

A Report to Our Citizens

Fiscal Year: 2023
July 1, 2022 - June 30, 2023

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.

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:

Norfolk Demographics*

	2022	2021	2020
Population	237,770	238,102	246,063
Civilian Labor Force Estimates	109,445	107,879	111,825
Per Capita Income	\$ 47,898	\$ 46,923	\$ 42,996
Unemployment Rate	3.9%	5.7%	3.5%

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



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

Well Managed
Government

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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:

- ⇒ In July 2022, the Economic Development Authority (EDA) of the City introduced the Rosna Theatre, a \$3.2 million redevelopment project for the Park Place neighborhood. In March 2023, design-build team presented proposals community leaders, City staff, and EDA Board members. In April 2023, the sale of the property was closed. The 1940's era theater will be the state-of-the-art boxing center and will serve as home to training, competitions, and community meetings while serving local, regional, and national boxing talent.
- ⇒ In November 2022, the City made a major announcement involving cruise ships coming to the downtown waterfront. The City entered into a new, expanded partnership with Carnival Cruise Line that is expected to bring more than 200,000 passengers through Norfolk. Carnival will operate out of Norfolk six months out of the year starting in May 2023, and year-round service will begin by 2025. The goal is to have passengers come to town early or stay longer and experience the City. They come from areas such as Pennsylvania or the Washington D.C. The estimated \$17.6 million economic impact will be a large boost for downtown businesses.

NORFOLK RESILIENT CITY

- ⇒ On December 30, 2022, the Virginia Department of Conservation and Recreation (DCR) announced \$51.7 million in supplemental awards for the third round of the Community Flood Preparedness Fund (CFPF) Grant Application. The City of Norfolk will receive more than \$24.6 million to support its Coastal Storm Risk Management (CSRM) Project being completed in partnership with the United States Army Corps of Engineers (USACE) – the largest grant amount awarded in the CFPF program's history. These funds will support the nonfederal match efforts of Phase 1a of the Norfolk CSRM, which is focused on the Ghent-Downtown-Harbor Park Flood Protection Barrier System. The \$24.6 million in CFPF funding will support developments that provide protection from coastal storm surge flooding using structural and non-structural means. This phase provides the most natural and nature-based features of any coastal flood protection project within the system, and within any single project in Norfolk's history.
- ⇒ PRINCOL, LLC, is a joint venture of Premier, Inc., a leading technology-driven healthcare improvement company, Vario Labs LLC of Virginia Beach, and Caretrust LLC will establish a healthcare products manufacturing facility in the City, creating approximately 284 jobs and initially invest \$18.1 million, with a potential additional investment of \$5.7 million. The new manufacturing facility in the City will benefit from the region's outstanding logistical advantages, skilled workforce, and diverse ecosystem of suppliers, innovators, and customers.

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

Performance Measures ¹	2022 Actual	2023 Projected
Roadway lane miles resurfaced	88	55
Library active customers (card holders)	88,039	125,200
Zoo attendance	369,318	370,000
Nauticus visitors	125,000	130,000
Cultural Facilities, Arts and Entertainment attendance	768,418	600,000
Historic properties surveyed	455	455
Percent of minority artists/ organizations selected for art projects	36	38
Tons of curbside recycling collected	10,367	10,500
Percent of fire calls with total response time of 5 minutes and 20 seconds or less	90	90

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



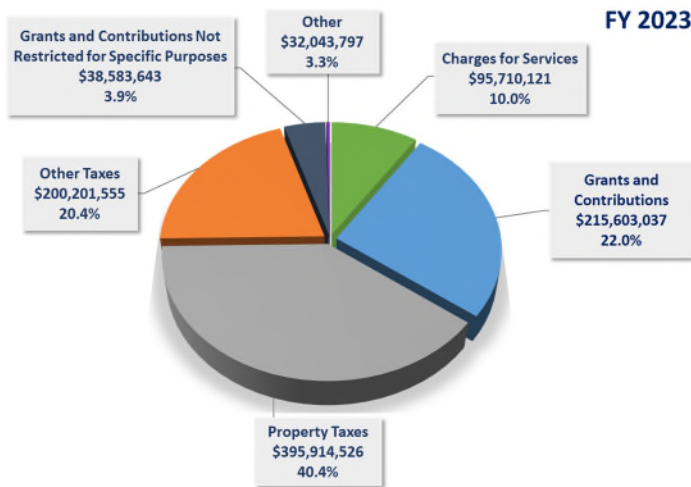
The Association of Government Accountants (AGA) developed guidance on producing Citizen Centric Reporting as a method to demonstrate accountability to residents and answer the question, "are we better off today than we were last year?" Additional details about the association can be found at the AGA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

***This report and other City financial reports can be found 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 2023 totaled \$978,056,679, approximately a \$74 million increase from fiscal year 2022. Property and other taxes comprise the vast majority of governmental revenues at 61 percent of the total activities.



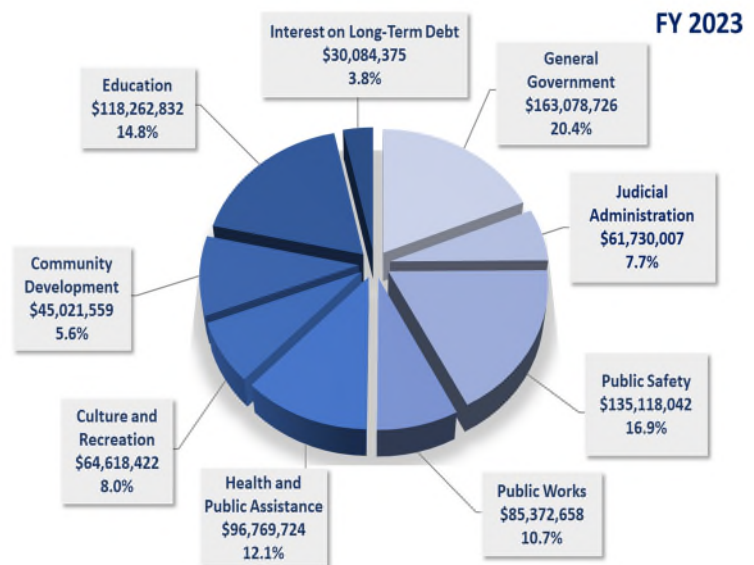
Governmental Activities Revenue	Fiscal Year	
	2023	2022
Program Revenue		
Charges for Services	\$ 95,710,121	\$ 84,204,497
Grants and Contributions	215,603,037	233,837,011
General Revenue		
Property Taxes	395,914,526	357,257,211
Other Taxes	200,201,555	185,001,440
Grants and Contributions Not Restricted for Specific Purposes	38,583,643	39,719,848
Other	32,043,797	3,611,293
Total Revenues	\$ 978,056,679	\$ 903,631,300

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 2023 were \$800,056,345, an increase of 5 percent from fiscal year 2022. General government expenditures were the largest at \$163 million.

Governmental Activities Expense	Fiscal Year	
	2023	2022
General Government ¹	\$ 163,078,726	\$ 142,588,555
Judicial Administration	61,730,007	47,384,436
Public Safety	135,118,042	135,155,626
Public Works	85,372,658	58,040,675
Health and Public Assistance	96,769,724	90,165,347
Culture and Recreation	64,618,422	54,751,290
Community Development	45,021,559	71,342,476
Education	118,262,832	138,901,682
Interest on Long-Term Debt	30,084,375	25,473,700
Total Expenses	\$ 800,056,345	\$ 763,803,787

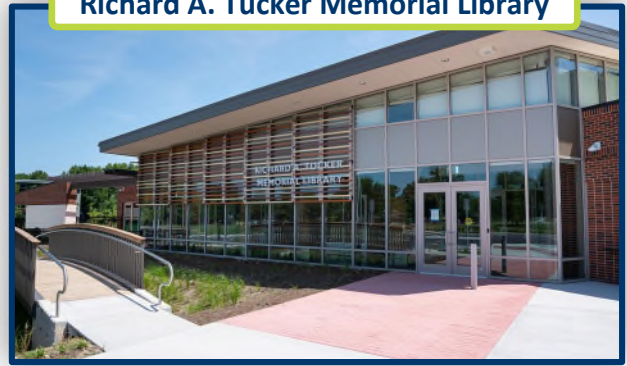


¹General Government expenses are related to the administration of the City's affairs. These expenses include the cost of all elected officials, as well as the Departments of Finance, Human Resources and Law, among many others.

City Council and City Manager



Richard A. Tucker Memorial Library



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

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.

Scope Arena



Feedback

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

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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