

City Manager's Proposed FY 2026 Operating Budget and Capital Improvement Plan



Budget Overview

Fund	Proposed Budget
General Fund	\$1,198,247,621
Enterprise Funds	\$210,104,865
Special Revenue Funds	\$40,232,152
Internal Service Funds	\$118,129,978
Total Operating Funds	\$1,566,714,616
Capital Improvement Plan	\$260,222,613
Total Operating and Capital Funds	\$1,826,937,229
Annual Plan for HUD Block Grants	\$6,707,591
Annual Grants Plan	\$141,024,960
Total Financial Plan	\$1,974,669,780

FY 2026 – FY 2030 Capital Improvement Plan (CIP)

FY 2026 – 2030 Capital Improvement Plan – Fund Summary						
Fund	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	Total
General Fund	\$127,105,956	\$185,050,000	\$126,625,000	\$64,640,000	\$62,485,000	\$565,905,956
Norfolk Public Schools	\$16,451,457	\$69,500,000	\$97,000,000	\$10,000,000	\$10,000,000	\$202,951,457
Parking Fund	\$3,300,000	\$2,900,000	\$2,900,000	\$2,900,000	\$2,900,000	\$14,900,000
Storm Water Fund	\$1,315,200	\$1,315,200	\$8,000,000	\$8,000,000	\$8,000,000	\$26,630,400
Wastewater Fund	\$33,950,000	\$31,250,000	\$40,000,000	\$27,000,000	\$23,000,000	\$155,200,000
Water Fund	\$78,100,000	\$88,650,000	\$100,350,000	\$54,600,000	\$93,600,000	\$415,300,000
Total	\$260,222,613	\$378,665,200	\$374,875,000	\$167,140,000	\$199,985,000	\$1,380,887,813

FY 2026 Proposed Focus Areas

- Community Safety, Health, and Well-Being
- Transportation Safety and Maintenance
- Maintenance and Cleanliness of Public Facilities, Public Spaces, and Thoroughfares
- Customer Service and Responsiveness
- Investments in Housing
- Expansion of Tourism and Norfolk's Visitor Economy



Economic Outlook

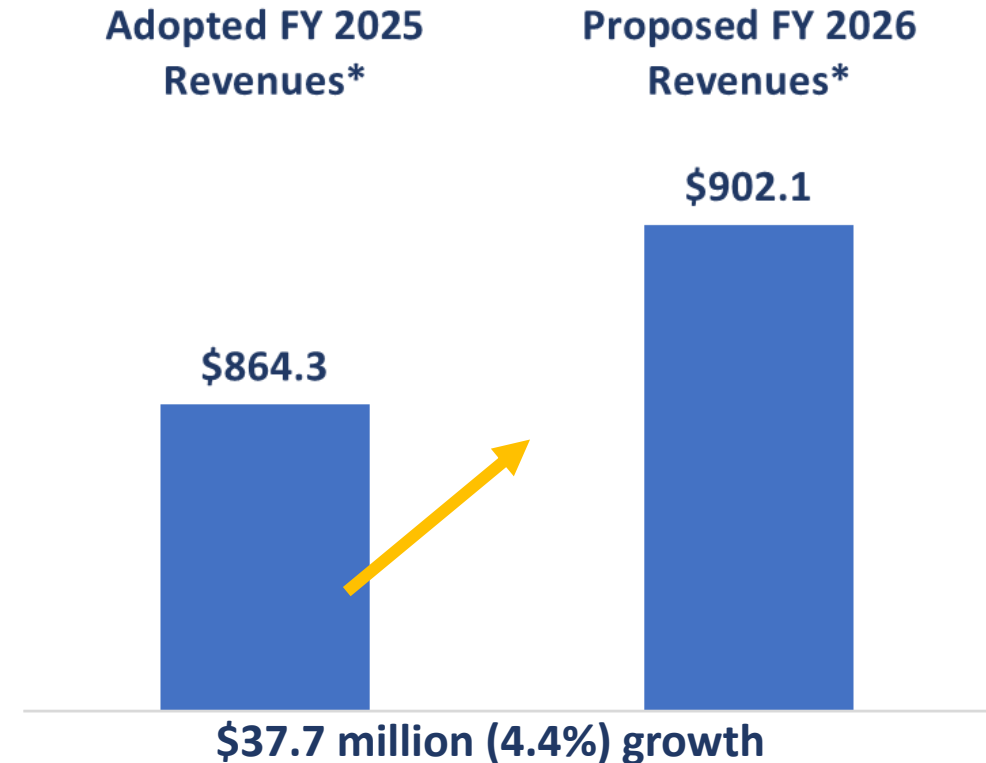


Overview of Proposed General Fund Revenues

Comparison of General Fund Revenues*

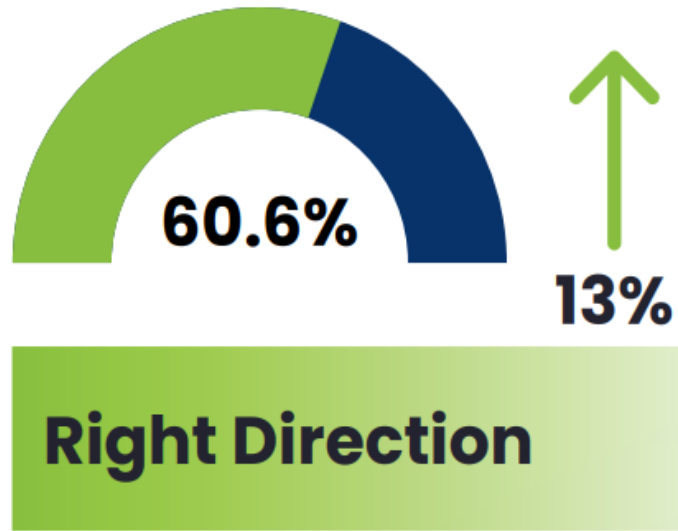
Main Drivers of Revenue Growth

- Increase in real estate assessment
- Consumption Taxes such as Hotel/Restaurant
- General Sales Tax



*Amount excludes state and federal funding along with one-time reversion funds for Norfolk Public Schools, and Continuity of Services funds

Resident Survey (Spring 2024)



Over 60% of respondents said the city is going in the right direction overall; an increase of 13% from the 2022 survey

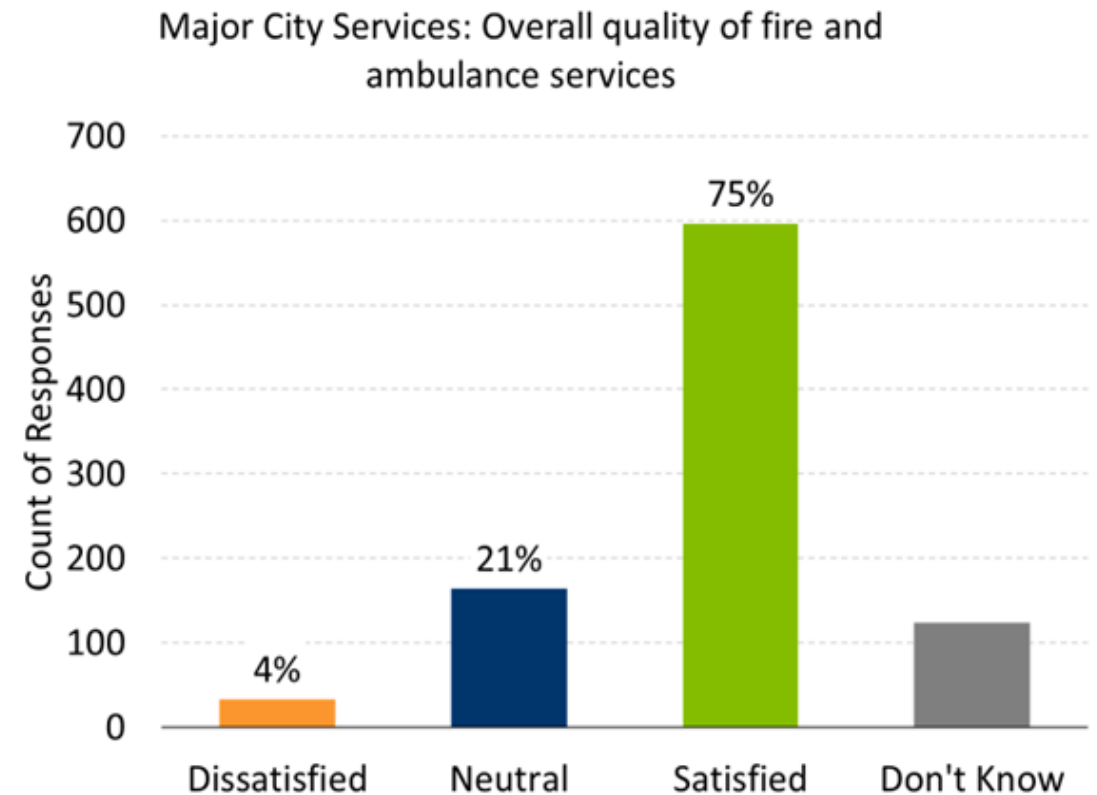
- Proposed FY 2026 budget maintains high-quality services while adding targeted enhancements based on resident survey results
- Strong satisfaction in areas such as trash pick-up and safety,
- Need for improvement in areas such as traffic flow, condition of streets, and affordable housing remain concerns.

Community Safety, Health, and Well-Being

\$3.2M and 28 FTE

Investments in Public Safety and Health

- Enhance EMS services with 20 new paramedic positions and 3 captains in Fire-Rescue
- Support drug box exchange mandate
- New ladder truck and 2 pumper trucks for Fire-Rescue
- Replace Fire-Rescue self-contained breathing apparatuses

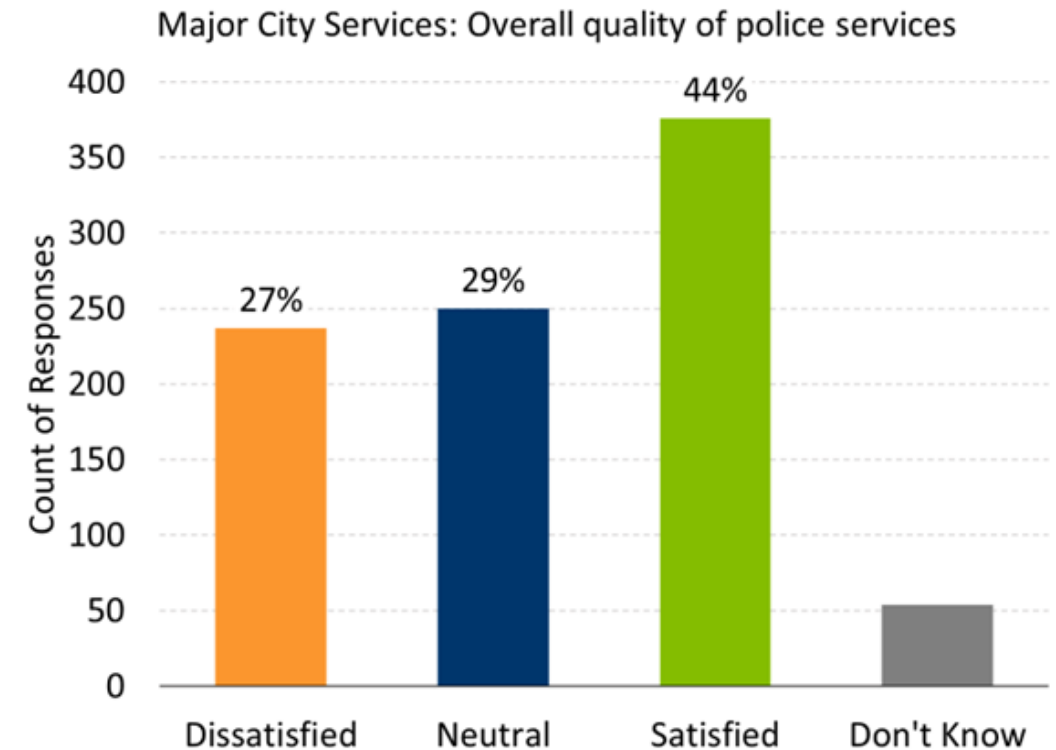


Community Safety, Health, and Well-Being

\$3.2M and 28 FTE

Investments in Public Safety and Health

- Replace 18 police vehicles
- Improve jail security systems
- Additional funding for the Homeless Taskforce
- New Department of Military and Community Affairs which will centralize our Violence Intervention efforts
- Realign the Ryan White program to the Public Health Department



Community Safety, Health, and Well-Being

\$44M in FY 2026 CIP

Coastal Storm Risk Management (CSRM) Project

- Our ability to pay the required non-federal match is dependent on the state's support
- Currently no funds included in the state's upcoming budget
- Local funds included in the FY 2026 CIP to continue efforts on current phases of the project
- As federal and state funding decisions change, the city will continue to modify assumptions for funding and specifics of the project

Community Safety, Health, and Well-Being

\$44M in FY 2026 CIP

Investments in Recreation

- Improve Ocean View Beach Park
- Beach renourishment in partnership with U.S. Army Corps of Engineers
- Creation of dedicated funding source for sand and improved beach access
- Improve Stockley Gardens and Stone Park
- New playground at Crossroads School
- Dredge Pretty Lake Main Channel to support recreational boating (FY 27/28)



Community Safety, Health, and Well-Being

\$44M in FY 2026 CIP

Investments in Recreation

- Maritime Forest Disc Golf Course in Ocean View
- Invest in community and neighborhood parks and community centers
- Improve tennis and pickleball courts at Larchmont Elementary School and Azalea Garden Middle School



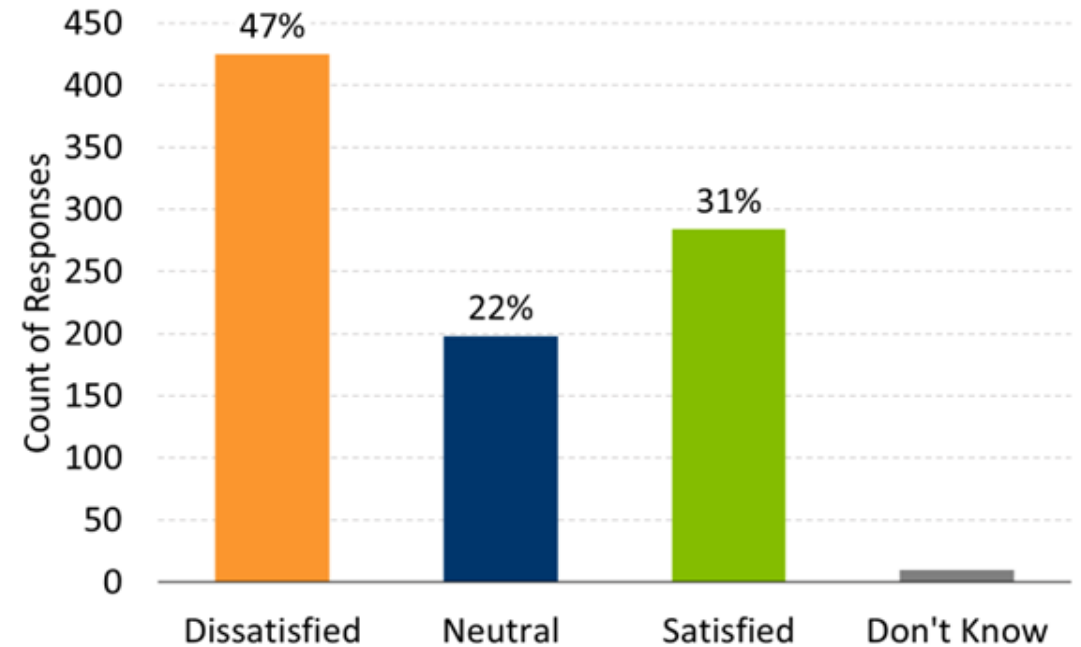
Transportation Safety and Maintenance

\$525k and 1 FTE

Improve Traffic Flow

- Enhance traffic signals and intersections citywide in FY 2026
- Additional new and replacement signals planned in future years of CIP to include: Ocean View Ave at 21st Bay St in FY 27/28
- Install traffic signals at the intersection of Tidewater Drive and Marvin Avenue
- Improve traffic flow at Harbor Park; additional signage and traffic mitigation for Tides home games

Major City Services: Overall flow of traffic on Norfolk streets (not interstates)



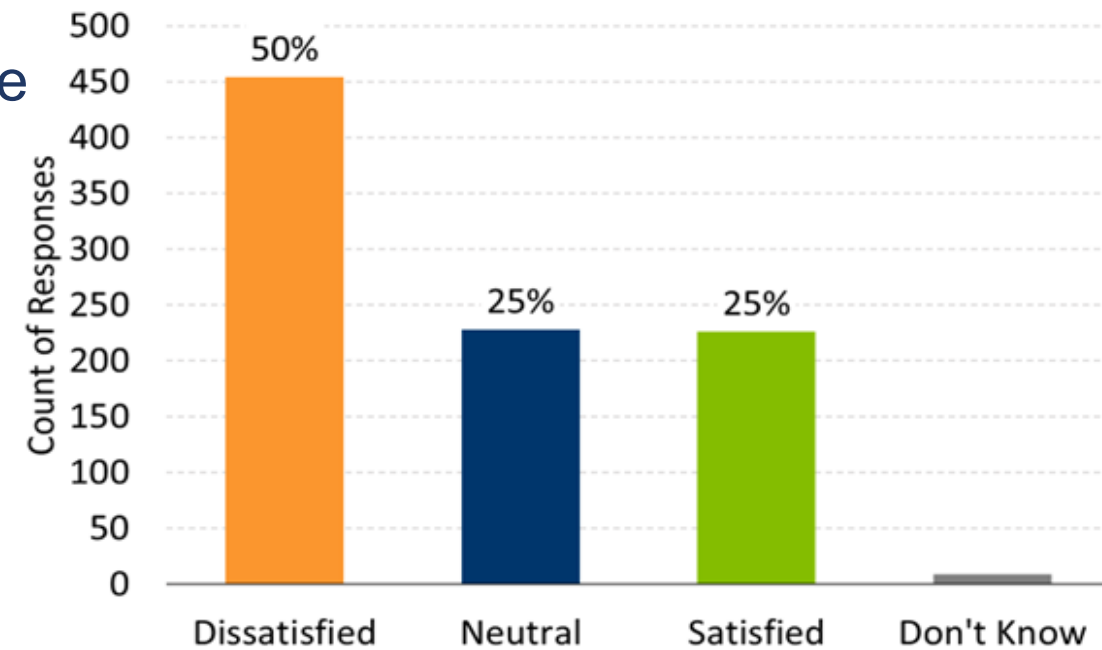
Transportation Safety and Maintenance

\$525k and 1 FTE

Condition of City Streets

- Improve neighborhood streets and infrastructure
- Complete the reconstruction of Westminster Avenue
- Improve road infrastructure in St. Paul's/Kindred
- New vehicle for enhanced street maintenance
- 1 FTE for transportation project management and grant applications
- Funds to repair, replace, and maintain bridges citywide; repair Military Highway bridge over Virginia Beach Boulevard

Maintenance and Appearance of the City: Condition of major city streets

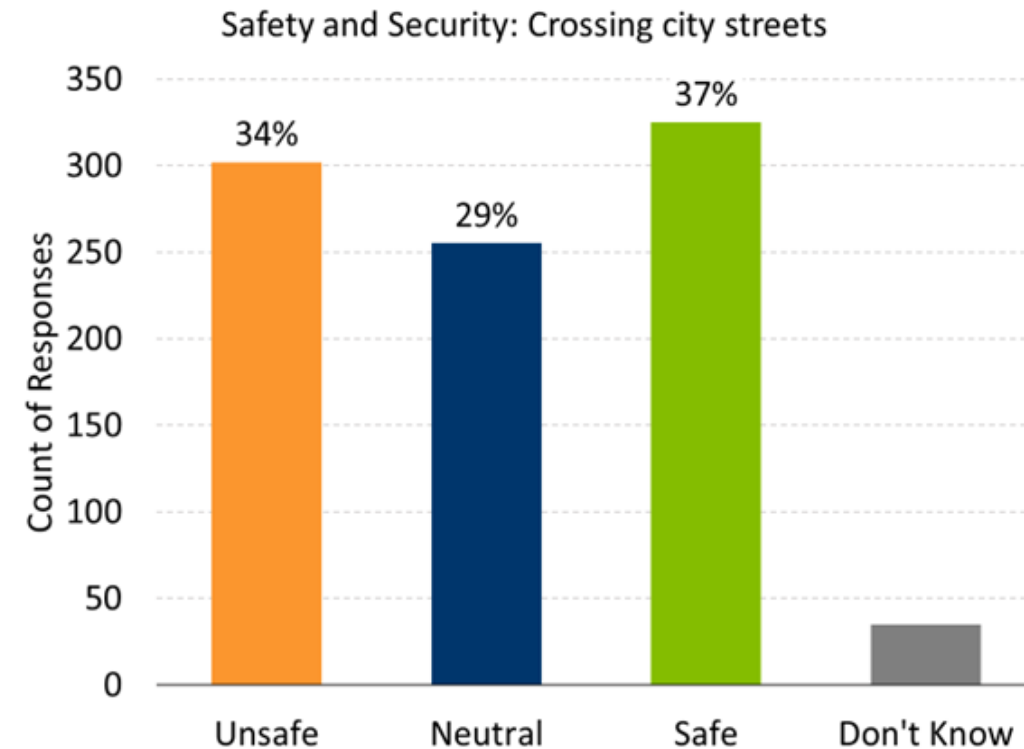


Transportation Safety and Maintenance

\$23.2M in FY 2026 CIP

Pedestrian Safety and Multimodal Transportation

- Additional funding toward the Complete Streets Initiative to promote safety for pedestrians, bicyclists, and transit users to support Vision Zero
- Princess Anne Road lane repurposing to include bike lanes, a two-way left turn lane, and reduce the corridor from four lanes to two lanes
- Realign Environmental Sustainability Team to Dept. of Transportation to focus on conversion of streetlights to LED and a plan for electric vehicle charging stations

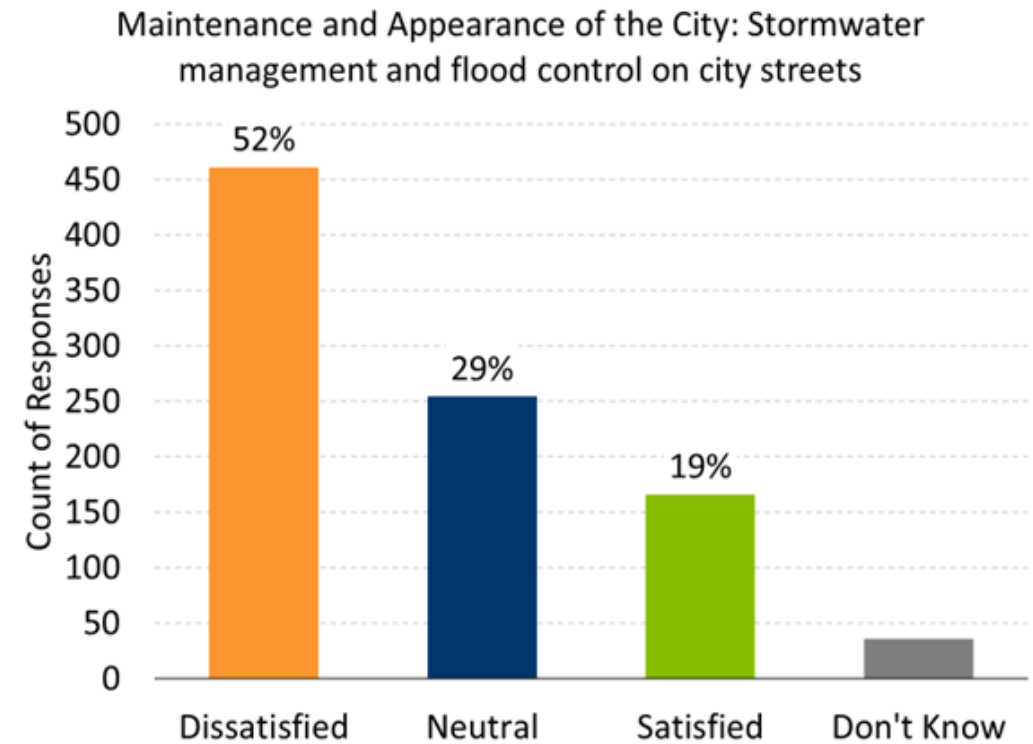


Transportation Safety and Maintenance

\$23.2M in FY 2026 CIP

Flooding and Drainage Concerns

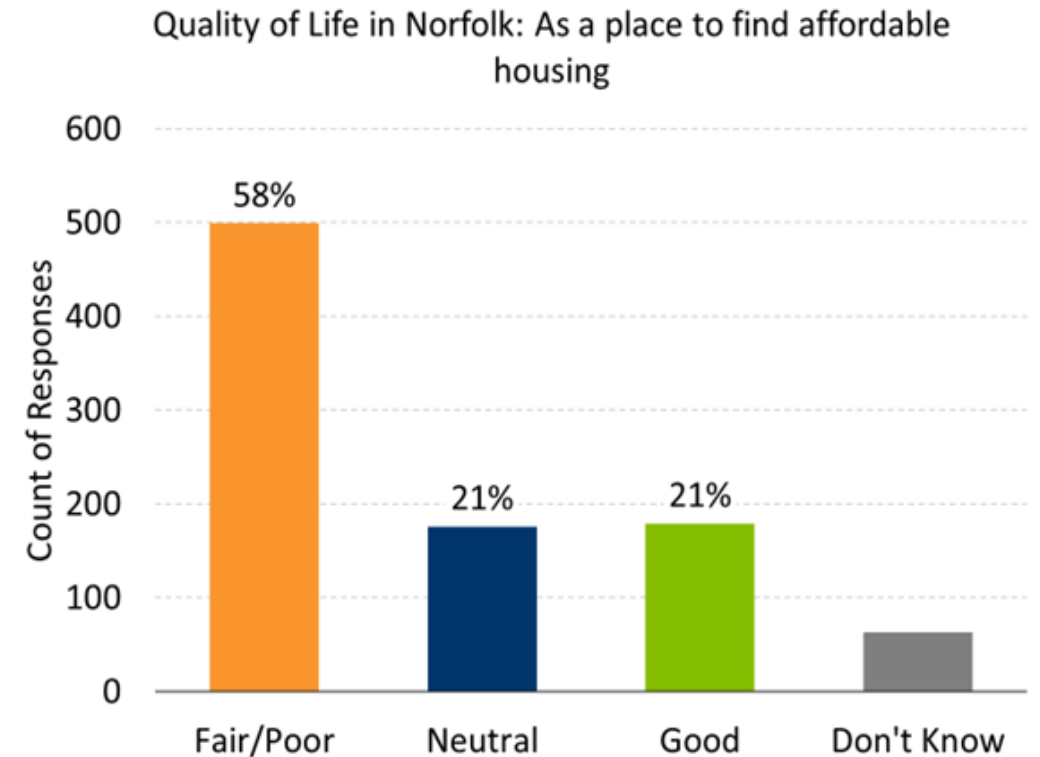
- Improve 10th Bay Street drainage
- Improve Chesapeake Boulevard drainage
- Reconstruct and rehabilitate the Hague bulkhead
- Replace the Bute Street bulkhead



Investments in Housing

\$7.6M in FY 2026 CIP

- Demolish existing buildings at Globe Iron site for redevelopment
- Improve infrastructure at the John T. (J.T.) West site to support future housing development in the Olde Huntersville neighborhood
- Continue the revitalization of the St. Paul's/Kindred community
- CDBG funding to support community development and housing projects
- Broaden purpose of Inclusive Development Opportunity Reserve to support housing initiatives



Maintenance and Cleanliness of Public Facilities, Public Spaces, and Thoroughfares

\$115.2M in FY 2026 CIP

Water and Wastewater

- Upgrade essential infrastructure; replace the wastewater collection system and water transmission and distribution mains
- Rehabilitate Foxhall neighborhood wastewater pump station
- Implement advanced metering infrastructure and upgrade billing system
- Replace the Lake Smith culvert

Public Facilities

- Enhance maintenance of fire stations and municipal facilities
- Improve elevators citywide and install new emergency generators
- Enhance MacArthur Memorial maintenance
- Upgrade security at city facilities
- Jail improvements and repairs funded through sale of Hampton Roads Regional Jail

Maintenance and Cleanliness of Public Facilities, Public Spaces, and Thoroughfares

\$7.8M and 13 FTE

Public Spaces and Thoroughfares

- Enhance beach collection services
- Support contractual increase for recycling
 - Recycling and enhanced beach collection costs will be supported by an increase in the daily waste management rate of 17¢ (increase of \$5 per month)
- Acquisition and demolition of blighted properties in Willoughby, Ward's Corner, and other target areas
- Façade improvements in the Sewell's Point and Church Street Commercial Corridors
- Several waterfront infrastructure repairs

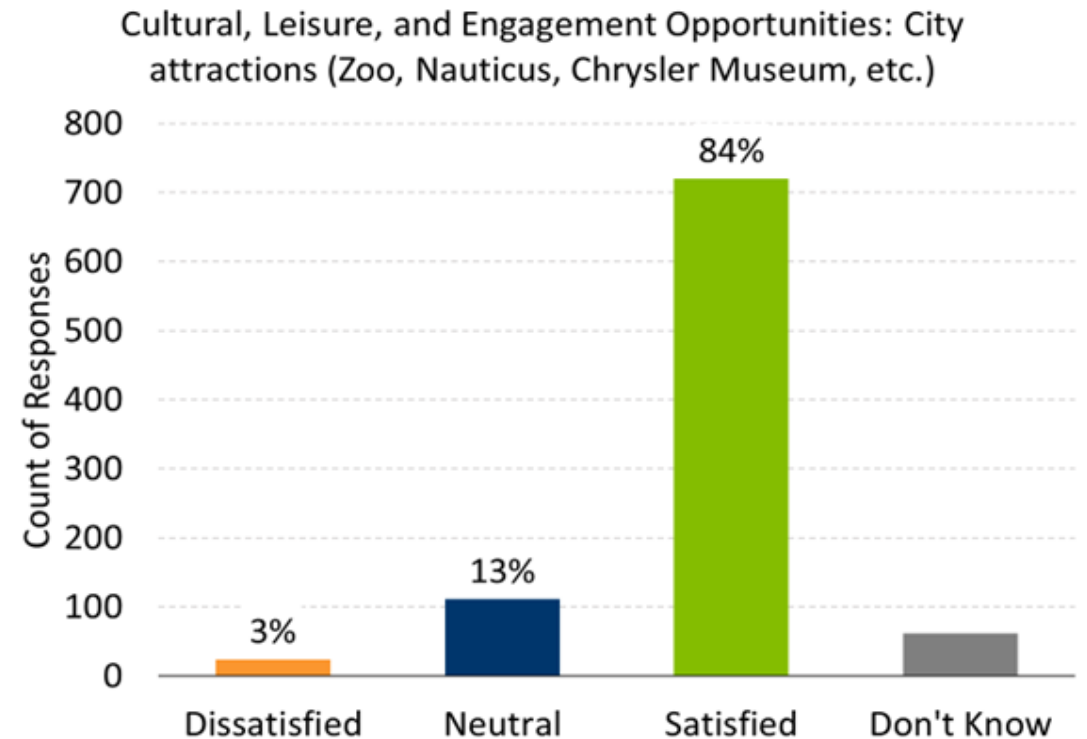


Expand Tourism and Norfolk's Visitor Economy

\$3.4M and 13 FTE

Boost Visitor Activity and Enhance Programming, Events, and the Arts

- Improve and maintain Harbor Park
- Significant investments in the renovations of Chrysler Hall and Scope Arena
- Renovate and expand the Jean MacArthur Research Center



Expand Tourism and Norfolk's Visitor Economy

\$3.4M and 13 FTE

Parking Changes

- One-hour free parking in all downtown garages
- Increase quarter-hour meter rate by \$0.30 (\$1.20 hourly increase) to offset revenue loss from free parking
- Free parking at MacArthur Center parking garage for Norfolk Tides home games
- \$30 per semester student parking rate for next two years



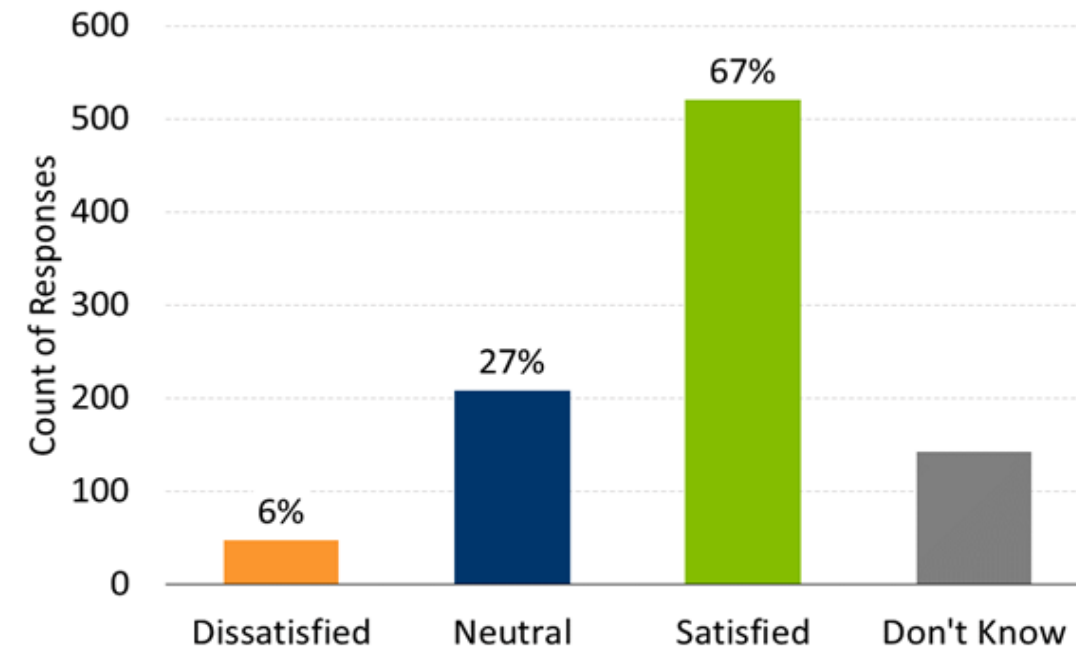
Expand Tourism and Norfolk's Visitor Economy

\$45.2M in FY 2026 CIP

Boost Visitor Activity and Enhance Programming, Events, and the Arts

- New event marketing position in SevenVenues
- Enhance event production at Ocean View Beach Park and Five Points Park
- Improve animal care, facility maintenance, and visitor experience at the Virginia Zoo
- Sand replenishment supported by enhanced billing collections for vacation rentals/homestays within the Coastal Character District in Ocean View
- Additional funding for outside agencies to support unique events and festivals

Cultural, Leisure, and Engagement Opportunities:
Outdoor city festivals



Customer Service and Responsiveness

\$609k and 5 FTE

- Increase Norfolk Cares in-person presence in City Hall to improve responsiveness to resident inquiries
- Enhance employee onboarding, staffing levels, and city position recruitment by improving advertisement strategies and outreach efforts



\$8.5M in FY 2026 CIP

- Purchase of 43 vehicles/pieces of equipment
- New technology purchases



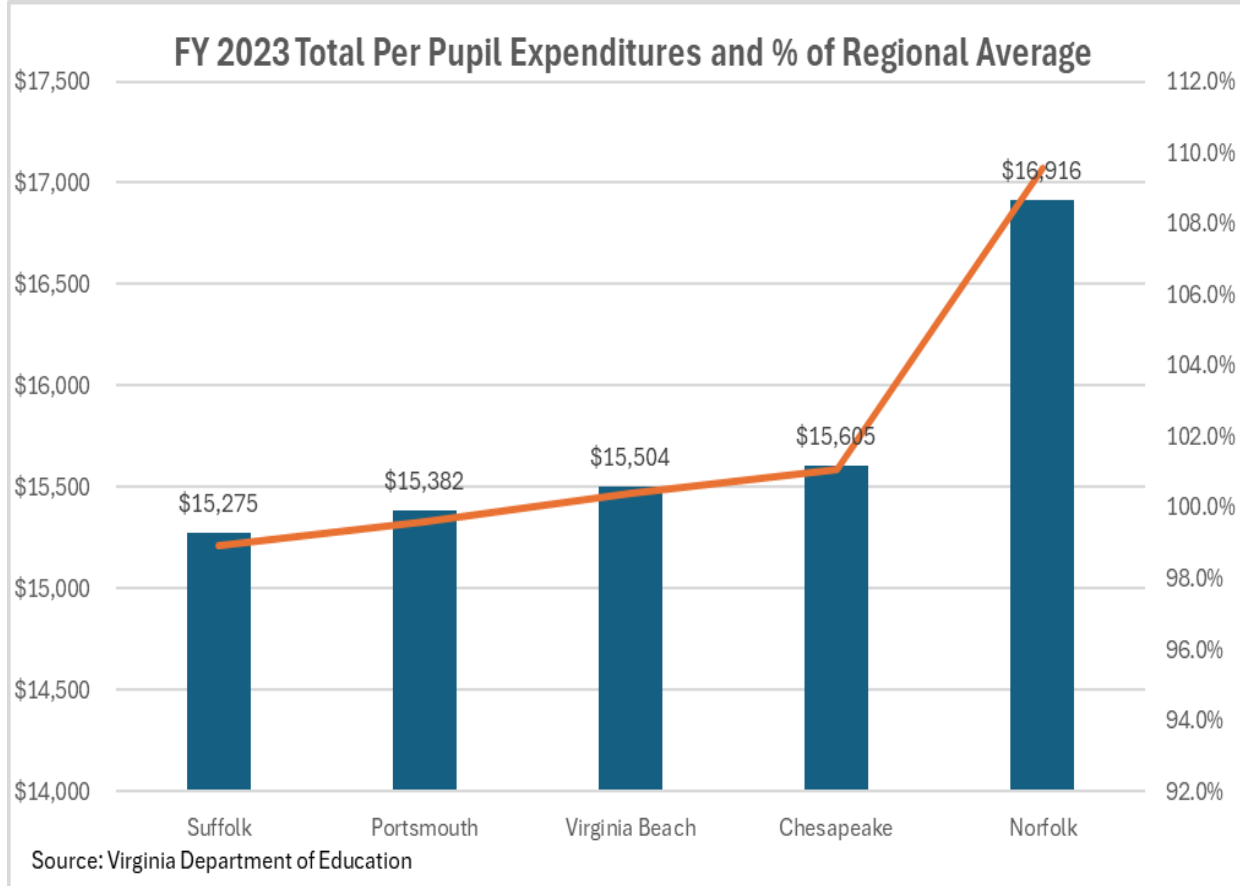
Investments in Team Norfolk

- 2.5% General Wage Increase for all general, constitutional, and nonsworn employees
- A step increase for sworn public safety employees and 911 telecommunicators
- Phased implementation of a new market-competitive step and grade compensation plan over the next 6-12 months (based on the results of the compensation study)
- No increases in employee healthcare premiums
- One-time retiree supplement of \$625



Norfolk Public Schools

Norfolk Public Schools (NPS)



**FY 2026 Proposed Budget
\$450M**

Proposed budget increases by \$9M to \$450M

City support increases by \$6.4M for a total of **\$170.6M of city support**; \$71M more than the state requires

State support is increasing by \$3.4M despite continued decline in enrollment

NPS Capital Improvement Plan

Project Title	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	Total
Major School Maintenance	\$3,951,457	\$3,000,000	\$3,000,000	\$9,000,000	\$9,000,000	\$27,951,457
Acquire School Buses	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$5,000,000
Maury High School	\$11,500,000	\$65,500,000	\$93,000,000	\$0	\$0	\$170,000,000
Total	\$16,451,457	\$69,500,000	\$97,000,000	\$10,000,000	\$10,000,000	\$202,951,457

- The Superintendent's Proposed CIP differs from the city's proposed CIP; adjustments were made due to funding constraints, particularly for Maury, based on affordability
- In addition to previously appropriated funding of \$50M, Maury is planned to receive an additional \$170M for a total of \$220M

FY 2026 Budget Calendar

FY 2026 Budget Proposed
March 25

City Council Work Session
April 8

**Public Hearing Real
Property Tax increase**
April 29

FY 2026 Budget Adopted
May 13

March

April

May

**Operating Budget, CIP
and HUD Public Hearing**
April 9

**City Council
Work Session**
April 29

Enhanced Public Engagement

Budget Attendance at Engagement Events

- **Ward 1:** Titustown Recreation Center
- **Ward 2:** Winter Farmer's Market at Afterglow Brewery
- **Ward 3:** Breakfast with Santa at Norview Community Center
- **Ward 4:** Neighbors Building Neighborhoods Academy Presentation at Glenrock Road
- **Ward 5:** Gingerbread house competition at Bayview Recreation Center
- **Presented to Norfolk Federation of Civic Leagues**
- **Presented at three Civic Leagues**



How Residents Can Get Involved

Available on Citizen Cents webpage; the online budget engagement hub:

- Information about proposed budget and budget process
- Balancing Act – interactive budget simulation
- Online public comment form available March 25 – April 18; comments to be shared with City Council
- Public Hearing – April 9, 6pm; Granby High

www.Norfolk.gov/citizencents



CITIZEN CENTS
GET INVOLVED IN NORFOLK'S
BUDGET PROCESS