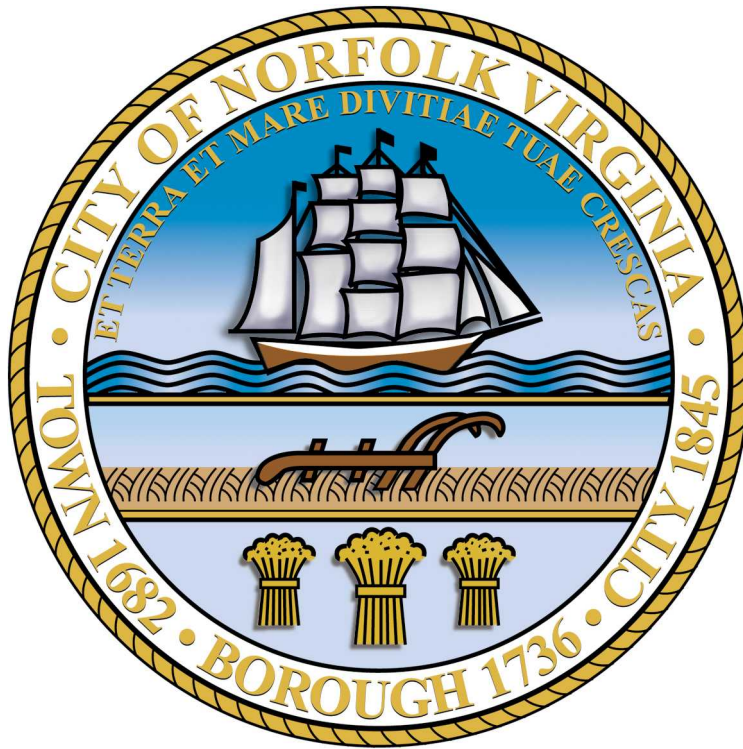

Internal Service Funds



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INTERNAL SERVICE FUND SUMMARY

	FY 2017 Actual	FY 2018 Adopted	FY 2019 Adopted
Revenues			
Use of Money and Property	2,262	5,000	3,500
Charges for Services	97,235,596	106,179,360	103,843,839
Recovered Costs	30,644	63,865	63,865
Other Sources and Transfers In	3,244	50,000	30,000
Total Revenues	97,271,746	106,298,225	103,941,204

	FY 2017 Actual	FY 2018 Adopted	FY 2019 Adopted
Expenditures			
Personnel Services	3,182,539	3,527,618	3,731,050
Materials, Supplies and Repairs	3,908,255	4,490,704	4,381,704
Contractual Services	93,796,590	98,244,525	95,793,072
Equipment	28,418	35,378	35,378
Total Expenditures	100,915,802	106,298,225	103,941,204

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HEALTHCARE FUND

MISSION STATEMENT

The Healthcare Fund provides city-administered health insurance to employees of the Norfolk Consortium, which include: City of Norfolk, Norfolk Public Schools, and Norfolk Redevelopment and Housing Authority.

DEPARTMENT OVERVIEW

The City of Norfolk, Norfolk Public Schools (NPS) and the Norfolk Redevelopment and Housing Authority (NRHA) purchase healthcare services as a consortium. The Adopted FY 2014 Budget created the Healthcare Fund to facilitate the transition from fully-insured healthcare to a self-insured model. As a result of the change, the Norfolk Consortium generated approximately \$6.0 million in cost avoidance.

The Healthcare Fund collects employer and employee premiums from the City of Norfolk, NPS, and NRHA. Medical claims, administrative costs, wellness program costs, fees related to the Affordable Care Act, and benefit consultant costs are expended from the Healthcare Fund. End of year fund balance and interest earned is used to stabilize premiums in future years. Any funds deposited into this account can only be used to pay costs associated with employee healthcare and wellness.

It is estimated that collections in the fund in FY 2019 will total \$92,346,084 from employee, employer, and retiree contributions. Deposits into the Healthcare Fund by Consortium members in FY 2019 are estimated as follows:

- City of Norfolk: \$44,942,483
- NPS: \$44,823,125
- NRHA: \$2,580,476

REVENUE SUMMARY

	FY 2016 Actual	FY 2017 Actual	FY 2018 Adopted	FY 2019 Adopted
Charges for Services	\$86,292,951	\$86,295,482	\$94,666,785	\$92,346,084
Total	\$86,292,951	\$86,295,482	\$94,666,785	\$92,346,084

EXPENDITURE SUMMARY

	FY 2016 Actual	FY 2017 Actual	FY 2018 Adopted	FY 2019 Adopted
Personnel Services	\$0	\$0	\$0	\$130,752
Contractual Services	\$86,435,121	\$90,040,714	\$94,666,785	\$92,215,332
Total	\$86,435,121	\$90,040,714	\$94,666,785	\$92,346,084

ADOPTED FY 2019 BUDGET ACTIONS

- **Adjust healthcare fund expenditures**

FY 2019 (\$2,451,453) FTE: 0

Adjust healthcare fund costs in FY 2019 based on enrollment and updated expenditure projections. Enrollment in plan year 2018 declined 4.1 percent from plan year 2017. In addition, plan year 2018 projected medical and pharmacy utilization costs declined from previous estimates, primarily due to migration that occurred as a result of plan changes implemented in 2018. Revenue collections for plan year 2018 are also expected to decrease, as a result of lower enrollment and plan migration. Plan year 2019 healthcare premiums are expected to increase by approximately 1.5 percent.

- **Develop comprehensive wellness program**

FY 2019 \$130,752 FTE: 2

Develop a comprehensive, strategic wellness program for healthcare consortium members. A coordinated wellness program aims to improve employee well-being and achieve long-term healthcare savings as a result of better health habits. Funds will be used to hire two Wellness Coordinators for the healthcare consortium.

Healthcare Fund

Total: (\$2,320,701) FTE: 2

FULL TIME EQUIVALENT (FTE) SUMMARY

	Pay Grade	Minimum	Maximum	FY 2018 Adopted	FTE Change	FY 2019 Adopted
City Wellness Coordinator	1 13	\$47,823	\$77,978	0	2	2
Total				0	2	2

FLEET MANAGEMENT

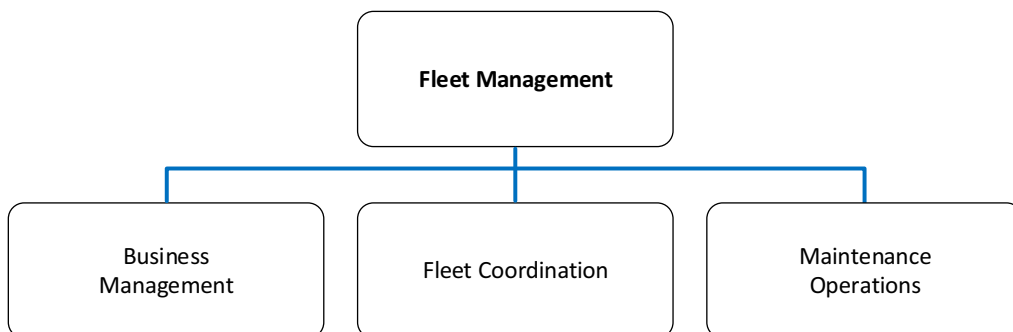
MISSION STATEMENT

The Division of Fleet Management strives to provide excellent customer service to all departments of the City of Norfolk by developing and administering a comprehensive structured preventive maintenance and repair program by:

- Being among the best and most respected fleet management operations in the country
- Exceeding customer expectations for service, quality, and value
- Providing team members a great place to work, learn, and thrive
- Serving the residents of Norfolk with pride, dedication, and efficiency

DEPARTMENT OVERVIEW

Fleet Management is managed by the Department of General Services. Key responsibilities include vehicle maintenance and repair, fueling, replacement analysis, specification review, acquisition, new vehicle preparation, and disposal.



PERFORMANCE MEASURES

Goal

Enhance the efficiency of programs and services

Objective

Improve customer service through implementing a quality preventative maintenance program

Measure	FY 2016 Actual	FY 2017 Actual	FY 2018 Adopted	FY 2019 Adopted	Change
City department preventative maintenance compliance rate for equipment and vehicles	43	21.8	80	80	0
Percent of customers who rate Fleet Services as meeting or exceeding expectations	96	98	95	95	0

Objective

Decrease the amount of time vehicles are out of service

Measure	FY 2016 Actual	FY 2017 Actual	FY 2018 Adopted	FY 2019 Adopted	Change
Percent of maintenance jobs that are unscheduled (New measure in FY 2017)	0	54	20	20	0
Fleet availability rate	91	91.7	90	90	0

Goal

Develop, recruit and retain a well qualified work force

Objective

Increase number of staff who possess industry certifications and related education

Measure	FY 2016 Actual	FY 2017 Actual	FY 2018 Adopted	FY 2019 Adopted	Change
Percent of technicians with relevant industry certifications	25	33	50	50	0

REVENUE SUMMARY

	FY 2016 Actual	FY 2017 Actual	FY 2018 Adopted	FY 2019 Adopted
Use of Money and Property	\$3,165	\$2,262	\$5,000	\$3,500
Charges for Services	\$11,357,861	\$10,940,114	\$11,512,575	\$11,497,755
Recovered Costs	\$61,315	\$30,644	\$63,865	\$63,865
Other Sources and Transfers In	\$81,524	\$3,244	\$50,000	\$30,000
Total	\$11,503,865	\$10,976,264	\$11,631,440	\$11,595,120

Actual amounts represent collections, not appropriation authority.

EXPENDITURE SUMMARY

	FY 2016 Actual	FY 2017 Actual	FY 2018 Adopted	FY 2019 Adopted
Personnel Services	\$3,009,377	\$3,182,539	\$3,527,618	\$3,600,298
Materials, Supplies and Repairs	\$4,380,050	\$3,908,255	\$4,490,704	\$4,281,504
Contractual Services	\$4,047,323	\$3,755,876	\$3,577,740	\$3,678,940
Equipment	\$73,516	\$28,418	\$35,378	\$34,378
Total	\$11,510,266	\$10,875,088	\$11,631,440	\$11,595,120

ADOPTED FY 2019 BUDGET ACTIONS

• **Provide funds for citywide compensation increase** **FY 2019 \$23,294** **FTE: 0**

Provide funds for a compensation increase for city employees. FY 2019 compensation actions include: a two percent salary increase for general and constitutional officer employees; a step increase for sworn Police and Fire-Rescue employees; an increase to the permanent employee living wage; and salary range adjustments to the city's most regionally out of market positions. All actions will be effective January 2019.

• **Adjust fuel costs** **FY 2019 (\$109,000)** **FTE: 0**

Technical adjustment to align fuel costs with anticipated utilization.

• **Annualize Phase IV of ARMD Compensation Strategy** **FY 2019 \$24,369** **FTE: 0**

Technical adjustment to annualize ARMD Phase IV compensation actions that occurred in January 2018. The Adopted FY 2018 Budget included funds for: a two percent salary increase for general and constitutional officer employees; a step increase for sworn employees, an increase to the permanent employee living wage; and salary range adjustments to the city's most regionally out of market positions.

• **Adjust required contribution to the city's retirement system** **FY 2019 \$14,263** **FTE: 0**

Adjust the annual required contribution to the Norfolk Employee's Retirement System (NERS). Retirement contributions are based on a formula that calculates the funds needed to meet present and future retirement payments. The contribution amount for the city will increase from 18.53 percent to 18.98 percent in FY 2019. Costs are distributed to departments based on each department's NERS eligible payroll.

• **Update personnel expenditures** **FY 2019 \$10,754** **FTE: -3.8**

Technical adjustment to update department costs for personnel services. Changes include updates to staffing due to administrative actions and the funds needed in FY 2019 for such actions. In addition, FTE changes may reflect adjustments for unfunded positions. In FY 2019 the city will transition to position-based budgeting. The adjustment also reflects updated healthcare costs for an overall employer premium increase of one percent based on enrollment. These are routine actions that occur at the beginning of the budget cycle.

Fleet Management

Total: (\$36,320) FTE: -3.8

FULL TIME EQUIVALENT (FTE) SUMMARY

	Pay Grade	Minimum	Maximum	FY 2018 Adopted	FTE Change	FY 2019 Adopted
Administrative Analyst	1 13	\$47,823	\$77,978	0	1	1
Administrative Assistant II	1 10	\$37,337	\$60,884	1	0	1
Administrative Technician	1 7	\$29,391	\$47,962	2	0	2
Assistant Fleet Maintenance Manager	1 15	\$56,314	\$92,075	1	0	1
Autobody Repair Mechanic, Senior	1 9	\$34,445	\$56,161	1	0	1
Automotive Operations Manager	1 12	\$44,339	\$72,308	4	0	4
Automotive Repair Technician	1 10	\$37,337	\$60,884	19	-1	18
Automotive Repair Technician, Senior	1 11	\$40,805	\$66,586	17	0	17
Automotive Service Attendant	1 8	\$31,804	\$51,864	3	0	3
Business Manager	1 13	\$47,823	\$77,978	1	0	1
Fleet Coordinator	1 11	\$40,805	\$66,586	1	0	1
Fleet Maintenance Manager	1 19	\$72,930	\$118,606	1	0	1
Messenger/Driver	1 2	\$20,099	\$32,778	0.8	-0.8	0
Software Analyst	1 13	\$47,823	\$77,978	1	0	1
Storekeeper I	1 5	\$25,179	\$41,096	1	-1	0
Support Technician	1 5	\$25,179	\$41,096	2	-1	1
Welder	1 10	\$37,337	\$60,884	1	-1	0
Total				56.8	-3.8	53