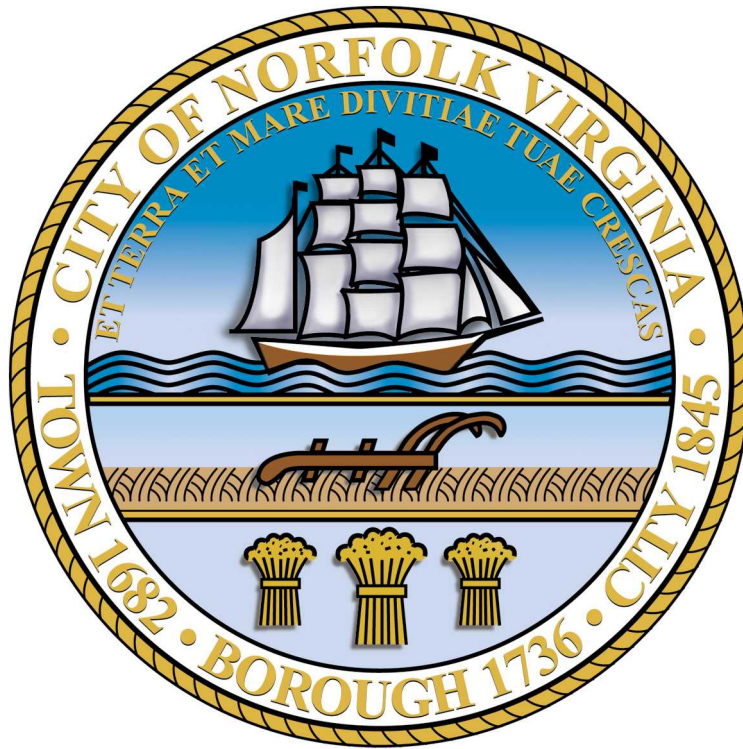

Internal Service Funds



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INTERNAL SERVICE FUND SUMMARY

	FY 2018 Actual	FY 2019 Adopted	FY 2020 Adopted
Revenues			
Use of Money and Property	2,688	3,500	3,500
Charges for Services	100,042,670	103,843,839	103,495,753
Recovered Costs	14,438	63,865	63,865
Other Sources and Transfers In	1,035	30,000	30,000
Total Revenues	100,060,831	103,941,204	103,593,118

	FY 2018 Actual	FY 2019 Adopted	FY 2020 Adopted
Expenditures			
Personnel Services	3,304,535	3,731,050	3,780,854
Materials, Supplies and Repairs	4,228,437	4,281,504	4,072,004
Contractual Services	86,264,169	95,894,272	95,701,382
Equipment	34,313	34,378	38,878
Total Expenditures	93,831,454	103,941,204	103,593,118

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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 2020 will total \$92,248,194 from employee, employer, and retiree contributions. Deposits into the Healthcare Fund by Consortium members in FY 2020 are estimated as follows:

- City of Norfolk: \$44,552,674
- NPS: \$46,007,715
- NRHA: \$1,687,805

REVENUE SUMMARY

	FY 2017 Actual	FY 2018 Actual	FY 2019 Adopted	FY 2020 Adopted
Charges for Services	\$86,295,482	\$88,786,375	\$92,346,084	\$92,248,194
Total	\$83,295,482	\$88,786,375	\$92,346,084	\$92,248,194

EXPENDITURE SUMMARY

	FY 2017 Actual	FY 2018 Actual	FY 2019 Adopted	FY 2020 Adopted
Personnel Services	\$0	\$0	\$130,752	\$130,752
Contractual Services	\$90,040,714	\$82,855,005	\$92,215,332	\$92,117,442
Total	\$90,040,714	\$82,855,005	\$92,346,084	\$92,248,194

ADOPTED FY 2020 BUDGET ACTIONS

- **Adjust healthcare fund expenditures**

FY 2020 (\$97,890) FTE: 0

Technical adjustment for healthcare costs in FY 2020 based on enrollment and updated expenditure projections. Enrollment in plan year 2019 declined 2.3 percent from plan year 2018. In addition, plan year 2019 projected medical and pharmacy utilization costs declined from previous estimates, primarily due to migration that occurred as a result of actuarially adjusting premium rates in 2019 to align with cost. Revenue collections for plan year 2019 are also expected to decrease as a result of lower enrollment and plan migration. Plan year 2020 healthcare premiums are expected to increase by four percent.

Healthcare Fund

Total: (\$97,890) FTE: 0

FULL TIME EQUIVALENT (FTE) SUMMARY

	Pay Grade	Minimum	Maximum	FY 2019 Adopted	FTE Change	FY 2020 Adopted
City Wellness Coordinator	1 13	\$47,823	\$77,978	2	0	2
Total				2	0	2

FLEET MANAGEMENT

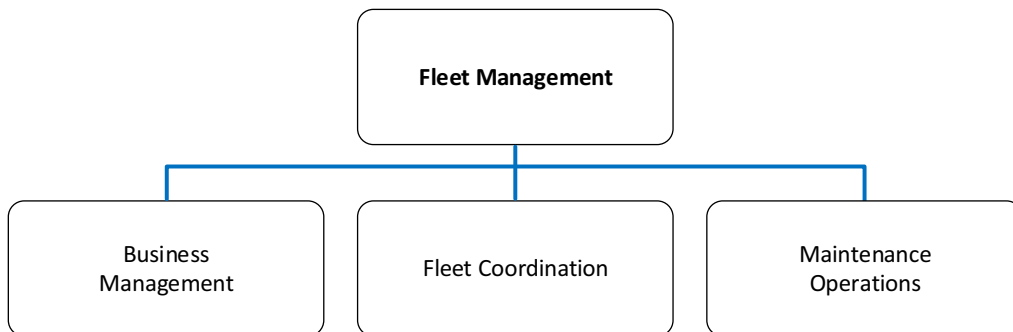
MISSION STATEMENT

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 2017 Actual	FY 2018 Actual	FY 2019 Adopted	FY 2020 Adopted	Change
Percentage of maintenance performed that was scheduled (New measure for FY 2020)	0	0	0	60	60
City department preventative maintenance compliance rate for equipment and vehicles	21.8	37.8	80	80	0

Objective

Decrease the amount of time vehicles are out of service

Measure	FY 2017 Actual	FY 2018 Actual	FY 2019 Adopted	FY 2020 Adopted	Change
Percent of time in which the fleet is operational (New measure for FY 2020)	0	0	0	90	90
Fleet availability rate	91.7	93.5	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 2017 Actual	FY 2018 Actual	FY 2019 Adopted	FY 2020 Adopted	Change
Percent of direct Auto Repair Technician labor hours (New measure for FY 2020)	0	0	0	75	75

REVENUE SUMMARY

	FY 2017 Actual	FY 2018 Actual	FY 2019 Adopted	FY 2020 Adopted
Use of Money and Property	\$2,262	\$2,688	\$3,500	\$3,500
Charges for Services	\$10,940,114	\$11,256,295	\$11,497,755	\$11,247,559
Recovered Costs	\$30,644	\$14,438	\$63,865	\$63,865
Other Sources and Transfers In	\$3,244	\$1,035	\$30,000	\$30,000
Total	\$10,976,264	\$11,274,456	\$11,595,120	\$11,344,924

Actual amounts represent collections, not appropriation authority.

EXPENDITURE SUMMARY

	FY 2017 Actual	FY 2018 Actual	FY 2019 Adopted	FY 2020 Adopted
Personnel Services	\$3,182,539	\$3,304,535	\$3,600,298	\$3,650,102
Materials, Supplies and Repairs	\$3,908,255	\$4,228,437	\$4,281,504	\$4,072,004
Contractual Services	\$3,755,876	\$3,409,164	\$3,678,940	\$3,583,940
Equipment	\$28,418	\$34,313	\$34,378	\$38,878
Total	\$10,875,088	\$10,976,449	\$11,595,120	\$11,344,924

ADOPTED FY 2020 BUDGET ACTIONS

- **Provide funds for a citywide compensation increase** **FY 2020 \$24,893** **FTE: 0**

Provide funds for a compensation increase for city employees. FY 2020 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 adjustments, and salary range adjustments to the city's most regionally out of market positions. All actions will be effective January 2020.

- **Align contractual services with utilization** **FY 2020 (\$100,000)** **FTE: 0**

Adjust contractual services budget to align operational expenditures with projected utilization. No impact to service is anticipated.

- **Align citywide funding for fuel with utilization** **FY 2020 (\$200,000)** **FTE: 0**

Adjust citywide fuel budget to align operational expenditures with projected utilization. Citywide fuel costs are expected to decrease due to lower fuel prices and more fuel efficient vehicles. No impact to service is anticipated.

- **Remove funding for long-term vacant positions** **FY 2020 (\$16,424)** **FTE: -0.8**

Remove funding for permanent positions that have been vacant for more than a year. This strategy included the elimination of a vacant Messenger/Driver. No impact to service is anticipated.

- **Adjust required contribution to the city retirement system** **FY 2020 \$26,317** **FTE: 0**

Adjust the annual required contribution to the Norfolk Employees' Retirement System (NERS). Retirement contributions are based on a formula that calculates funds needed to meet present and future retirement payments. The contribution rate for the city will increase from 18.98 percent to 19.50 percent of eligible payroll in FY 2020. Costs are distributed to departments based on each department's NERS eligible payroll.

- **Annualize FY 2019 compensation increase** **FY 2020 \$25,158** **FTE: 0**

Technical adjustment to annualize FY 2019 compensation actions that occurred in January 2019. The Adopted FY 2019 Budget included funds for: 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.

• **Update personnel expenditures**

FY 2020 (\$10,140) FTE: -1.1

Technical adjustment to update department costs for personnel services, including changes in scheduled hours for permanent, part-time positions and the elimination of a Support Technician position, and the funds needed in FY 2020 for such actions. In addition, the city transitioned to position based budgeting in FY 2019.

Adjustments to personnel expenditures reflect an update to the department's budget for positions, based on actual salaries for filled positions and minimum salaries for vacant positions, as of January 2019. The adjustment also reflects updated healthcare costs for an overall employer contribution increase of five percent based on enrollment. These are routine actions that occur at the beginning of the budget cycle.

Fleet Management

Total: (\$250,196) FTE: -1.8

FULL TIME EQUIVALENT (FTE) SUMMARY

	Pay Grade	Minimum	Maximum	FY 2019 Adopted	FTE Change	FY 2020 Adopted
Administrative Analyst	1 13	\$47,823	\$77,978	1	0	1
Administrative Assistant II	1 10	\$37,337	\$60,884	1	0	1
Administrative Technician	1 07	\$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 09	\$34,445	\$56,161	1	0	1
Automotive Operations Manager	1 13	\$47,823	\$77,978	4	0	4
Automotive Repair Technician	1 10	\$37,337	\$60,884	18	-1	17
Automotive Repair Technician, Senior	1 11	\$40,805	\$66,586	17	0	17
Automotive Service Attendant	1 08	\$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 02	\$20,099	\$32,778	0.8	-0.8	0
Operations Manager	1 14	\$52,020	\$86,041	0	1	1
Software Analyst	1 13	\$47,823	\$77,978	1	0	1
Support Technician	1 05	\$25,179	\$41,096	1	-1	0
Total				53.8	-1.8	52