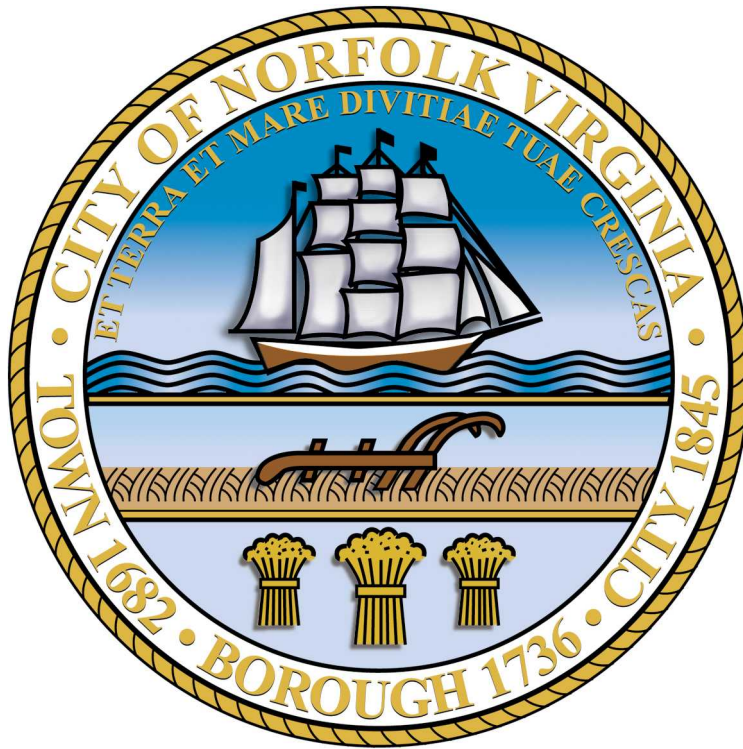

Internal Service Funds



This page intentionally left blank

INTERNAL SERVICE FUND SUMMARY

	FY 2019 Actual	FY 2020 Adopted	FY 2021 Adopted
Revenues			
Use of Money and Property	788	3,500	3,500
Charges for Services	101,208,750	103,495,753	115,368,867
Recovered Costs	47,467	63,865	63,865
Other Sources and Transfers In	4,386	30,000	303,000
Total Revenues	101,261,391	103,593,118	115,739,232

	FY 2019 Actual	FY 2020 Adopted	FY 2021 Adopted
Expenditures			
Personnel Services	3,548,934	3,780,854	4,207,811
Materials, Supplies and Repairs	4,401,686	4,072,004	4,206,409
Contractual Services	98,107,903	95,701,382	107,284,897
Equipment	20,771	38,878	40,115
Total Expenditures	106,079,294	103,593,118	115,739,232

This page intentionally left blank

NORFOLK HEALTHCARE CONSORTIUM

MISSION STATEMENT

The Norfolk Healthcare Consortium 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 Norfolk Healthcare Consortium (NHC) 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.

NHC is governed by an Executive Committee comprised of leadership representation from each of the consortium members. In addition, as part of the FY 2021 Budget, NHC established a dedicated team of healthcare professionals. The eight member team will be responsible for benefits administration and oversight.

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 2021 will total \$104,199,343 from employee, employer, and retiree contributions. Deposits into the Healthcare Fund by Consortium members in FY 2021 are estimated as follows:

- City of Norfolk: \$47,483,404
- NPS: \$53,646,813
- NRHA: \$3,069,126

REVENUE SUMMARY

	FY 2018 Actual	FY 2019 Actual	FY 2020 Adopted	FY 2021 Adopted
Charges for Services	\$88,786,375	\$89,967,158	\$92,248,194	\$104,199,343
Total	\$88,786,375	\$89,967,158	\$92,248,194	\$104,199,343

EXPENDITURE SUMMARY

	FY 2018 Actual	FY 2019 Actual	FY 2020 Adopted	FY 2021 Adopted
Personnel Services	\$0	\$35,162	\$130,752	\$550,802
Materials, Supplies and Repairs	\$0	\$0	\$0	\$7,000
Contractual Services	\$82,855,005	\$94,093,830	\$92,117,442	\$103,641,541
Total	\$82,855,005	\$94,128,992	\$92,248,194	\$104,199,343

ADOPTED FY 2021 BUDGET ACTIONS

- **Adjust expenditures for Norfolk Healthcare Consortium**

FY 2021 \$11,531,099 FTE: 0

Technical adjustment for healthcare costs in FY 2021 based on enrollment and updated expenditure projections. Benefit plans are offered on a calendar year basis, referred to as "plan year," with revenue and expenditure estimates converted to the fiscal year equivalent. Plan year 2020 projected medical and pharmacy utilization costs increased from previous estimates, primarily due to an increase in high cost claimants and overall medical utilization of 14.8 percent in 2019. Enrollment declined less than two percent from plan year 2019 to plan year 2020. Plan year 2021 healthcare premiums are expected to increase by 12 percent.

- **Transfer benefits administration**

FY 2021 \$280,592 FTE: 5

Technical adjustment to transfer the healthcare benefits administration program from the Department of Human Resources to the Norfolk Healthcare Consortium. The healthcare benefits administration program develops, implements and administers affordable self-funded healthcare, disability, and other benefits for active and participating retired employees of the City of Norfolk, Norfolk Public Schools (NPS), and the Norfolk Redevelopment and Housing Authority (NRHA) and their covered dependents, in a fiscally sound and sustainable manner. The program facilitates well-being activities promoting a healthy and safe work environment. A corresponding adjustment can be found in the Department of Human Resources.

- **Create Executive Director for Norfolk Healthcare Consortium**

FY 2021 \$138,379 FTE: 1

Provide funds to establish a Executive Director for the Norfolk Healthcare Consortium. The position will report to the Consortium's Executive Committee comprised of Norfolk Public Schools, City of Norfolk, and Norfolk Redevelopment and Housing Authority (NRHA). The position will provide daily oversight of benefits administration as well as expertise in developing a long-term strategic plan that drives value for employee benefits while managing costs.

- **Adjust required contribution to the city retirement system**

FY 2021 \$10,962 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 19.5 percent to 20.3 percent of eligible payroll in FY 2021. Costs are distributed to departments based on each department's NERS eligible payroll.

• **Adjust employer healthcare contribution**

FY 2021 \$9,893 FTE: 0

Technical adjustment to update employer contribution amounts for healthcare premiums. This adjustment includes changes to employer contribution rates for each medical plan based on January enrollment data. The Norfolk Healthcare Consortium agreed to increase plan year 2021 rates by 12 percent. The city has elected to split the rate increase with employees, resulting in both employee and employer contribution rates increasing 12 percent from plan year 2020. The new rates will be effective December 2020.

• **Update personnel expenditures**

FY 2021 (\$19,776) FTE: 0

Technical adjustment to update department costs for personnel services. Changes include updates to staffing due to administrative actions and the funds needed in FY 2021 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. These are routine actions that occur at the beginning of the budget cycle.

Norfolk Healthcare Consortium

Total: \$11,951,149 FTE: 6

FULL TIME EQUIVALENT (FTE) SUMMARY

	Pay Grade	Minimum	Maximum	FY 2020 Adopted	FTE Change	FY 2021 Adopted
Accountant III	1 13	\$47,823	\$77,978	0	1	1
City Wellness Coordinator	1 13	\$47,823	\$77,978	2	-1	1
Executive Director of Norfolk Healthcare Consortium	1 24	\$94,656	\$162,302	0	1	1
Human Resources Manager	1 17	\$64,260	\$104,872	0	1	1
Human Resources Technician	1 10	\$37,337	\$60,884	0	4	4
Total				2	6	8

FLEET MANAGEMENT

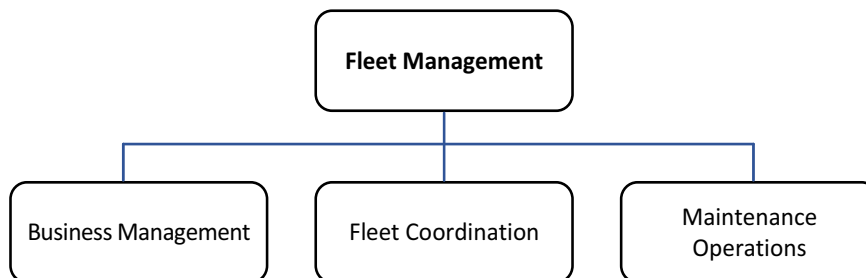
MISSION STATEMENT

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

DIVISION 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 2018 Actual	FY 2019 Actual	FY 2020 Adopted	FY 2021 Adopted	Change
Percentage of maintenance performed that was scheduled (New measure for FY 2020)	0	0	60	60	0
City department preventative maintenance compliance rate for equipment and vehicles	37.8	36.3	80	80	0

Objective

Decrease the amount of time vehicles are out of service

Measure	FY 2018 Actual	FY 2019 Actual	FY 2020 Adopted	FY 2021 Adopted	Change
Percent of time in which the fleet is operational (New measure for FY 2020)	0	0	90	90	0
Fleet availability rate	93.5	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 2018 Actual	FY 2019 Actual	FY 2020 Adopted	FY 2021 Adopted	Change
Percent of direct Auto Repair Technician labor hours (New measure for FY 2020)	0	0	75	75	0

REVENUE SUMMARY

	FY 2018 Actual	FY 2019 Actual	FY 2020 Adopted	FY 2021 Adopted
Use of Money and Property	\$2,688	\$788	\$3,500	\$3,500
Charges for Services	\$11,256,295	\$11,241,592	\$11,247,559	\$11,169,524
Recovered Costs	\$14,438	\$47,467	\$63,865	\$63,865
Other Sources and Transfers In	\$1,035	\$4,386	\$30,000	\$303,000
Total	\$11,274,456	\$11,294,233	\$11,344,924	\$11,539,889

Actual amounts represent collections, not appropriation authority.

EXPENDITURE SUMMARY

	FY 2018 Actual	FY 2019 Actual	FY 2020 Adopted	FY 2021 Adopted
Personnel Services	\$3,304,535	\$3,513,772	\$3,650,102	\$3,656,471
Materials, Supplies and Repairs	\$4,228,437	\$4,401,686	\$4,072,004	\$4,199,409
Contractual Services	\$3,409,164	\$4,014,073	\$3,583,940	\$3,643,894
Equipment	\$34,313	\$20,771	\$38,878	\$40,115
Total	\$10,976,449	\$11,950,302	\$11,344,924	\$11,539,889

ADOPTED FY 2021 BUDGET ACTIONS

- **Align support for vehicle fuel with utilization** **FY 2021 \$127,405** **FTE: 0**

Technical adjustment to align the funds for vehicle fuel with anticipated utilization.

- **Align support for vehicle part expenses with utilization** **FY 2021 \$59,954** **FTE: 0**

Technical adjustment to align the funds for vehicle parts to reflect an increase in utilization. Vehicle parts are purchased throughout the year as needed.

- **Support increase in fleet management software agreement** **FY 2021 \$1,237** **FTE: 0**

Technical adjustment to support inflationary increase in fleet management software support. Each year the support agreement increases by five percent. Total costs will increase by \$1,237 from \$24,759 in FY 2020 to \$25,966 in FY 2021.

- **Adjust required contribution to the city retirement system** **FY 2021 (\$15,289)** **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 19.5 percent to 20.3 percent of eligible payroll in FY 2021. Costs are distributed to departments based on each department's NERS eligible payroll.

- **Adjust employer healthcare contribution** **FY 2021 \$24,960** **FTE: 0**

Technical adjustment to update employer contribution amounts for healthcare premiums. This adjustment includes changes to employer contribution rates for each medical plan based on January enrollment data. The Norfolk Healthcare Consortium agreed to increase plan year 2021 rates by 12 percent. The city has elected to split the rate increase with employees, resulting in both employee and employer contribution rates increasing 12 percent from plan year 2020. The new rates will be effective December 2020.

• **Annualize FY 2020 compensation increase**

FY 2021 \$26,393 FTE: 0

Technical adjustment to annualize FY 2020 citywide compensation actions that occurred in January 2020. The Adopted FY 2020 Budget included funds for: a two percent 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 2021 (\$29,695) FTE: 0

Technical adjustment to update department costs for personnel services. Changes include updates to staffing due to administrative actions and the funds needed in FY 2021 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. These are routine actions that occur at the beginning of the budget cycle.

Fleet Management

Total: \$194,965 FTE: 0

FULL TIME EQUIVALENT (FTE) SUMMARY

	Pay Grade	Minimum	Maximum	FY 2020 Adopted	FTE Change	FY 2021 Adopted
Administrative Analyst	1 13	\$47,823	\$77,978	1	1	2
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	17	0	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
Operations Manager	1 14	\$52,020	\$86,041	1	0	1
Software Analyst	1 13	\$47,823	\$77,978	1	-1	0
Total				52	0	52

This page intentionally left blank