

A Report to Our Citizens

Fiscal Year: 2022

July 1, 2021 - June 30, 2022

Introduction

The City of Norfolk is a vibrant, historic port city where diverse citizens, military branches, 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.

Norfolk Demographics*

	2021	2020	2019
Population	238,102	246,063	245,054
Civilian Labor Force Estimates	107,879	111,825	112,364
Per Capita Personal Income	\$ 46,923	\$ 42,996	\$ 42,875
Unemployment Rate	5.7%	3.5%	3.5%

* The Information provided within the 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.

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



City Council Values and Priorities

Through effective partnerships between City government 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

Accountability

Respect

Integrity

Innovation

Priorities

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:

- ⇒ Effective January 2022, the Norfolk Employees' Retirement System ("NERS") was closed for all new hires, requiring participation in the Virginia Retirement System's ("VRS") Hybrid Plan. The transition to VRS does not affect current employees who desire to remain in NERS. NERS will continue to operate until all current members who vest in the system have retired and received their benefits. City Council proactively benefited recruitment and retention with this decision. The strategy continues Council's commitment to remain financially strong in the long-term and displays their commitment to our employees.
- ⇒ The Downtown Norfolk Floodwall protects Downtown Norfolk from flooding from the adjacent Elizabeth River. The existing wall was completed in 1971 by the United States Army Corps of Engineers (USACE) and affords the Downtown area a reduced flood insurance rate by accreditation, from the Federal Emergency Management Agency (FEMA) due to the protection that it provides. Norfolk has entered the first phase of a \$1.8 billion project being designed by the USACE that features a large-scale extension of the existing 2,700-foot-long Downtown Norfolk floodwall and encompasses flood mitigation projects (e.g., home elevations, basement fills) – all designed to safeguard the City from coastal storms and flooding challenges.



NORFOLK RESILIENT CITY

- ⇒ In support of the City's Climate Action Plan, in 2022, Norfolk City Council adopted a resolution to commit to reducing energy consumption in government buildings by 20% by the year 2032. The City has joined the Better Buildings Challenge, an initiative of the U.S. Department of Energy (DOE) designed to improve the lives of the American people by driving leadership in energy innovation by partnering with local government to make municipal buildings more energy-efficient by accelerating investment and sharing successful best practices. Norfolk continues to make investments in LED lighting technology, retrofit buildings with more energy efficient HVAC systems and promote Energy Treasure Hunts, events where City employees are invited to search for opportunities for energy savings in City buildings.
- ⇒ The St. Paul's Area Transformation Project is a strategic partnership between the City of Norfolk and the Norfolk Redevelopment & Housing Authority to reimagine and revitalize the Tidewater Gardens community as a resilient community of the future, while supporting current and future residents with education, job training, housing and entrepreneurial support as well as working with minority- and women-owned contractors. Phase 1 of residential construction of new homes and buildings is expected to be completed in the fall of 2023.

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

Performance Measures ¹	2021 Actual	2022 Projected
Roadway lane miles resurfaced	26	53
Library visitors	77,406	183,320
Zoo attendance	345,614	400,000
Nauticus visitors	86,927	125,000
Cultural Facilities, Arts and Entertainment attendance	117,859	580,000
Historic properties surveyed	100	455
Percent of minority artists/ organizations selected for art projects	34	36
Tons of curbside recycling collected	11,584	11,000
Percent of fire calls with total response time of 5 minutes and 20 seconds or less	76	90

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



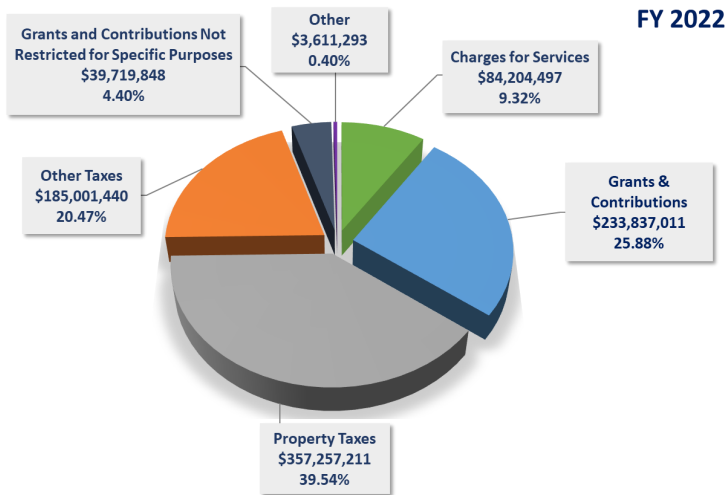
The Association of Government Accountants (AGA) developed guidance on producing Citizen Centric Reporting as a method to demonstrate accountability to residents and answer the question, "are we better off today than we were last year?" Additional details about the association can be found at the AGA 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 does the money come 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 activities for fiscal year 2022 totaled \$903,631,300, approximately a \$70 million increase from fiscal year 2021. Property and other taxes comprise the vast majority of governmental revenues at 60 percent of the total activities.



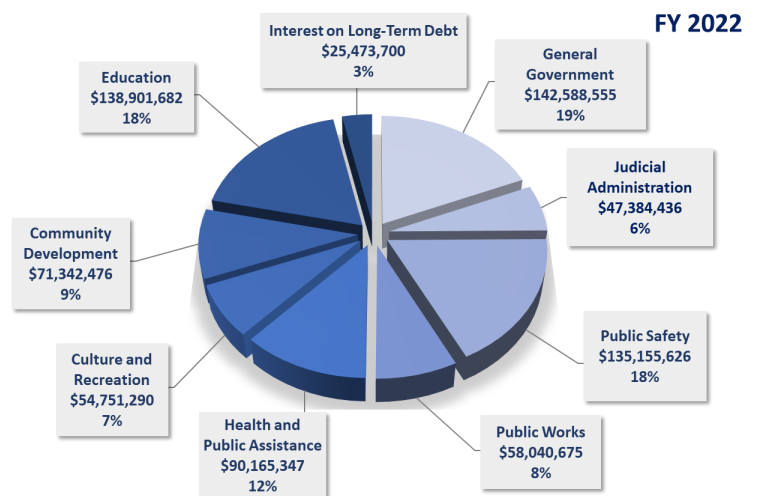
Governmental Activities Revenue	Fiscal Year	
Program Revenue	2022	2021
Charges for Services	\$ 84,204,497	\$ 78,467,164
Grants & Contributions	233,841,799	207,935,782
General Revenue		
Property Taxes	357,257,211	329,293,467
Other Taxes	185,001,440	175,216,636
Grants and Contributions Not Restricted for Specific Purposes	39,719,848	39,499,807
Other	3,611,293	700,504
Total Revenues	\$ 903,631,300	\$ 833,096,209

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

How is the money spent?

The City's governmental activities include a variety of services. A majority of spending is for City Council priorities: public education and public safety. Total expenses for governmental activities in fiscal year 2022 were \$763,803,787 an increase of 13 percent from fiscal year 2021. General government expenditures were the largest at \$143 million.

	Fiscal Year	
Governmental Activities Expense	2022	2021
General Government ¹	\$ 142,588,555	\$ 150,511,364
Judicial Administration	47,384,436	47,505,416
Public Safety	135,155,626	102,696,731
Public Works	58,040,675	57,246,349
Health and Public Assistance	90,165,347	76,087,642
Culture and Recreation	54,751,290	35,794,242
Community Development	71,342,476	66,150,674
Education	138,901,682	112,363,179
Interest on Long-Term Debt	25,473,700	29,875,970
Total Expenses	\$ 763,803,787	\$ 678,231,567



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.

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

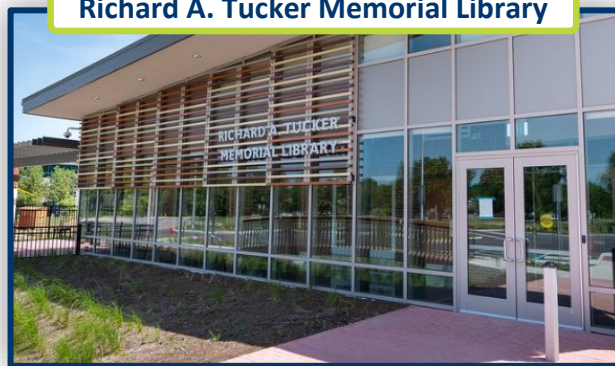


Council Member
Andria P. McClellan
Superward 6



Council Member
Danica J. Royster
Superward 7

Richard A. Tucker Memorial Library



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Please let us know by contacting the City's financial reporting team at fin-reporting@norfolk.gov.

Visit our website at www.Norfolk.gov/Finance for more information.

Feedback

Scope Arena



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



Improvements to Water and Wastewater Infrastructure



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.



Technology Improvement



Improve Community and Neighborhood Parks and Recreational Amenities



Improve Social Vulnerability with Floodwall and Address Street Flooding Citywide



Repair, Replace and Maintain Roads and Bridges

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