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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**

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**

Page 1
Introduction & Priorities

Page 2
Accomplishments & Measures

Page 3
Norfolk's Financials

Page 4
The City's Future

A Report to Our Citizens

Fiscal Year: 2020
July 1, 2019 - June 30, 2020

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.

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
2019
245,054

2018
245,741
2017
246,256

Unemployment Rate

2019
3.5%
2018
3.9%
2017
4.9%

Civilian Labor Force Estimates
2019
112,364

2018
112,110
2017
113,166

Per Capita Personal Income

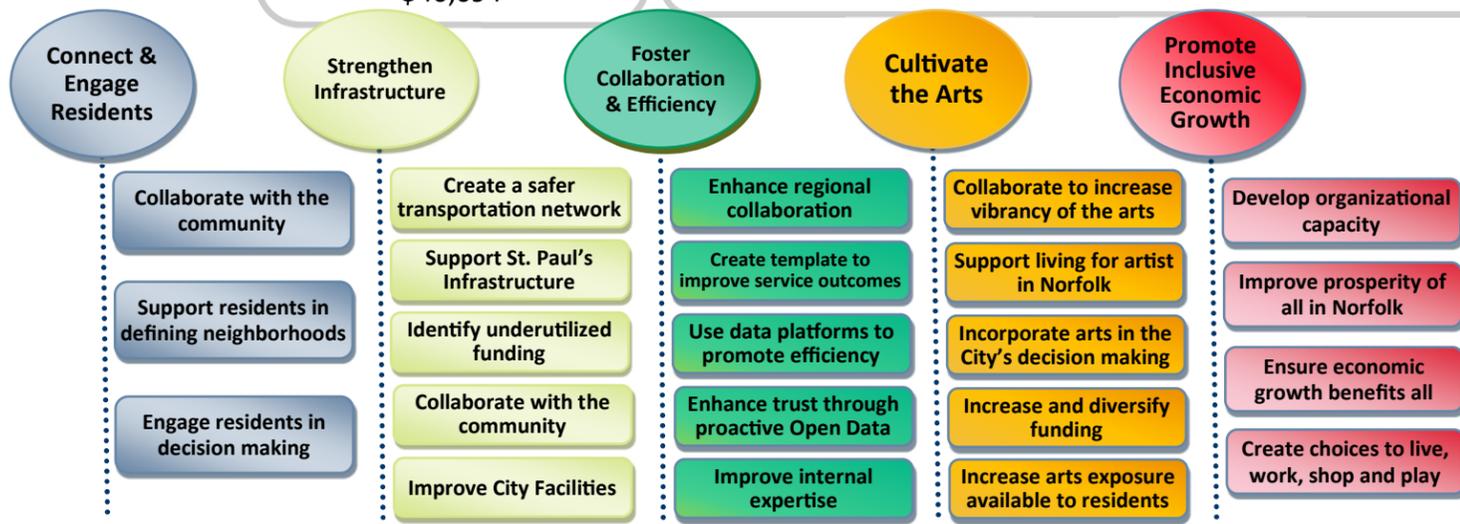
2019
\$42,875
2018
\$41,822
2017
\$40,094

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



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.



Page 1
Introduction & Priorities

Page 2
Accomplishments & Measures

Page 3
Norfolk's Financials

Page 4
The City's Future

Recent Accomplishments

Key Measures

Norfolk's Financials

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 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 resilience 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.



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

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

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

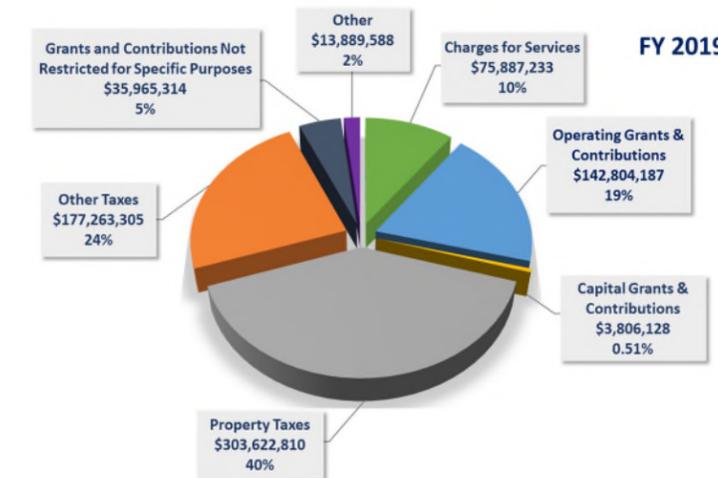
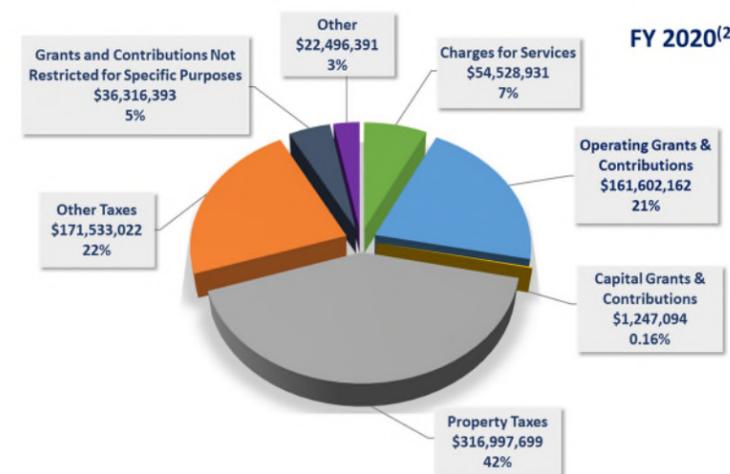


The Association of Government Accountants (AGA) developed guidance on producing Citizen Centric Reporting as a method to demonstrate accountability to residents and answer the question, "are we better off today than we were last year?" Additional details about the association can be found at the AGA Website: www.agacfm.org/citizen

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

Where the money comes from?

The General fund provides funding for the daily operations and services of the City. Revenues for governmental activities¹ for Fiscal Year 2020 totaled \$764,721,692 or approximately an \$11 million increase from Fiscal Year 2019. Property and other taxes comprise the vast majority of governmental revenues at 64 percent of the total activities.

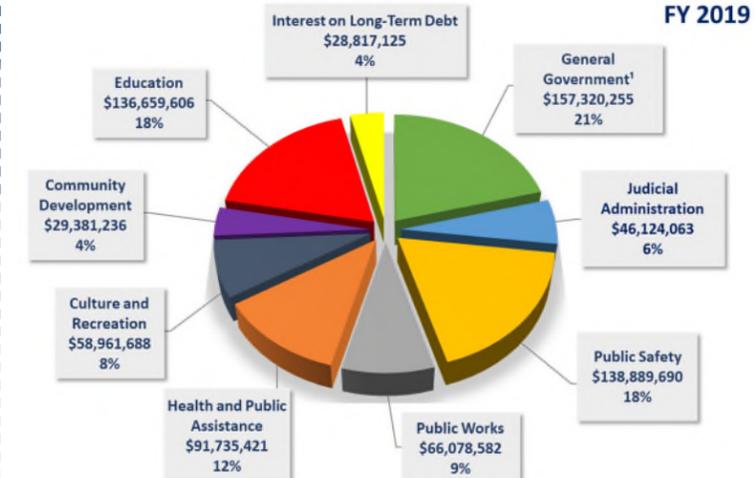
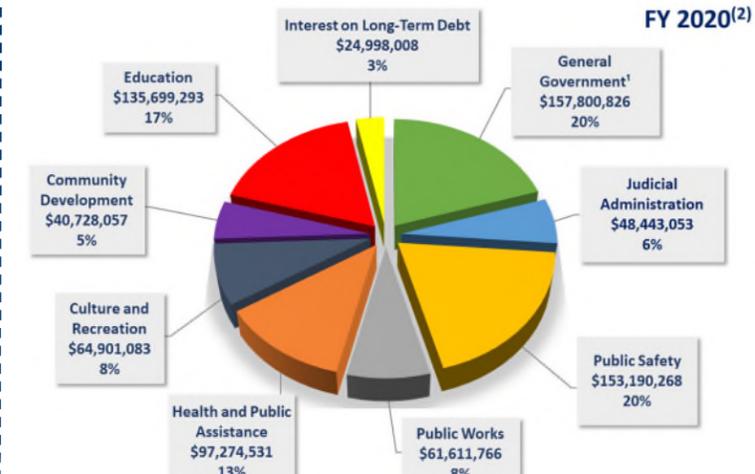


*Numbers may not add due to rounding

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 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 4 percent from Fiscal Year 2019¹. 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.



¹General Government expenditures are related to the administration of the City's affairs.

²The 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.