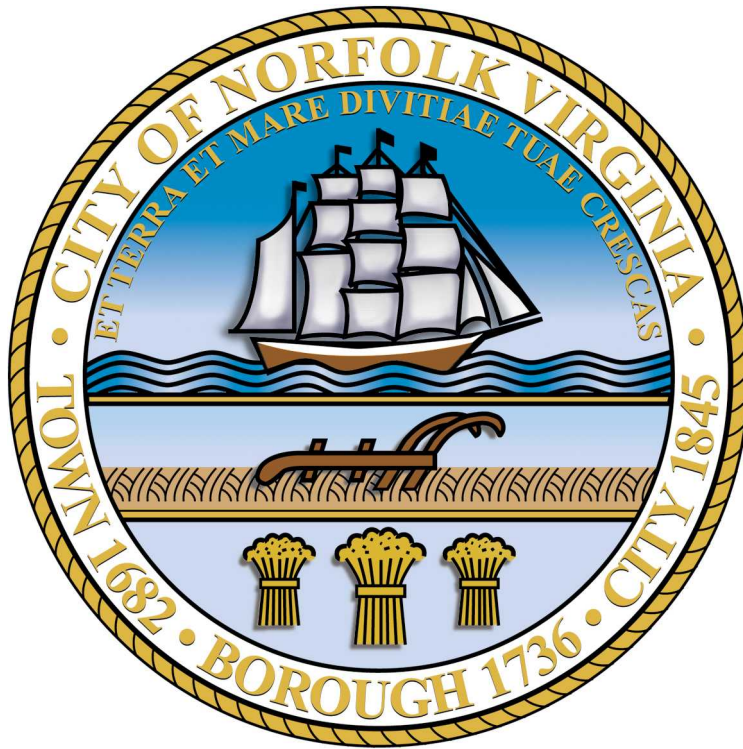

Enterprise Funds



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ENTERPRISE FUND SUMMARY

| | FY 2015 Actual | FY 2016 Adopted | FY 2017 Adopted |
|--------------------------------|--------------------|--------------------|--------------------|
| Revenues | | | |
| Permits and Fees | 1,454,614 | 666,100 | 673,845 |
| Fines and Forfeitures | 2,531,254 | 2,000,000 | 2,507,343 |
| Use of Money and Property | 1,939,506 | 340,000 | 304,639 |
| Charges for Services | 128,377,828 | 126,504,351 | 132,240,707 |
| Miscellaneous Revenue | 2,955,156 | 135,000 | 188,381 |
| Recovered Costs | 1,348,039 | 1,341,600 | 1,341,600 |
| Other Sources and Transfers In | (10,541) | 2,709,656 | 779,883 |
| Totals | 138,595,856 | 133,696,707 | 138,036,398 |

| | FY 2015 Actual | FY 2016 Adopted | FY 2017 Adopted |
|-----------------------------------|-------------------|--------------------|--------------------|
| Expenditures | | | |
| Personnel Services | 25,786,273 | 27,114,222 | 28,004,556 |
| Materials, Supplies and Repairs | 15,484,641 | 15,569,037 | 15,652,503 |
| Contractual Services | 14,333,478 | 15,176,658 | 15,917,954 |
| Equipment | 769,962 | 869,947 | 762,671 |
| Department Specific Appropriation | 9,224,888 | 17,443,481 | 19,989,413 |
| Debt Service/Transfers to CIP | 24,787,382 | 57,523,362 | 57,709,301 |
| Total | 90,386,624 | 133,696,707 | 138,036,398 |

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UTILITIES

MISSION STATEMENT

The mission of the Department of Utilities is to enhance quality of life by providing excellent and sustainable water and wastewater services at the best possible value to residents and customers.

DEPARTMENT OVERVIEW

The Department of Utilities is responsible for the operation of two enterprise funds, the Water Fund and the Wastewater Fund. The department, which is comprised of seven divisions in addition to the Director's Office, is organized as follows:

Water Production: Responsible for the operation and maintenance of the water treatment plants and finished water storage facilities; maintains raw and finished water pump stations and raw water transmission mains; and manages city owned reservoirs and adjacent watershed properties.

Water Quality: Ensures the provision of high quality, safe, clean drinking water through compliance monitoring, testing, analysis, and backflow prevention.

Wastewater: Maintains and operates the sanitary sewer system that takes wastewater away from Norfolk homes, businesses, and facilities, and conveys it to treatment plants that are operated by the Hampton Roads Sanitation District (HRSD).

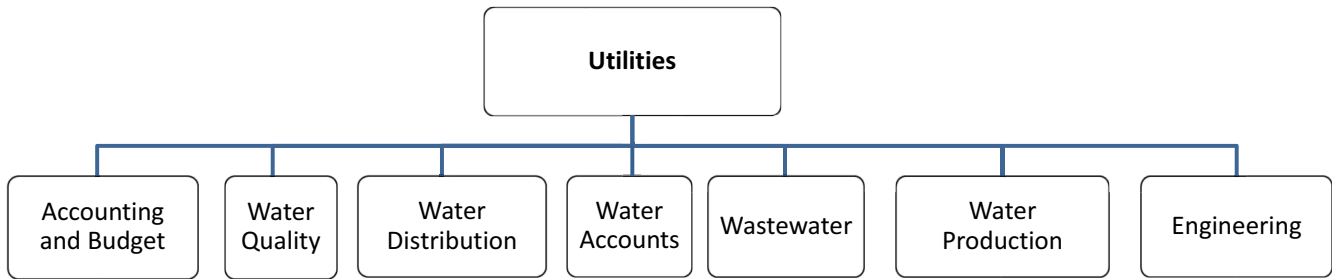
Water Distribution: Responsible for the maintenance and operation of over 800 miles of water mains. Repairs, replaces and installs fire hydrants, meters and valves and detects and repairs leaks in the distribution system. Provides routine flushing of water mains and the installation of service main extensions.

Water Accounts: Provides billing, collections, and response to users of Norfolk's utility system.

Engineering: Plans, designs, and manages water and sewer system improvements and expansions. Responsible for overall construction oversight and project management. Prevents damage to water and sewer infrastructure by marking underground utilities. Manages the department's Capital Improvement Program and documentation for the maintenance and construction of the city's water and wastewater infrastructure.

Accounting and Budget: Responsible for the administration of the department's finance and accounting operations including the budget, accounts payable, payroll, financial reporting, contract compliance, bond issuance, capital project financing and rate setting.

Director's Office: Provides administrative, leadership and management services to the department. Provides support services such as: human resources; public relations; communications; performance tracking; grants administration; and legislative review.



ACTIONS TO ACHIEVE LONG-TERM GOALS AND SHORT-TERM OBJECTIVES

The City of Norfolk Department of Utilities is a premier service provider that meets customer needs for affordable, dependable, and high quality drinking water and wastewater services. The department primarily supports the Priority Areas of Safe, Healthy and Inclusive Communities; Economic Vitality and Workforce Development; Environmental Sustainability; and Well-Managed Government. Actions in place to achieve these long-term goals include:

| Ongoing Actions | Status |
|--|---------|
| Track current and future water demand projections at the water treatment plants and monitor per-capita water consumption region-wide | Ongoing |
| Survey the water distribution system for leaks and replace problematic and aging water mains to maintain and improve the water distribution system and, ultimately, provide safe healthy drinking water to customers | Ongoing |
| Clean ten percent of the wastewater collection system piping per year to provide environmentally friendly and dependable services to residents and businesses | Ongoing |
| Produce high quality drinking water by maintaining 100% compliance with the Safe Drinking Water Act and by inspecting water resources properties and facilities | Ongoing |

PERFORMANCE MEASURES

Priority: Economic Vitality and Workforce Development

| Goal | | | | | |
|---|----------------|----------------|-----------------|-----------------|--------|
| Diversify and strengthen Norfolk's economic base | | | | | |
| Objective | | | | | |
| Expand, attract, and retain businesses within Norfolk | | | | | |
| Measure | FY 2014 Actual | FY 2015 Actual | FY 2016 Adopted | FY 2017 Adopted | Change |
| Linear feet of wastewater system cleaned per year | 1,368,566 | 1,171,115 | 1,200,000 | 1,200,000 | 0 |

Priority: Safe, Healthy, and Inclusive Communities

Goal

Create a culture that promotes health, engages in prevention, and supports the economic and social well being of individuals and families through the provision of an array of programs and services

Objective

Ensure a sufficient supply of safe drinking water that meets customer's needs, provides fire protection, and promotes economic growth

| Measure | FY 2014 Actual | FY 2015 Actual | FY 2016 Adopted | FY 2017 Adopted | Change |
|---|-------------------|-------------------|--------------------|--------------------|--------|
| Average daily drinking water for all retail and wholesale customer needs-in millions of gallons per day/MGD | 58 | 59 | 62 | 62 | 0 |

Priority: Safe, Healthy, and Inclusive Communities

Goal

Enhance the vitality of Norfolk's neighborhoods

Objective

Maintain the integrity of the water distribution system by staying under the national median rate of 37.8 water main breaks per 100 miles of water distribution system piping

| Measure | FY 2014 Actual | FY 2015 Actual | FY 2016 Adopted | FY 2017 Adopted | Change |
|---|-------------------|-------------------|--------------------|--------------------|--------|
| Number of water main breaks per 100 miles of water distribution system piping | 28 | 22 | 29 | 29 | 0 |

REVENUE SUMMARY

| | FY 2014 Actual | FY 2015 Actual | FY 2016 Adopted | FY 2017 Adopted |
|--------------------------------|---------------------|---------------------|---------------------|---------------------|
| Permits and Fees | \$1,404,372 | \$1,361,614 | \$583,100 | \$583,100 |
| Use of Money and Property | \$235,675 | \$193,926 | \$260,000 | \$232,000 |
| Charges for Services | \$79,223,455 | \$83,147,731 | \$80,559,069 | \$81,997,036 |
| Miscellaneous Revenue | \$107,787 | \$2,954,389 | \$135,000 | \$186,900 |
| Recovered Costs | \$4,040,869 | \$1,183,635 | \$1,338,000 | \$1,338,000 |
| Other Sources and Transfers In | (\$59,209) | (\$10,541) | \$5,400 | \$17,995 |
| Federal Aid | (\$72,036) | \$0 | \$0 | \$0 |
| Total | \$84,880,913 | \$88,830,753 | \$82,880,569 | \$84,355,031 |

Actual amounts represent collections, not appropriation authority.

EXPENDITURE SUMMARY

| | FY 2014 Actual | FY 2015 Actual | FY 2016 Adopted | FY 2017 Adopted |
|-----------------------------------|---------------------|---------------------|---------------------|---------------------|
| Personnel Services | \$17,300,550 | \$17,085,349 | \$17,908,751 | \$18,518,267 |
| Materials, Supplies and Repairs | \$11,088,611 | \$10,951,214 | \$11,020,790 | \$10,958,740 |
| Contractual Services | \$8,916,500 | \$8,296,076 | \$8,928,969 | \$9,431,090 |
| Equipment | \$396,512 | \$509,995 | \$364,846 | \$285,970 |
| Department Specific Appropriation | \$7,805,988 | \$7,724,888 | \$14,812,713 | \$15,533,906 |
| Debt Service/Transfers to CIP | \$15,650,608 | \$14,547,182 | \$29,844,500 | \$29,627,058 |
| Total | \$61,158,769 | \$59,114,705 | \$82,880,569 | \$84,355,031 |

ADOPTED FY 2017 BUDGET ACTIONS

- **Implement Phase III of ARMD compensation strategy** FY 2017 \$127,239 FTE: 0

Implement Phase III of the compensation strategy as part of the Attraction, Retention, Motivation, and Development (ARMD) initiative. FY 2017 includes: a two percent salary increase for general and constitutional officer employees; a \$50 increase to the permanent employee living wage; and salary range adjustments to the city's most regionally out of market positions. All actions are effective January 2017.

Priority Area(s) Met: Safe, Healthy, and Inclusive Communities and Well-Managed Government

- **Adjust funds for IMPACT Call Center** FY 2017 \$12,595 FTE: 0

Adjust funds for IMPACT Call Center services based on utilization. The IMPACT Call Center currently processes calls, emails, and online contacts for the Department of Utilities.

Priority Area(s) Met: Well-Managed Government

- **Adjust costs for storehouse rent** FY 2017 \$51,900 FTE: 0

Technical adjustment to provide funds for the rent of the city's Hollister Storehouse Facility. In FY 2014, the Storehouse operations were decentralized to improve efficiency and provide departments greater autonomy in managing resources. The Storehouse rent will increase annually at a rate of three percent.

Priority Area(s) Met: Well-Managed Government

- **Adjust debt service payments** FY 2017 \$5,418,841 FTE: 0

Technical adjustment to support annual debt service payments for water related capital improvement projects.

Priority Area(s) Met: Well-Managed Government

- **Adjust discretionary expenditures** FY 2017 \$48,125 FTE: 0

Capture efficiency savings by utilizing temporary services, reducing professional services, curtailing power usage, utilizing electronic distribution, and implementing technology improvements. This action maintains or improves the efficiency and effectiveness of service delivery.

Priority Area(s) Met: Safe, Healthy, and Inclusive Communities and Well-Managed Government

• **Adjust financial management software cost** **FY 2017 \$98,257** **FTE: 0**

Adjust costs associated with the upgrade and maintenance of the Advantage Financial Management System (AFMS). AFMS is the financial system the city utilizes to conduct day to day business activities. The software uses pre-defined controls, and consistent accounting rules across financial transactions, tracks, and controls, funds, and interfaces with the performance budgeting system.

Priority Area(s) Met: Well-Managed Government

• **Adjust operational expenses** **FY 2017 (\$4,272,849)** **FTE: 0**

Technical adjustment for operational expenses which occur annually. These expenses include indirect costs, payment in lieu of taxes, and material and supplies for essential operations.

Priority Area(s) Met: Safe, Healthy, and Inclusive Communities and Well-Managed Government

• **Adjust time and attendance monitoring software costs** **FY 2017 (\$13,117)** **FTE: 0**

Remove a portion of funds provided for the enhancements related to the Time and Labor and Absence Management modules of the city's personnel system. This adjustment supports the final four months of the contract and the purchase of required biometric timekeeping devices. FY 2017 completes the three-year implementation timeline.

Priority Area(s) Met: Well-Managed Government

• **Capture efficiency savings** **FY 2017 (\$277,726)** **FTE: 0**

Capture savings through lower Hampton Roads Sanitation District (HRSD) rates and legal fees, continuation of the power usage curtailment program, and efficient selection of equipment vendors.

Priority Area(s) Met: Safe, Healthy, and Inclusive Communities and Well-Managed Government

• **Adjust costs for Fleet expenditures** **FY 2017 (\$79,790)** **FTE: 0**

Technical adjustment to update the funding needed to support Fleet expenditures based on an annual cost revision calculation. Fleet provides maintenance, fuel, and the management of vehicles for essential operations of the department. This is a routine adjustment which occurs each budget cycle.

Priority Area(s) Met: Safe, Healthy, and Inclusive Communities and Well-Managed Government

• **Annualize Phase II of ARMD compensation strategy** **FY 2017 \$181,961** **FTE: 0**

Technical adjustment to annualize ARMD Phase II compensation actions that occurred in January 2016. The Adopted FY 2016 Budget included funds for: a two percent increase for general and constitutional officer employees; an additional one percent increase for the approximately 1,000 permanent employees in the city's eight lowest general employee pay grades; a \$400 increase to the permanent employee living wage; and salary range adjustments to the city's most regionally out of market positions.

Priority Area(s) Met: Safe, Healthy, and Inclusive Communities and Well-Managed Government

• **Adjust required contribution to the city's retirement system** **FY 2017 \$172,546** **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 in FY 2017 from 17.51 percent to 17.79 percent. Costs are distributed based on each department's NERS eligible payroll. This is a routine adjustment which occurs each budget cycle.

Priority Area(s) Met: Safe, Healthy, and Inclusive Communities and Well-Managed Government

• **Update personnel expenditures** **FY 2017 \$6,480** **FTE: 1.3**

Technical adjustment to update department costs for personnel services. Changes reflect updates in staffing due to administrative actions, consolidations, or reorganization efforts and includes the funds needed in FY 2017 for these actions. The adjustment also reflects updated healthcare costs for an overall citywide premium increase of three percent based on enrollment, the addition of a Construction Inspector II, and an increase in part-time hours. These are routine actions which occur at the beginning of the budget cycle.

Water **Total: \$1,474,462** **FTE: 1.3**

FULL TIME EQUIVALENT (FTE) SUMMARY

| | Pay Grade | Minimum | Maximum | FY 2016 Adopted | FTE Change | FY 2017 Adopted |
|--|-----------|----------|-----------|-----------------|------------|-----------------|
| Accountant I | 1 11 | \$40,005 | \$65,280 | 2 | 1 | 3 |
| Accountant II | 1 12 | \$43,470 | \$70,890 | 1 | -1 | 0 |
| Accountant III | 1 13 | \$46,885 | \$76,449 | 0 | 1 | 1 |
| Accountant IV | 1 14 | \$51,000 | \$84,354 | 1 | 0 | 1 |
| Accounting Manager | 1 16 | \$63,000 | \$102,816 | 1 | 0 | 1 |
| Accounting Technician II | 1 07 | \$28,815 | \$47,022 | 19.5 | -2 | 17.5 |
| Administrative Assistant I | 1 09 | \$33,770 | \$55,060 | 2 | 1 | 3 |
| Administrative Assistant II | 1 10 | \$36,605 | \$59,690 | 3 | 0 | 3 |
| Administrative Technician | 1 07 | \$28,815 | \$47,022 | 0 | 1 | 1 |
| Applications Development Team Supervisor | 1 17 | \$63,000 | \$102,816 | 1 | 0 | 1 |
| Assistant City Engineer | 1 19 | \$71,500 | \$116,280 | 1 | 0 | 1 |
| Assistant Director | 1 21 | \$79,375 | \$132,090 | 2 | 0 | 2 |
| Assistant Superintendent of Utility Division | 1 17 | \$63,000 | \$102,816 | 4 | 0 | 4 |
| Automotive Mechanic | 1 10 | \$36,605 | \$59,690 | 1 | 0 | 1 |
| Business Manager | 1 13 | \$46,885 | \$76,449 | 1 | 0 | 1 |
| Chief of Construction Operations | 1 16 | \$58,970 | \$96,145 | 1 | 0 | 1 |
| Chief Waterworks Operator | 1 13 | \$46,885 | \$76,449 | 8 | 0 | 8 |
| Civil Engineer I | 1 13 | \$46,885 | \$76,449 | 3 | 1 | 4 |
| Civil Engineer II | 1 14 | \$51,000 | \$84,354 | 3 | 0 | 3 |
| Civil Engineer III | 1 15 | \$55,210 | \$90,270 | 3 | 0 | 3 |
| Civil Engineer IV | 1 16 | \$58,970 | \$96,145 | 1.8 | 0.3 | 2 |

FULL TIME EQUIVALENT (FTE) SUMMARY

| | Pay Grade | Minimum | Maximum | FY 2016 Adopted | FTE Change | FY 2017 Adopted |
|---|-----------|----------|-----------|--------------------|---------------|--------------------|
| Civil Engineer V | 1 17 | \$63,000 | \$102,816 | 1 | 0 | 1 |
| Collection Coordinator | 1 11 | \$40,005 | \$65,280 | 2 | 0 | 2 |
| Construction Inspector I | 1 08 | \$31,180 | \$50,847 | 4 | 0 | 4 |
| Construction Inspector II | 1 08 | \$40,005 | \$65,280 | 6 | 0 | 6 |
| Construction Inspector III | 1 12 | \$43,470 | \$70,890 | 2 | 0 | 2 |
| Contract Monitoring Specialist | 1 11 | \$40,005 | \$65,280 | 1 | 0 | 1 |
| Crew Leader I | 1 08 | \$31,180 | \$50,847 | 11 | 0 | 11 |
| Cross-Connection Specialist | 1 08 | \$31,180 | \$50,847 | 2 | 0 | 2 |
| Customer Service Manager | 1 18 | \$67,350 | \$109,823 | 1 | 0 | 1 |
| Director of Utilities | 1 24 | \$92,800 | \$159,120 | 1 | 0 | 1 |
| Electrician III | 1 10 | \$36,605 | \$59,690 | 3 | 0 | 3 |
| Electronics Technician II | 1 10 | \$36,605 | \$59,690 | 4 | 0 | 4 |
| Engineering Aide | 1 04 | \$22,875 | \$37,301 | 1 | 0 | 1 |
| Engineering Manager | 1 20 | \$76,000 | \$123,930 | 1 | 0 | 1 |
| Engineering Technician I | 1 10 | \$36,605 | \$59,690 | 6 | 0 | 6 |
| Engineering Technician II | 1 11 | \$40,005 | \$65,280 | 4 | 0 | 4 |
| Engineering Technician III | 1 11 | \$43,470 | \$70,890 | 1 | 0 | 1 |
| Engineering Technician IV | 1 13 | \$46,885 | \$76,449 | 1 | 0 | 1 |
| Enterprise Controller | 1 16 | \$58,970 | \$96,145 | 1 | 0 | 1 |
| Equipment Operator II | 1 06 | \$26,900 | \$43,860 | 12 | -1 | 11 |
| Equipment Operator III | 1 07 | \$28,815 | \$47,022 | 9 | 2 | 11 |
| Financial Operations Manager | 1 15 | \$55,210 | \$90,270 | 1 | 0 | 1 |
| General Utility Maintenance Supervisor | 1 14 | \$51,000 | \$84,354 | 8 | -1 | 7 |
| Geographic Information Systems Technician II | 1 11 | \$40,005 | \$65,280 | 1 | 0 | 1 |
| Maintenance Supervisor II | 1 12 | \$43,470 | \$70,890 | 1 | 0 | 1 |
| Maintenance Worker I | 1 03 | \$21,222 | \$34,609 | 6 | 0 | 6 |
| Maintenance Worker II | 1 06 | \$26,900 | \$43,860 | 27 | 0 | 27 |
| Management Analyst I | 1 11 | \$40,005 | \$65,280 | 1 | 0 | 1 |
| Management Services Administrator | 1 18 | \$67,350 | \$109,823 | 1 | 0 | 1 |
| Manager of Budget & Accounting | 1 18 | \$67,350 | \$109,823 | 1 | 0 | 1 |
| Messenger/Driver | 1 02 | \$19,705 | \$32,135 | 1 | 0 | 1 |
| Personnel Specialist | 1 11 | \$40,005 | \$65,280 | 1 | 0 | 1 |
| Programmer/Analyst III | 1 13 | \$46,885 | \$76,449 | 1 | 0 | 1 |
| Programmer/Analyst IV | 1 14 | \$51,000 | \$84,354 | 2 | 0 | 2 |
| Programmer/Analyst V | 1 16 | \$58,970 | \$96,145 | 1 | 0 | 1 |
| Programs Manager | 1 15 | \$55,210 | \$90,270 | 1 | 0 | 1 |
| Project Coordinator | 1 13 | \$46,885 | \$76,449 | 1 | -1 | 0 |
| Public Information Specialist II | 1 11 | \$40,005 | \$65,280 | 1 | 0 | 1 |
| Reservoir Manager | 1 12 | \$43,470 | \$70,890 | 1 | 0 | 1 |

FULL TIME EQUIVALENT (FTE) SUMMARY

| | Pay Grade | Minimum | Maximum | FY 2016 Adopted | FTE Change | FY 2017 Adopted |
|---|------------------|----------------|----------------|----------------------------|-----------------------|----------------------------|
| Safety Specialist | 1 11 | \$40,005 | \$65,280 | 1 | 0 | 1 |
| Senior Utility Maintenance Supervisor | 1 13 | \$46,885 | \$76,449 | 6 | 2 | 8 |
| Senior Water Chemist | 1 12 | \$43,470 | \$70,890 | 3 | 0 | 3 |
| Staff Technician II | 1 09 | \$33,770 | \$55,060 | 3 | 0 | 3 |
| Storekeeper I | 1 04 | \$22,875 | \$37,301 | 1 | 0 | 1 |
| Storekeeper II | 1 06 | \$26,900 | \$43,860 | 2 | 0 | 2 |
| Storekeeper III | 1 08 | \$31,180 | \$50,847 | 2 | 0 | 2 |
| Support Technician | 1 05 | \$24,685 | \$40,290 | 3 | 0 | 3 |
| Utility Construction Inspector | 1 10 | \$36,605 | \$59,690 | 1 | 0 | 1 |
| Utility Maintenance Mechanic I | 1 06 | \$26,900 | \$43,860 | 28 | 0 | 28 |
| Utility Maintenance Mechanic II | 1 08 | \$31,180 | \$50,847 | 3 | 0 | 3 |
| Utility Maintenance Supervisor | 1 10 | \$36,605 | \$59,690 | 10 | -1 | 9 |
| Utility Operations Manager | 1 19 | \$71,500 | \$116,280 | 1 | 0 | 1 |
| Water Chemist | 1 11 | \$40,005 | \$65,280 | 3 | 0 | 3 |
| Water Production Manager | 1 19 | \$71,500 | \$116,280 | 1 | 0 | 1 |
| Water Quality Manager | 1 18 | \$67,350 | \$109,823 | 2 | 0 | 2 |
| Water Treatment Plant Maintenance Technician | 1 08 | \$31,180 | \$50,847 | 13 | -1 | 12 |
| Water Treatment Supervisor | 1 15 | \$55,210 | \$90,270 | 2 | 0 | 2 |
| Waterworks Operator I | 1 08 | \$31,180 | \$50,847 | 6 | -2 | 4 |
| Waterworks Operator II | 1 09 | \$33,770 | \$55,060 | 1 | 1 | 2 |
| Waterworks Operator III | 1 10 | \$36,605 | \$59,690 | 0 | 1 | 1 |
| Waterworks Operator IV | 1 11 | \$40,005 | \$65,280 | 9 | 0 | 9 |
| Total | | | | 291.3 | 1.3 | 292.5 |

WASTEWATER

REVENUE SUMMARY

| | FY 2014 Actual | FY 2015 Actual | FY 2016 Adopted | FY 2017 Adopted |
|--------------------------------|---------------------|---------------------|---------------------|---------------------|
| Permits and Fees | \$97,000 | \$93,000 | \$50,000 | \$50,000 |
| Use of Money and Property | \$35,426 | \$16,768 | \$30,000 | \$30,000 |
| Charges for Services | \$27,258,137 | \$28,242,513 | \$29,335,892 | \$30,722,691 |
| Recovered Costs | \$353,833 | \$164,404 | \$3,600 | \$3,600 |
| Other Sources and Transfers In | \$0 | \$0 | \$2,000 | \$2,000 |
| Federal Aid | (\$81,891) | \$0 | \$0 | \$0 |
| Total | \$27,662,505 | \$28,516,686 | \$29,421,492 | \$30,808,291 |

Actual amounts represent collections, not appropriation authority.

EXPENDITURE SUMMARY

| | FY 2014 Actual | FY 2015 Actual | FY 2016 Adopted | FY 2017 Adopted |
|-----------------------------------|---------------------|---------------------|---------------------|---------------------|
| Personnel Services | \$5,687,764 | \$5,432,704 | \$5,647,699 | \$5,827,947 |
| Materials, Supplies and Repairs | \$2,741,849 | \$2,981,083 | \$2,874,412 | \$3,031,220 |
| Contractual Services | \$2,084,322 | \$1,993,646 | \$2,020,312 | \$2,087,898 |
| Equipment | \$305,574 | \$196,131 | \$384,101 | \$311,101 |
| Department Specific Appropriation | \$1,500,000 | \$1,500,000 | \$2,630,768 | \$4,455,507 |
| Debt Service/Transfers to CIP | \$4,021,973 | \$1,619,033 | \$15,864,200 | \$15,094,618 |
| Total | \$16,341,482 | \$13,722,597 | \$29,421,492 | \$30,808,291 |

ADOPTED FY 2017 BUDGET ACTIONS

- **Implement Phase III of ARMD compensation strategy FY 2017 \$45,207 FTE: 0**

Implement Phase III of the compensation strategy as part of the Attraction, Retention, Motivation, and Development (ARMD) initiative. FY 2017 includes: a two percent salary increase for general and constitutional officer employees; a \$50 increase to the permanent employee living wage; and salary range adjustments to the city's most regionally out of market positions. All actions are effective January 2017.

Priority Area(s) Met: Safe, Healthy, and Inclusive Communities

- **Adjust debt service payments FY 2017 \$1,228,900 FTE: 0**

Technical adjustment to support annual debt service payments for wastewater related capital improvement projects.

Priority Area(s) Met: Well-Managed Government

• **Adjust financial management software cost** **FY 2017 (\$6,846)** **FTE: 0**

Adjust costs associated with the upgrade and maintenance of the Advantage Financial Management System (AFMS). AFMS is the financial system the city utilizes to conduct day to day business activities. The software uses pre-defined controls, and consistent accounting rules across financial transactions, tracks, and controls, funds, and interfaces with the performance budgeting system.

Priority Area(s) Met: Safe, Healthy, and Inclusive Communities

• **Adjust operational expenses** **FY 2017 (\$186,628)** **FTE: 0**

Routine technical adjustment for operational expenses which occurs annually. These expenses may include indirect costs, payment in lieu of taxes, and material and supplies for essential operations.

Priority Area(s) Met: Safe, Healthy, and Inclusive Communities and Well-Managed Government

• **Adjust time and attendance monitoring software costs** **FY 2017 (\$1,181)** **FTE: 0**

Remove a portion of funds provided for the enhancements related to the Time and Labor and Absence Management modules of the city's personnel system. This adjustment supports the final four months of the contract and the purchase of required biometric timekeeping devices. FY 2017 completes the three-year implementation timeline.

Priority Area(s) Met: Safe, Healthy, and Inclusive Communities

• **Reduce discretionary expenditures** **FY 2017 \$16,277** **FTE: 0**

Capture efficiency savings by utilizing temporary services, reducing professional services, curtailing power usage, utilizing electronic distribution, and establishing technology improvements. This action maintains or improves the efficiency and effectiveness of service delivery.

Priority Area(s) Met: Safe, Healthy, and Inclusive Communities

• **Adjust costs for Fleet expenditures** **FY 2017 \$156,029** **FTE: 0**

Technical adjustment to update the funding needed to support Fleet expenditures based on an annual cost revision calculation. Fleet provides maintenance, fuel, and the management of vehicles for essential operations of the department. This is a routine adjustment which occurs each budget cycle.

Priority Area(s) Met: Safe, Healthy, and Inclusive Communities

• **Annualize Phase II of ARMD compensation strategy** **FY 2017 \$69,712** **FTE: 0**

Technical adjustment to annualize ARMD Phase II compensation actions that occurred in January 2016. The Adopted FY 2016 Budget included funds for: a two percent increase for general and constitutional officer employees; an additional one percent increase for the approximately 1,000 permanent employees in the city's eight lowest general employee pay grades; a \$400 increase to the permanent employee living wage; and salary range adjustments to the city's most regionally out of market positions.

Priority Area(s) Met: Safe, Healthy, and Inclusive Communities

- **Adjust required contribution to the city's retirement system** **FY 2017 \$61,573** **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 in FY 2017 from 17.51 percent to 17.79 percent. Costs are distributed based on each department's NERS eligible payroll. This is a routine adjustment which occurs each budget cycle.

Priority Area(s) Met: Safe, Healthy, and Inclusive Communities

- **Update personnel expenditures** **FY 2017 \$3,756** **FTE: -1**

Technical adjustment to update department costs for personnel services. Changes reflect updates in staffing due to administrative actions, consolidations, or reorganization efforts and includes the funds needed in FY 2017 for these actions. The adjustment also reflects updated healthcare costs for an overall citywide premium increase of three percent based on enrollment and the deletion of an Assistant Superintendent of Utility Division. These are routine actions which occur at the beginning of the budget cycle.

Wastewater **Total: \$1,386,799** **FTE: -1**

FULL TIME EQUIVALENT (FTE) SUMMARY

| | Pay Grade | Minimum | Maximum | FY 2016 Adopted | FTE Change | FY 2017 Adopted |
|--|-----------|----------|-----------|-----------------|------------|-----------------|
| Accounting Technician II | 1 07 | \$28,815 | \$47,022 | 3 | 0 | 3 |
| Assistant Superintendent of Utility Division | 1 17 | \$63,000 | \$102,816 | 2 | -1 | 1 |
| Crew Leader I | 1 08 | \$31,180 | \$50,847 | 15 | 0 | 15 |
| Electrician IV | 1 11 | \$40,005 | \$65,280 | 1 | 0 | 1 |
| Engineering Technician I | 1 10 | \$36,605 | \$59,690 | 3 | 0 | 3 |
| Environmental Specialist II | 1 11 | \$40,005 | \$65,280 | 1 | 0 | 1 |
| Equipment Operator II | 1 06 | \$26,900 | \$43,860 | 6 | 0 | 6 |
| Equipment Operator III | 1 07 | \$28,815 | \$47,022 | 19 | 0 | 19 |
| General Utility Maintenance Supervisor | 1 14 | \$51,000 | \$84,354 | 2 | 0 | 2 |
| Maintenance Worker I | 1 03 | \$21,222 | \$34,609 | 3 | 0 | 3 |
| Maintenance Worker II | 1 06 | \$26,900 | \$43,860 | 27 | 0 | 27 |
| Senior Custodian | 1 04 | \$22,875 | \$37,301 | 1 | 0 | 1 |
| Senior Utility Maintenance Supervisor | 1 13 | \$46,885 | \$76,449 | 5 | 0 | 5 |
| Utility Maintenance Mechanic I | 1 06 | \$26,900 | \$43,860 | 7 | 0 | 7 |
| Utility Maintenance Supervisor | 1 10 | \$36,605 | \$59,690 | 10 | 0 | 10 |
| Water Chemist | 1 11 | \$40,005 | \$65,280 | 1 | 0 | 1 |
| Total | | | | 106 | -1 | 105 |

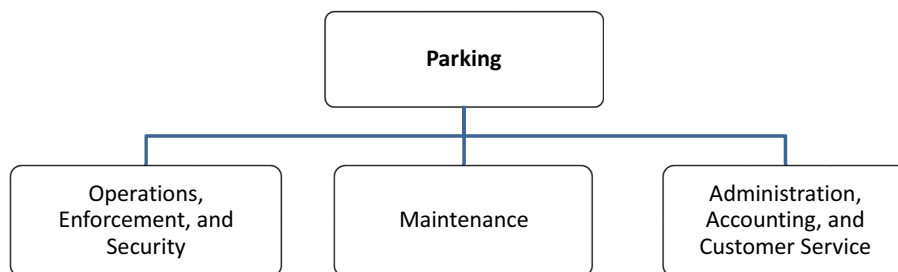
PARKING FACILITIES FUND

MISSION STATEMENT

The Division of Parking is dedicated to excellence in providing safe, convenient, and affordable parking services to the residents, visitors, and businesses in Norfolk.

DEPARTMENT OVERVIEW

The City of Norfolk's Parking Division operates and maintains one of the largest municipally owned parking systems in the country while meeting the parking needs of downtown workers, residents, students, shoppers, and tourists. This includes over 20,000 public parking spaces located in 16 garages, nine lots, and over 600 on-street spaces. Safe, convenient and affordable parking is provided to all patrons through the efficient management of the city's parking resources. The Parking Facilities Fund receives oversight from the Department of General Services.



ACTIONS TO ACHIEVE LONG-TERM GOALS AND SHORT-TERM OBJECTIVES

The Parking Facilities Fund supports the Priority Areas of Economic Vitality and Workforce Development and Well-Managed Government. Parking's long-term goals are achieved by strong financial management, available parking assets (for example, garages and lots), and innovative customer programs. Specific actions undertaken to achieve long-term goals include:

| Ongoing Actions | Status |
|--|---------|
| Maximize utilization of available parking to increase revenue | Ongoing |
| Improve parking services and infrastructure to enhance the customer experience | Ongoing |

PERFORMANCE MEASURES

Priority: Economic Vitality and Workforce Development

Goal

Diversify and strengthen Norfolk's economic base

Objective

Promote strong financial management by ensuring revenue is maximized in order to meet all operating obligations

| Measure | FY 2014 Actual | FY 2015 Actual | FY 2016 Adopted | FY 2017 Adopted | Change |
|--|-------------------|-------------------|--------------------|--------------------|--------|
| Percent of fines collected | 101 | 98 | 100 | 100 | 0 |
| Percent of total available monthly parking spaces utilized | 0 | 0 | 0 | 50 | 50 |

Objective

Expand, attract and retain businesses within Norfolk

| Measure | FY 2014 Actual | FY 2015 Actual | FY 2016 Adopted | FY 2017 Adopted | Change |
|---|-------------------|-------------------|--------------------|--------------------|------------|
| Total parking revenue | 0 | 0 | 0 | 21,200,000 | 21,200,000 |
| Number of transient (non-monthly) parkers in garages (New measure in FY 2017) | 0 | 0 | 0 | 2,350,000 | 2,350,000 |
| Number of parking violation tickets issued | 52,693 | 43,593 | 44,200 | 43,300 | -900 |

Priority: Well-Managed Government

Goal

Achieve a reputation internally and externally as a well-managed government

Objective

Attract and retain businesses within Norfolk by ensuring all parking facilities are accessible, clean, safe and inviting

| Measure | FY 2014 Actual | FY 2015 Actual | FY 2016 Adopted | FY 2017 Adopted | Change |
|---|-------------------|-------------------|--------------------|--------------------|--------|
| Percent of customers who rate parking services as meeting or exceeding expectations | 55 | 61 | 58 | 60 | 2 |

REVENUE SUMMARY

| | FY 2014 Actual | FY 2015 Actual | FY 2016 Adopted | FY 2017 Adopted |
|--------------------------------|---------------------|---------------------|---------------------|---------------------|
| Permits and Fees | \$0 | \$0 | \$33,000 | \$40,745 |
| Fines and Forfeitures | \$2,607,036 | \$2,531,254 | \$2,000,000 | \$2,507,343 |
| Use of Money and Property | \$388,760 | \$1,728,812 | \$50,000 | \$42,639 |
| Charges for Services | \$17,624,326 | \$16,987,584 | \$16,609,390 | \$19,520,980 |
| Miscellaneous Revenue | \$221 | \$767 | \$0 | \$1,481 |
| Other Sources and Transfers In | \$0 | \$0 | \$2,702,256 | \$759,888 |
| Total | \$20,620,343 | \$21,248,417 | \$21,394,646 | \$22,873,076 |

Actual amounts represent collections, not appropriation authority.

EXPENDITURE SUMMARY

| | FY 2014 Actual | FY 2015 Actual | FY 2016 Adopted | FY 2017 Adopted |
|-----------------------------------|---------------------|---------------------|---------------------|---------------------|
| Personnel Services | \$3,793,305 | \$3,268,220 | \$3,557,772 | \$3,658,342 |
| Materials, Supplies and Repairs | \$1,568,968 | \$1,552,344 | \$1,673,835 | \$1,662,543 |
| Contractual Services | \$4,542,766 | \$4,043,756 | \$4,227,377 | \$4,398,966 |
| Equipment | \$28,032 | \$63,836 | \$121,000 | \$165,600 |
| Department Specific Appropriation | \$7,322 | \$0 | \$0 | \$0 |
| Debt Service/Transfers to CIP | \$5,516,109 | \$8,621,167 | \$11,814,662 | \$12,987,625 |
| Total | \$15,456,502 | \$17,549,323 | \$21,394,646 | \$22,873,076 |

ADOPTED FY 2017 BUDGET ACTIONS

- **Implement Phase III of ARMD compensation strategy** **FY 2017 \$25,384** **FTE: 0**

Implement Phase III of the compensation strategy as part of the Attraction, Retention, Motivation, and Development (ARMD) initiative. FY 2017 includes: a two percent salary increase for general and constitutional officer employees; a \$50 increase to the permanent employee living wage; and salary range adjustments to the city's most regionally out of market positions. All actions are effective January 2017.

Priority Area(s) Met: Accessibility, Mobility, and Connectivity and Safe, Healthy, and Inclusive Communities and Well-Managed Government

- **Increase funds for contractual services** **FY 2017 \$188,372** **FTE: 0**

Technical adjustment for contractual services which occur annually. These contractual increases include service to parking equipment, co-op garage costs, and credit card processing fees.

Priority Area(s) Met: Safe, Healthy, and Inclusive Communities and Well-Managed Government

- **Reduce electricity utilization** **FY 2017 (\$41,545)** **FTE: 0**

Technical adjustment to reduce costs for electricity payments. The department continues to replace existing light bulbs with more energy efficient bulbs at city parking facilities. This green initiative will result in reduced electricity utilization.

Priority Area(s) Met: Safe, Healthy, and Inclusive Communities

- **Adjust debt service payments** **FY 2017 \$1,172,963** **FTE: 0**

Technical adjustment to support annual debt service payments for parking related capital projects.

Priority Area(s) Met: Well-Managed Government

- **Adjust funds for IMPACT Call Center** **FY 2017 (\$13,962)** **FTE: 0**

Adjust Funds for IMPACT Call Center Services based on utilization. The IMPACT Call Center processes calls, emails, and online contacts for the Parking Facilities Fund.

Priority Area(s) Met: Well-Managed Government

• **Adjust financial management software cost** **FY 2017 \$3,857** **FTE: 0**

Adjust costs associated with the upgrade and maintenance of the Advantage Financial Management System (AFMS). AFMS is the financial system the city utilizes to conduct day to day business activities. The software uses pre-defined controls, and consistent accounting rules across all financial transactions, tracks, and controls, funds, and interfaces with the performance budgeting system.

Priority Area(s) Met: Well-Managed Government

• **Adjust time and attendance monitoring software costs** **FY 2017 (\$4,560)** **FTE: 0**

Remove a portion of funds provided for the enhancements related to the Time and Labor and Absence Management modules of the city's personnel system. This adjustment supports the final four months of the contract and the purchase of required biometric timekeeping devices. FY 2017 completes the three-year implementation timeline.

Priority Area(s) Met: Well-Managed Government

• **Adjust operational expenses** **FY 2017 \$171,479** **FTE: 0**

Routine technical adjustment for operational expenses. These expenses may include indirect costs, materials, and supplies for essential operations.

Priority Area(s) Met: Accessibility, Mobility, and Connectivity and Safe, Healthy, and Inclusive Communities and Well-Managed Government

• **Adjust costs for Fleet expenditures** **FY 2017 (\$79,244)** **FTE: 0**

Technical adjustment to update the funding needed to support Fleet expenditures based on an annual cost revision calculation. Fleet provides maintenance, fuel, and the management of vehicles for essential operations of the department. This is a routine adjustment which occurs each budget cycle.

Priority Area(s) Met: Well-Managed Government

• **Annualize Phase II of ARMD compensation strategy** **FY 2017 \$32,930** **FTE: 0**

Technical adjustment to annualize ARMD Phase II compensation actions that occurred in January 2016. The Adopted FY 2016 Budget included funds for: a two percent increase for general and constitutional officer employees; an additional one percent increase for the approximately 1,000 permanent employees in the city's eight lowest general employee pay grades; a \$400 increase to the permanent employee living wage; and salary range adjustments to the city's most regionally out of market positions.

Priority Area(s) Met: Accessibility, Mobility, and Connectivity and Safe, Healthy, and Inclusive Communities and Well-Managed Government

• **Adjust required contribution to the city's retirement system** **FY 2017 \$30,387** **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 in FY 2017 from 17.51 percent to 17.79 percent. Costs are distributed to departments based on each department's NERS eligible payroll. This is a routine adjustment which occurs each budget cycle.

Priority Area(s) Met: Well-Managed Government

• **Update personnel expenditures**

FY 2017 (\$7,631) FTE: 0

Technical adjustment to update department costs for personnel services. Changes reflect updates in staffing due to administrative actions, consolidations, or reorganization efforts and includes the funds needed in FY 2017 for these actions. The adjustment also reflects updated healthcare costs for an overall citywide premium increase of three percent based on enrollment. These are routine actions which occur at the beginning of the budget cycle.

Parking Facilities Fund

Total: \$1,478,430 FTE: 0

FULL TIME EQUIVALENT (FTE) SUMMARY

| | Pay Grade | Minimum | Maximum | FY 2016 Adopted | FTE Change | FY 2017 Adopted |
|---------------------------------|------------------|----------------|----------------|----------------------------|-----------------------|----------------------------|
| Accountant III | 1 13 | \$46,885 | \$76,449 | 1 | 0 | 1 |
| Accounting Technician II | 1 07 | \$28,815 | \$47,022 | 6.8 | 0 | 6.8 |
| Administrative Assistant I | 1 09 | \$33,770 | \$55,060 | 1 | 0 | 1 |
| Collection Coordinator | 1 11 | \$40,005 | \$65,280 | 1 | 0 | 1 |
| Crew Leader I | 1 08 | \$31,180 | \$50,847 | 2 | 0 | 2 |
| Customer Service Representative | 1 05 | \$24,685 | \$40,290 | 15.2 | 0 | 15.2 |
| Electrician II | 1 09 | \$33,770 | \$55,060 | 1 | 0 | 1 |
| Electronics Technician II | 1 10 | \$36,605 | \$59,690 | 1 | 0 | 1 |
| Enterprise Controller | 1 16 | \$58,970 | \$96,145 | 1 | 0 | 1 |
| Maintenance Mechanic II | 1 07 | \$28,815 | \$47,022 | 4 | 1 | 5 |
| Maintenance Supervisor II | 1 12 | \$43,470 | \$70,890 | 1 | 0 | 1 |
| Maintenance Worker I | 1 03 | \$21,222 | \$34,609 | 6 | -1 | 5 |
| Maintenance Worker II | 1 06 | \$26,900 | \$43,860 | 3 | 0 | 3 |
| Manager of Budget & Accounting | 1 18 | \$67,350 | \$109,823 | 1 | 0 | 1 |
| Meter Monitor | 1 04 | \$22,875 | \$37,301 | 9 | 0 | 9 |
| Painter I | 1 06 | \$26,900 | \$43,860 | 1 | 0 | 1 |
| Parking Administrator | 1 14 | \$51,000 | \$84,354 | 1 | 0 | 1 |
| Parking Director | 1 18 | \$67,350 | \$109,823 | 1 | 0 | 1 |
| Parking Manager | 1 12 | \$43,470 | \$70,890 | 1 | 0 | 1 |
| Parking Supervisor | 1 09 | \$33,770 | \$55,060 | 6 | 0 | 6 |
| Software Analyst | 1 13 | \$46,885 | \$76,449 | 1 | 0 | 1 |
| Total | | | | 65 | 0 | 65 |