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.

Unemployment Rate

<table>
<thead>
<tr>
<th>Year</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>3.5%</td>
</tr>
<tr>
<td>2018</td>
<td>3.9%</td>
</tr>
<tr>
<td>2017</td>
<td>4.9%</td>
</tr>
</tbody>
</table>

Civilian Labor Force Estimates

<table>
<thead>
<tr>
<th>Year</th>
<th>Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>112,756</td>
</tr>
<tr>
<td>2018</td>
<td>112,110</td>
</tr>
<tr>
<td>2017</td>
<td>113,166</td>
</tr>
</tbody>
</table>

Per Capita Personal Income

<table>
<thead>
<tr>
<th>Year</th>
<th>Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>$42,875</td>
</tr>
<tr>
<td>2018</td>
<td>$41,822</td>
</tr>
<tr>
<td>2017</td>
<td>$40,094</td>
</tr>
</tbody>
</table>

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. The City provides a full range of general governmental services for its residents, some of which are shown below:

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.

What Is Next?
Moving Forward
Going forward, the City is working to address several initiatives designed to increase efficiency and effectiveness and ensure long-term financial sustainability, including:

- Funding Maintenance Infrastructure
- Needs of Capital Assets
- Improvements to Storm Water and Water Infrastructure
- COVID-19 Budget Flexibility
- Prepare for the Worst
- Capacity for Climate Change, Lifelong Learning and Diversity & Inclusion
- Repair, Replace and Maintain Roads

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.

Connect & Engage Residents
- Support residents in defining neighborhoods
- Engage residents in decision making

Strengthen Infrastructure
- Create a safer transportation network
- Support St. Paul’s Infrastructure
- Identify underserviced funding

Foster Collaboration & Efficiency
- Collaborate with the community
- Enhance regional collaboration
- Create template to improve service outcomes

Cultivate the Arts
- Support living for artists
- Collaborate to increase vibrancy of the arts
- Increase and diversify funding

Promote Inclusive Economic Growth
- Develop organizational capacity
- Improve prosperity of all in Norfolk
- Ensure economic growth benefits all residents
- Create choices to live, work, shop and play

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Please let us know by contacting Stephen Mays at Stephen.Mays@Norfolk.gov. For more information, visit our website at www.Norfolk.gov/Finance.
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:

⇒ City Council has shown its commitment to resilience by dedicating 1 cent (equating to $1.85 million) of the real estate tax to resilience projects.
⇒ Encouraging and requiring resiliency as part of development activities: the City’s zoning code includes resilient development activities. These efforts go far beyond the FEMA floodplain requirements and include provisions that target the City’s unique situation and circumstances.
⇒ Seeking grants and other outside funding to help defray the cost of resiliency projects: Construction is currently underway to address coastal resiliency in the City’s Ohio Creek watershed area, which is funded by a grant totaling $112.7 million through the U.S. Department of Housing and Urban Development’s ("HUD") National Disaster Resilience Competition. This project is anticipated to be completed in Summer 2022.

NORFOLK RESILIENT CITY

⇒ In anticipation of the impact of COVID-19 on the City’s revenue, the City acted in March to reduce expenditures including freezing discretionary spending, reducing payments to some of our outside agency partners, furloughing most part-time staff, and implementing a hiring freeze. With these adjustments, the City concluded Fiscal Year 2020 very nearly on budget. City Council adopted a Fiscal Year 2021 budget that is $40 million less than originally projected to address projected COVID-related revenue impacts.
⇒ In September 2020, the City was awarded $14.4 million as part of the Better Utilizing Infrastructure to Leverage Development ("BUILD") grant program through the U.S. Department of Transportation. The grant will be used to fund road improvements in the St. Paul’s area, with construction scheduled to begin in Spring 2021. This grant will provide the necessary roadway infrastructure to support the implementation of the $30 million HUD Choice Neighborhood Implementation Grant received in May 2019, also for the St. Paul’s Area.

Norfolk’s Financials

The General fund provides funding for the daily operations and services of the City. Revenues for government activities for Fiscal Year 2020 totaled $764,721,692 or approximately an $11 million increase from Fiscal Year 2019. Property and other taxes comprise 84 percent of governmental revenues at 64 percent of the total activities.

Where the money comes from?

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

*This report and other information can be found on the City’s website at www.Norfolk.gov/*

Key Measures

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

Performance Measures1

<table>
<thead>
<tr>
<th>Performance Measures</th>
<th>2020 Adopted</th>
<th>2019 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Miles of bikeways marked</td>
<td>54</td>
<td>58</td>
</tr>
<tr>
<td>Library website page views</td>
<td>810,000</td>
<td>937,047</td>
</tr>
<tr>
<td>Zoo attendance</td>
<td>500,000</td>
<td>479,525</td>
</tr>
<tr>
<td>Nauticus visitors</td>
<td>237,000</td>
<td>368,615</td>
</tr>
<tr>
<td>Cultural Facilities, Arts and Entertainment attendance</td>
<td>1,235,000</td>
<td>1,206,936</td>
</tr>
<tr>
<td>Active business licenses</td>
<td>16,025</td>
<td>16,166</td>
</tr>
<tr>
<td>Number of small, women and minority-owned (SWAM) businesses that conduct business in the City</td>
<td>575</td>
<td>575</td>
</tr>
<tr>
<td>Tons of curbside recycling collected</td>
<td>12,000</td>
<td>10,733</td>
</tr>
<tr>
<td>Percent of fire calls with total response time of 5 minutes and 20 seconds or less</td>
<td>90</td>
<td>81</td>
</tr>
</tbody>
</table>

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

Norfolk’s Financials

Total governmental net position was the transition of the Storm Water special revenue fund to an enterprise fund, and the related movement of revenues and expenditures for governmental activities.

Norfolk’s Future

The City’s governmental activities1 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 2020 were $784,646,885 an increase of 5 percent from Fiscal Year 2019. General government expenditures were the largest at $158 million. The change in expenditures for Fiscal Year 2020 over the prior year was mainly attributable to an increase of the City’s long-term liabilities.

1 General Government expenditures are related to the administration of the City’s affairs.
2 The primary factor that contributed to the year over year change in total governmental net position was the transition of the Storm Water special revenue fund to an enterprise fund, and the related movement of its activities.