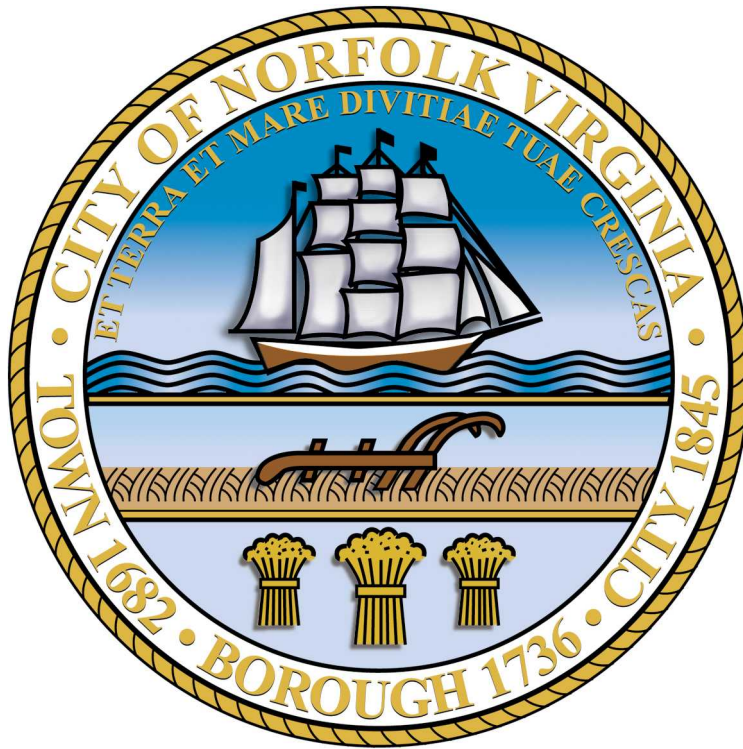

Internal Service Funds



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INTERNAL SERVICE FUND SUMMARY

	FY 2014 Actual	FY 2015 Approved	FY 2016 Approved
Revenues			
Use of Money and Property	9,580	5,700	9,500
Charges for Services	52,767,151	99,581,706	101,083,027
Recovered Costs	68,844	100,000	72,000
Other Sources and Transfers In	213,051	105,000	215,000
Total Revenues	53,058,626	99,792,406	101,379,527

	FY 2014 Actual	FY 2015 Approved	FY 2016 Approved
Expenditures			
Personnel Services	2,894,633	3,155,984	3,360,584
Materials, Supplies and Repairs	8,802,421	7,303,626	5,073,788
Contractual Services	36,437,203	89,269,418	92,881,777
Equipment	226,359	63,378	63,378
Department Specific Appropriation	0	0	0
Total Expenditures	48,360,616	99,792,406	101,379,527

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HEALTHCARE FUND

MISSION STATEMENT

The Healthcare Fund provides city-administered health insurance to employees of the Norfolk Consortium which includes: City of Norfolk, Norfolk Public Schools, and Norfolk Redevelopment and Housing Authority.

DEPARTMENT OVERVIEW

Currently the City of Norfolk, Norfolk Public Schools (NPS) and the Norfolk Redevelopment and Housing Authority (NRHA) purchase healthcare services as a Consortium. The Approved FY 2014 Budget created the Healthcare Fund which implemented city-administered health insurance beginning January 2014. As a result of the move, the Norfolk Consortium is estimated to save Consortium members and their employees approximately \$6 million annually.

The Healthcare Fund collects employer and employee premiums from the City of Norfolk, NPS, and NRHA. Medical claims, administrative costs, wellness program costs, fees related to the Affordable Care Act, and benefit consultant costs are expended from the Healthcare Fund. End of year fund balance and interest earned is used to stabilize premiums in future years. Any funds deposited into this account can only be used to pay costs associated with the healthcare plan.

It is estimated that collections in the fund in FY 2016 will total \$89,383,437 from employee, employer, and retiree contributions. Deposits into the Healthcare Fund by Consortium member in FY 2016 are estimated as follows:

- City of Norfolk: \$42,588,724
- NPS: \$44,295,916
- NRHA: \$2,498,797

REVENUE SUMMARY

	FY 2013 Actual	FY 2014 Actual	FY 2015 Approved	FY 2016 Approved
Charges for Services	\$0	\$39,622,727	\$86,282,292	\$89,383,437
Total	\$0	\$39,622,727	\$86,282,292	\$89,383,437

EXPENDITURE SUMMARY

	FY 2013 Actual	FY 2014 Actual	FY 2015 Approved	FY 2016 Approved
Contractual Services	\$0	\$34,878,683	\$86,282,292	\$89,383,437
Total	\$0	\$34,878,683	\$86,282,292	\$89,383,437

APPROVED FY 2016 BUDGET ACTIONS

- **Adjust Healthcare Fund expenditures**

FY 2016: \$3,101,145 FTE: 0

Adjust Healthcare Fund in FY 2016 based on projected expenditures. The increase in projected cost is primarily due to medical inflation.

Priority Area(s) Met: Safe, Healthy, and Inclusive Communities

Healthcare Fund

Total: \$3,101,145 FTE: 0

FLEET MANAGEMENT

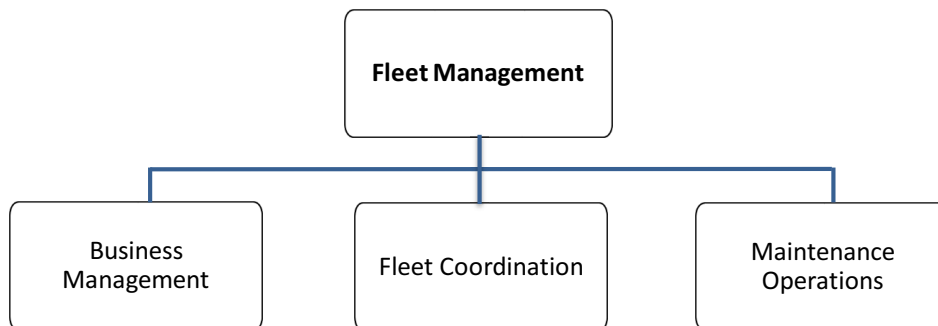
MISSION STATEMENT

The Division of Fleet Management strives to provide excellent customer service to all departments of the City of Norfolk by developing and administering a comprehensive structured preventive maintenance and repair program. Our mission is:

- To be among the best and most respected fleet management operations in the country.
- To exceed customer expectations for service, quality, and value.
- To provide our team members a great place to work, learn, and thrive.
- To serve the citizens of Norfolk with pride, dedication, and efficiency.

DEPARTMENT OVERVIEW

Fleet Management is managed by the Department of General Services. Key responsibilities include vehicle maintenance and repair, fueling, replacement analysis, specification review, acquisition, new vehicle preparation, and disposal.



ACTIONS TO ACHIEVE LONG-TERM GOALS AND SHORT-TERM OBJECTIVES

Fleet Management supports the priority area of Well-Managed Government. Fleet's long-term goals are achieved by the efficient repair and maintenance of the fleet, managing multiple contracts and the acquisition and disposal of vehicles and equipment.

Actions	Status
Implement contracts for citywide fueling, turn-key parts operation, car wash, DMV and vehicle rental to improve operational efficiency.	Met
Fill vacant positions with highly-skilled and innovative individuals.	Met
Enhance work order management system and improved daily status reports.	Met
Right-size city vehicle and equipment utilization and expanded motor pool.	Improving

Actions	Status
Explore other cost saving measures.	Ongoing

PERFORMANCE MEASURES

Demonstrating progress toward achieving long-term goals and short-term objectives.

Priority: Well-Managed Government

Goal					
Enhance the efficiency of programs and services					
Objective					
Improve customer service through implementing a quality preventative maintenance program					
Measure	FY 2013 Actual	FY 2014 Actual	FY 2015 Approved	FY 2016 Approved	Change
Maintain preventative maintenance compliance rate of equipment and vehicles	93	74	90	80	-10
Increase percent of customers who rate Fleet Services as meeting or exceeding expectations (new measure, FY 2014)	0	95	80	95	15
Objective					
Decrease the amount of time vehicles are out of service					
Measure	FY 2013 Actual	FY 2014 Actual	FY 2015 Approved	FY 2016 Approved	Change
Maintain or decrease total number of unscheduled maintenance jobs	71	0	70	20	-50
Maintain fleet availability rate	85	87	85	90	5
Objective					
Reduce the number of returns to Fleet for similar repairs					
Measure	FY 2013 Actual	FY 2014 Actual	FY 2015 Approved	FY 2016 Approved	Change
Maintain or reduce comeback rate percent for same repair within 5 days	1.8	2	2	2	0

Priority: Well-Managed Government

Goal					
Develop, recruit and retain a well qualified work force					
Objective					
Increase number of staff who possess industry certifications and related education					
Measure	FY 2013 Actual	FY 2014 Actual	FY 2015 Approved	FY 2016 Approved	Change
Percent of technicians with Automotive Service Excellence certifications	0	47	70	50	-20

Priority: Environmental Sustainability

Goal

Enhance efficient use and protection of natural resources and the environment

Objective

Reduce the amount of fossil fuel (diesel & gasoline) used by the city's fleet of vehicles and equipment

Measure	FY 2013 Actual	FY 2014 Actual	FY 2015 Approved	FY 2016 Approved	Change
Percent of oil recovered or recycled (new measure)	0	100	85	85	0

REVENUE SUMMARY

	FY 2013 Actual	FY 2014 Actual	FY 2015 Approved	FY 2016 Approved
Use of Money and Property	\$2,982	\$9,580	\$5,700	\$9,500
Charges for Services	\$12,663,112	\$13,144,424	\$13,299,414	\$11,699,590
Recovered Costs	\$101,778	\$68,844	\$100,000	\$72,000
Other Sources and Transfers In	\$249,697	\$213,051	\$105,000	\$215,000
Total	\$13,017,569	\$13,435,899	\$13,510,114	\$11,996,090

Actual amounts represent collections, not appropriation authority.

EXPENDITURE SUMMARY

	FY 2013 Actual	FY 2014 Actual	FY 2015 Approved	FY 2016 Approved
Personnel Services	\$2,850,521	\$2,894,633	\$3,155,984	\$3,360,584
Materials, Supplies and Repairs	\$8,302,317	\$8,802,421	\$7,303,626	\$5,073,788
Contractual Services	\$1,395,302	\$1,558,520	\$2,987,126	\$3,498,340
Equipment	\$57,368	\$226,359	\$63,378	\$63,378
Total	\$12,605,508	\$13,481,933	\$13,510,114	\$11,996,090

APPROVED FY 2016 BUDGET ACTIONS

• Implement phase II of ARMD compensation strategy FY 2016: \$23,273 FTE: 0

Implement phase II of the three-year compensation strategy as part of the Attraction, Retention, Motivation, and Development (ARMD) Initiative. FY 2016 includes: a two percent increase for general and constitutional officer employees; an additional one percent increase for the approximately 1,000 permanent employees in the city's eight lowest general employee pay grades; a \$400 increase to the permanent employee living wage; and salary range adjustments to the city's most regionally out of market positions. All actions will be effective January 2016.

Priority Area(s) Met: Safe, Healthy, and Inclusive Communities

- **Technical adjustment to adjust contracted fuel prices** **FY 2016: (\$1,515,273)** **FTE: 0**

Technical adjustment to adjust funds for fuel expenditures. The city has purchased fuel at a set rate for FY 2016, resulting in citywide savings for all uses.

Priority Area(s) Met: Accessibility, Mobility, and Connectivity

- **Adjust preventative maintenance schedule for vehicles** **FY 2016: (\$99,286)** **FTE: 0**

Realign preventative maintenance with manufacturer guidelines. Currently, a subset of fleet vehicles is on a 30 day preventative maintenance schedule, this action places a portion of these vehicles on a 45 day schedule. No impact to services is anticipated.

Priority Area(s) Met: Safe, Healthy, and Inclusive Communities

- **Realign the city's fleet with current service level** **FY 2016: (\$32,000)** **FTE: 0**

Resize the city's motor fleet while maintaining current service levels. Equipment such as backhoes, tractors, generators and sign boards will be pooled for shared use across the city. A reduction in the size of the city's fleet will result in lower maintenance and fuel costs.

Priority Area(s) Met: Safe, Healthy, and Inclusive Communities

- **Adjust costs for Fleet expenditures** **FY 2016: (\$27,516)** **FTE: 0**

Technical adjustment to update the funding needed to support Fleet expenditures based on an annual cost revision calculation. Fleet provides maintenance, fuel, and the management of vehicles for essential operations of the department. This is a routine adjustment which occurs each budget cycle.

Priority Area(s) Met: Safe, Healthy, and Inclusive Communities

- **Adjust financial management software cost** **FY 2016: (\$45,341)** **FTE: 0**

Adjust costs associated with the upgrade and maintenance of the Advantage Financial Management System (AFMS). AFMS is the financial system the city uses to conduct day to day business activities. The software uses pre-defined controls, and consistent accounting rules across all financial transactions, tracks, and controls funds, and interfaces with the performance budget system.

Priority Area(s) Met: Safe, Healthy, and Inclusive Communities

- **Transfer a portion of printing costs** **FY 2016: \$792** **FTE: 0**

Distribute a portion of printing costs associated with the use of multifunction printers and other devices included in the city's printing contract. In the previous calendar year, the city produced 18.5 million black and white pages and 7.2 million color pages. Currently, it costs 12 times more to print in color than in black and white. This transfer allows departments to manage the printing of color versus black and white documents. This transfer also begins to place printing costs within departments to better reflect where expenditures occur.

Priority Area(s) Met: Safe, Healthy, and Inclusive Communities

• **Annualize phase I of ARMD compensation strategy** **FY 2016: \$51,781** **FTE: 0**

Technical adjustment to annualize ARMD Phase I compensation actions that occurred in January 2015. The Approved FY 2015 Budget included funds for: a two percent increase for general and constitutional officer employees; a step increase for sworn employees; a living wage adjustment; and salary range adjustments to the city's most regionally out of market positions.

Priority Area(s) Met: Safe, Healthy, and Inclusive Communities

• **Adjust required contribution for city retirement** **FY 2016: (\$21,732)** **FTE: 0**

Adjust the annual required contribution to the Norfolk Employee's Retirement System (NERS). Retirement contributions are based on a formula that calculates the funds needed to meet present and future retirement payments. The contribution amount for the city will decrease in FY 2016 from 21.45 percent to 17.51 percent. Costs are distributed based on each department's NERS eligible payroll.

Priority Area(s) Met: Safe, Healthy, and Inclusive Communities

• **Adjust costs for salaries due to retirement conversion** **FY 2016: \$74,878** **FTE: 0**

Technical adjustment to update the funding needed to support employee salaries due to the FY 2015 retirement conversion. Prior to January 2015, a majority of city employees did not contribute to NERS. This conversion increased the salaries of non-contributing employees by at least five percent but also required an ongoing five percent employee retirement contribution to NERS.

Priority Area(s) Met: Safe, Healthy, and Inclusive Communities

• **Update personnel expenditures** **FY 2016: \$76,400** **FTE: 0**

Technical adjustment to update department costs for personnel services. Changes reflect updates in staffing due to administrative actions, consolidations, and reorganization efforts. This adjustment reflects the corresponding funds needed in FY 2016 for these actions. The adjustment also reflects updated healthcare costs which include an overall premium increase and an update based on enrollment. These are routine actions which occur at the beginning of the budget cycle.

Fleet Management **Total: (\$1,514,024)** **FTE: 0**

FULL TIME EQUIVALENT (FTE) SUMMARY

	Pay Grade	Minimum	Maximum	FY 2015 Approved	FTE Change	FY 2016 Approved
Administrative Assistant II	1 10	\$36,605	\$58,520	1	0	1
Administrative Technician	1 07	\$28,815	\$46,100	2	0	2
Assistant Fleet Maintenance Manager	1 15	\$55,210	\$88,500	1	0	1
Autobody Repair Mechanic	1 07	\$28,815	\$46,100	1	0	1
Automotive Operations Manager	1 12	\$43,470	\$69,500	4	0	4
Automotive Repair Technician	1 10	\$36,605	\$58,520	18	0	18
Automotive Service Attendant	1 07	\$28,815	\$46,100	3	0	3
Business Manager	1 13	\$46,885	\$74,950	1	0	1

FULL TIME EQUIVALENT (FTE) SUMMARY

	Pay Grade	Minimum	Maximum	FY 2015 Approved	FTE Change	FY 2016 Approved
Fleet Coordinator	1 11	\$40,005	\$64,000	1	0	1
Fleet Maintenance Manager	1 19	\$71,500	\$114,000	1	0	1
Messenger/Driver	1 02	\$19,705	\$31,505	0.8	0	0.8
Senior Autobody Repair Mechanic	1 09	\$33,770	\$53,980	1	0	1
Senior Automotive Repair Technician	1 11	\$40,005	\$64,000	17	0	17
Software Analyst	1 13	\$46,885	\$74,950	1	0	1
Storekeeper I	1 04	\$22,875	\$36,570	1	0	1
Support Technician	1 05	\$24,685	\$39,500	2	0	2
Welder	1 09	\$33,770	\$53,980	1	0	1
Total				56.8	0	56.8