
NON-DEPARTMENTAL APPROPRIATIONS



NON-DEPARTMENTAL APPROPRIATIONS

There are many services that the City provides that are not directly linked to specific departments. These services provide broad support to the departments such as Human Resources, Technology, Risk Management, Unemployment Compensation and Worker's Compensation.

The City of Norfolk believes in developing community partnerships with agencies outside of the City departments to maximize the resources available for the provision of services. This practice reinforces the belief that the City cannot solve problems alone. Partnerships must exist. The City is a direct partner with many agencies through the provision of "seed money" to begin an initiative, or by providing in-kind or matching-fund support to efforts funded through grants.

Non-Departmental Appropriations					
	FY 2006 ACTUAL	FY 2007 ACTUAL	FY 2008 APPROVED	FY 2009 APPROVED	INC/DEC
COMPENSATION AND BENEFITS					
<u>CITYWIDE TURNOVER</u>					
Estimated savings from vacant budgeted positions.	0	0	-2,350,000	-2,350,000	0
<u>EMPLOYEE COMPENSATION INCREASES*</u>					
Includes cost of living and annual merit step increases.	27,300	0	7,042,814	4,698,787	-2,344,034
<u>OTHER POST EMPLOYMENT BENEFITS (OPEB)</u>					
Funding set aside for future retiree health benefits.	0	0	392,142	0	-392,142
<u>RETIREE BENEFIT RESERVE</u>					
Provides \$5,000 death benefit to eligible retirees.	80,000	60,000	75,000	75,000	0
<u>RETIREMENT HOSPITALIZATION</u>					
City supplement to monthly health care premiums paid by participating retirees.	189,665	194,950	221,820	221,820	0
<u>RETIREMENT HEALTHCARE SAVINGS PROGRAM</u>					
City match to current employees contributions into tax exempt savings plan for post-retirement health care expenses.	19,236	14,464	23,100	0	-23,100

Non-Departmental Appropriations

	FY 2006 ACTUAL	FY 2007 ACTUAL	FY 2008 APPROVED	FY 2009 APPROVED	INC/DEC
<u>UNEMPLOYMENT</u>					
<u>COMPENSATION</u>					
Unemployment insurance claim payments.	149,186	80,301	180,000	180,000	0
<u>HIRING FREEZE</u>					
Strategic hiring freeze designed to create \$1M in personnel savings throughout the fiscal year.	0	0	0	-1,000,000	-1,000,000
<u>EXCESS WORKLOAD BONUSES (EWB)</u>					
One time bonuses for employees that covered the work of one or more frozen positions.	0	0	0	200,000	200,000
<u>VIRGINIA WORKERS</u>					
<u>COMPENSATION</u>					
Claim payments and related third party administration and state taxes.	4,906,875	4,254,135	5,200,500	4,500,500	-700,000
Subtotal	5,372,262	4,603,850	10,785,376	6,526,107	-4,259,276
GENERAL ADMINISTRATION					
<u>ADVISORY SERVICES</u>					
Urban design planning consultant services.	375,000	358,632	500,000	500,000	0
<u>CONTINGENT FUND</u>					
<u>ADJUSTMENT</u>					
Central account placeholder for Energy Rate Increase Reserve.	951,989	1,915,643	0	530,000	530,000
<u>EMPLOYEE RECOGNITION</u>					
<u>INCENTIVE</u>					
Citywide employee recognition event.	0	0	75,000	75,000	0
<u>GAIN SHARING –</u>					
<u>TECHNOLOGY INCENTIVE</u>					
Implementation of innovative, money-saving technologies.	0	0	75,000	0	-75,000
<u>INNOVATION &</u>					
<u>MODERNIZATION INCENTIVE</u>					
New start up fund for innovative ideas.	0	0	0	100,000	100,000
<u>GEM NEIGHBORHOOD</u>					
<u>REVITALIZATION</u>					
Blight removal services.	0	12,487	150,000	50,000	-100,000

Non-Departmental Appropriations

	FY 2006 ACTUAL	FY 2007 ACTUAL	FY 2008 APPROVED	FY 2009 APPROVED	INC/DEC
<u>HOMEARAMA</u>					
Support Tidewater Builders Association event.	50,000	0	0	0	0
<u>MUNICIPAL PARKING</u>					
Downtown parking garage fees for employees and City guests.	1,372,634	1,369,600	1,369,600	1,405,000	35,400
<u>NORTH ANCHOR BRANCH LIBRARY</u>					
One-time support for library branch opening.	0	450,000	0	0	0
<u>REAL ESTATE ASSESSMENT PROCESS</u>					
Program to refine the real estate assessment process.	0	0	75,000	0	-75,000
<u>RESIDENTIAL PROPERTY OWNERSHIP PROGRAM</u>					
Local real estate tax grant program (\$150 per grant).	26,856	0	0	0	0
<u>SPECIAL PROGRAMS AND SPONSORSHIPS</u>					
Support for local fundraising events.	297,664	242,557	350,000	350,000	0
<u>STOREHOUSE INDIRECT COST</u>					
Central warehouse for office supplies and materials.	154,906	142,714	154,877	154,877	0
<u>SUMMER YOUTH PROGRAM</u>					
High school student summer interns.	293,679	511,970	500,000	500,000	0
<u>VOLUNTEER AND BOARD RECOGNITION</u>					
Volunteer appreciation events.	4,590	9,199	50,000	50,000	0
<u>WASTE MANAGEMENT VEHICLE REPLACEMENT</u>					
Garbage truck replacements.	0	176,985	467,000	0	-467,000
<u>EMPLOYEE HOUSING ASSISTANCE</u>					
Provide funds for housing assistance for city employees.	0	0	0	100,000	100,000
<u>STATE PAYMENT</u>					
This item addresses the projected cut in State Aid to localities.	0	0	0	2,450,000	2,450,000
Subtotal	3,527,318	5,189,787	3,766,477	6,264,877	2,498,400

Non-Departmental Appropriations

	FY 2006 ACTUAL	FY 2007 ACTUAL	FY 2008 APPROVED	FY 2009 APPROVED	INC/DEC
RISK MANAGEMENT AND RESERVES					
<u>CLAIM PAYMENTS AND INSURANCE</u>					
General liability, property and automobile insurance, and associated legal fees.	1,618,161	2,979,585	2,510,000	2,510,000	0
<u>OPERATING CONTINGENCY*</u>					
Contingency funds for major, unforeseen challenges that cannot be met elsewhere in the approved budget.	0	0	2,500,000	2,000,000	-500,000
<u>UNDESIGNATED 5% RESERVE</u>					
Reserve to ensure fund balance remains at five percent of City budget.	0	1,112,896	1,162,121	962,121	-200,000
Subtotal	1,618,161	4,092,481	6,172,121	5,472,121	-700,000

Non-Departmental Appropriations

	FY 2006 ACTUAL	FY 2007 ACTUAL	FY 2008 APPROVED	FY 2009 APPROVED	INC/DEC
TRANSFER OUT					
<u>CEMETERIES SUPPORT</u>					
General operations supplement from General Fund.	404,617	588,881	749,156	817,156	68,000
<u>CRUISE SHIP LOAN</u>					
General operations supplement from General Fund.	0	0	1,481,531	0	-1,481,531
<u>EOC SUPPORT</u>					
General operations supplement from General Fund.	951,765	1,026,450	1,627,767	1,627,767	0
<u>NAUTICUS SUPPORT</u>					
General operations supplement from General Fund.	1,509,038	1,746,000	1,903,238	1,903,238	0
<u>USS WISCONSIN</u>					
General operations supplement from General Fund	0	0	534,534	534,534	0
Subtotal	2,865,420	3,361,331	6,296,226	4,882,695	-1,413,531
Total**	13,383,161	17,247,449	27,020,200	23,145,800	-3,874,407

*Amounts budgeted to these central appropriation line items are spread to departments throughout the year. Actual expenditures occur within the departments, and are included in their individual budget book pages.

**FY 2007 total actual amount does not include \$2,750,000 from the FY 2007 Departmental Support amended budget which reflects the following: \$1,000,000 for Risk Management Reserve; \$250,000 for Public Safety Initiative (Tasers); \$500,000 for Housing Trust Fund; \$750,000 for Minority & Women Owned Business; and \$250,000 for Public Safety Vehicles.

This page left blank intentionally

NON-DEPARTMENTAL – OUTSIDE AGENCIES

Community Partnerships					
	FY 2006 ACTUAL	FY 2007 ACTUAL	FY 2008 APPROVED	FY 2009 APPROVED	INC/DEC
<u>DOWNTOWN NORFOLK COUNCIL</u> Revenue from commercial real estate tax collections used for Business Improvement District activities.	1,215,127	1,311,312	1,452,500	1,794,100	341,600
<u>EASTERN VIRGINIA MEDICAL SCHOOL (EVMS)</u> General operating support.	591,600	609,348	609,348	709,348	100,000
<u>ECONOMIC DEVELOPMENT AUTHORITY</u> Incentives to encourage entities (such as Ford, Heritage Bank and Military Circle) to locate facilities within the City of Norfolk that foster economic growth and provide jobs for our citizens (housed in City Department of Development).	949,289	874,955	822,739	1,428,575	605,836
<u>ECONOMIC DEVELOPMENT GRANTS</u> Incentives to encourage entities (such as Continental Broadband, Crown Center, Targeted Publications, and Trader/Dominion Enterprises) to locate facilities within the City of Norfolk that foster economic growth and provide jobs for our citizens (Administered by NRHA).	359,827	253,758	419,697	1,069,480	649,783
<u>FRIENDS OF FRED HUETTE</u> General operating support.	17,500	17,500	17,500	17,500	0
<u>HAMPTON ROADS SPORTS COMMISSION</u> General operating support.	35,100	35,100	35,100	35,100	0
<u>HAMPTON ROADS TECHNOLOGY INCUBATOR</u> General operating support.	25,000	0	0	0	0
<u>HOUSING FIRST PROGRAM</u> Program to address Homeless initiative.	0	0	0	200,000	200,000
<u>LEGAL AID SOCIETY OF EASTERN VIRGINIA</u> General operating support.	7,900	8,364	8,364	8,364	0
<u>LOCAL OFFENDER TREATMENT AND SUPERVISION</u> Matching funds to State grant.	58,000	58,000	58,000	55,100	-2,900

Community Partnerships

	FY 2006 ACTUAL	FY 2007 ACTUAL	FY 2008 APPROVED	FY 2009 APPROVED	INC/DEC
<u>NORFOLK COMMUNITY SERVICES</u>					
<u>BOARD</u>	2,775,800	3,501,000	3,701,000	3,851,000	150,000
General operating support.					
<u>NORFOLK CONVENTION AND VISITORS</u>					
<u>BUREAU (NCVB)</u>	3,200,000	3,360,000	3,580,000	3,730,000	150,000
General operating support.					
<u>NORFOLK CONVENTION AND</u>					
<u>VISITOR'S BUREAU (NCVB)</u>	300,000	1,100,000	1,100,000	1,162,500	62,500
Revenue from bed tax used to provide additional support to NCVB.					
<u>NORFOLK DEPARTMENT OF HUMAN</u>					
<u>SERVICES</u>	445,300	657,800	520,300	520,300	0
Pass through grants to local social service agencies.					
<u>NORFOLK DRUG COURT PROGRAM</u>					
	75,000	78,750	78,750	78,750	0
Matching funds to State grant.					
<u>NORFOLK FESTEVENETS</u>					
	1,268,300	1,503,086	1,470,929	1,577,766	106,837
General operating support.					
<u>NORFOLK FESTEVENETS</u>					
	0	200,000	200,000	0	-200,000
Special two-year funding for Jamestown 2007 Sail Virginia event.					
<u>NORFOLK INTERAGENCY CONSORTIUM</u>					
<u>(NIC)</u>	300,000	300,000	300,000	300,000	0
Matching funds to State grant.					
<u>NORFOLK SISTER CITY ASSOCIATION</u>					
	22,000	47,000	47,000	47,000	0
General operating support.					
<u>PRE-TRIAL SERVICES PROGRAM</u>					
	0	0	0	100,000	100,000
Consolidation of Pre-Trial and Probation Programs.					
<u>ST. MARY'S HOME FOR THE DISABLED</u>					
	0	0	0	15,000	15,000
General operating support.					
<u>SECOND CHANCES</u>					
	289,000	400,000	412,000	435,000	23,000
General operating support.					
<u>SQUARE ONE</u>					
	37,336	37,336	37,336	37,336	0
General operating support.					
<u>THE LITERACY PARTNERSHIP</u>					
	50,000	50,000	50,000	50,000	0
General operating support.					

Community Partnerships

	FY 2006 ACTUAL	FY 2007 ACTUAL	FY 2008 APPROVED	FY 2009 APPROVED	INC/DEC
<u>THE SOUTHEASTERN TIDEWATER OPPORTUNITY PROJECT (STOP)</u> General operating support.	12,900	12,900	12,900	12,900	0
<u>TIDEWATER COMMUNITY COLLEGE (TCC)</u> Event sponsorship.	6,000	6,000	6,000	6,000	0
<u>VIRGINIA MARITIME HERITAGE FOUNDATION (SCHOONER VIRGINIA)</u> General operating support.	12,000	12,000	12,000	12,000	0
<u>VIRGINIANS FOR HIGHER SPEED RAIL</u> General operating support.	10,000	10,000	10,000	10,000	0
<u>WORLD CHANGERS</u> General operating support.	80,000	80,000	80,000	80,000	0
<u>NEIGHBORHOOD REDEVELOPMENT HOUSING AUTHORITY (NRHA) ADMINISTRATIVE SUPPORT</u>					
Cooperative Agreement to Repay Taxable Term Loan (Economic Incentive to Nordstrom).	2,660,837	2,494,679	2,349,917	2,579,333	229,416
Program Management Administrative Support.	357,500	557,500	557,500	600,000	42,500
Rental Supplement for Unoccupied Space in 201 Granby Street Building.	111,375	105,226	58,460	20,000	-38,460
Waterside Maintenance Support.	850,000	850,000	850,000	1,050,000	200,000
Subtotal	16,122,691	18,531,614	18,857,340	21,592,452	2,735,112

Public Amenities

	FY 2006 ACTUAL	FY 2007 ACTUAL	FY 2008 APPROVED	FY 2009 APPROVED	INC/DEC
<u>CHRYSLER MUSEUM</u> General operating support.	2,444,000	2,808,293	2,840,012	2,953,613	113,601
<u>CHRYSLER MUSEUM</u> Operating support for Freemason Street Reception Center.	37,100	39,096	39,096	34,830	-4,266
<u>CHRYSLER MUSEUM</u> Special two-year funding for maintenance repairs.	109,500	109,500	0	0	0

Public Amenities

	FY 2006 ACTUAL	FY 2007 ACTUAL	FY 2008 APPROVED	FY 2009 APPROVED	INC/DEC
<u>HAMPTON ROADS CHAMBER OF COMMERCE - NORFOLK DIVISION</u> Event sponsorship.	12,000	12,000	12,000	12,000	0
<u>HAMPTON ROADS PARTNERSHIP FOR THE HAMPTON ROADS FILM OFFICE</u> Special three-year funding to establish and support a regional film office.	0	15,000	15,000	15,000	0
<u>NORFOLK BOTANICAL GARDENS</u> General operating support.	1,088,000	1,142,400	1,170,591	1,188,820	18,229
<u>NORFOLK COMMISSION ON THE ARTS AND HUMANITIES</u> Pass through grants to arts agencies and events (housed in City Department of Development)	750,000	835,000	885,000	935,000	50,000
<u>NORFOLK FESTEVENTS</u> Sponsor Fleet Week/Jazz Festival.	75,000	75,000	75,000	75,000	0
<u>NORFOLK'S INTERNATIONAL AZALEA FESTIVAL</u> General operating support.	75,300	79,065	79,065	89,065	10,000
<u>TOURISM INFRASTRUCTURE REPAIRS</u> Revenue from hotel tax used for cultural facilities improvements.	981,694	857,100	902,874	978,600	75,726
<u>VIRGINIA ARTS FESTIVAL</u> General operating support.	600,000	630,000	648,900	648,900	0
<u>VIRGINIA ARTS FESTIVAL</u> Special two-year funding for Jamestown 2007 event.	0	175,000	175,000	0	-175,000
<u>VIRGINIA ZOO SOCIETY</u> Revenue sharing agreement to provide a flat rate for the first \$600,000 in gate receipts.	325,000	325,000	325,000	325,000	0
<u>VIRGINIA ZOO SOCIETY</u> Revenue sharing contingency agreement to provide 50% of gate receipts in excess of \$600,000.	38,200	176,900	209,751	331,081	121,330
<u>WATERSIDE CONVENTION CENTER</u> Maintenance subsidy agreement with the Marriott hotel's management company.	195,000	195,000	195,000	195,000	0
Subtotal	6,730,794	7,474,354	7,572,289	7,781,909	209,620

Memberships & Dues

	FY 2006 ACTUAL	FY 2007 ACTUAL	FY 2008 APPROVED	FY 2009 APPROVED	INC/DEC
<u>DOWNTOWN NORFOLK COUNCIL</u> General operating support.	61,000	60,000	60,000	60,000	0
<u>HAMPTON ROADS ECONOMIC DEVELOPMENT ALLIANCE</u> Membership dues.	241,727	237,835	231,954	229,112	-2,842
<u>HAMPTON ROADS PARTNERSHIP</u> Membership dues.	16,500	16,500	16,500	16,500	0
<u>HAMPTON ROADS MILITARY AND FEDERAL FACILITIES ALLIANCE</u> Membership dues.	0	0	103,431	117,536	14,105
<u>HAMPTON ROADS PLANNING DISTRICT COMMISSION</u> Membership dues. (Includes Metropolitan Medical Response System – MMRS).	238,272	333,984	267,628	238,904	-28,724
<u>HAMPTON ROADS TRANSIT (HRT)</u> Public transportation fare subsidy.	4,559,463	5,960,949	7,047,624	7,666,622	618,998
<u>THE INNOVATION GROUPS AKA VIRGINIA INNOVATION GROUP</u> Membership dues.	5,250	7,500	7,500	7,500	0
<u>VIRGINIA FIRST CITIES</u> Membership dues.	39,300	43,230	43,230	45,392	2,162
<u>VIRGINIA INSTITUTE OF GOVERNMENT</u> Membership dues.	15,000	15,000	15,000	15,000	0
<u>VIRGINIA MUNICIPAL LEAGUE (VML)</u> Membership dues.	45,603	48,534	49,704	51,673	1,969
Subtotal	5,222,115	6,723,532	7,842,571	8,448,239	605,668
GRAND TOTAL	28,075,600	32,729,500	34,272,200	37,822,600	3,550,440

This page left blank intentionally

DEVELOPMENT INITIATIVES

The Performance-Based Economic Development Grant Program is designed to encourage public-private partnerships. The intent of the program is to enhance the retention, expansion and attraction of businesses enabling growth of the City's tax base while creating employment opportunities and meeting the growing needs of residents.

To serve the public interest, any public-private partnership grant must provide a greater good beyond the business terms of a specific project. The project must achieve a return on investment (benefit to the public) that is realistic and achievable over a reasonable period of time. The grants are most effective for the development of major facilities, commercial projects driven by national investors, major commercial corridor projects, or large neighborhood commercial corridor projects. These projects must be able to generate significant, direct and measurable benefits to the City.

To be considered for a performance based grant, a project must meet the following criteria:

- Represent a significant capital investment
- Present significant employment opportunities
- Act as a catalyst for future development
- Depend upon the City's assistance for project completion

Each grant project is subject to an extensive cost/benefit analysis, to determine the potential incremental benefit to the City. In a typical grant award scenario, a portion of the incremental benefits realized by the City from the project is invested in the development, allowing a business to recoup a portion of its initial investment.

While a portion of the incremental benefits are granted to the business for a limited period of time, a projected minimum of 30 percent remains with the City from the first day a project opens or is complete. This retained benefit could be used to spur additional development furthering the City's strategic development goals.

To determine the amount of a grant, incremental revenue sources are considered. Direct measurable revenues typically include increase in real property, sales, business/personal property, and machinery and tools values. The incremental revenue does not include all of the revenues generated by the grantee. Grants are generally funded annually, based on a pre-determined revenue sharing ratio based on a calendar year and generally paid in arrears. The amount of the annual grant payment is wholly dependent on the performance of the company. If successful, the company receives the full grant payment. If not, the company receives less than the projected grant payment.

In some cases, however the City has authorized economic development grants whereby the City (or its designee) issues bonds to participate in the construction project. Generally, the size of the bond issue is limited to an amount that can be supported by no more than 70 percent of projected direct, measurable tax revenues received from the project. Examples of projects for which the City has entered into such agreements are the Hotel/Conference Center and Granby Tower projects. As part of the agreements the City will provide performance grants of \$7.5 million for the Hotel and \$22 million for the Granby Tower projects. In both these cases, the City will enter into an agreement between the Norfolk Redevelopment and Housing Authority or the Economic Development Authority for the issuance of bonds. In these grants, the City is responsible to meet debt service requirements regardless of the amount of incremental revenues received.

ANTICIPATED OR AWARDED PERFORMANCE BASED GRANTS

Grantee	START	TOTAL ESTIMATED BENEFIT	GRANT BENEFIT			
			ACCRUED INCREMENTAL BENEFIT TO DATE	ACCRUED GRANT PAYMENT TO DATE	ACCRUED NET CITY BENEFIT TO DATE	RETURN ON INVESTMENT (ROI)
Conference Center Hotel ^{3,4}	2007	23,645,079	0	0	0	
Continental Broadband ¹	2004	3,879,303	21,099	2,602	18,497	811%
Crown Center ¹	1999	6,758,996	1,935,900	1,242,557	693,344	156%
Dominion Enterprises ¹ (formerly Trader Publications)	2004	29,503,235	352,230	257,140	95,090	137%
Ford Motor Company ²	2007	80,443,709	24,510,514	809,107	23,701,407	3030%
Fort Norfolk Plaza ⁴	2007	18,103,401	0	0	0	
Granby Tower ^{3, 4}	2008	70,491,089	0	0	0	
Heritage Bank ²	1999	85,000	67,099	46,969	20,130	143%
Military Circle Mall ²	1999	21,055,920	5,922,017	4,308,426	1,613,591	137%
Targeted Publications ¹	2004	526,242	286,848	67,836	219,012	423%
USG ⁴	2005	18,461,641	0	0	0	
TOTAL		272,953,615	33,095,707	6,734,637	26,361,071	

¹ Also included in the total amount shown for Norfolk Redevelopment and Housing Authority, in the Non-Departmental – Outside Agencies section of this book.

² Also included in the total amount shown for Economic Development Grants in the Non-Departmental – Outside Agencies section of this book.

³ Grant contemplates the issuance of bonds not to exceed \$22 million and \$7.5 million for the Granby Tower & Conference Center Hotel projects respectively.

⁴ Payments have not begun yet.