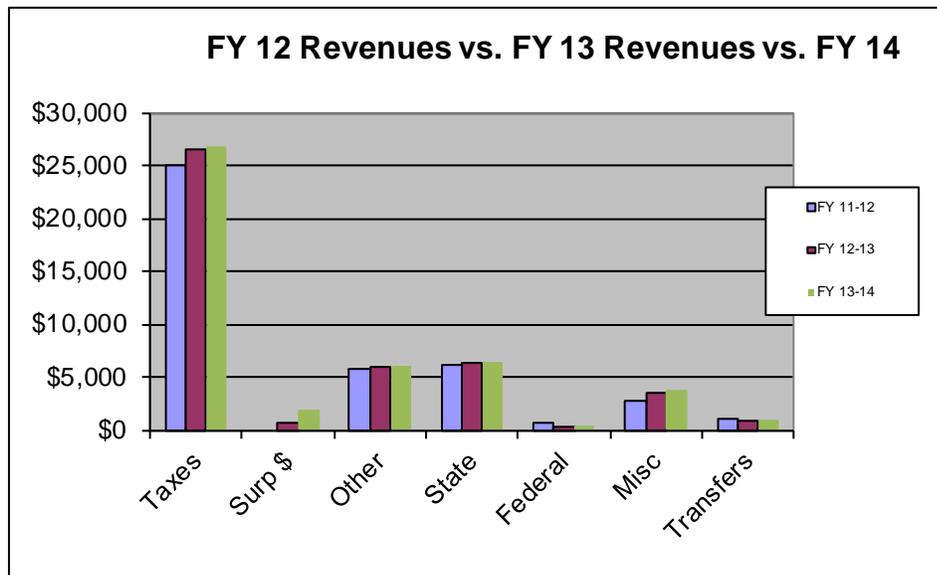
Overview

The fiscal condition of the City of Hopewell has a direct impact on the level of services that can be provided its citizens, City revenues indicate a lacking of revenues to pay for the current level of services.

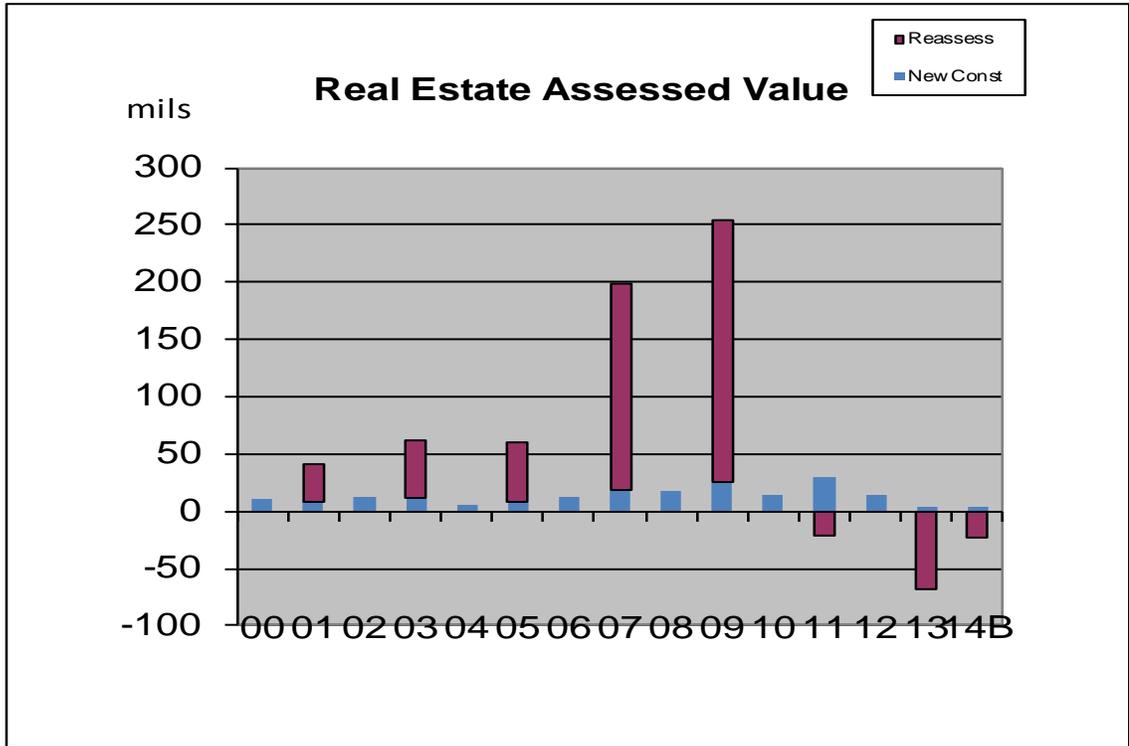
This is primarily due to the fact the City has no vacant land for growth. Almost every revenue source available to the city, except for user fees and property taxes, are close to their maximum allowed by Virginia law. The City is limited in what revenue it may levy and the amount of such levies.

General Fund

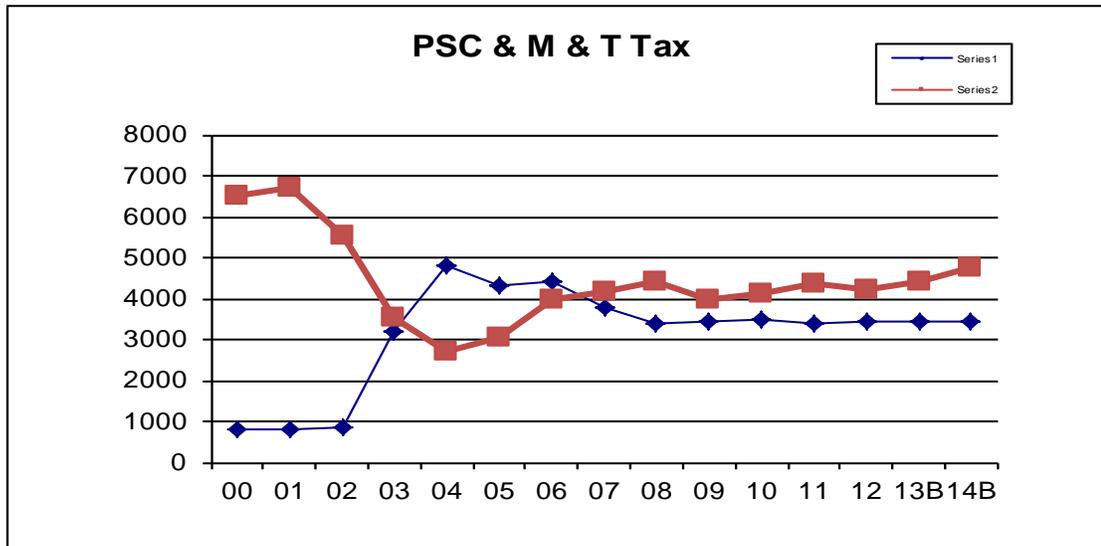
The City General Fund supports many of the basic services associated with local government. These include education, police, fire, recreation, parks, library, social and health services and community development. The demands for services placed on the General Fund continue to rise. Both its citizens and the state general assembly continue to see local government as primary in service delivery. Budgeted revenues for the past two budget years as shown below reflect the limited revenue growth that the city is experiencing.



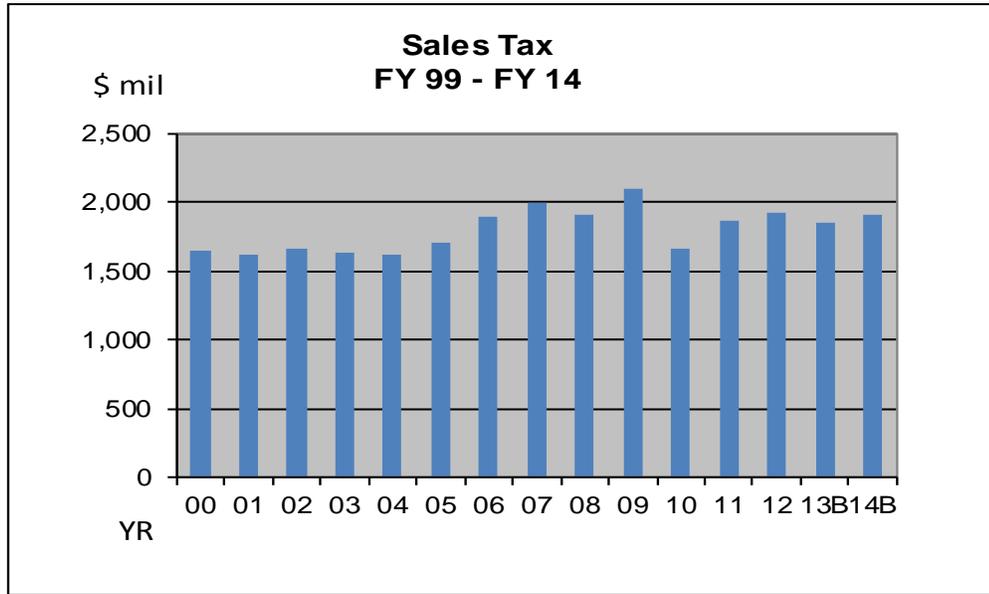
Further analysis of the major revenue categories show that only real taxes are increasing by any significant amount and that can be attributed primarily to reassessment valuations, which is estimated to decrease in the next reassessment by at least 10%.



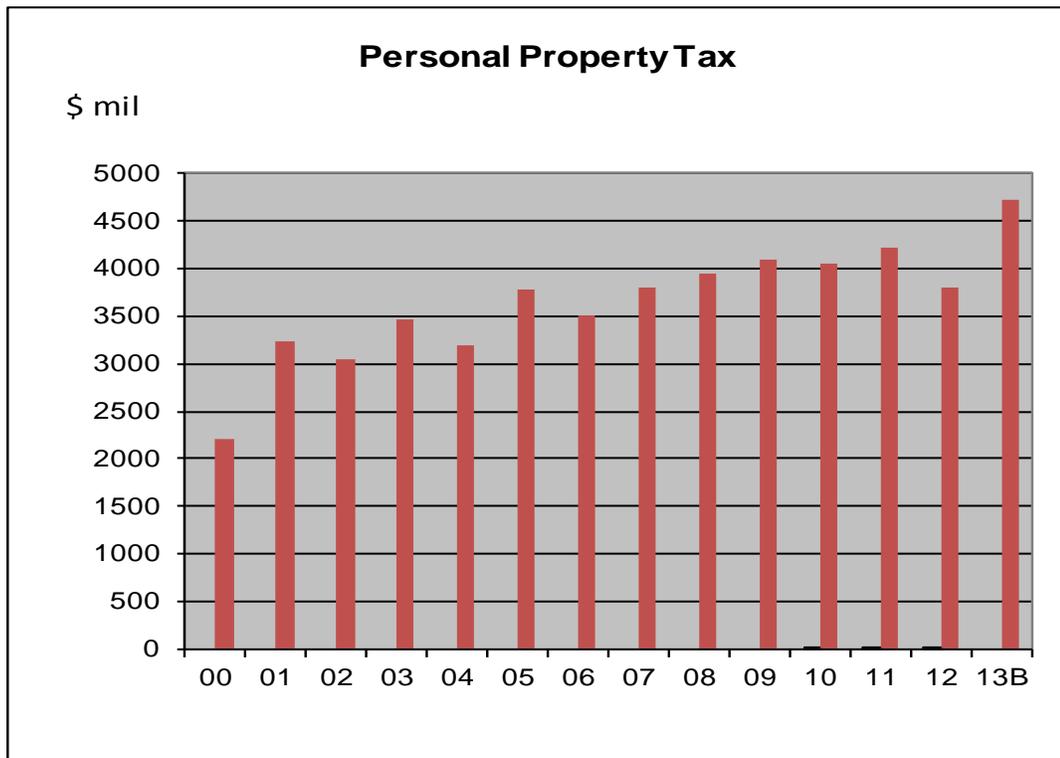
Public Service Corporation taxation took a large jump when the general assembly changed the law on who would assess co-generation power plants in 2002. Up till that year the locality valued such assets as machinery & tools. The city realized a gain in valuation and tax revenues when this took effect. M & T taxes are forecasted in increase a small amount, but the question as to the ethanol plant M & T taxes is yet not answered.



Local option sales tax revenues have been stagnant for the past several years, but increased to their maximum in 2009 and are not forecasted to approach that amount in 2013 as economic recovery continues to be slow.



Personal property tax has been increasing in modest increments.



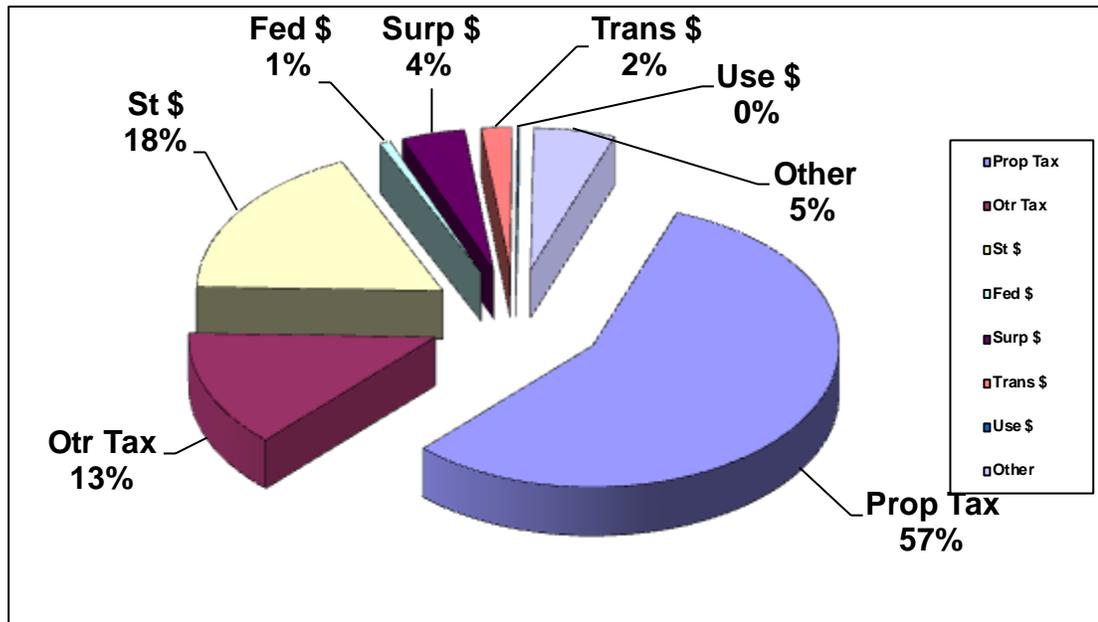
GENERAL FUND REVENUES

REVENUES	ACTUAL 10-11	ACTUAL 11-12	BUDGET 12-13	YTD 03/31/13	PROJECTED 06/30/13	13-14 DEPT BUDGET	13-14 CITY MGR BUDGET
Ad Valorem Taxes							
-- Real Estate	\$13,104,316	\$13,331,618	\$13,695,460	\$6,641,655	13,570,000	\$14,232,415	\$13,995,000
-- Machinery & Tools	4,381,349	4,202,779	4,409,744	2,431,485	4,200,000	4,759,744	4,759,700
-- Personal Property	4,216,563	3,802,833	4,716,364	3,593,028	4,224,900	4,224,959	4,325,000
Less State Tax Relief	-1,618,029	-1,618,029	-1,618,030	-1,537,128	-1,618,029	-1,618,030	-1,618,000
-- Public Service Corporation	3,412,982	3,420,799	3,415,000	3,386,242	3,415,000	3,415,000	3,415,000
-- Penalties & Interest	291,912	308,681	300,000	220,647	600,000	300,000	300,000
Subtotal Property Taxes	23,789,093	23,448,681	24,918,538	14,735,929	24,391,871	25,314,088	25,176,700
Other Taxes							
-- Sales Tax	1,866,495	1,921,273	1,850,000	1,176,440	1,950,000	1,887,000	1,917,000
-- Utility Tax	1,740,802	1,681,833	1,800,000	882,612	1,800,000	1,700,000	1,800,000
-- Business License Tax	1,765,628	1,568,561	1,650,000	772,310	1,650,000	1,650,000	1,650,000
-- Motor Vehicle License	354,247	340,833	360,000	277,265	360,000	360,000	360,000
-- Franchise Fee	0	0	2,100	0	0	0	0
-- Bank Tax	145,359	121,065	100,000	0	100,000	100,000	120,000
-- Recordation/Deeds Tax	113,324	114,494	150,000	82,465	150,000	115,000	120,000
-- E911 Wireless	0	0	0	0	0	0	0
Subtotal Other Taxes	5,985,855	5,748,059	5,912,100	3,191,092	6,010,000	5,812,000	5,967,000
Intergovernmental Revenues							
-- State Funding	7,990,686	7,734,806	7,915,886	4,802,670	7,974,293	7,889,362	7,939,500
-- Federal Funding	517,201	720,027	324,130	334,217	485,193	313,605	313,600
Permits and Fees	-48,152	96,885	88,500	79,169	105,000	81,500	81,500
Fines and Violations	1,288,029	1,866,202	1,577,692	990,531	1,577,692	1,602,692	1,701,800
Use Money & Property	75,061	69,799	95,000	55,663	74,000	72,000	47,000
In-Lieu of Taxes	26,858	29,475	1,184,480	592,241	1,184,480	1,261,135	1,261,100
Other Revenues	786,528	721,560	540,200	646,273	720,000	542,300	600,300
Total Revenues	40,411,159	40,435,494	42,556,526	25,427,785	42,522,529	42,888,682	43,088,500
Transfers from Other Funds	1,259,570	969,500	884,500	255,000	884,500	884,500	884,500
Fund Balance Appropriated			589,324		0	0	1,853,000
Total Resources	41,670,729	41,404,994	44,030,350	25,682,785	43,407,029	43,773,182	45,826,000
Less Transfers from Other Funds	-1,259,570	-969,500	-884,500	-255,000	-884,500	-884,500	-884,500
TOTAL NET RESOURCES	\$40,411,159	\$40,435,494	\$43,145,850	\$25,427,785	\$42,522,529	\$42,888,682	\$44,941,500

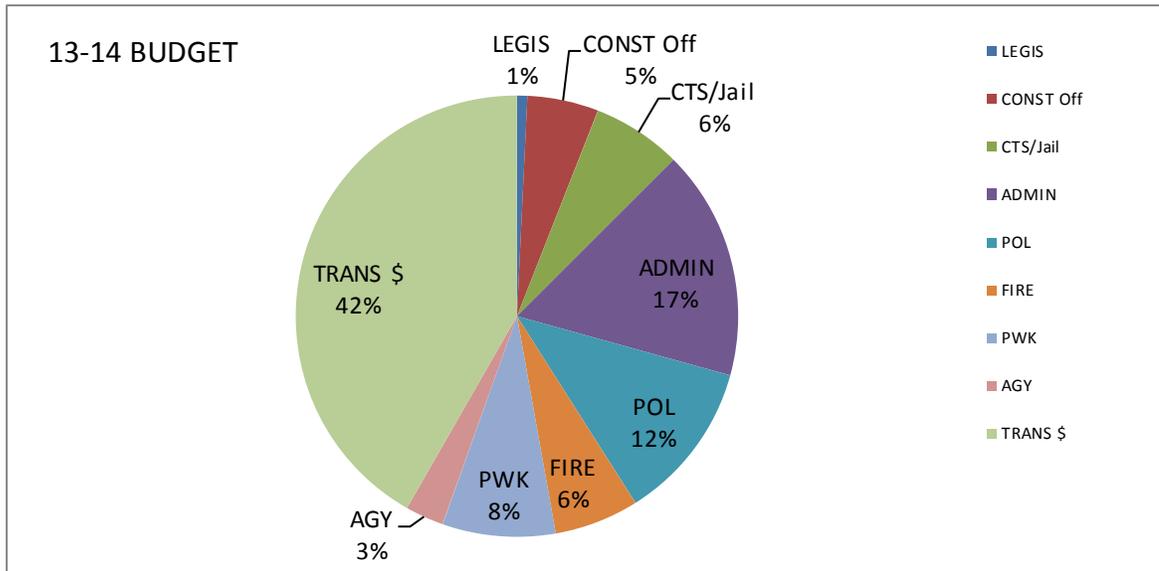
GENERAL FUND EXPENDITURES

DEPARTMENT/PROGRAM	ACTUAL 10-11	ACTUAL 11-12	BUDGET 12-13	YTD 03/31/13	PROJECTED 6/30/13	13-14 DEPT BUDGET	13-14 CITY MGR BUDGET
Legislative							
-- City Council	\$162,048	\$162,491	\$175,000	\$84,616	\$126,500	\$143,500	\$111,000
-- City Clerk	62,236	67,997	76,800	49,883	74,000	84,849	62,000
-- City Attorney	<u>196,621</u>	<u>209,018</u>	<u>196,852</u>	<u>184,026</u>	<u>227,000</u>	<u>174,859</u>	<u>173,000</u>
Total Legislative	420,905	439,506	448,652	318,525	427,500	403,208	346,000
Constitutional Offices/Courts							
-- Clerk of Circuit Court	261,727	267,474	271,581	183,916	271,500	322,090	290,000
-- Commonwealth Attorney	386,357	394,168	387,644	263,427	406,000	449,794	415,000
-- Commissioner of Revenue	274,104	249,682	294,700	188,254	294,900	312,124	310,000
-- City Treasurer	276,739	281,248	273,600	190,014	273,600	291,869	293,000
-- City Sheriff	<u>874,169</u>	<u>1,118,528</u>	<u>1,099,300</u>	<u>666,149</u>	<u>1,123,600</u>	<u>1,115,713</u>	<u>1,080,000</u>
Total Constitutional	2,073,096	2,311,100	2,326,825	1,491,760	2,369,600	2,491,590	2,388,000
-- Circuit Court	61,166	34,215	74,153	23,602	59,000	65,542	70,000
-- General District Court	35,144	68,335	57,625	37,220	55,000	54,398	55,000
-- Court Services	5,289	6,163	8,500	3,966	6,000	5,000	7,000
-- VJCCA Grant	150,459	153,608	147,441	84,370	146,000	146,990	147,000
-- Crater Detention Center	337,456	280,900	277,000	177,935	252,000	280,900	252,000
-- Riverside Regional Jail	<u>1,955,487</u>	<u>2,551,320</u>	<u>2,637,000</u>	<u>1,418,240</u>	<u>2,453,000</u>	<u>2,637,000</u>	<u>2,453,000</u>
Total Courts/Detention	2,545,001	3,094,541	3,201,719	1,745,333	2,971,000	3,189,830	2,984,000
-- City Manager Office	252,861	244,155	229,648	164,134	246,000	261,770	246,000
Economic Development Office	209,430	234,795	300,625	143,336	285,626	270,181	312,600
Intergovernment Affairs	81,739	79,002	88,200	44,425	83,000	92,859	90,000
Human Resources	245,824	250,324	188,110	142,158	244,500	260,384	260,000
-- Electoral Board/Registrar	118,212	130,869	128,615	75,709	144,500	304,685	135,000
-- Finance	1,143,717	1,202,098	1,259,175	808,132	1,264,000	1,260,912	1,211,000
-- Development	553,464	564,978	554,836	396,855	587,000	705,886	587,400
-- Police	4,880,541	5,158,882	4,802,160	3,301,544	5,415,500	5,398,352	5,245,000
Victim-Witness Grant	70,279	87,135	114,037	51,068	114,000	114,108	114,000
-- Fire	2,586,661	2,636,690	2,620,517	1,623,418	2,603,000	3,055,967	2,829,000
-- Public Works	3,384,922	3,411,471	3,549,125	2,355,690	3,589,952	4,537,624	3,785,000
-- Health/Outside Agencies	1,155,548	1,288,595	1,275,432	851,135	1,275,600	1,285,930	1,293,000
-- Non-Departmental	4,449,901	4,473,420	4,872,230	2,851,056	4,300,000	4,174,980	4,433,000
-- Transfers	16,202,313	15,796,513	17,018,512	1,528,889	17,258,500	17,258,512	19,120,000
-- Contingency/COLA/Health Ins	0	0	<u>1,051,932</u>	0	<u>138,759</u>	0	<u>447,000</u>
Total Expenditures	\$40,374,414	\$41,404,074	\$44,030,350	\$17,893,167	\$43,318,037	\$45,066,778	\$45,826,000

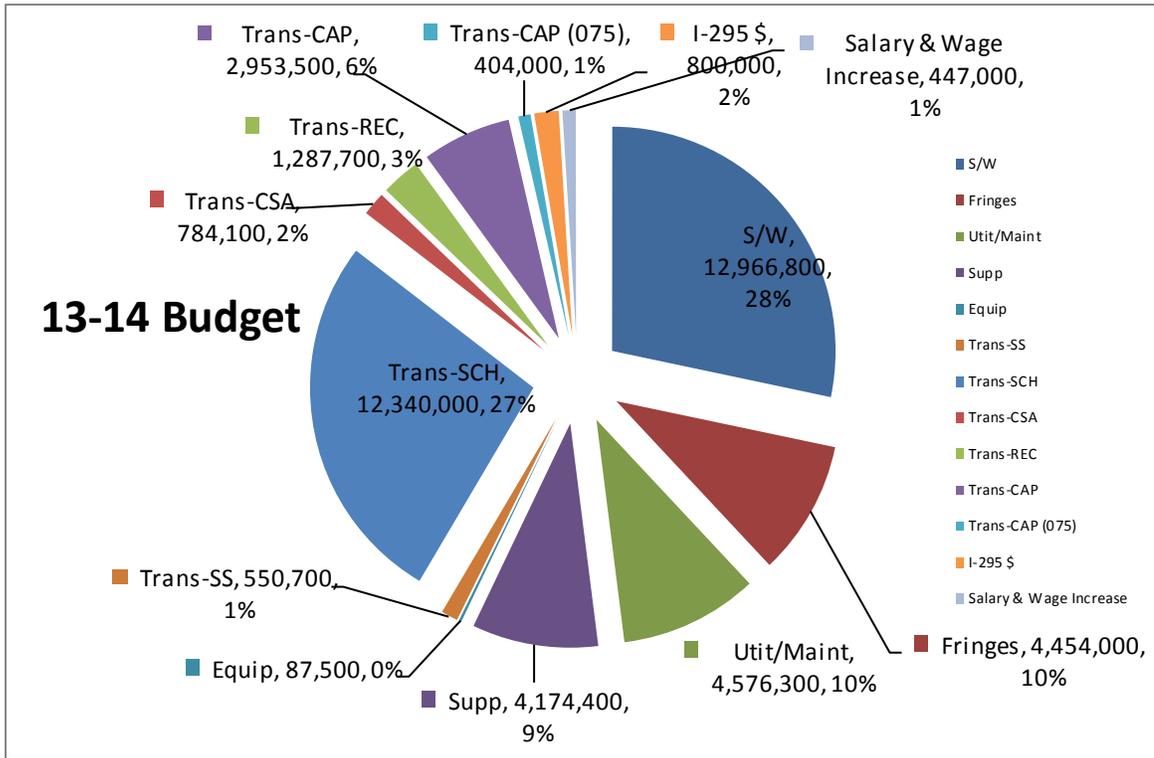
GENERAL FUND REVENUES



GENERAL FUND EXPENDITURES



General Fund Expenditures by Major Category



POSITIONS SUMMARY FY 2013 - 2014

DEPARTMENT	FY 11-12		FY 12-13		FY 13-14			New Req	Recommend
	Full	Part	Full	Part	Full	Part			
	Time	Time	Time	Time	Time	Time			
City Clerk	2		1		1				
City Manager	3		3		3				
City Attorney	2		2		2				
Human Resources	3		3	#	4		1	1	
Tourism Office	1	6	1	6	1	5			
Finance	15	1	15	1	#	14	1	-1	
Development	10		10			10			
Police	78	21	80	17		82	15	2	
Fire	46		46			46			
Public Works	39		39	4		39	4		
Sewer Fund	6		7			7			
HRWTF Fund	54		54			54			
Recreation Fund	15	41	15	41	*	15	40		
CDBG Fund	0		0			0			
CPMT Fund	1		1			1			
Social Services Fund	40	15	40	15		40	15		
General District Court	1		1			1			
Circuit Court	1		1			1			
Juvenile Court Grant	2		2			2			
Total	319	84	321	84		323	80	2	
Constitutional Offices:									
Commissioner of Revenue	7		7			7			
City Treasurer	5	2	5	2		5	2		
Commonwealth Attorney	7		7			6		-1	
Clerk of Circuit Court	5		5			5			
City Sheriff	9	12	10	15		10	16		
Electoral Voter Registrar	2	1	2	1		2	1		
Total	35	15	36	18		35	19	-1	
TOTAL ALL CITY POSITIONS	354	99	357	102		358	99	1	
PER 1,000 POPULATION	15.7		15.7			15.7			
# Risk Position moved to HR from Finance									
* Recreation's 40 part-time position is equivalent to 22 part-time positions @ 1040 hours.									
Population	22,591		22,779			22,845			

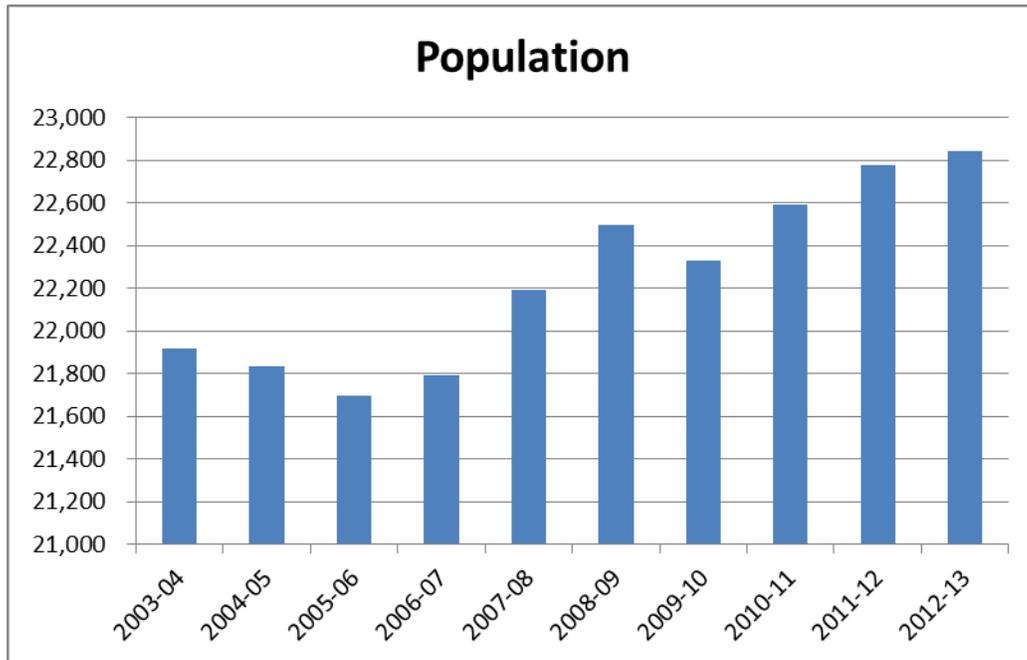
STATISTICAL DATA

City of Hopewell, Virginia

Exb. 1

<u>Year</u>	<u>Population(1)</u>
2003-04	21,916
2004-05	21,836
2005-06	21,694
2006-07	21,794
2007-08	22,191
2008-09	22,497
2009-10	22,331
2010-11	22,591
2011-12	22,779
2012-13	22,845

(1) Source: Weldon Cooper Center for Public Service and City



City of Hopewell, Virginia

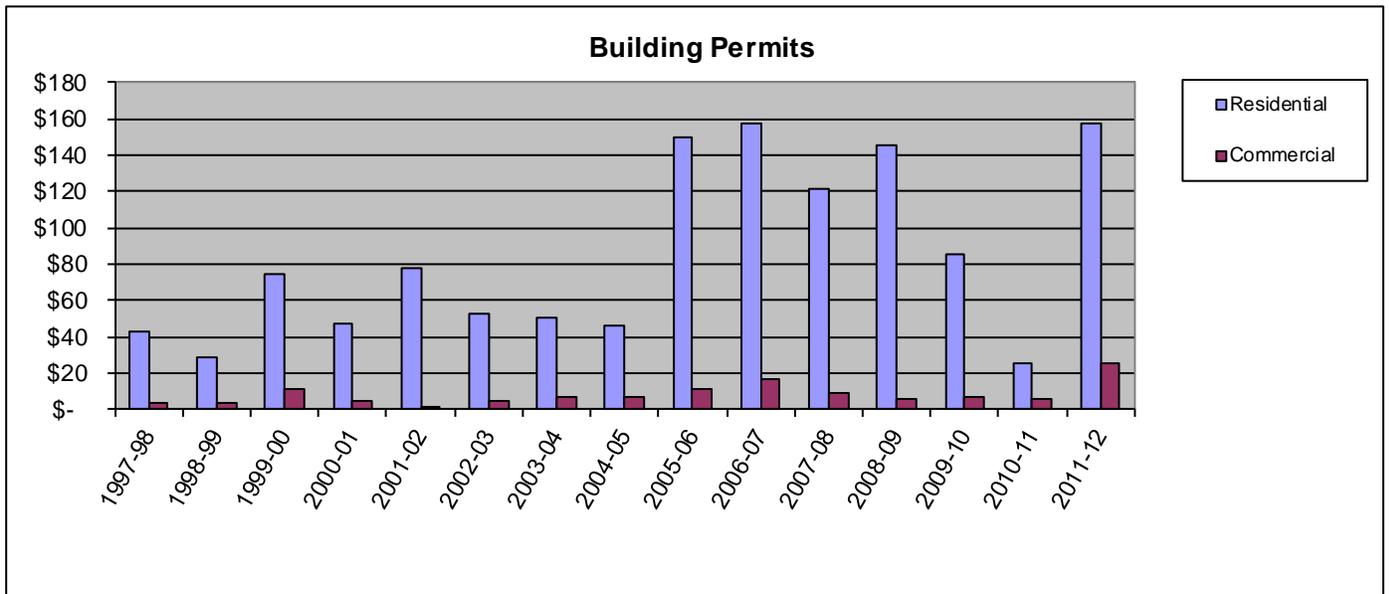
Exb. 2

Residential and Commercial Construction Permits and Property Value

Fiscal Year	Commercial		Residential (1)		Property Value(2)	
	Number	Value	Number	Value	Commercial	Residential
1997-98	4	\$ 627,000	43	\$ 2,168,000	\$ 247,020,400	\$ 495,156,700
1998-99	4	697,000	29	1,563,830	254,428,600	521,978,300
1999-00	11	6,330,750	75	3,332,371	257,774,100	529,757,800
2000-01	5	1,681,275	47	2,897,500	263,994,800	563,327,900
2001-02	1	39,979	78	3,657,000	228,655,500	571,494,500
2002-03	5	1,761,000	53	3,167,129	227,807,200	617,273,300
2003-04	7	663,000	51	3,055,110	228,405,900	620,352,700
2004-05	7	5,005,000	46	2,894,500	250,365,200	676,236,900
2005-06	11	8,159,000	150	6,786,327	240,908,000	687,761,900
2006-07	17	579,175	157	8,356,645	290,480,700	834,390,600
2007-08	9	2,263,739	121	6,954,685	278,744,400	869,372,700
2008-09	6	169,305	146	8,891,041	313,476,000	944,098,900
2009-10	7	285,305	86	3,328,579	315,946,500	1,041,196,500
2010-11	6	1,026,000	25	1,773,015	337,775,000	994,036,836
2011-12	25	1,337,696	158	4,972,166	335,066,000	1,028,455,300

(1) Source - Commercial and Residential Construction-City Department of Inspections, calendar year.

(2) Source - Property Values from City Land Book.



City of Hopewell, Virginia
Principle Taxpayers (1)
Calendar Year Ended December 21, 2011

Exb. 3

<u>Company</u>	<u>Industry</u>	<u>Assessment Amount</u>	<u>% of Total</u>
AlliedSignal Corp./Honeywell	Manufacturing	\$ 111,150,610	5.5%
Hopewell Cogentric Limited Partnership	Electric Power Producer	106,613,575	5.3%
Stone Container Inc.	Manufacturing	82,365,747	4.1%
Ashland Company	Manufacturing	47,480,374	2.4%
Dominion Virginia Power	Utility	43,263,765	2.1%
Virginia American Water Company	Water Services	43,149,475	2.1%
James River Cogeneration Company	Electric Power Producer	41,458,598	2.1%
Columbia HCA/John Randolph Hospital	Medical	32,716,031	1.6%
Verizon Virginia Inc.	Telephone	9,463,576	0.5%
Evonik Goldschmidth Industries	Manufacturing	<u>8,214,400</u>	<u>0.4%</u>
		<u>\$525,876,151</u>	<u>26.1%</u>

Source: City Assessor and Commissioner of Revenue

Note: (1) Includes real estate, machinery and tools,
industrial energy conversion, public services, and tangible
personal property value for:

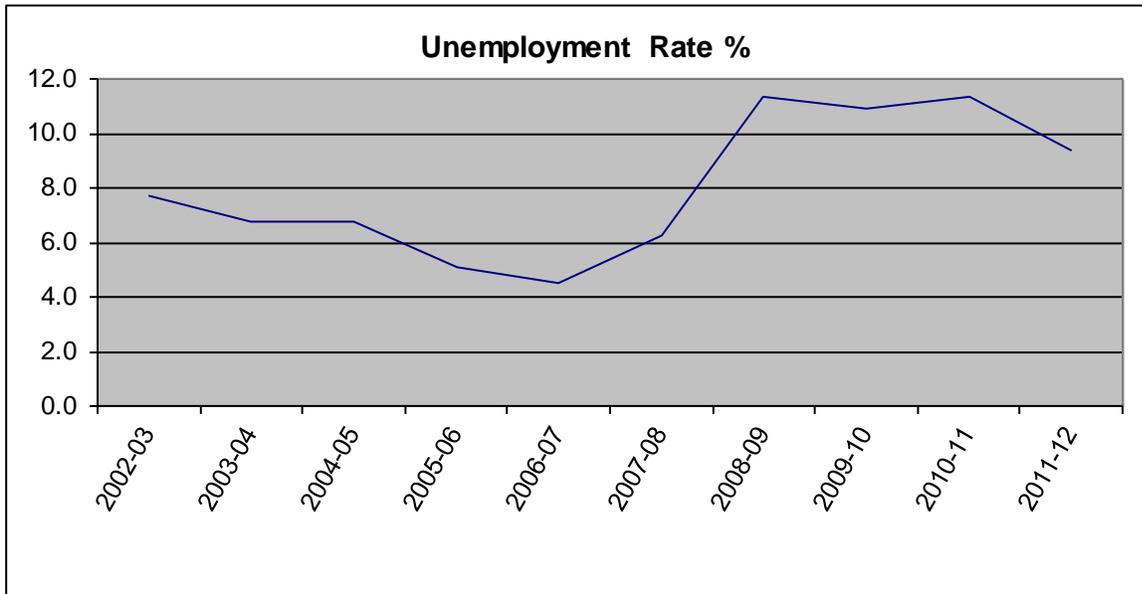
\$2,012,707,265

**City of Hopewell, Virginia
Unemployment Rate - 6/30**

Exb. 4

<u>Fiscal Year</u>	<u>Unemployment Rate %</u>
2002-03	7.7
2003-04	6.8
2004-05	6.8
2005-06	5.1
2006-07	4.5
2007-08	6.3
2008-09	11.4
2009-10	10.9
2010-11	11.4
2011-12	9.4

Source: Virginia Employment Commission

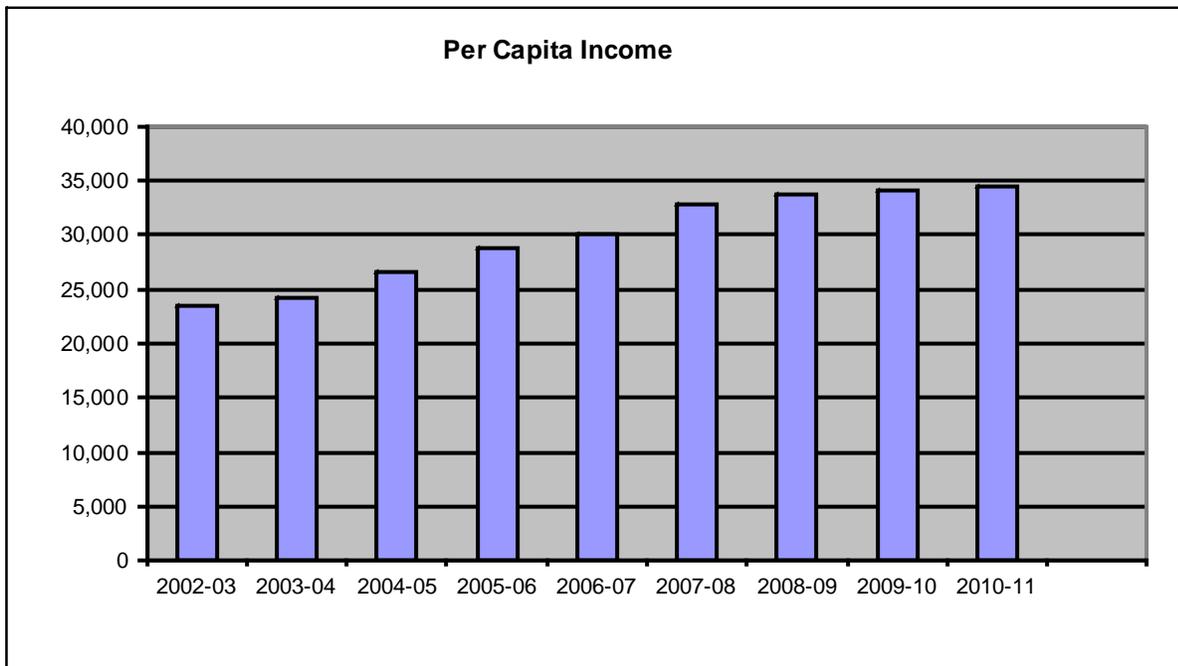


City of Hopewell, Virginia

Exb. 5

<u>Year</u>	<u>Per Capita Income(1)</u>
2000-01	\$22,552
2001-02	22,863
2002-03	23,502
2003-04	24,231
2004-05	26,660
2005-06	28,778
2006-07	29,986
2007-08	32,791
2008-09	33,775
2009-10	34,112
2010-11	34,454

(1) Source: Weldon Cooper Center for Public Service and City



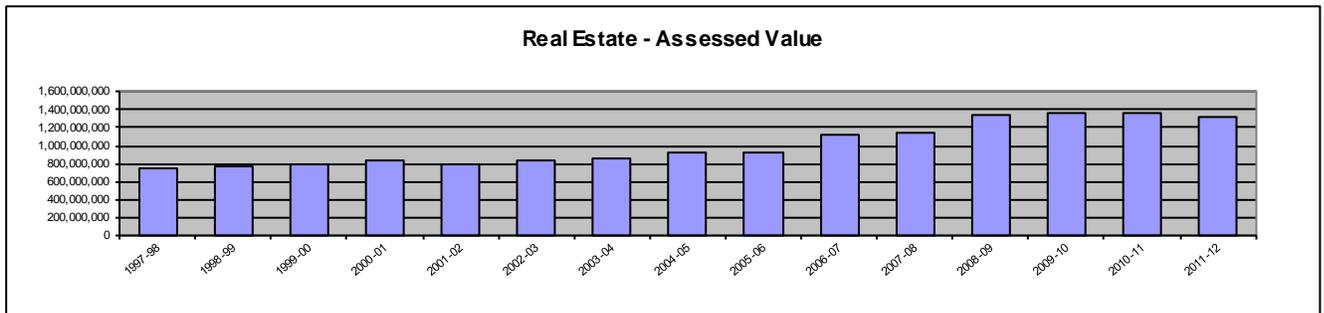
Assessed Value of Taxable Property

Exb. 6

Fiscal Year	Real Estate(1)	Personal Property	Machinery & Tools	Public Utility	Total
1997-98	\$ 743,360,600	\$ 99,737,141	\$ 216,331,467	\$ 68,340,393	\$ 1,127,769,601
1998-99	776,843,500	87,467,357	218,109,930	69,926,531	1,152,347,318
1999-00	787,968,509	90,113,213	220,104,443	70,223,039	1,168,409,204
2000-01	827,759,300	104,606,800	214,696,435	71,544,125	1,218,606,660
2001-02	800,586,607	154,138,951	154,216,964	285,028,909	1,393,971,431
2002-03	845,832,200	124,590,160	155,115,512	285,714,285	1,411,252,157
2003-04	849,244,667	126,941,705	117,124,590	399,712,852	1,493,023,814
2004-05	926,602,083	118,025,410	176,400,688	361,479,667	1,582,507,848
2005-06	929,194,800	117,351,944	142,128,758	365,796,979	1,554,472,481
2006-07	1,122,108,000	124,658,770	129,341,114	324,304,640	1,700,412,524
2007-08	1,145,283,664	127,665,229	119,046,593	308,044,862	1,700,040,348
2008-09	1,338,397,100	113,630,555	140,866,828	344,073,128	1,936,967,611
2009-10	1,357,143,000	128,089,039	142,657,510	344,073,128	1,971,962,677
2010-11	1,359,317,374	129,530,486	179,111,467	344,749,605	2,012,708,932
2011-12	1,330,768,380	122,695,512	131,032,392	331,805,550	1,916,301,834

(1) Real estate is assessed at 100% of appraisal value.

(2) Public Utility Assessed values are established by the State Corporation Commission. Includes both real and



**City of Hopewell, Virginia
Property Tax Rates⁽¹⁾**

Exb. 7

Fiscal Year	Real Estate(3)	Personal Property(2)	Machinery and Tools	Public Utility	
				Real Estate	Personal Property
1995-96	1.19	3.05	3.03	1.19	3.05
1996-97	1.14	3.05	3.03	1.14	3.05
1997-98	1.14	3.05	3.03	1.14	3.05
1998-99	1.14	3.05	3.03	1.14	3.05
1999-00	1.14	3.05	3.03	1.14	3.05
2000-01	1.12	3.05	3.03	1.12	3.05
2001-02	1.12	3.05	3.03	1.12	3.05
2002-03	1.20	3.05	3.05	1.20	3.05
2003-04	1.20	3.05	3.05	1.20	3.05
2004-05	1.20	3.05	3.05	1.20	3.05
2005-06	1.20	3.05	3.05	1.20	3.05
2006-07	1.09	3.05	3.05	1.09	3.05
2007-08	1.09	3.05	3.05	1.09	3.05
2008-09	0.96	3.05	3.05	0.96	3.05
2009-10	0.99	3.50	3.05	0.99	3.05
2010-11	0.99	3.50	3.05	0.99	3.50
2011-12	1.02	3.50	3.05	1.02	3.50
2012-13	1.02	3.50	3.05	1.02	3.50
2013-14	1.08	3.50	3.05	1.02	3.50

(1) Per \$100 of assessed value.

(2) Personal property taxes are applied to the National Automobile Dealers Association (NADA) loan value.

(3) Real Estate tax rate of \$1.08 is the equalized (revenue netual) rate.

GLOSSARY OF BUDGET TERMINOLOGY
for the CITY of HOPEWELL

ACTION PLAN: Short-term and long-term goals for each program designed to improve efficiency and effectiveness in service delivery to the taxpayer.

AD VALOREM TAXES: A tax based on value (i.e., a property tax).

APPROPRIATION: A legal authorization granted by the legislative body to make expenditures and incur obligations for specific purposes; this authorization is limited to the length of the fiscal year, except for capital projects which are limited to the completion of the project.

ASSESSED VALUATION: A valuation upon real estate and certain other taxable items of personal property (i.e., vehicles, equipment and machinery and tools used for business purposes) by the City as the basis for levying property taxes.

AUDIT: An independent evaluation of the accuracy of the City's financial statements, financial practices, and internal controls designed to ensure compliance with generally accepted accounting principles. Audits are conducted annually in accordance with GAAP and Virginia state code.

BASE BUDGET: The funding needed to provide exactly the same level of services as provided in the preceding year.

BOND: A written obligation issued by the City as a method of borrowing large amounts of monies for capital needs; bonds are issued for fixed terms and can have either fixed or variable interest rates.

BONDED DEBT: The city's debt represented by outstanding bonds due to bondholders and literary loans due to the State.

CAPITAL OUTLAY: Expenditure resulting in a replacement for or an addition to the City's general fixed assets; for fixed asset control and budget purposes, any expenditure with a dollar cost of \$1,000 or more.

CAPITAL PROJECT: A project financed in whole or in part by the proceeds of bonds, or in "cash" and/or a project involving the construction or acquisition of a capital asset. Capital projects are ordinarily funded using appropriations from the Capital Projects Fund which are designed to last through the duration of the project.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR): A report which sets out the financial position of the City and outlines the financial effect of the previous year's operations in conformity with GAAP.

CONTINGENCY: Funds set aside in the operating budget to handle unanticipated expenditures over the course of the fiscal year; transfers from this account require the specific authorization of the City Council.

COST OF LIVING ADJUSTMENT: A fixed adjustment to each range/step of the classification and pay plan for the City; usually tied to an increase in the cost of living. The amount could either be a percentage amount of a fixed dollar amount; usually a percentage amount is used.

DEBT LIMIT: The maximum amount of outstanding debt permitted by law.

DEBT SERVICE: Funds required for principle and interest payments on outstanding debt.

DECISION PACKAGES: Proposals by departments for programs or projects which were not part of the prior year's budget. Funding is subject to review by the City Manager and the City Council.

EXPENDITURE: Depletion of financial resources to pay the City's personnel services, Professional services, operating and maintenance, capital outlay, or debt service.

FINANCIAL PLAN: The document describing the City short and long-term goals, programs and departments, budget assumptions and estimates for both revenues and expenditures used for the budget development.

FISCAL YEAR: A 12-month period to which the annual operating budget applies and at the end of which a government determines its financial position and the results of its operation. The city's fiscal year is July 1 - June 30.

FIXED ASSETS: Long-lived tangible assets obtained or controlled as a result of past transactions, including land, buildings, improvements other than buildings and equipment with an acquisition cost of \$1,000 or greater.

FULL-TIME EMPLOYEE: A city employee who works a minimum of 37 1/2 hours per week on a continuing basis and is eligible to participate in the City's fringe benefits package.

FUND: A set of financial accounts whose resources are equal to its liabilities plus equity.

FUND BALANCE: The difference between fund assets and fund liabilities of governmental and similar trust funds.

FUND BALANCE UNDESIGNATED UN-APPROPRIATED: That portion of the fund balance that is not legally segregated for a specific future use; available for appropriation at any time by the legislative body.

LEVY: (1) Verb: To impose taxes, special assessments or service charges for the support of government activities. (2) Noun: The total amount of taxes, special assessments or service charges imposed by the government.

OPERATING BUDGET: Plans of current expenditures and the proposed means of financing them; the annual operating budget is the primary means by which most of the financing, acquisition, spending and service delivery activities of the City are controlled.

PART-TIME EMPLOYEE: A city employee who works less than a minimum of 37 1/2 hours per week and is not eligible to participate in the City's fringe benefits package.

PERFORMANCE MEASURES: Descriptions of a program's effectiveness or efficiency.

PROGRAM: A specific activity of a department/function which is separately budgeted and monitored.

RETAINED EARNINGS: The equity account that shows the accumulated earnings of the Enterprise Fund.

TAX RATE: The amount of tax stated in terms of a unit of the tax base (i.e., \$1.12 per 100 dollars of assessed valuation of taxable real estate property).

TRANSFER: The movement of cash or other resources between funds.

USER FEE: Charges to those who voluntarily receive governmental services or use governmental facilities. These charges may or may not be designed to recover the full cost associated with providing the service.

WORKLOAD INDICATORS: Descriptions of the type and quantity of work assignments handled by a department/program.

Source: Government Finance Officers Association. Governmental Accounting, Auditing and Financial Reporting 1994.

BUDGET RESOLUTION

BUDGET RESOLUTION

FISCAL YEAR 2013-14

WHEREAS, at the meeting of the City Council of the City of Hopewell held on May 14, 2013 a budget of the estimated revenues and expenditures for the fiscal year beginning July 1, 2013, and ending June 30, 2014, showing the expenditures of the preceding year, the amount appropriated for the current year, and the proposed expenditures for the ensuing twelve months was introduced in its complete form; of which \$90,940,800 is estimated to be received from sources other than property tax levies, leaving a balance to be raised by levies on property segregated to the city for local taxes of \$26,794,700 and,

WHEREAS, a tax rate sufficient to raise the last mentioned sum has been levied by ordinance of the City Council of the City of Hopewell; and,

WHEREAS, in this budget approved by City Council there are estimates of revenues used for appropriated expenditures to pay for said city services, and when said estimated revenues are projected by the City Manager to be less than the amount of appropriated expenditures, the City Manager shall initiate action to adjust appropriated expenditures to agree with revised estimated revenues. The City Manager is directed to advise City Council, at the next scheduled meeting, of the adjustments made and City Council may amend said adjustments or offer alternatives as the appropriating body; and,

WHEREAS, an annual statement of revenues, borrowing, disbursements, assets, liabilities, and surplus of the city, and an itemized and complete balance sheet for the city as of June 30, 2012 has been introduced to the City Council of the City of Hopewell as required by law;

BE IT, HEREBY, RESOLVED by the City Council of the City of Hopewell:

Sec. 1 The following designated funds and accounts shall be appropriated from the designated revenues to operate city services and to provide a capital improvement program for the city:

General Fund-011:

Estimated Revenues:

From Local Sources

General Property Taxes	\$26,794,700
Other Local Taxes	5,967,000
Licenses, Permits, Fees.....	81,500
Fines & Forfeitures.....	1,701,800
Use of Money/Property	47,000
In-Lieu of Taxes	1,261,100
Other Local Revenues	600,300

From Other Agencies

State Sources	6,321,500
Federal Sources	313,600

Transfers & Fund Balance

Transfer from Self-Insurance-076	0
Cost Recovery from Solid Waste-030.....	502,000
Cost Recovery from Sewer Services-031	382,500

Use of Fund Balance	1,853,000
Total Revenues	\$45,826,000

Appropriations:

Legislative:	
City Council.....	\$111,000
City Clerk	62,000
City Attorney	173,000
Constitutional/Courts:.....	
Clerk of Circuit Court.....	290,000
Commonwealth Attorney	415,000
Commissioner of Revenue	310,000
City Treasurer.....	293,000
Electoral Board/Registrar	135,000
City Sheriff	1,080,000
Circuit Court.....	70,000
General District Court	55,000
Court Services	7,000
VJCCCA Grant.....	147,000
Crater Detention Center.....	252,000
Riverside Regional Jail.....	2,453,000
Administration:.....	
City Manager	246,000
Economic Development Office	312,600
Info/Research.....	90,000
Human Resources	260,000
Finance	1,211,000
Development.....	587,400
Police	5,245,000
Vitim-Witness Grant	114,000
Fire.....	2,829,000
Public Works	3,785,000
Health	212,000
Outside Agencies.....	1,081,000
Non-Departmental	4,433,000
Operating Transfers/Contingency	<u>19,567,000</u>
Total General Fund	\$45,826,000

Social Services Fund-012:

Estimated Revenues:

From State Sources.....	\$1,163,100
From Federal Sources.....	2,061,200
Transfer from General Fund-011	550,700
Use of Surplus	<u>0</u>
Total Revenues	\$3,775,000

Appropriations:

Administration.....	0
Public Assistance.....	318000
Purchased Services	200,000
Eligibility.....	1,815,000
Services	1,430,000
Cooling Assistance	0
Pass-Thru Program	0
Foster Home	4,000
Day Care Staff.....	1,000
Quality Day Care.....	7,000
Contingency-Raises-Health ins.	<u>-0-</u>
Total Social Services Fund.....	\$3,775,000

Community Services Act Fund-015:

Estimated Revenues:

Client Fees.....	\$0
From State Sources.....	2,205,900
Transfer from General Fund-011	<u>784,100</u>
Total Revenues	\$2,990,000

Appropriations:

Administration.....	118,400
Direct Services	<u>2,871,600</u>
Total Community Services Act Fund.....	\$2,990,000

Recreation Fund-035:

Estimated Revenues:

Fees & Charges	\$264,700
Transfer from General Fund-011	1,287,700
Use of Surplus	<u>80,600</u>
Total Revenues	\$1,633,000

Appropriations:

Recreation Center Div	562,300
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Community Div	111,500
Athletics Div.....	147,000
Seniors Div	142,000
Pool Div.....	195,600
Parks Div	405,000
Grants	<u>69,600</u>
Total Recreation Fund	\$1,633,000

Harbor Fund-038:

Estimated Revenues:

Slip Rentals.....	\$ 67,000
Ramp Fees	32,200
Vending Commissions	800
Use of Surplus	<u>0</u>
Total Revenues	\$100,000

Appropriations:

Marina Operation	\$ 91,700
Contingency.....	<u>8,300</u>
Total Harbor Fund	\$100,000

Community Development Block Grant Fund-052:

Estimated Revenues:

From Federal Sources.....	\$0
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Appropriations:

Grants Administration	0
August Youth Month Program	0
Cares Homeless Shelter.....	0
Healthy Families.....	0
Salvation Army.....	0
Rainbow Summer Program	0
Spot Blight-HHRA	0
Community Center Roof	0
Contingency.....	<u>0</u>
Total Community Development Block Grant Fund	\$0

Anti-Litter Fund-053:

Estimated Revenues:

From State Sources.....	\$5,000
<u>Appropriations:</u>	
Operating Expenses.....	\$5,000
<u>Self Insurance Fund-076:</u>	
<u>Estimated Revenues:</u>	
Interest Income	\$2,000
Misc Income	0
Use of Surplus	<u>288,000</u>
Total Revenues	\$290,000
<u>Appropriations:</u>	
Property/Liability Insurance Premiums.....	280,000
Insurance Claims/Deductibles	10,000
Transfer to General Fund-011	0
Transfer to Capital Projects Fund-071	<u>0</u>
Total Self Insurance Fund	\$290,000
<u>Cemetery Fund-003:</u>	
<u>Estimated Revenues:</u>	
Interest Income	\$ 1,500
Grave Site Sales.....	10,000
Use of Surplus	<u>23,500</u>
Total Revenues	\$ 35,000
<u>Appropriations:</u>	
Repairs.....	2,500
Grass Cutting.....	27,000
Miscellaneous	5,500
Capital Expansion Project	<u>0</u>
Total Cemetery Fund.....	\$ 35,000
<u>School Operating Fund-014:</u>	
<u>Estimated Revenues:</u>	
Beginning Fund Balance	\$0
From State Sources.....	24,657,400
From Federal Sources.....	5,238,600
Other Revenues	5,895,000
Transfer from Other Funds-011/030	12,402,000
Transfer from School Bldg/Bus Replacement Fund-063	-0-

Transfer from Capital Projects Fund-071	<u>1,355,000</u>
Total Revenues	\$49,548,000

Appropriations:

Non-Categorical	42,311,000
Debt Service	2,426,000
Transfer to Text Book Fund-056.....	0
Transfer to Bldg/Bus Replacement Fund-063.....	<u>427,000</u>
Total School Operating Fund	\$45,164,000

School Textbook Fund-056:

Estimated Revenues:

From State Sources.....	\$265,100
Interest Income	2,500
Transfer from Operating Fund-014	0
Use of Surplus	<u>382,400</u>
Total Revenues	\$650,000

Appropriations:

Text Book Purchases	650,000
Fund Balance.....	<u>0</u>
Total School Textbook Fund.....	\$650,000

School Cafeteria Fund-057:

Estimated Revenues:

From State Sources.....	\$46,000
From Federal Sources.....	1,190,000
School Food Fees	567,000
Interest Income	8,000
Use of Surplus	<u>1,000,000</u>
Total Revenues	\$2,811,000

Appropriations:

Operating Expenses	2,811,000
End Balance.....	<u>0</u>
Total School Cafeteria Fund.....	\$2,811,000

School Bldg/Bus Replacement Fund-063:

Estimated Revenues:

From State Sources.....	\$0
Transfer from School Operating Fund-014.....	427,000
Use of Bond Proceeds	0

Use of Surplus	496,000
Total Revenues	\$ 923,000

Appropriations:

Transfer to Operating Fund-014 for Debt Service	427,000
Capital Outlay.....	496,000
Fund Balance.....	0
Total School Bldg/Bus Replacement Fund	\$ 923,000

Solid Waste Fund-030:

Estimated Revenues:

Fees & Charges	\$2,117,200
Convenience Center Fees	0
Use of Surplus	430,800
Total Revenues	\$2,548,000

Appropriations:

Curb-Side Pickup	1,703,000
Convenience Center	281,000
Transfer to Other Funds-011/014	564,000
Total Solid Waste Fund.....	\$2,548,000

Sewer System Revenue Fund-040:

Estimated Revenues:

Charges for Services.....	\$5,716,000
HRWTF Admin Fee	0
Interest Income	0
Transfer-Sewer System Revenue Fund-031	0
Total Revenues	\$5,716,000

Appropriations:

Transfer to Sewer System Operating Fund-041	4,088,000
Transfer to Sewer System Imprv/Redemp Fund-042.....	-0-
Transfer to Sewer System Bond Fund-043	1,628,000
Total Sewer System Revenue Fund.....	\$5,716,000

Sewer System Operating Fund-041:

Estimated Revenues:

Transfer f/ Sewer System Revenue Fund-040.....	\$4,088,000
Use of Surplus	2,209,000
	\$6,297,000

Appropriations:

Storm Water Div	81,000
Maintenance & Inspections	961,000
City Pump Stations	3,255,000
Capital	<u>2,000,000</u>
Total Sewer System Operating Fund.....	\$6,297,000

Sewer System Imprv/Redemp Fund-042:

Estimated Revenues:

Transfer f/ Sewer Services Fund-031	\$0
Transfer f/ Sewer System Revenue Fund-040.....	<u>0</u>
Total Revenues	\$-0-

Appropriations:

Transfer to Reserve Account Fund-042	0
Capital Construction.....	<u>0</u>
Total Sewer System Imprv/Redemp Fund	-0-

Sewer System Bond Fund-043:

Estimated Revenues:

Transfer f/ Sewer System Revenue Fund-040.....	\$1,628,000
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Appropriations:

Bond Principle	\$ 475,000
Bond Interest	<u>1,153,000</u>
Total Sewer System Bond Fund	\$1,628,000

HRWTF Fund-032:

Estimated Revenues:

Industrial User Charges	\$13,089,000
City User Charges	1,632,000
Debt Service Charges	<u>1,383,000</u>
Total Revenues	\$16,104,000

Appropriations:

Operating Expenses	\$16,104,000
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Capital Projects Fund-071:

Estimated Revenues:

Meals Tax	\$1,800,000
Lodging Tax	750,000
HRWTF Admin Fee	125,000
Social Services Bldg. Amortization	180,500

Interest Income	10,000
Transfer from General Fund-011	2,953,500
Transfer from General Fund I-295\$	800,000
Transfer from Self Insurance Fund-076	0
Use of Surplus	<u>0</u>
Total Revenues	\$6,619,000

Appropriations:

Debt Service	3,864,000
Debt Service Fees	5,000
Capital Projects:	
Servers, PC and Other Equipment.....	50,000
Command Radio.....	120,000
Public Works Equipment.....	350,000
Street Lighting.....	5,000
Pavement Mgt. Program.....	350,000
Code Vehicles.....	36,000
Code Chapter 18 Violations	25,000
Code Demolition Bldgs.	5,000
Sheriff Vehicle	30,000
Police Vehicles/Equipment	245,000
Community Center Carpeting)	15,000
Downtown Partnership	<u>70,000</u>
Sub-total Capital Projects Fund.....	\$5,170,000
Osage Funded Projects:	
New Information Systems Software.....	750,000
Ambulance and Difibulator	240,000
Animal shelter improvements	150,000
High school tennis court project.....	75,000
Fire Station one renovations.....	25,000
Fire Station two renovations.....	25,000
District Court furniture (New State Position).....	23,000
Demo, pave & stripe old library bldg. - downtown parking ...	61,000
Building Demolitions	45,000
Reseal Upper Parking Lot Mathis Field & Recycle Blocks	26,000
Riverside Park Backstop	18,000
Mathis Field #2 Skinned Area.....	<u>11,000</u>
Total Osage Funded Projects.....	<u>1,449,000</u>
Sub-total Capital Projects Fund.....	\$6,619,000

Economic Development Fund-075:

Estimated Revenues:

Interest Income	\$0
Transfer from General Fund.....	<u>404,000</u>
Total Revenues	\$404,000

Appropriations:

Bond Principle	\$404,000
Bond interest.....	0
2008 Downtown	<u>0</u>
Total Economic Development Fund.....	\$404,000

Sec. 2 Constitutional Officers and respective Constitutional Office employees shall receive the position salary approved by the Virginia Compensation Board or granted by the Virginia General Assembly. No Constitutional Officer shall be compensated for any vacation, sick, holiday, jury service, military leave, funeral leave or other paid time-off granted regular city employees.

- Sec. 3 Appropriations in addition to those contained in the general appropriation resolution may be made by the City Council only if there is available in the fund an unencumbered and un-appropriated sum sufficient to meet such appropriation.
- Sec. 4 Except as set forth in Sections 7, 14, 16, 17, 18, and 19 the City Manager may, as provided herein, authorize the transfer of any unencumbered balance or portion thereof from one classification of expenditure to another within the same department or appropriation function/category. The City Manager may transfer up to \$25,000 from the unencumbered balance of the appropriation of one appropriation function/category to another appropriation function/category. No more than one transfer may be made for the same item causing the need for a transfer, unless the total amount to be transferred for the item does not exceed \$25,000.
- Sec. 5 The City Manager may increase appropriations for the following items of non-budgetary revenue that may occur during the fiscal year:
- a. Insurance recoveries received for damage to city vehicles or other property for which city funds have been expended to make repairs.
 - b. Refunds or reimbursements made to the city for which the city has expended funds directly related to that refund or reimbursement.
 - c. Any revenue source not to exceed \$25,000.
- Sec. 6 All outstanding encumbrances, both operating and capital, at June 30, 2013 shall be re-appropriated to the 2013-14 fiscal year to the same department and account for which they are encumbered in the previous year.
- Sec. 7 At the close of the fiscal year, all unencumbered appropriations lapse for budget items other than Capital Projects, reserves, grants, and donations restricted to specific purposes.
- Sec. 8 Appropriations designated for capital projects will not lapse at the end of the fiscal year but shall remain appropriations until the completion of the projects or until the City Council, by appropriate ordinance or resolution, changes or eliminates the appropriation. The City Manager may approve necessary accounting transfers between funds to enable the capital projects to be accounted for in the correct manner. Upon completion of a capital project, staff is authorized to close out the projects and transfer to the funding source any remaining balances. This section applies to all existing appropriations for Capital Projects at June 30, 2013 and appropriations in the 2013-14 budget year. The City Manager may approve construction change orders to contracts up to an increase of \$25,000 and approve all change orders for reductions to contracts.
- Sec. 9 The City Manager may authorize the transfer of Sewer Services Capital Projects funds that are 20% or up to \$100,000 of the original project cost, whichever is less, from any Sewer Services Capital Project to any other Sewer Services Capital Project or to the original funding source. Should the actual contract price for a project be significantly (over \$100,000) less than the appropriation, the City Manager may approve transfer of excess funds to the funding source prior to completion of the project.

- Sec. 10 The City Manager is hereby authorized and directed to apply for and accept all city eligible grants which require no local match money to receive without further City Council action.
- City Manager is further authorized to apply for and accept eligible grants of \$50,000 or less and with up to fifty (50) percent or less of the total dollar grant amount match requirement. City Manager is authorized to use current budget appropriated funds towards any local match required.
- Any grant application/award greater than \$50,000 must first be approved by City Council prior to the city administration making application.
- The City Manager is hereby authorized to sign and execute all necessary documents for the acceptance of any city grant approved by the City Council.
- Sec. 11 That the approval by the City Council of any grant of funds to the city constitutes the appropriation of both the revenue to be received from the grant and the city's expenditure required by the terms of the grant, if any. The appropriation of grant funds will not lapse at the end of the fiscal year, but shall remain appropriated until completion of the project or until the City Council, by appropriate resolution, changes or eliminates the appropriation. The City Manager may reduce any grant appropriation to the level approved by the granting agency during the fiscal year. The City Manager may approve necessary accounting transfers between accounts to enable the grant to be accounted for in the correct manner. Upon completion of a grant project, staff is authorized to close out the grant and transfer back to the funding source any unspent remaining balances. This applies to appropriations for grants outstanding at June 30, 2012 and appropriations in the 2012-13 budget year.
- Sec. 12 The City Manager may appropriate both revenue and expenditure for donations made by citizens or citizen groups in support of city programs. Any remaining unencumbered balance of a restricted donation at the end of the fiscal year will be re-appropriated into the subsequent fiscal year for the same purpose.
- Sec. 13 The City Manager may reduce revenue and expenditure appropriations related to programs funded all or in part by the Commonwealth of Virginia and/or the federal government to the level approved by the responsible state or federal agency.
- Sec. 14 The Director of Finance is authorized to make transfers to the various operating funds for which there are transfers budgeted. The Director shall transfer funds only as needed up to amounts budgeted, or in accordance with any existing bond resolutions that specify the manner in which transfer are to be made.
- Sec. 15 The City Treasurer may advance monies to and from the various funds of the city to allow maximum cash flow efficiency. The advances must not violate city bond covenants or other legal restrictions that would prohibit an advance.
- Sec. 16 The City Manager is authorized to make expenditures from Trust & Agency Funds for the specified reasons for which the funds were established. In no case shall the expenditure exceed the available balance in the fund.
- Sec. 17 The City Manager may appropriate revenues and increase expenditures for funds received by the city from asset forfeitures for operating expenditures directly related to drug enforcement. This applies to funds currently on-hand at June 30, 2013, and all funds received in the 2013-14 budget year.

The outstanding balance of these funds at June 30, 2013 shall not lapse but be carried forward into the next fiscal year.

Sec. 18 After completion of all necessary audit transactions for the General Fund, the City Manager may at his discretion, increase appropriations or authorize transfers of existing appropriation at June 30 as follows:

Subsequent to all audit adjustments and the ending general fund balance is maintained at maximum of 10% of general fund expenditures, transfer all available current year operation funds to the undesignated fund balance of the Capital Projects Fund for future capital projects.

At year-end, any budgeted Fire Department appropriations in excess of actual expenditures for the year shall be transferred to a reserve account for future fire equipment purchases. This applies to funds on-hand at June 30, 2013, and all funds received in the 2013-14 budget year.

Sec. 19 The City Manager is authorized to reallocate funding sources for Capital Projects, arbitrage rebates/penalties, and debt services payments and to appropriate bond interest earning to minimize arbitrage rebates/penalties. This authority would include the appropriation of transfers among funds to accomplish such reallocation. Budgets for specific Capital Projects will not be increased beyond the level authorized by sections 4 and 5.

This applies to funds currently on-hand in FY 12-13 and all funds received in the FY 2013-14 budget year.

Sec. 20 The City Manager is authorized to transfer among appropriation categories any amount of funds associated with implementation of the implementation of the VJCCCA Grant to record transactions.

Sec. 21 The City Manager is authorized to transfer among appropriation categories any amount of monies associated with implementation of the Comprehensive Services Act for at-risk youth and families, but the local city match appropriation shall be reduced to the amount required to match the original state approved budget. Any supplemental budget request for funding shall be presented to city council for appropriation.

Sec. 22 The City Manager is authorized to disburse state Four-For-Life Program funding to the Hopewell Emergency Crew for authorized expenditures or to disburse funds between the Hopewell Emergency Crew and the Hopewell Bureau of Fire, all in the best interest of providing emergency services to Hopewell. Amount of funds authorized to be disbursed shall not exceed the state funding award.

Sec. 23 The City Manager is authorized to transfer among appropriation categories any amount of monies associated with implementation of the Department of Social Services budget for services, but the local city match appropriation shall be reduced to the amount required to match the original state approved budget. Any supplemental budget request for funding shall be presented to city council for appropriation.

Sec. 24 Effective upon adoption of this resolution, the City Manager is authorized to approve transfers within operating funds as long as total net spending is not exceeded, and all transfer activity is to be reported to City Council on a monthly basis.

Sec. 25 The City Manager is hereby authorized to reassign or reallocate any full-time authorized position within the authorized fund complement of positions to a lower or higher grade after the City Classification and Compensation Committee have approved the job evaluation and recommended to the City Manager their respective action. This authority is not to be construed as giving the City Manager authority to create or increase the authorized full-time city work force, City Council reserves to itself the authority to increase or decrease the authorized full-time employee positions.

Sec. 26 City Council hereby authorizes and reaffirms the city retiree health insurance contribution policy adopted in FY 04-05.

In accordance with that policy, city retiree health insurance contributions are fixed, subject to change, for all retirees retired prior to January 1, 2004; and any employee hired prior to July 1, 2004 and retiring after January 1, 2004 shall receive an amount equal to an active single employee towards retiree health insurance contribution from the city; and any employee hired after July 1, 2004 shall receive a percentage amount of an active single employee, determined by length of service, towards retiree health insurance contribution from the city.

Effective July 1, 2008, any employee hired after July 1, 2008 shall receive a fixed dollar contribution of two hundred dollars (\$200.00) towards retiree health insurance contribution from the city.

Authorize and approve establishing the city share of full-time employee health insurance benefits costs sharing amounts, per month, for each tier in health insurance coverage as identified:

	5PT/7JB <u>City Amount</u>	HSA PLAN <u>City Amount</u>
Emp Single per month	\$ 575.38	\$407.36
Emp + Dep(s) per month	852.24	602.78
Emp + Spouse per month	1,115.88	788.43
Emp + Family per month	1,365.13	963.43

Authorize the city contribution to health insurance premiums for city retiree, retired prior to 1/01/2004. The contribution amount for the 5PT/7JB plan shall be the amount as identified:

	<u>City Amount</u>
Retiree Single per month	\$ 533.80
Retiree + Dep(s) per month	612.33
Retiree + Spouse per month	947.97
Retiree + Family per month	1,112.45

Authorize city contribution to health insurance premiums for city retiree, retired after 12/31/2003, but hired prior to 7/01/2003 with a minimum of fifteen (15) years of

service or a work related disability retirement with less than fifteen (15) years of service. The contribution amount for the 5PT/7JB plan shall be the amount as identified:

	<u>City Amount</u>
Retiree Single per month	\$ 553.39
Retiree + Dep(s) per month	553.39
Retiree + Spouse per month	553.39
Retiree + Family per month	553.39

Authorize city contribution to health insurance premiums for city retiree hired after 7/01/2004 based on the minimum years of service:

11 - 15 years	40%	of current city contribution for single employee;
16 - 20 years	60%	of current city contribution for single employee;
21+ years	80%	of current city contribution for single employee.

Authorize city contribution to retiree health insurance premiums for city employee hired after July1, 2008 based on minimum years of services at the fixed dollar amount as follows:

5 years	\$ 50 per month;
6 – 10 years	\$100 per month;
11 – 20 years	\$150 per month;
20 years +	\$200 per month.

Authorize the city to contract with Ovations Health Group (AARP), or other provider, to provide supplemental health insurance coverage for retiree age 65 or more.

Authorize only a "Carve-Out" city health insurance contribution if retiree is age 65 or more for city contribution for supplemental medical insurance which amount shall not exceed the city contribution amount for an "Active" single city employee premium contribution. Should the retiree choose not to participate in the Medicare Part A and/or B, then the city shall only be obligated to pay a health insurance benefit equal to the "Carve-Out" supplemental health insurance plan.

Retiree age 65 or more retired prior to 12/31/2003 shall be eligible for a health insurance contribution of the "Carve-Out" contribution amount and the city contribution amount to cover dependent(s) up to the city retiree limit for retiree before 1-1-2004, but not to exceed this combined benefit amount.

Further, city retiree reaching 65th birthday shall be entitled only the medical supplemental insurance premium and Medicare Part D drug premium determined by the city's insurance provider of record, for any health insurance coverage paid by the city, effective July 1, 2012. City shall not be obligated to provide health insurance under its regular health insurance group for any retiree who fails or refuses to enroll in Medicare health insurance, as part of their Social Security benefits.

Under no circumstances shall the city health premium share paid for medical supplemental insurance and Medicare Part D drug premium exceed: the city health premium share for a single active employee for any retiree hired prior to July 1, 2004 and retired after January 1, 2004; the city health premium percentage share for a single active employee for any retiree hired after July 1, 2004, but prior to July 1, 2008; and the city health premium share shall be a fixed two hundred dollars (\$200.00) per month for any retiree hired after July 1, 2008.

Any city retiree eligible for VRS health insurance credit shall have the city health insurance contribution reduced by a dollar amount equal to the VRS eligible health insurance credit amount. The Virginia Retirement System health insurance credit shall be calculated by an amount equal to \$1.50, or current rate approved by VRS, times the years of service with a maximum reduction amount of \$45.00 dollars, or the maximum amount authorized by VRS.

Finance Director is authorized and directed to terminate the health insurance coverage for any retiree who fails to pay the city their respective share of the health insurance premium and who is sixty (60) days delinquent on premium payments. Any retiree who has their insurance coverage terminated for failure to pay their respective share of premium shall not be eligible for re-enrollment until: the delinquent premiums are paid to the city and only at the next open enrollment period.

Sec. 27

City Council authorizes and directs a policy change with respect to employer health insurance plans contributions as of July 1, 2012, the city shall only pay such amount equal to the city contribution share of the premium cost as authorized in Sec.26, above, and any additional insurance coverage costs selected by employee shall be paid by employee by payroll deduction in the month prior to premium due date.

For any employee electing to enroll in the HSA plan of record, the city shall contribute the sum of \$1,250 for single coverage and \$2,500 for family coverage, to be paid monthly into employee HSA account; to include employee and child or employee and spouse, paid the second pay period of each month on the basis of 24 pays per year. If employee is hired before 15th of month credit for that month is given, after 15th of month no credit and contribution payment shall begin the following month, to the employee HSA established at the city bank of record for HSA accounts.

Sec. 28

City Council authorizes and directs the employee contribution share (5%) of VRS pension contribution rate to be paid by all employees as of July 1, 2012. Employee share of VRS pension contribution shall be deducted on a bi-weekly basis on the assumption of 24 pays per year. Contribution will be effective for the month in which it is deducted. If employee is hired prior to the 15th of the month, credit shall be given for the month and the monthly employee contribution shall be deducted, after 15th of month VRS deduction and credit shall begin 1st day the following month.

Elected Constitutional Officers shall pay the VRS 5% employee contribution on the same basis as city employee.

Sec. 29 City Council authorizes a 3% cost-of living pay increase, across the board, to all full-time employees, including the constitutional office employees. Part-time employees shall be awarded a 1.5% cost-of-living pay increase. Elected Constitutional Officers shall not be granted the city pay increase, but paid the authorized salary approved by the General Assembly.

Sec. 30 Amendments made by City Council to original budget set forth in Section 1 are as identified in the following items:



Interoffice Memorandum

From the Office of the City Manager

To: The Honorable City Council

From: Ed
Edwin C. Daley, City Manager

Cc: Jerry Whitaker, Finance Director

Date: May 3, 2013

Re: Capital Improvements Program

Enclosed please find the Capital Improvements Program for 2013-2014 thru 2022-2023. The program highlights revenue projections, debt service requirements, and proposed continuing improvements to the City's facilities and equipment.

In addition, the following projects are highlighted beyond normal expenditures and will require separate funding consideration.

1. Public Safety Building

The Police Department is overcrowded in a 90 year old facility. Both Fire Stations need to be replaced. This \$5,000,000 project should begin this year.

2. Regional Communications System

The City's communication problem is that equipment and parts are not available as Motorola no longer manufactures the equipment and parts for either the DataTac or SmartNet systems.

In July 2012, City of Hopewell joined in partnership with Chesterfield County for subscriber (portable, mobile) radio services in anticipation of purchasing a new radio system. Our radio users have formed a committee and Altairis, a local vendor utilized by Chesterfield to assess radio needs, was selected as the technology/radio consultant to assist with our radio needs assessment.

Other jurisdictions that have transformed their Motorola systems or are having to transform their Motorola systems are: City of Petersburg, the Capital Region (Henrico, Richmond, and Chesterfield), Defense Supply Center-Richmond, City of Roanoke, and Roanoke County. City of Petersburg has purchased a Motorola Astro7xP25 radio platform and Defense Supply Center-Richmond has purchased a Motorola Astro7xP25 (military based) radio platform.

It is anticipated that the new system will take several years to complete, and it will be in place in 2015. The City will incur debt cost in 2016.

3. Replacement for Fire Station #2

This replacement should be after the new Public Safety Building. It is estimated that \$1,500,000 will be needed to replace this 60 year old building in 2016-2018.

The Public Safety Building and Regional Communications System have been part of the consideration for the 2013 debt refinancing. The proposal is to level future debt payments to provide a funding stream for these projects with minimum impact on the City's annual debt payment.

4. Replacement for Woodlawn School

This will be a major project with an estimated cost of \$14,000,000 in the 2018-2020 timeframe.

5. HRWTF Phase II

Construction of the City funded Phase I of the Hopewell Regional Wastewater Treatment Facility is nearing completion. Preparations continue for Phase II of this project. HRWTF Director, Mark Haley and Herbert Bragg worked closely with Governor McDonnell, Delegate Ingram, Delegate Dance, local industry, and the Virginia Manufacturers Association to obtain a \$5,000,000 state grant for this project from the Water Quality Improvement Fund.

Phase 2 Project Implementation and Regulatory Timeline

New City Sewer Rate Approved	Spring 2013
Apply for State Funding	July 2013
Pilot Testing	2013
Plant Design	2014
Plant Construction	Winter 2015 – Winter 2018
New Permit Issued	2018

6. Streets and Storm Drainage

Street projects have been a council focus for several years. Council has allocated over \$2,000,000 for street resurfacing. This effort will continue with \$750,000 additional funds this year. The Cabin Creek drainage projects and street projects on Dinwiddie and Atwater, Trenton and Freeman Streets represent additional infrastructure efforts. Public Works and Engineering have been very successful obtaining matching funds from VDOT and using CDBG Funds to reduce local costs.

Other street-related projects that have been approved and funded include:

<u>Road Name</u>	<u>Estimated Completion</u>
1) North 14 th Street	Summer 2013
2) Ramsey Avenue	Summer 2013
3) Freeman Street	Summer 2013
4) Davis Lane	Spring 2014
5) Carolina Avenue	Summer 2014
6) North Avenue	Fall 2014
7) Maple Avenue	Fall 2014

Please note that the Trenton Street improvements are funded by the CDBG and the requested allocation from the Osage tax payment funds. This project is under contract. The City's share of these projects (\$570,000) was budgeted last year.

In addition, the following projects have been submitted for VDOT funding:

- Cattail Creek Drainage Channel – full funding
- East Broadway Bridge – partial funding
- South Sixth Street Bridge – partial funding

New Projects:

- | | |
|--|----------|
| • Clingman/Joseph Hooker/Booker Drainage | \$50,000 |
| • Winston Churchill Drainage | \$50,000 |
| • East Broadway Bridge | \$53,000 |
| • South Sixth Street Bridge | \$27,000 |
| • Pocahontas Drainage | \$30,000 |
| • Trenton Street | \$42,000 |
| • Neighborhood Parks Matching Fund | \$25,000 |

Total \$277,000

7. Information Software System - \$750,000

The City began looking to replace several of our current software systems several years ago. One integrated system would handle almost all of our departments' operational and reporting needs in one software system. The new system would replace systems in the offices of Finance, Treasurer, Commissioner, Human Resources, Community Development and other departments as practically possible. Currently, these systems are not integrated thereby creating redundancy in work efforts; inefficiencies in operations and are costly to maintain.

Regular maintenance and equipment activities included in the 2013-2014 CIP include:

Fire Department

- Ambulance with Defibrillator - \$240,000
The \$200,000 is for a new ambulance. The ambulance needing to be replaced was purchased in 2004. This 9 year old unit suffers from continuous engine breakdowns, electrical system defects, and the

patient compartment is beginning to deteriorate. The maintenance repairs for this unit have reached over \$73,000 during its service. The maintenance cost with this unit is expected to increase more each year. Also, this unit is out of service a lot due to needed repairs. The \$40,000 is to purchase a new 12 Lead Defibrillator. Replacement parts are unavailable for the old defibrillator.

- Fire Station One Renovations - \$25,000
 - Roof repair
 - Seal entire building
 - Repair Plymovent System
 - Upgrade exterior lighting

- Fire Station Two Renovations - \$25,000
 - Replace carpet and tile
 - Renovate bathroom
 - Brace wall on apparatus bay
 - Seal crack in walls
 - Replace concrete floor in apparatus bay
 - New utility shed
 - Repair Plymovent System

Street Paving

- \$350,000 from CIP and \$400,000 from VDOT funding
- Trenton Street - \$42,000

This is an approved CDBG project. The original project scope of work increased due to: A) discovered drainage problems allied to the neighborhood and outfall path that had to be incorporated in the scope; and B) the street corridor ending point had to be extended to get across a wide storm runoff ditch, as well as go to a right of way location where the street turn-around could be constructed properly. The available CDBG funding is \$230,000. We will need \$42,000 to complete the project.

Police Department

- Animal Shelter Improvements - \$150,000

This project began with a citizen bequest to the Animal Shelter in 2011. The entire project will cost \$250,000 and bring the City into compliance with state guidelines. It will double the number of runs for dogs from 16 to 32 and double the space area for cats.
- Admin. Vehicles - \$70,000
- Command Radio - \$120,000
- Patrol Vehicles - \$175,000

Code Enforcement

- Building Demo - \$50,000
- Vehicle -\$36,000

Information Systems

- Servers, PC and Other Equipment - \$50,000

Public Works Equipment

- Bucket Truck - \$80,000
- Back Hoe - \$90,000
- Sweeper - \$180,000

Recreation

- High School Tennis Court Project - \$75,000
This project was not included in the high school renovations and the School Board has reserved \$400,000 for the project and an additional \$75,000 is needed to complete the project.
- Reseal top parking lot at Mathis Field - \$16,000
- Neighborhood Parks Matching Grant - \$25,000
- Replace backstop at Riverside Park - \$18,000
- Redo skinned area at Mathis Field #2 - \$10,700

Downtown

- Demo/Pave and Stripe Old Library Property for Parking - \$61,000
This property was slated in the downtown plan for parking to support activities in the downtown area. As we promote downtown activities, we will need to provide additional parking for events. This will also help to improve the appearance of downtown.
- Downtown Partnership Third Year Allocation - \$70,000

Courthouse

- District Court Furniture (New State Positions) - \$23,300
The state has allocated two new positions to this office. The City is responsible for office space, furniture, and equipment.

ECD/dp

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From the desk of...
Edwin C. Daley
City Manager
City of Hopewell
300 N. Main Street
Hopewell, VA 23860
541-2243
FAX: 541-2248

FUND 71

Revenues			<u>\$ 5,170,000</u>	
Osage Revenues			1,449,000	
Total Budgeted Revenues			<u>\$ 6,619,000</u>	
Reappropriation of Funds			327,000	
Total Source of Funds			<u>\$ 6,946,000</u>	
Debt Service			\$ 3,869,000	
IT		Servers, PC and Other Equipment	50,000	
Sheriff		Vehicles	30,000	
Police	Admin	Vehicles	70,000	
	Command	Radio	120,000	
	Patrol	Vehicles	175,000	365,000
Public Works		Pavement Repair	350,000	350,000
		Street Lighting Improvements	5,000	
		Bucket Truck	80,000	
		Back Hoe	90,000	
		Sweeper	180,000	355,000
Recreation		Community Center Carpeting	15,000	
Other		D/T Partnership Funding	70,000	
		Chapter 19 Violations	25,000	
Neighborhood Services	Code	Demolition Bldgs	5,000	
		Vehicles	36,000	
Sub-total of Projects			<u>\$ 1,301,000</u>	
New Information Systems Software			750,000	
Ambulance and Difibulator			240,000	
Animal shelter improvements			150,000	
High school tennis court project			75,000	
Fire Station one renovations			25,000	
Fire Station two renovations			25,000	
Distric Court furniture (New State Position)			23,000	
Demo, pave and stripe old library bldg for downtown parking			61,000	
Building Demolitions			45,000	
Reseal Upper Parking Lot at Mathis Field and Recycle Parking Blocks			26,000	
Riverside Park Backstop			18,000	
Mathis Field #2 Skinned Area			11,000	
Total Osage Funded Projects			<u>\$ 1,449,000</u>	Note: \$404,000 is in Fund 075
Total Projects			2,750,000	
Total Debt Service/Projects Budgeted			<u>\$ 6,619,000</u>	
Clingman/Hooker/Booker Drainage			50,000	
Winston Churchill Drainage			50,000	
East Broadway Bridge			53,000	
South Sixth St Bridge			27,000	
Pocahontas Drainage			30,000	
Trenton Street			42,000	
Neighborhood Parks Matching Fund			25,000	
Community Center Carpeting			25,000	
Re-seeding Mathis and Atwater Fields			25,000	
Total Projeted Funded by Reallocation			<u>\$ 327,000</u>	
Total Funding of All Projects			<u>\$ 6,946,000</u>	

Surplus/(Deficit)

I-295 and Capital Fund Projections Expected

5/3/2013

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-2023
Revenues											
CIP Fd Bal											
Meals Tx	1,770,000	1,800,000	1,890,000	1,980,000	2,080,000	2,180,000	2,290,000	2,405,000	2,525,000	2,650,000	2,780,000
Motel Tx	875,000	750,000	780,000	810,000	850,000	890,000	940,000	100,000	100,000	1,130,000	1,200,000
I-295 Net	800,000	800,000	840,000	880,000	925,000	975,000	1,020,000	1,070,000	1,125,000	1,180,000	1,250,000
Interest	25,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
SS Amort	180,516	180,500	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000	180,000
GF Trans	1,886,132	1,504,500	1,880,000	1,960,000	1,960,000	2,050,000	2,050,000	2,150,000	2,150,000	2,250,000	2,250,000
FB/Reallocation	300,344	0	0	0	0	0	0	0	0	0	0
HRWTF	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000
	5,961,992	5,170,000	5,705,000	5,945,000	6,130,000	6,410,000	6,615,000	6,040,000	6,215,000	7,525,000	
Expen											
Debt	3,767,659	3,869,000	3,875,000	4,240,000	4,135,000	4,605,000	4,600,000	4,610,297	3,895,000	3,660,000	
Paving	350,000	350,000	400,000	450,000	500,000	550,000	600,000	650,000	720,000	800,000	900,000
Police	120,000	365,000	180,000	210,000	240,000	270,000	300,000	330,000	360,000	400,000	600,000
Other City	315,000	146,000	345,000	365,000	385,000	410,000	435,000	460,000	490,000	520,000	550,000
Downtown	70,000	70,000	85,000	90,000	95,000	100,000	110,000	120,000	135,000	150,000	170,000
Beacon	50,000	0	0	0	0	0	0	0	0	0	-
Public Works Equip.	90,000	355,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Recreation	75,000	15,000	90,000	90,000	100,000	100,000	110,000	110,000	120,000	120,000	130,000
	4,837,659	5,170,000	5,275,000	5,745,000	5,755,000	6,335,000	6,455,000	6,580,297	6,020,000	5,950,000	
Net	1,124,333	-	430,000	200,000	375,000	75,000	160,000	(540,297)	195,000	1,575,000	
Balance	9,389,299	9,389,299	9,819,299	10,019,299	10,394,299	10,469,299	10,629,299	10,089,002	10,284,002	11,859,002	

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Osage Tax Payment

Amount Received	\$1,853,254.62
Pay off bonds issued in 2002 (B) for this project (Taxable bond @ 5.87% interest)	\$404,000
New Information Systems Software	750,000
Ambulance and Difibulator	240,000
Animal shelter improvements	150,000
High school tennis court project	75,000
Fire Station one renovations	25,000
Fire Station two renovations	25,000
District Court furniture (New State Position)	23,300
Demo, pave and stripe old library bldg for downtown parking	61,000
Building Demolitions	45,000
Reseal Upper Parking Lot at Mathis Field and Recycle Parking Blocks	26,000
Replace backstop at Riverside Park	18,000
Redo skinned area of Mathis Field # 2	10,700
	\$1,853,000

Reallocation of CIP Funds

Project	Available	Needed	Reallocate
Cabin Creek	156,256	16,256	140,000
Dinwiddie Avenue	146,245	9,245	137,000
Hunter House	50,000	50,000	50,000
Project			Funding
Clingman/Hooker/Booker Drainage			50,000
Winston Churchill Drainage			50,000
East Broadway Bridge			53,000
South Sixth St Bridge			27,000
Pocahontas Drainage			30,000
Trenton Street			42,000
Neighborhood Parks Matching Fund			25,000
Community Center Carpeting			25,000
Re-seeding Mathis and Atwater Fields			25,000
			327,000

Hopewell City Schools Five Year Capital Project Summary
4/16/2013

3-5 years

1-3 Years

	\$85,000 Grant	
High School		
Switch gear for emergency shelter		
Pave area of old courts to allow us to move bus area to side of building	\$ 75,000	\$ 45,000
Kitchen Storage Area		
Track	\$ 850,000	
Soccer/Field Hockey Field upgrade		\$ 150,000
Four additional classrooms		\$ 700,000
Dupont		
Additional parking lot and rebuild current lot	\$ 500,000	
Stop erosion near play ground	\$ 75,000	
Replace P. A System	\$ 35,000	
Concrete repairs around building	\$ 100,000	
Harry E. James		
One more HVAC unit needs replacement	\$ 100,000	
Parking lot repaired and resurfaced	\$ 125,000	
Dry portion of fire suppression system	\$ 275,000	
Patrick Copeland		
New P.A. system	\$ 35,000	
Resurface parking lot	\$ 100,000	
Carter G. Woodson		
Renovate bathrooms in old part of bldg.	\$ 150,000	
Replace 15 rooftop heat pumps	\$ 270,000	
Water problem in gym and 6th grade hall	\$ 350,000	
Old section roof replacement		\$ 280,000
New P.A. system	\$ 75,000	
Locker upgrades		\$ 75,000
Improve access to gym bleachers	\$ 25,000	

Merner Field	Concession stand, paint walls, new fence		\$	250,000
Mallonee Gym	Upgrade plumbing, repair interior walls		\$	250,000
Woodlawn	Replace most of Building		\$	14,000,000
Maintenance Shop	Replace building	\$	775,000	
	Dump Truck	\$	45,000	
Central Office	Sprinkler system to allow use of 3rd floor	\$	350,000	
	Replace three roof-top HVAC Units	\$	375,000	
	Repair and resurface parking lots	\$	75,000	
Division Wide	Increased and improved security cameras	\$	100,000	
	Digital monitoring for fire and intruder	\$	100,000	
Bus Parking Area	Need to centralize bus parking	\$	1,000,000	
Buses	Replace four in FY14	\$	396,000	
	Replace two in FY15 & two in FY16	\$	396,000	
	Replace four in FY17 and four in FY18	\$	792,000	
Totals		\$	5,402,000	\$ 17,100,000