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# NON-DEPARTMENTAL APPROPRIATIONS

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# 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.

<b>Non-Departmental Appropriations</b>					
	<b>FY 2005 ACTUAL</b>	<b>FY 2006 ACTUAL</b>	<b>FY 2007 APPROVED</b>	<b>FY 2008 APPROVED</b>	<b>INC/DEC</b>
<b>COMPENSATION AND BENEFITS</b>					
<b><u>CITYWIDE TURNOVER</u></b>					
Estimated savings from vacant budgeted positions.	-2,071,605	-2,350,000	-2,350,000	-2,350,000	0
<b><u>EMPLOYEE COMPENSATION INCREASES*</u></b>					
Includes cost of living and annual merit step increases for Public Safety and General employees.	100,000	27,300	6,131,939	5,865,814	-266,125
<b><u>EMPLOYEE COMPENSATION INCREASES*</u></b>					
Additional ½ percent cost of living for Public Safety employees.	0	0	0	385,000	385,000
<b><u>EMPLOYEE COMPENSATION INCREASES*</u></b>					
\$1,000 annual salary increase for Police personnel with rank of lieutenant and below.	0	0	0	792,000	792,000
<b><u>OTHER POST EMPLOYMENT BENEFITS (OPEB)</u></b>					
Funding set aside for future retiree health benefits	0	0	0	392,142	392,142
<b><u>RETIREE BENEFIT RESERVE</u></b>					
Provides \$5,000 death benefit to eligible retirees.	55,000	80,000	80,000	75,000	-5,000

## Non-Departmental Appropriations

	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 APPROVED	FY 2008 APPROVED	INC/DEC
<b><u>RETIREMENT HEALTHCARE SAVINGS PROGRAM</u></b>					
City match to current employees contributions into tax exempt savings plan for post-retirement health care expenses.	18,362	19,236	46,969	23,100	-23,869
<b><u>RETIREMENT HOSPITALIZATION</u></b>					
City supplement to monthly health care premiums paid by participating retirees.	159,827	189,665	250,000	221,820	-28,180
<b><u>UNEMPLOYMENT COMPENSATION</u></b>					
Unemployment insurance claim payments.	179,683	149,186	180,000	180,000	0
<b><u>VIRGINIA WORKERS COMPENSATION</u></b>					
Claim payments and related third party administration and state taxes.	5,485,664	4,906,875	5,200,500	5,200,500	0
<b>Subtotal</b>	<b>3,926,931</b>	<b>3,022,262</b>	<b>9,539,408</b>	<b>10,785,376</b>	<b>1,245,968</b>
<b>GENERAL ADMINISTRATION</b>					
<b><u>ADVISORY SERVICES</u></b>					
Urban design planning consultant services.	310,000	375,000	500,000	500,000	0
<b><u>CONTINGENT FUND ADJUSTMENT</u></b>					
Central account placeholder for budget planning.	294,924	951,989	587,251	0	-587,251
<b><u>EMPLOYEE RECOGNITION INCENTIVE</u></b>					
City-wide employee recognition event	0	0	75,000	75,000	0
<b><u>GAIN SHARING – TECHNOLOGY INCENTIVE</u></b>					
Implementation of innovative, money-saving technologies.	0	0	75,000	75,000	0
<b><u>GEM NEIGHBORHOOD REVITALIZATION</u></b>					
Blight removal services	0	0	150,000	150,000	0
<b><u>HOMEARAMA</u></b>					
Support Tidewater Builders Association event	34,391	50,000	0	0	0

## Non-Departmental Appropriations

	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 APPROVED	FY 2008 APPROVED	INC/DEC
<b><u>MUNICIPAL PARKING</u></b>					
Downtown parking garage fees for employees and City guests	1,411,296	1,372,634	1,369,600	1,369,600	0
<b><u>NORTH ANCHOR BRANCH LIBRARY</u></b>					
One-time support for library branch opening.	0	0	450,000	0	-450,000
<b><u>REAL ESTATE ASSESSMENT PROCESS</u></b>					
Program to refine the real estate assessment process	0	0	0	75,000	75,000
<b><u>RESIDENTIAL PROPERTY OWNERSHIP PROGRAM</u></b>					
Local real estate tax grant program. (\$150 per grant)	0	26,856	0	0	0
<b><u>SPECIAL PROGRAMS AND SPONSORSHIPS</u></b>					
Support for local fundraising events	222,205	297,664	500,000	350,000	-150,000
<b><u>STOREHOUSE INDIRECT COST</u></b>					
Central warehouse for office supplies and materials.	157,809	154,906	142,714	154,877	12,163
<b><u>SUMMER YOUTH PROGRAM</u></b>					
High school student summer interns	0	293,679	500,000	500,000	0
<b><u>VOLUNTEER AND BOARD RECOGNITION</u></b>					
Volunteer appreciation events.	22,967	4,590	50,000	50,000	0
<b><u>WASTE MANAGEMENT VEHICLE REPLACEMENT</u></b>					
Garbage truck replacements	0	0	867,000	467,000	-400,000
<b>Subtotal</b>	<b>2,453,592</b>	<b>3,527,318</b>	<b>5,266,565</b>	<b>3,766,477</b>	<b>-1,500,088</b>
<b>RISK MANAGEMENT AND RESERVES</b>					
<b><u>CLAIM PAYMENTS AND INSURANCE</u></b>					
General liability, property and automobile insurance, and associated legal fees.	1,797,469	1,618,161	2,510,000	2,510,000	0
<b><u>OPERATING CONTINGENCY*</u></b>					
Contingency funds for major, unforeseen challenges that cannot be met elsewhere in the approved budget.	0	0	2,500,000	2,500,000	0

## Non-Departmental Appropriations

	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 APPROVED	FY 2008 APPROVED	INC/DEC
<b><u>UNDESIGNATED 5% RESERVE</u></b>					
Reserve to ensure fund balance remains at five percent of City budget.	0	0	1,112,896	1,162,121	49,225
<b>Subtotal</b>	<b>1,797,469</b>	<b>1,618,161</b>	<b>6,122,896</b>	<b>6,172,121</b>	<b>49,225</b>

## Non-Departmental Appropriations

	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 APPROVED	FY 2008 APPROVED	INC/DEC
<b>TRANSFER OUT</b>					
<b><u>CEMETERIES SUPPORT</u></b>					
General operations supplement from General Fund.	234,839	404,617	588,881	749,156	160,275
<b><u>CRUISE SHIP LOAN</u></b>					
General operations supplement from General Fund.	0	0	0	1,481,531	1,481,531
<b><u>EOC SUPPORT</u></b>					
General operations supplement from General Fund.	443,418	951,765	1,026,450	1,627,767	601,317
<b><u>NAUTICUS SUPPORT</u></b>					
General operations supplement from General Fund.	850,000	1,509,038	1,746,000	1,903,238	157,238
<b><u>USS WISCONSIN</u></b>					
General operations supplement from General Fund.	0	0	0	534,534	534,534
<b>Subtotal</b>	<b>1,528,257</b>	<b>2,865,420</b>	<b>3,361,331</b>	<b>6,296,226</b>	<b>2,934,895</b>
<b>Total</b>	<b>9,706,249</b>	<b>11,033,161</b>	<b>24,290,200</b>	<b>27,020,200</b>	<b>2,730,000</b>

\*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.

# NON-DEPARTMENTAL – OUTSIDE AGENCIES

<b>Community Partnerships</b>					
	<b>FY 2005 ACTUAL</b>	<b>FY 2006 ACTUAL</b>	<b>FY 2007 APPROVED</b>	<b>FY 2008 APPROVED</b>	<b>INC/DEC</b>
<b><u>DOWNTOWN NORFOLK COUNCIL</u></b> Revenue from commercial real estate tax collections used for Business Improvement District activities.	1,151,800	1,215,127	1,311,312	1,452,500	141,188
<b><u>EASTERN VIRGINIA MEDICAL SCHOOL (EVMS)</u></b> General operating support.	591,600	591,600	609,348	609,348	0
<b><u>ECONOMIC DEVELOPMENT AUTHORITY</u></b> 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 residents. (Housed in City Department of Development)	1,051,900	949,289	874,955	822,739	-52,216
<b><u>ECONOMIC DEVELOPMENT GRANTS</u></b> Incentives to encourage entities (such as Continental Broadband, Crown Center, Targeted Publications, and Trader) to locate facilities within the City of Norfolk that foster economic growth and provide jobs for our residents. (Administered by NRHA)	376,400	359,827	253,758	419,697	165,939
<b><u>FRIENDS OF FRED HUETTE</u></b> General operating support.	15,000	17,500	17,500	17,500	0
<b><u>HAMPTON ROADS SPORTS COMMISSION</u></b> General operating support.	35,100	35,100	35,100	35,100	0
<b><u>HAMPTON ROADS TECHNOLOGY INCUBATOR</u></b> General operating support.	25,000	25,000	0	0	0
<b><u>LEGAL AID SOCIETY OF EASTERN VIRGINIA</u></b> General operating support.	7,900	7,900	8,364	8,364	0
<b><u>LOCAL OFFENDER TREATMENT AND SUPERVISION (LOTS)</u></b> Matching funds to State grant.	58,000	58,000	58,000	58,000	0
<b><u>NORFOLK COMMUNITY SERVICES BOARD</u></b> General operating support.	2,262,800	2,775,800	3,501,000	3,701,000	200,000

## Community Partnerships

	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 APPROVED	FY 2008 APPROVED	INC/DEC
<b><u>NORFOLK CONVENTION AND VISITORS BUREAU (NCVB)</u></b> General operating support.	3,115,500	3,200,000	3,360,000	3,580,000	220,000
<b><u>NORFOLK CONVENTION AND VISITOR'S BUREAU (NCVB)</u></b> Revenue from bed tax used to provide additional support to NCVB.	0	300,000	1,100,000	1,100,000	0
<b><u>NORFOLK DEPARTMENT OF HUMAN SERVICES</u></b> Pass through grants to local social service agencies. <sup>1</sup>	445,300	445,300	657,800	520,300	-137,500
<b><u>NORFOLK DRUG COURT PROGRAM</u></b> Matching funds to State grant.	50,000	75,000	78,750	78,750	0
<b><u>NORFOLK FESTEVENETS<sup>2</sup></u></b> General operating support.	1,268,300	1,268,300	1,503,086	1,470,929	-32,157
<b><u>NORFOLK FESTEVENETS</u></b> Special two-year funding for Jamestown 2007 Sail Virginia event.	0	0	200,000	200,000	0
<b><u>NORFOLK INTERAGENCY CONSORTIUM (NIC)</u></b> Matching funds to State grant.	275,000	300,000	300,000	300,000	0
<b><u>NORFOLK SISTER CITY ASSOCIATION</u></b> General operating support.	17,000	22,000	47,000	47,000	0
<b><u>SECOND CHANCES</u></b> General operating support.	289,000	289,000	400,000	412,000	12,000
<b><u>SQUARE ONE</u></b> General operating support.	25,000	37,336	37,336	37,336	0
<b><u>THE LITERACY PARTNERSHIP</u></b> General operating support.	50,000	50,000	50,000	50,000	0
<b><u>THE SOUTHEASTERN TIDEWATER OPPORTUNITY PROJECT (STOP) ORGANIZATION</u></b> General operating support.	12,900	12,900	12,900	12,900	0
<b><u>TIDEWATER COMMUNITY COLLEGE (TCC)</u></b> Event sponsorship.	6,000	6,000	6,000	6,000	0
<b><u>VIRGINIA MARITIME HERITAGE FOUNDATION (SCHOONER VIRGINIA)</u></b> General operating support.	0	12,000	12,000	12,000	0

## Community Partnerships

	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 APPROVED	FY 2008 APPROVED	INC/DEC
<b><u>VIRGINIANS FOR HIGHER SPEED</u></b>					
<b><u>RAIL</u></b> General operating support.	10,000	10,000	10,000	10,000	0
<b><u>WORLD CHANGERS</u></b> General operating support.	80,000	80,000	80,000	80,000	0
<b><u>NEIGHBORHOOD REDEVELOPMENT</u></b>					
<b><u>HOUSING AUTHORITY (NRHA)</u></b>					
<b><u>ADMINISTRATIVE SUPPORT</u></b>					
Cooperative Agreement to Repay Taxable Term Loan (Economic Incentive to Nordstrom) <sup>3</sup>	2,794,500	2,660,837	2,494,679	2,349,917	-144,762
Program Management Administrative Support	357,500	357,500	557,500	557,500	0
Rental Supplement for Unoccupied Space in 201 Granby Street Building	39,700	111,375	105,226	58,460	-46,766
Waterside Maintenance Support	850,000	850,000	850,000	850,000	0
<b>Subtotal</b>	<b>14,815,900</b>	<b>16,122,691</b>	<b>18,531,614</b>	<b>18,857,340</b>	<b>325,726</b>

## Public Amenities

	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 APPROVED	FY 2008 APPROVED	INC/DEC
<b><u>CHRYSLER MUSEUM</u></b> General operating support.	2,300,000	2,444,000	2,808,293	2,840,012	31,719
<b><u>CHRYSLER MUSEUM</u></b> Operating support for Freemason Street Reception Center.	37,100	37,100	39,096	39,096	0
<b><u>CHRYSLER MUSEUM</u></b> Special two-year funding for maintenance repairs.	0	109,500	109,500	0	-109,500
<b><u>HAMPTON ROADS CHAMBER OF</u></b> <b><u>COMMERCE - NORFOLK DIVISION</u></b> Event sponsorship.	12,000	12,000	12,000	12,000	0
<b><u>HAMPTON ROADS PARTNERSHIP</u></b> <b><u>FOR THE HAMPTON ROADS FILM</u></b> <b><u>OFFICE</u></b> Special three-year funding to establish and support a regional film office.	0	0	15,000	15,000	0

## Public Amenities

	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 APPROVED	FY 2008 APPROVED	INC/DEC
<b><u>NORFOLK BOTANICAL GARDENS</u></b> General operating support.	1,088,000	1,088,000	1,142,400	1,170,591	28,191
<b><u>NORFOLK COMMISSION ON THE ARTS AND HUMANITIES</u></b> Pass through grants to arts agencies and events. (Housed in City Department of Development)	700,000	750,000	835,000	885,000	50,000
<b><u>NORFOLK FESTEVENTS</u></b> Sponsor Fleet Week event.	75,000	75,000	75,000	75,000	0
<b><u>NORFOLK'S INTERNATIONAL AZALEA FESTIVAL</u></b> General operating support.	75,300	75,300	79,065	79,065	0
<b><u>TOURISM INFRASTRUCTURE REPAIRS</u></b> Revenue from hotel tax used for cultural facilities improvements.	958,700	981,694	857,100	902,874	45,774
<b><u>VIRGINIA ARTS FESTIVAL</u></b> General operating support.	550,000	600,000	630,000	648,900	18,900
<b><u>VIRGINIA ARTS FESTIVAL</u></b> Special two-year funding for Jamestown 2007 event.	0	0	175,000	175,000	0
<b><u>VIRGINIA ZOO SOCIETY</u></b> 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
<b><u>VIRGINIA ZOO SOCIETY</u></b> Revenue sharing contingency agreement to provide 50% of gate receipts in excess of \$600,000.	38,200	38,200	176,900	209,751	32,851
<b><u>WATERSIDE CONVENTION CENTER</u></b> Maintenance subsidy agreement with the Marriott hotel's management company.	195,000	195,000	195,000	195,000	0
<b>Subtotal</b>	<b>6,354,300</b>	<b>6,730,794</b>	<b>7,474,354</b>	<b>7,572,289</b>	<b>97,935</b>

## Memberships & Dues

	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 APPROVED	FY 2008 APPROVED	INC/DEC
<b><u>DOWNTOWN NORFOLK COUNCIL</u></b> General operating support.	61,000	61,000	60,000	60,000	0
<b><u>HAMPTON ROADS ECONOMIC DEVELOPMENT ALLIANCE</u></b> Membership dues.	233,100	241,727	237,835	231,954	-5,881
<b><u>HAMPTON ROADS PARTNERSHIP</u></b> Membership dues	16,500	16,500	16,500	16,500	0
<b><u>HAMPTON ROADS PLANNING DISTRICT COMMISSION<sup>4</sup></u></b> Membership dues.	206,400	238,272	333,984	371,059	37,075
<b><u>HAMPTON ROADS TRANSIT (HRT)</u></b> Public transportation fare subsidy.	3,021,200	4,559,463	5,960,949	7,047,624	1,086,675
<b><u>THE INNOVATION GROUPS AKA VIRGINIA INNOVATION GROUP</u></b> Membership dues.	5,300	5,250	7,500	7,500	0
<b><u>VIRGINIA FIRST CITIES COALITION</u></b> Membership dues.	39,300	39,300	43,230	43,230	0
<b><u>VIRGINIA INSTITUTE OF GOVERNMENT</u></b> Membership dues.	15,000	15,000	15,000	15,000	0
<b><u>VIRGINIA MUNICIPAL LEAGUE (VML)</u></b> Membership dues.	43,900	45,603	48,534	49,704	1,170
<b>Subtotal</b>	<b>3,641,700</b>	<b>5,222,115</b>	<b>6,723,532</b>	<b>7,842,571</b>	<b>1,119,039</b>
<b>GRAND TOTAL</b>	<b>24,811,900</b>	<b>28,075,600</b>	<b>32,729,500</b>	<b>34,272,200</b>	<b>1,542,700</b>

<sup>1</sup> Human Services Grants not included in Non-Departmental budget FY 2005.

<sup>2</sup> Festevents operating budget received 3% increase (\$42,843) in FY 2008 award. Net decrease in funding due to removal of \$75,000 in one-time capital improvements awarded in FY 2007.

<sup>3</sup> NRHA Cooperative Agreement funding decreases annually based on amortization schedule.

<sup>4</sup> Includes Metropolitan Medical Response System (MMRS) and Hampton Roads Military and Federal Facilities Alliance (HRMFFA).

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# DEVELOPMENT INITIATIVES

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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 Hilton Hotel and Granby Tower projects. As part of the agreements the City will provide performance grants of \$7.5 million for the Hilton 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)
Continental Broadband <sup>1</sup>	2004	3,879,303	11,562	1,734	9,828	667%
Crown Center <sup>1</sup>	1999	6,758,996	1,579,862	1,047,853	532,010	151%
Ford Motor Company <sup>2</sup>	2001	80,443,709	18,188,271	625,789	17,562,483	2,906%
Fort Norfolk Plaza <sup>4</sup>	2007	18,103,401	0	0	0	
Granby Tower <sup>3</sup>	2008	70,491,089	0	0	0	
Heritage Bank <sup>2</sup>	1999	141,642	39,667	27,774	11,893	143%
Hilton Hotel <sup>3</sup>	2007	23,645,079	0	0	0	
Jack Quinn's Irish Pub <sup>5</sup>	1999	1,158,747	370,434	217,500	152,934	170%
Military Circle Mall <sup>2</sup>	1999	21,055,920	5,284,396	3,882,113	1,402,284	136%
NorVA/backstage Café <sup>5</sup>	2000	6,489,000	1,737,711	500,000	1,237,712	348%
Targeted Publications <sup>1</sup>	2004	526,242	194,577	42,077	152,500	462%
Trader Publishing <sup>1</sup>	2004	29,503,235	80,200	56,643	23,557	142%
USG <sup>4</sup>	2005	18,461,641	0	0	0	
<b>TOTAL</b>		<b>280,658,004</b>	<b>27,486,680</b>	<b>6,401,483</b>	<b>21,085,201</b>	

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

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

<sup>3</sup> Grant contemplates the issuance of bonds not to exceed \$22 million and \$7.5 million for the Granby Tower & Hilton Hotel projects respectively.

<sup>4</sup> Payments have not begun yet.

<sup>5</sup> Last payment in 2005.