

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

| | 2018 | 2017 | 2016 |
|---------------------------------------|-----------|-----------|-----------|
| Population | 245,741 | 246,256 | 247,087 |
| Civilian Labor Force Estimates | 112,100 | 113,166 | 110,644 |
| Personal Income Per Capita | \$ 41,822 | \$ 40,094 | \$ 35,940 |
| Unemployment | 3.9% | 4.9% | 5.2% |

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

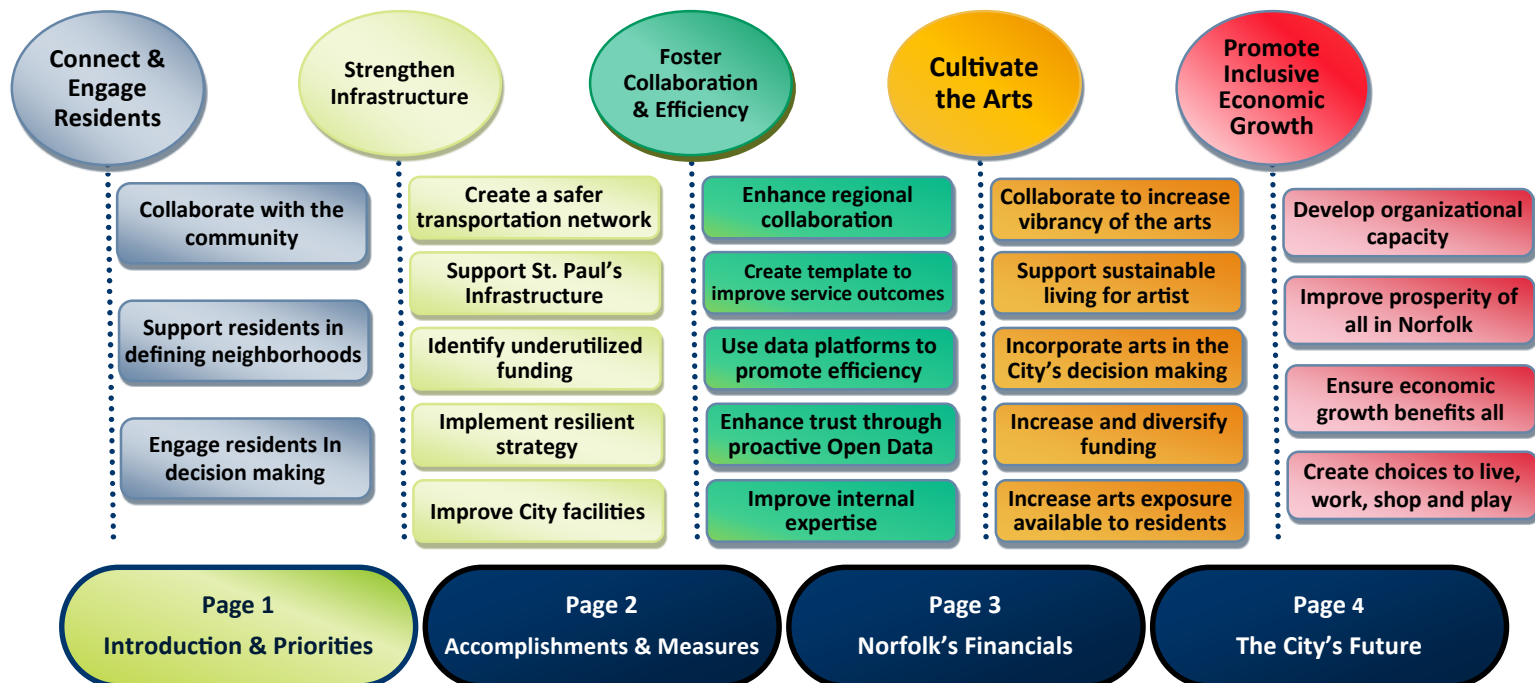
City Organization and Operation

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; transit; 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 and Priorities

Through effective partnerships between City governments and its constituents, Norfolk has become a national leader in the quality of life, offered to all of its citizens. The City is physically attractive, socially supportive and financially sound. The sense of community is strong, with neighborhoods designed for all ages to know your neighbors and travel the streets and sidewalks safely.



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:

- ⇒ The City has made a commitment to upgrade Chrysler Hall, the region's premier performing arts center.
- ⇒ Encourage and require 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.
- ⇒ The People First initiative launched August 2018. The program provides individualized case management to the residents of public housing communities. The City's \$3.5 million pledge to this program in Fiscal Year 2019 grew to \$3.7 million in Fiscal Year 2020.
- ⇒ The U.S. Department of Housing and Urban Development has awarded Norfolk a \$30 million Choice Neighborhood Initiatives grant to transform Tidewater Gardens into a mixed-income, mixed-use, resilient neighborhood that will provide affordable, quality housing for all income levels.
- ⇒ In Fiscal Year 2020, the City established a new Department of Transit. This will position the City to focus more clearly on a broad strategy to capitalize on our multi-modal assets.

NORFOLK RESILIENT CITY

- ⇒ In Fiscal Year 2020, the St. Paul's Area Transformation Department was established. The St. Paul's Area Transformation is dedicated to the human-centered redevelopment of the St. Paul's area in Norfolk, which includes the public housing communities of Calvert Square, Young Terrace and Tidewater Gardens.
- ⇒ The City partnered 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: the Study was completed in July 2019, and identifies priority flood mitigation projects for the U.S. Naval Station Norfolk, Virginia Beach and Norfolk.
- ⇒ In 2019, the U.S. Army Corps of Engineers (USACE) began the Pre-Construction Engineering and Design (PED) phase for a Norfolk coastal protection system recommended to Congress. The USACE has requested \$5.4 million of Federal funds to be matched by \$2.9 million of City funds for a total of \$8.3 million for the two-year PED phase.



Key Measures

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

| Performance Measures ¹ | 2018 | 2017 |
|---|-----------|-----------|
| Miles of bikeways marked | 50 | 42 |
| Library website page views | 1,033,629 | 1,040,993 |
| Zoo attendance | 483,673 | 443,060 |
| Nauticus visitors | 341,704 | 274,206 |
| Cultural Facilities, Arts and Entertainment attendance | 1,230,355 | 1,240,177 |
| Active business licenses | 15,980 | 15,103 |
| Number of small, women and minority-owned (SWAM) businesses that conduct business in the City | 575 | 347 |
| Tons of curbside recycling collected | 11,257 | 11,182 |
| Percent of fire calls with total response time of 5 minutes and 20 seconds or less | 80 | 83 |

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 association can be found at the AGA Website: www.agacgfm.org/citizen

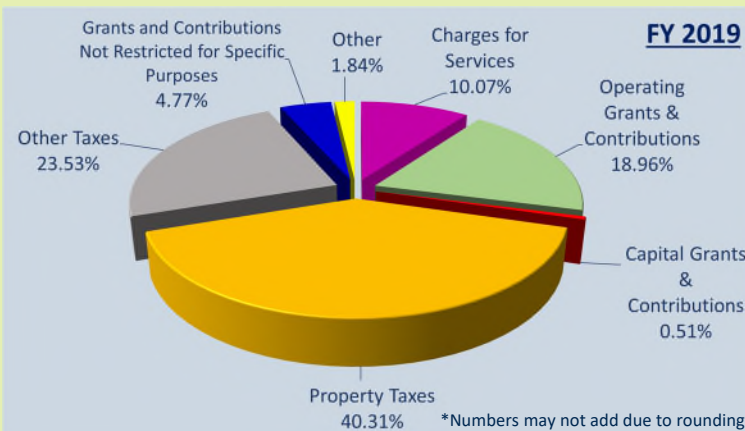
*Information can be found on the City website, www.norfolk.gov/finance

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 2019 totaled \$753,238,565, a \$5.7 million increase from Fiscal Year 2018. Property and other taxes comprise the vast majority of governmental fund revenues at 64 percent of the total.

| Governmental Activities Revenue | Fiscal Year | |
|---|-----------------------|-----------------------|
| | 2019 | 2018 |
| Charges for Services | \$ 75,887,233 | \$ 73,176,531 |
| Operating Grants & Contributions | 142,804,187 | 151,518,592 |
| Capital Grants & Contributions | 3,806,128 | 11,954,157 |
| Property Taxes | 303,622,810 | 277,131,597 |
| Other Taxes | 177,263,305 | 174,138,870 |
| Grants and Contributions Not Restricted for Specific Purposes | 35,965,314 | 28,158,027 |
| Other | 13,889,588 | 31,459,597 |
| Total Revenues | \$ 753,238,565 | \$ 747,537,371 |

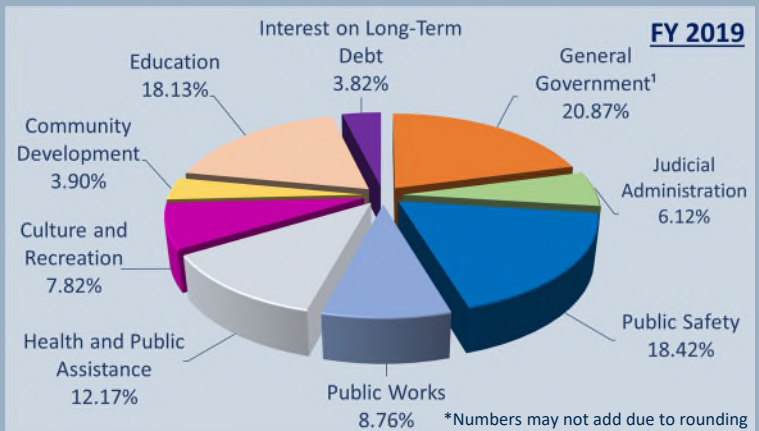


An independent audit of the City's finances was conducted, resulting in an unmodified, or clean, opinion. Complete financial information can be found at our website at www.norfolk.gov/finance

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 2019 were \$753,967,666. General government expenses were the largest at \$157 million.

| Governmental Activities Expense | Fiscal Year | |
|---------------------------------|-----------------------|-----------------------|
| | 2019 | 2018 |
| General Government | \$ 157,320,255 | \$ 152,832,372 |
| Judicial Administration | 46,124,063 | 57,118,257 |
| Public Safety | 138,889,690 | 160,378,339 |
| Public Works | 66,078,582 | 69,193,737 |
| Health and Public Assistance | 91,735,421 | 87,826,832 |
| Culture and Recreation | 58,961,688 | 46,798,591 |
| Community Development | 29,381,236 | 23,320,454 |
| Education | 136,659,606 | 131,136,839 |
| Interest on Long-Term Debt | 28,817,125 | 24,965,263 |
| Total Expenses | \$ 753,967,666 | \$ 753,570,684 |



¹General Government expenses 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, Human Resources and Law, among many others.



Waterside District



Norfolk Street Piano



City Council

**Dr. Larry Filer has held the position of City Manager since September 16, 2019.*

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Feedback

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:



Development of a Comprehensive Facility Strategy



Improvements to Storm Water and Water Infrastructure



Investments in Cultural Facilities



Capacity for Climate Change, Lifelong Learning and Diversity and Inclusion

Upcoming Capital Projects

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



St. Paul's Area Transformation



Multi-Modal Transportation System



Address Street Flooding City-wide



Repair, Replace and Maintain Roads and Bridges

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