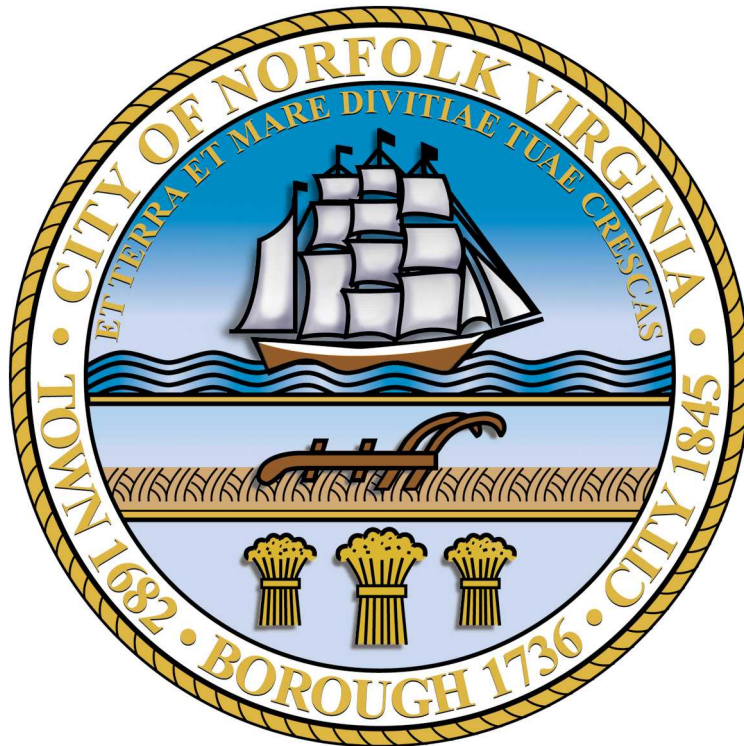

Internal Service Funds



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INTERNAL SERVICE FUND SUMMARY

	FY 2016 Actual	FY 2017 Adopted	FY 2018 Adopted
Revenues			
Use of Money and Property	3,165	9,500	5,000
Charges for Services	97,650,812	101,253,235	106,179,360
Recovered Costs	61,315	98,865	63,865
Federal Aid	0	0	0
Other Sources and Transfers In	81,524	115,000	50,000
Total Revenues	97,796,816	101,476,600	106,298,225

	FY 2016 Actual	FY 2017 Adopted	FY 2018 Adopted
Expenditures			
Personnel Services	3,009,377	3,429,611	3,527,618
Materials, Supplies and Repairs	4,380,050	4,542,104	4,490,704
Contractual Services	90,482,444	93,441,507	98,244,525
Equipment	73,516	63,378	35,378
Total Expenditures	97,945,387	101,476,600	106,298,225

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HEALTHCARE FUND

MISSION STATEMENT

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

DEPARTMENT OVERVIEW

The City of Norfolk, Norfolk Public Schools (NPS) and the Norfolk Redevelopment and Housing Authority (NRHA) purchase healthcare services as a consortium. The Adopted FY 2014 Budget created the Healthcare Fund which implemented city-administered health insurance beginning January 2014. As a result of the change, the Norfolk Consortium generated approximately \$6.0 million in cost avoidance.

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 2018 will total \$94,666,785 from employee, employer, and retiree contributions. Deposits into the Healthcare Fund by Consortium members in FY 2018 are estimated as follows:

- City of Norfolk: \$45,597,046
- NPS: \$46,440,904
- NRHA: \$2,628,835

REVENUE SUMMARY

	FY 2015 Actual	FY 2016 Actual	FY 2017 Adopted	FY 2018 Adopted
Charges for Services	\$86,410,352	\$86,292,951	\$89,943,167	\$94,666,785
Total	\$86,410,352	\$86,292,951	\$89,943,167	\$94,666,785

EXPENDITURE SUMMARY

	FY 2015 Actual	FY 2016 Actual	FY 2017 Adopted	FY 2018 Adopted
Contractual Services	\$88,449,808	\$86,435,121	\$89,943,167	\$94,666,785
Total	\$88,449,808	\$86,435,121	\$89,943,167	\$94,666,785

ADOPTED FY 2018 BUDGET ACTIONS

- **Adjust Healthcare Fund expenditures**

FY 2018 \$4,723,618 FTE: 0

Adjust Healthcare Fund in FY 2018 based on projected expenditures. The increase in projected cost is primarily due to medical cost inflation.

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

Healthcare Fund

Total: \$4,723,618 FTE: 0

FLEET MANAGEMENT

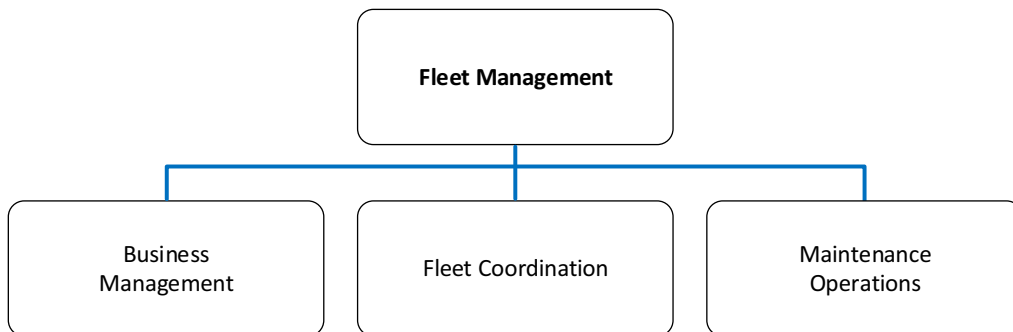
MISSION STATEMENT

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 by:

- Being among the best and most respected fleet management operations in the country
- Exceeding customer expectations for service, quality, and value
- Providing team members a great place to work, learn, and thrive
- Serving the residents 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 areas of Environmental Sustainability and 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. Specific division activities include the following:

Ongoing Actions	Status
Work with the departments to enhance their compliance with the preventative maintenance schedule, thereby lengthening the useful life of vehicles	Ongoing
Strive to reduce the average time between vehicle failures (for the same vehicle)	Ongoing

PERFORMANCE MEASURES

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 2015 Actual	FY 2016 Actual	FY 2017 Adopted	FY 2018 Adopted	Change
City department preventative maintenance compliance rate for equipment and vehicles	36	43	80	80	0
Percent of customers who rate Fleet Services as meeting or exceeding expectations	100	96	95	95	0
Objective					
Decrease the amount of time vehicles are out of service					
Measure	FY 2015 Actual	FY 2016 Actual	FY 2017 Adopted	FY 2018 Adopted	Change
Percent of maintenance jobs that are unscheduled (New measure in FY 2017)	0	0	20	20	0
Fleet availability rate	93	91	90	90	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 2015 Actual	FY 2016 Actual	FY 2017 Adopted	FY 2018 Adopted	Change
Percent of technicians with relevant industry certifications	70	25	50	50	0

REVENUE SUMMARY

	FY 2015 Actual	FY 2016 Actual	FY 2017 Adopted	FY 2018 Adopted
Use of Money and Property	\$5,867	\$3,165	\$9,500	\$5,000
Charges for Services	\$13,330,407	\$11,357,861	\$11,310,068	\$11,512,575
Recovered Costs	\$59,394	\$61,315	\$98,865	\$63,865
Other Sources and Transfers In	\$245,238	\$81,524	\$115,000	\$50,000
Federal Aid	\$1,934	\$0	\$0	\$0
Total	\$13,642,840	\$11,503,865	\$11,533,433	\$11,631,440

Actual amounts represent collections, not appropriation authority.

EXPENDITURE SUMMARY

	FY 2015 Actual	FY 2016 Actual	FY 2017 Adopted	FY 2018 Adopted
Personnel Services	\$2,966,596	\$3,009,377	\$3,429,611	\$3,527,618
Materials, Supplies and Repairs	\$6,496,515	\$4,380,050	\$4,542,104	\$4,490,704
Contractual Services	\$3,438,962	\$4,047,323	\$3,498,340	\$3,577,740
Equipment	\$75,998	\$73,516	\$63,378	\$35,378
Total	\$12,978,073	\$11,510,266	\$11,533,433	\$11,631,440

ADOPTED FY 2018 BUDGET ACTIONS

- Implement Phase IV of ARMD Compensation Strategy**
FY 2018 \$22,564 FTE: 0

Implement Phase IV of the compensation strategy as part of the Attraction, Retention, Motivation, and Development (ARMD) initiative. FY 2018 includes: a two percent salary increase for general and constitutional officer employees; a step increase for sworn employees; an 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 2018.

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

- Adjust costs for Fleet expenditures**
FY 2018 \$0 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

- Annualize Phase III of ARMD Compensation Strategy**
FY 2018 \$23,615 FTE: 0

Technical adjustment to annualize ARMD Phase III compensation actions that occurred in January 2017. The Adopted FY 2017 Budget included funds for: a two percent salary increase for general and constitutional officer employees; a \$50 increase to the permanent employee living wage; 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 to the city's retirement system**
FY 2018 \$31,712 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 increase from 17.79 percent to 18.53 percent in FY 2018. Costs are distributed to departments based on each department's NERS eligible payroll.

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

• **Update personnel expenditures**

FY 2018 \$20,116 FTE: 0

Technical adjustment to update department costs for personnel services. Changes include updates to staffing due to administrative actions, consolidations, or reorganization efforts and the funds needed in FY 2018 for these actions. The adjustment also reflects updated healthcare costs for an overall citywide premium increase of seven percent based on enrollment. These are routine actions which occur at the beginning of the budget cycle.

Fleet Management

Total: \$98,007 FTE: 0

FULL TIME EQUIVALENT (FTE) SUMMARY

	Pay Grade	Minimum	Maximum	FY 2017 Adopted	FTE Change	FY 2018 Adopted
Administrative Assistant II	1 10	\$37,337	\$60,884	1	0	1
Administrative Technician	1 07	\$29,391	\$47,962	2	0	2
Assistant Fleet Maintenance Manager	1 15	\$56,314	\$92,075	1	0	1
Autobody Repair Mechanic	1 07	\$29,391	\$47,962	1	-1	0
Autobody Repair Mechanic, Senior	1 09	\$34,445	\$56,161	1	0	1
Automotive Operations Manager	1 12	\$44,339	\$72,308	4	0	4
Automotive Repair Technician	1 10	\$37,337	\$60,884	18	1	19
Automotive Repair Technician, Senior	1 11	\$40,805	\$66,586	17	0	17
Automotive Service Attendant	1 08	\$31,804	\$51,864	3	0	3
Business Manager	1 13	\$47,823	\$77,978	1	0	1
Fleet Coordinator	1 11	\$40,805	\$66,586	1	0	1
Fleet Maintenance Manager	1 19	\$72,930	\$118,606	1	0	1
Messenger/Driver	1 02	\$20,099	\$32,778	0.8	0	0.8
Software Analyst	1 13	\$47,823	\$77,978	1	0	1
Storekeeper I	1 04	\$23,333	\$38,047	1	0	1
Support Technician	1 05	\$25,179	\$41,096	2	0	2
Welder	1 10	\$37,337	\$60,884	1	0	1
Total				56.8	0	56.8