Proposed FY 2020 Budget

Strengthening our Capacity to Do Great Things

July 1, 2019 – June 30, 2020
Overview

1. Building on Bold Initiatives
2. Continuing the Promises made in 2018
3. Operating Budget Overview
4. Capital Budget Overview
5. Strengthening our Financial Position
6. Looking Ahead
Building on Bold Initiatives
Progress on Last Year’s 10-cent Real Estate Tax Initiatives

$5 million increase in FY 2019
New Revenue Sharing Formula

Maintained level funding for Norfolk Police Department
Implemented a third academy

St. Paul’s Storm Water Master Plan
Virginia Beach Blvd Underpass
Brambleton Ave
Building on Bold Initiatives
Progress on Last Year’s 10-cent Real Estate Tax Initiatives

Telecommunications Systems Replacement
City hardware refresh
105 vehicles and pieces of equipment

2% General Wage Increase
Step Increase for Sworn Police and Fire-Rescue
Strategic Market Adjustments

Choice Neighborhood Initiatives Finalist
People First Services underway
St. Paul’s Financing Charette
Continuing the Promises made in 2018

FY 2019 Policy Achievements

- Complete the administration’s 5-year strategic plan
- Develop an Inclusive Economic Growth Strategy
- Deliver a Retirement Reform Plan
- Advance a Comprehensive Transportation Strategy
- Develop a citywide Recreation, Parks and Open Space Plan
- Collaborate with NPS to advance Career Technical Education opportunities
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## Proposed FY 2020 Budget Overview

<table>
<thead>
<tr>
<th>Fund</th>
<th>FY 2020 Proposed Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>$901,537,729</td>
</tr>
<tr>
<td>Enterprise Funds</td>
<td>$175,256,465</td>
</tr>
<tr>
<td>Special Revenue Funds</td>
<td>$49,685,256</td>
</tr>
<tr>
<td>Internal Service Funds</td>
<td>$103,593,118</td>
</tr>
<tr>
<td><strong>Total Operating Funds</strong></td>
<td><strong>$1,230,072,568</strong></td>
</tr>
<tr>
<td>Capital Improvement Plan (All Funds, FY 2020 only)</td>
<td><strong>$126,494,600</strong></td>
</tr>
<tr>
<td><strong>Total Operating and Capital Funds</strong></td>
<td><strong>$1,356,567,168</strong></td>
</tr>
<tr>
<td>Annual Plan for HUD Block Grants</td>
<td>$7,434,685</td>
</tr>
<tr>
<td>Annual Recurring Grants</td>
<td>$28,750,306</td>
</tr>
<tr>
<td><strong>Total Financial Plan</strong></td>
<td><strong>$1,392,752,159</strong></td>
</tr>
</tbody>
</table>
Balancing the Budget

$3.9 million in Departmental Strategies

• Remove long-term vacancies

• Consolidate homeless services

• Reduce funding for internal office construction projects

• Reduce custodial services at low-traffic facilities
Strengthening our Schools

Increase of $3 Million in ongoing operating funds due to the Revenue Sharing Formula

State & Federal Operating Support $126 Million

In-Kind Services $21.1 Million
Debt Service: $18.9 Million
Other: $2.2 Million

CTI Funds $3.9 Million from dedicated two cent real estate tax

State & Federal Operating Support $206 Million

Increase of $3 Million in ongoing operating funds due to the Revenue Sharing Formula

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In-Kind Services $21.1 Million
Debt Service: $18.9 Million
Other: $2.2 Million

CTI Funds $3.9 Million from dedicated two cent real estate tax

State & Federal Operating Support $206 Million
Valuing Team Norfolk

- 2% GWI for city employees effective January 2020
- Step Increase for Sworn Police and Fire-Rescue
- Market-based adjustment for 45 classifications
- Living Wage for all Permanent Employees
- No increase to employee health care contributions

$2.6 Million in FY 2020
Valuing Team Norfolk

Market Adjustment for Human Services Eligibility Workers

- Effective July 2019
- Impacts 161 employees
- Brings pay above regional market average
- Average salary increase of 8.4 percent

Implement Phase II of Enhanced Pay Plan for Sworn Sheriff’s Deputies

- Effective January 2020
- Plan phased in over four years
- Accounts for tenure to relieve compression
- Average Deputy pay increase of 4.9 percent

$254,571

$422,417
# Strengthening our Capacity

## Diversity and Inclusion

### New Diversity and Inclusion Officer:
- Equitable treatment of employees, neighborhoods, businesses, and residents
- Addressing disparities in health, opportunities, mobility, and income within the community

## Climate Change

### New Environmental Services Manager
- Building and energy use
- Renewable energy
- Consumption and waste
- Food and agriculture
- Transportation
- Community engagement

## Lifelong Learning

### $100,000 for Commission Recommendations
- Map existing learning resources to connect residents
- Build educational resiliency
- Ensure children enter school ready to learn
- Foster a culture of learning and civic engagement throughout life
Strengthening our Capacity

**Department of Transit**

- Multi-modal Transportation Plan
  - $600,000 in FY 2020
- Implement Complete Streets
  - $3.8 million over 5 years
- Enhance Signals and Intersections
  - $4.5 million over 5 years

**St. Paul’s Area Transformation**

- New division to manage the initiative
  - People First
  - Redevelopment
- Provides transparency and accountability around the dedicated funding
- Plus $300,000 to support a St. Paul’s Community Development Corporation
Regional Partnerships
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Strengthening our Infrastructure

- **Neighborhoods**
  - School Maintenance
    - $20 million
  - Infrastructure
    - $415 million

- **Infrastructure**
  - St. Paul’s Area Transformation
    - $83 million

- **Resilience**
  - $68 million

**Total**
- $647 million
- FY 2020 – FY 2024

Numbers may not exactly add due to rounding.
Transforming St. Paul’s

- St. Paul’s Revitalization: $15M
- Road Infrastructure: $10M
- Storm Water Infrastructure: $18M
- Wastewater Infrastructure: $10M
- Water Infrastructure: $10M
- New Utilities Headquarters: $20M

Total: $83M (FY 2020 – FY 2024)
Investing $14 million in Technology, Vehicles, and Equipment
Chrysler Hall Upgrades

$70M
FY 2019 – FY 2024

• $40M for Chrysler Hall Upgrades
• $30M to transform Scope Plaza and build a Symphony Rehearsal Hall
  • Assumes $20M in philanthropy, $10M in tax credits
Equalizing Storm Water Rates

- Monthly non-residential rate increasing from $8.58 to $12.05/ERU in FY 2020
- Aligns with all other cities in Hampton Roads
- Results in an additional $3.8 million in FY 2020
- Transition Storm Water to an Enterprise Fund
Continuing the Recycling Program

The cost to recycle has increased as China is buying fewer recycled goods.

The recycling program will continue at an increased rate:
- $2 additional per month
- From $25.01 to $27.01
- $3 decrease in last year’s budget
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Strengthening our Financial Position

Structurally Balanced Budget
- Best practice
- Important for long-term sustainability

Continued Maintenance CIP
- Focus on maintaining existing infrastructure
- Strategic investments

New Financial Policies
- Debt Management
- Reserves
- Surplus
- Pension Funding
- Enterprise Funds
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Looking Ahead

- St. Paul’s Area Transformation
- Comprehensive Transportation Plan
- Implement a Diversity and Inclusion Plan
- Develop a Comprehensive Facility Strategy
- Process Improvements for Tax Relief for the Elderly
- Regional Public Safety Plan
FY 2020 Budget Calendar

Tuesday April 2, 2019 at 4:30pm
➢ Budget Worksession 1: Budget Overview – Capital

Tuesday April 9, 2019 at 4:30pm
➢ Budget Worksession 2: Budget Overview – Operating

Wednesday April 10, 2019 at 6:00pm
➢ Public Hearing on the Operating, Capital Improvement Plan, HUD Grants, and Real Estate Tax Increase (Granby High School)

Tuesday April 23, 2019 at 4:30pm
➢ Budget Worksession 3: Council concerns/amendments

Tuesday May 7, 2019 at 4:30pm
➢ Budget Worksession 4: Final Reconciliation
➢ Public Hearing (6:00pm): Real Estate Reassessment

Tuesday May 14, 2019 at 7:00pm
➢ City Council Budget Adoption