

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 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.



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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.agacfm.org/citizen

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

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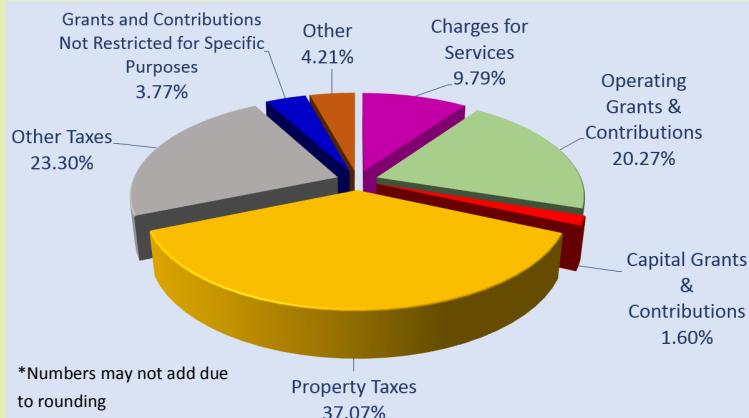
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The City's Future

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.



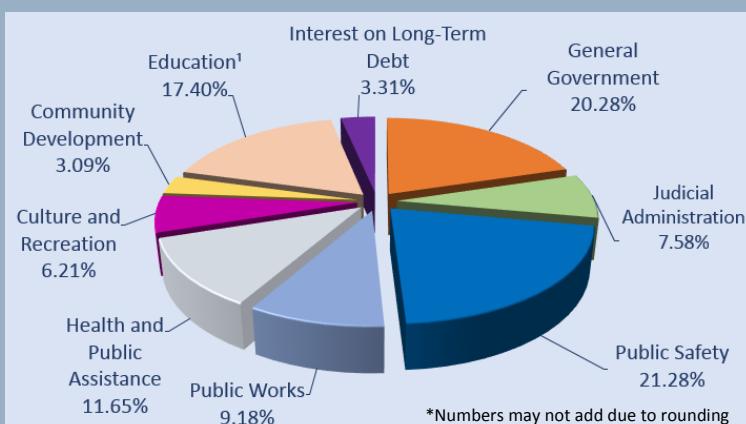
| Revenue by Source | Fiscal Year | |
|----------------------------------|-----------------------|-----------------------|
| | 2018 | 2017 |
| Charges for Services | \$ 73,176,531 | \$ 74,932,416 |
| Operating Grants & Contributions | 151,518,592 | 135,193,939 |
| Capital Grants & Contributions | 11,954,157 | 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 |



¹Local 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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