

A Report to Our Citizens

Fiscal Year: 2021

July 1, 2020 - June 30, 2021

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 summary financial information and a look ahead at future initiatives and developments.

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:

Population

2020
246,063
2019
245,054
2018
245,741

Unemployment Rate

2020
3.5%
2019
3.5%
2018
3.9%

Civilian Labor Force Estimates

2020
111,825
2019
112,364
2018
112,100

Per Capita Personal Income

2020
\$42,996
2019
\$42,875
2018
\$41,822

* The Information provided within the charts is the most recent data available.



City Council Values 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.

Values

Priorities

Accountability

Respect

Integrity

Innovation

Accessibility/
Mobility and
Connectivity

Lifelong
Learning

Safe, Healthy
and Inclusive
Communities

Economic Vitality
and Workforce
Development

Environmental
Sustainability

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Recent Accomplishments

Key Measures

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 CDBG program invests in initiatives such as the Norfolk Works Job Resource & Community Career Center to help income-eligible residents locate, apply for, and prepare for jobs. The CDBG program also supports the Ohio Creek Watershed Project, which will help address flooding and ensure the future sustainability of Chesterfield Heights and Grandy Village neighborhoods.
- ⇒ The City was allocated \$154.1 million in American Rescue Plan Act (ARPA) funding. Residents can provide their input to help establish a collaborative, community-driven plan through online tools and newly added drop boxes located throughout the City.
- ⇒ In June 2021, the City was able to refinance its current Unfunded Actuarial Accrued Liability ("UAL") at a lower interest rate without extending the amortization period, which is expected to reduce the City's aggregate pension costs. This deposit in the pension system increased the pension funded ratio from approximately 77% to approximately 91%.

NORFOLK RESILIENT CITY

⇒ In midst of the COVID-19 pandemic, City Council and management have been committed to ensuring the City has a path of long-term recovery. The Fiscal Year 2021 budget development focused on the realignment of the City's capacity and resources to deliver its programs and services effectively to residents. The Fiscal Year 2022 budget continues to support the City Council priorities which include Norfolk Public Schools, attracting and retaining talent, recreation and library operations, support for our youth, Citywide beautification, affordable housing and community development.

⇒ As part of the City's long-term initiative to improve energy sustainability, the City has pledged to reduce its energy use in City buildings by one-fifth over the next decade. Actions will include retrofitting lighting and factoring in the most energy-efficient practices. The City also acknowledges climate change and is focused on reducing carbon emissions, by working to revamp community garden programs, adding electric car charging stations and easing the residential solar permitting process.



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

Performance Measures ¹	2020 Actual	2021 Adopted
Miles of bikeways marked	54	58
Library Visitors	759,280	1,200,000
Zoo attendance	318,797	500,000
Nauticus visitors	177,381	237,000
Cultural Facilities, Arts and Entertainment attendance	429,471	1,235,000
Active business licenses	16,834	16,025
Number of small, women and minority-owned (SWAM) businesses that conduct business in the City	575	575
Tons of curbside recycling collected	10,733	12,000
Percent of fire calls with total response time of 5 minutes and 20 seconds or less	83	90

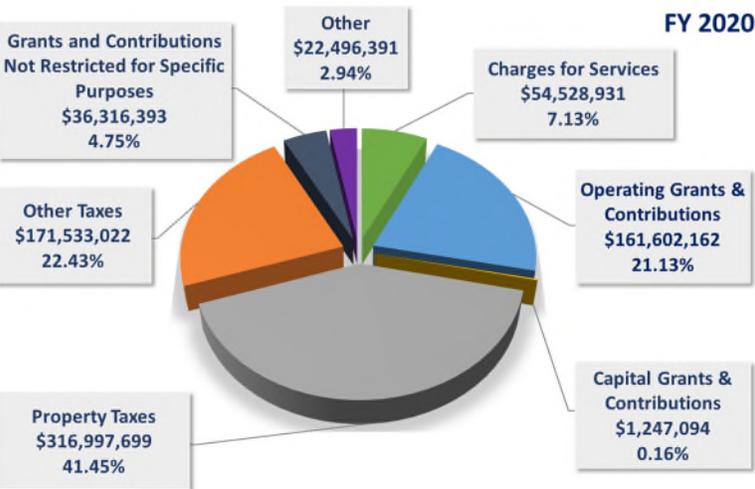
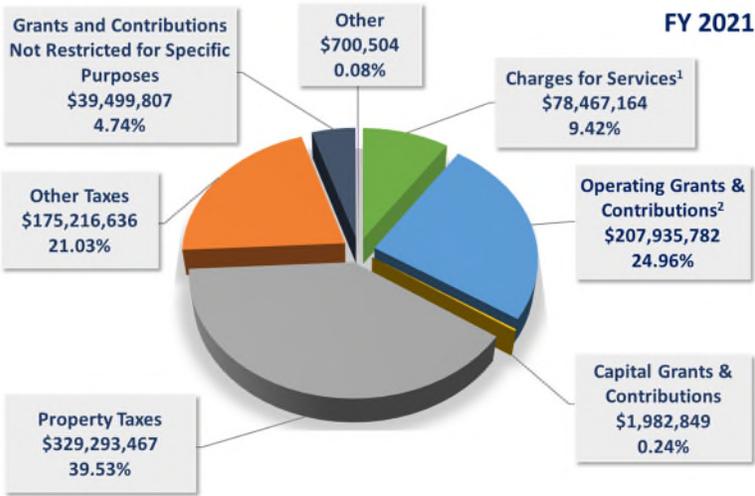
¹ The Information provided in this chart is the most recent data available for the selected performance measures.

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 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 <https://www.norfolk.gov/325/Financial-Reports>**

Norfolk's Financials

Where the money comes from?

Governmental activities capture the general revenues and continuing expenses of primary governmental functions including public safety (police and fire), public works (roads and bridges), parks, recreation, cultural affairs and general government. Revenues for governmental activities¹ for Fiscal Year 2021 totaled \$833,096,209 approximately an \$68 million increase from Fiscal Year 2020. Property and other taxes comprise the vast majority of governmental revenues at 61 percent of the total activities.



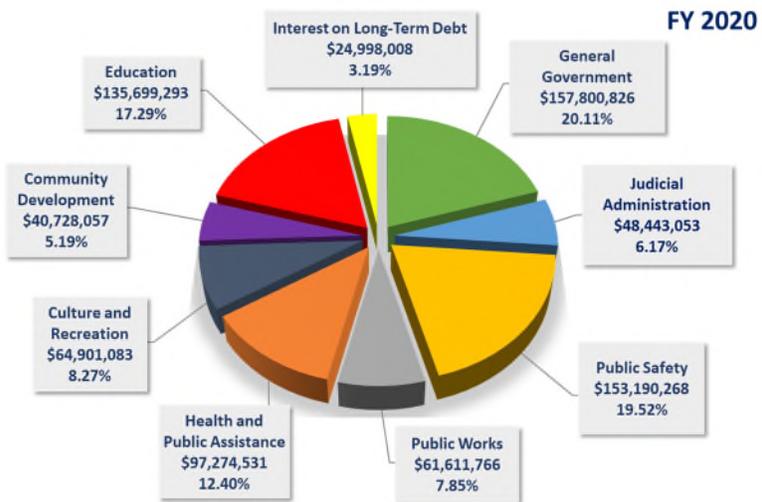
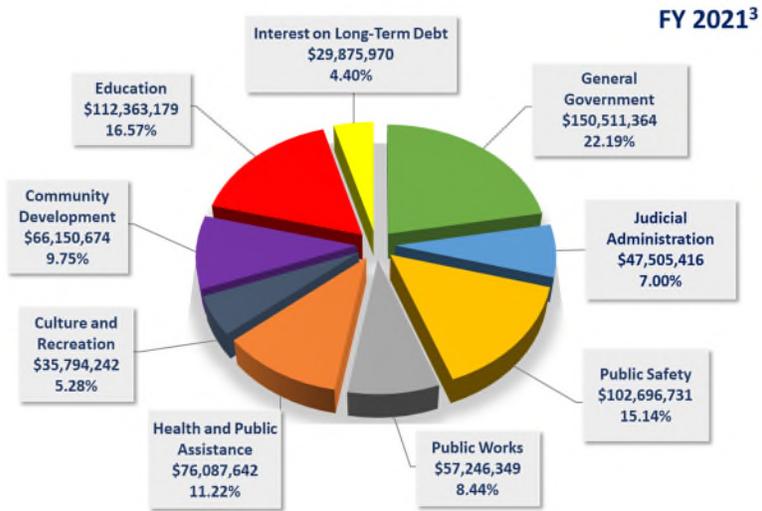
¹The increase in revenue in comparison to the prior year is primarily attributable to a return to more normal service levels that dropped significantly as a result of the COVID-19 pandemic.

²The increase in revenue in comparison to prior years is attributed to the City's receipt of COVID-19 related federal grant funds (CARES Act and the American Rescue Plan Act).

An independent audit of the City's finances was conducted, resulting in an unmodified, or clean, opinion. Complete financial information can be found on 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 2021 were \$678,231,567 a decrease of 13 percent from Fiscal Year 2020. General government expenditures were the largest at \$151 million.



³Total governmental activities' expenses decreased significantly in comparison to fiscal year 2020 as a result of the recordation of an additional \$120 million contribution made to the Norfolk Employees' Retirement System, to further benefit the already healthy retirement system. As this additional contribution was made in fiscal year 2021, but subsequent to the measurement date of the pension liability, GAAP accounting requires the additional contribution to be classified as a deferred outflow, which reduced expenses.

City Council and City Manager



City Manager
Larry "Chip" Filer



Mayor
Kenneth Cooper Alexander



Vice Mayor
Martin A. Thomas
Ward 1



Council Member
Courtney Doyle
Ward 2



Council Member
Mamie B. Johnson
Ward 3



Council Member
Paul R. Riddick
Ward 4



Council Member
Thomas R. Smigiel, Jr.
Ward 5



Council Member
Andria P. McClellan
Superward 6



Council Member
Danica J. Royjster
Superward 7

Asphalt Art Initiative Five Points



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Do you like this report? Would you like to see other information?

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

Feedback



Harbor Park

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:



Affordable Housing and Community Development



Infrastructure Investments



Support For Our Youth, as well as Norfolk Public Schools



Investment in Resilience and Environmental Sustainability Initiatives

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



Improve Community and Neighborhood Parks



Address Street Flooding Citywide



Repair, Replace and Maintain Roads and Bridges

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