

Introduction

The City of Norfolk is a vibrant, historic port city where diverse citizens, military, and businesses are building the economy, neighborhoods, and culture into the most livable urban waterfront in America.

This report is designed to provide an overview of how the City has performed over the last fiscal year. Included is a breakdown of Norfolk's financials and a look ahead at future initiatives and developments.

Norfolk Demographics¹

	2017	2016	2015
Population	246,256	247,087	247,189
Civilian Labor Force Estimates	113,166	110,644	111,318
Personal Income Per Capita	\$ 40,094	\$ 38,484	\$ 38,676
Unemployment	4.7%	5.2%	5.6%

¹ The Information provided in this chart, is the most recent data available.

City Organization and Operation

The City is organized and operates under a council-manager form of government. The City Council is comprised of eight members, who formulate policies for the administration of the City. Seven members are elected through a ward system and the Mayor is elected at-large.

The City provides a full range of general governmental services for its residents. These services include police protection; fire and paramedical services; public health and social services; planning and zoning management; neighborhood preservation and code enforcement; environmental storm water management; local street maintenance; traffic control; design, construction and maintenance of public buildings and infrastructure; parks and cemeteries operations and maintenance; recreation and library services; collection and disposal of refuse and recycling; water and wastewater utilities; construction and operation of parking facilities; arts, entertainment and cultural affairs; and general administrative services.

City Council Vision

- Norfolk is a national leader in the quality of life offered to all its citizens.
- This is achieved through effective partnerships between city government and its constituents.
- As a result, Norfolk is a physically attractive, socially supportive, and financially sound city.
- Here, the sense of community is strong.
- Neighborhoods are designed so that people of all ages can know their neighbors and travel the streets and sidewalks safely.
- The sense of community exists citywide.

City Council Priorities

Council's budget supports its priorities of public safety, education and housing and builds on the momentum created by prudent financial choices, creativity and a commitment to meeting the needs of residents.



Recent Accomplishments

Programs and services that help the City achieve desired outcomes become funding priorities. Below are just a few of the City's recent accomplishments that tie in with City Council priorities:

- ⇒ In support of the Smart City initiative, during fiscal year 2018 Norfolk joined the Regional Connectivity Ring (RCR) to bring faster broadband internet services to the region
- ⇒ Encouraged and required resiliency as part of development activities: the City updated its zoning code and now includes resilient development activities as part of its comprehensive long-term plan
- ⇒ Completed its education capital initiative and replaced five schools within the last 5-years
- ⇒ Encouraged open data and transparency by creating an Open Data policy and program, as well as continuing to support other web applications that encourage stakeholder engagement.

NORFOLK RESILIENT CITY

- ⇒ Partnering with the U.S. Navy and the City of Virginia Beach on a Joint Use Land Study to mitigate the impacts of sea level rise on Navy operations
- ⇒ Finalizing the Norfolk Coastal Storm Risk Management Study, a comprehensive investigation of flood risk management problems and solutions in the City, to be completed in December 2018
- ⇒ In fiscal year 2018, the City created a multi-disciplinary Resilience Office to expand and institutionalize this integrated approach to building the City's resilience to the environmental, economic, and social stresses and potential shocks that challenge the City. The Resilience Office will continue to actively leverage opportunities and resources across City departments, local community, as well as national and international partners.



Key Measures

City staff continuously review and refine performance measures to ensure these represent the City Council and community priorities.

Performance Measures ¹	2017	2016
Miles of bikeways marked	42	38
Norfolk Public Library website page views	1,040,993	376,175
Zoo attendance	443,060	432,065
Nauticus visitors	274,206	231,150
Cultural Facilities, Arts and Entertainment attendance	1,240,177	1,187,857
Active business licenses	15,103	14,924
Number of small, women and minority-owned (SWAM) businesses that conduct business in the City	347	331
Tons of curbside recycling collected	11,182	11,086
Percent of fire calls with total response time of 5 minutes and 20 seconds or less	83	90

¹ The Information provided in this chart, is the most recent data available for the selected performance measures.



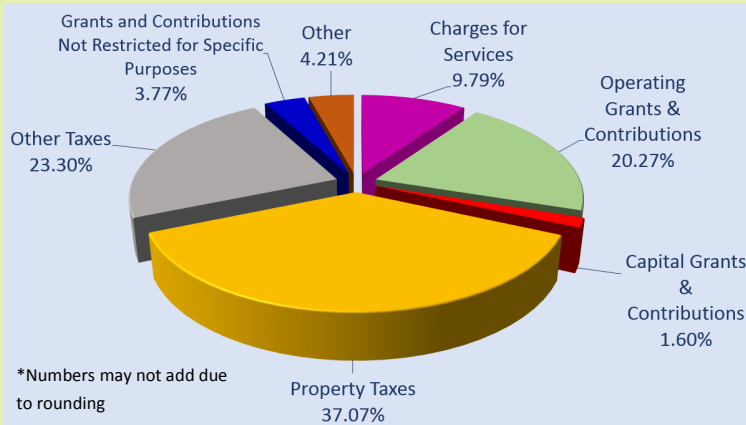
The Association of Government Accountants (AGA) developed guidance on producing Citizen Centric Reporting as a method to demonstrate accountability to residents and answer the question, "are we better off today than we were last year?" Additional details about the associate can be found at AGA Website: www.agacgm.org/citizen

*Information can be found on the City website, www.norfolk.gov/Finance

Norfolk's Financials

Where the money comes from?

The General fund provides funding for the daily operations and services of the City. Revenues for Fiscal Year 2018 totaled \$747,537,371, a \$23 million increase from Fiscal Year 2017. Property and other taxes comprise the vast majority of the governmental fund revenues at 61 percent of the total.



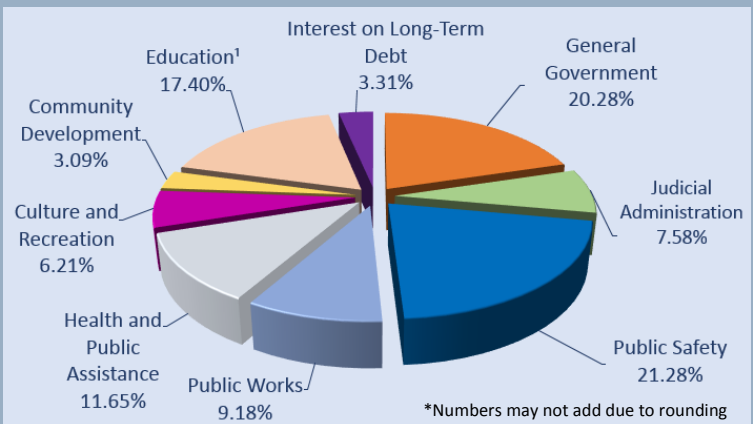
Revenue by Source	Fiscal Year	
	2018	2017
Charges for Services	\$ 73,176,531	\$ 74,932,416
Operating Grants & Contributions	151,518,592	135,193,939
Capital Grants & Contributions	11,954,157	5,941,421
Property Taxes	277,131,597	271,460,824
Other Taxes	174,138,870	169,538,978
Grants and Contributions Not	28,158,027	36,440,122
Other	31,459,597	31,027,100
Total Revenue	\$ 747,537,371	\$ 724,534,800

An independent audit of the City's finances was conducted, resulting in an unmodified or clean opinion. Complete financial information can be found at our website at www.Norfolk.gov/Finance

How is the money spent?

The City's governmental activities include a variety of services. A majority of spending is for City Council priorities; education, housing and public safety. Total expenses for governmental activities in Fiscal Year 2018 were \$753,570,684 an increase of 3.7 percent from Fiscal Year 2017. General government expenditures were the largest at \$153 million.

Governmental Activities Expense	Fiscal Year	
	2018	2017
General Government	\$ 152,832,372	\$ 155,158,869
Judicial Administration	57,118,257	55,547,417
Public Safety	160,378,339	133,377,565
Public Works	69,193,737	80,825,192
Health and Public Assistance	87,826,832	89,102,636
Culture and Recreation	46,798,591	62,996,097
Community Development	23,320,454	15,402,399
Education	131,136,839	114,971,922
Interest on Long-Term Debt	24,965,263	19,326,292
Total Expenditures	\$ 753,570,684	\$ 726,708,389



¹ Local funds only

² General Government expenditures are related to the administration of the City's affairs. These expenses include the cost of all elected officials, as well as the Departments of Finance and Law, among many others.



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Please let us know by Contacting Stephen Mays at stephen.mays@norfolk.gov. For more information, please visit our website at www.norfolk.gov/Finance

What's Next?

Moving Forward

Going forward, the City is working to address several initiatives designed to increase efficiency and effectiveness including:



Develop an Inclusive Economic Growth Strategy



Establish Retirement Reform Plan



Develop Comprehensive Transportation Strategy



Create City-wide Recreation, Parks and Open Space Plan

Upcoming Capital Projects

Each year, the City develops a five-year Capital Improvement Plan (CIP) fund needed improvements throughout the City. Council adopts the first year of the CIP.



Address Street Flooding City-wide



Revitalize St. Paul's Community



Maintain Fire Stations



Repair, Replace and Maintain Bridges

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