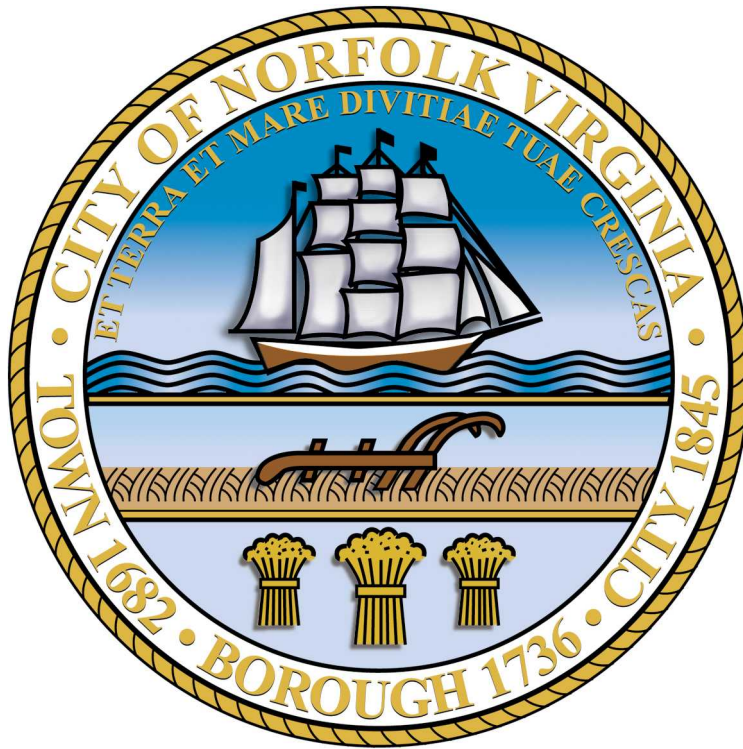

Internal Service Funds



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INTERNAL SERVICE FUND SUMMARY

	FY 2015 Actual	FY 2016 Adopted	FY 2017 Adopted
Revenues			
Use of Money and Property	5,867	9,500	9,500
Charges for Services	99,740,759	101,083,027	101,253,235
Recovered Costs	59,394	72,000	98,865
Federal Aid	1,934	0	0
Other Sources and Transfers In	245,238	215,000	115,000
Total Revenues	100,053,192	101,379,527	101,476,600

	FY 2015 Actual	FY 2016 Adopted	FY 2017 Adopted
Expenditures			
Personnel Services	2,966,596	3,360,584	3,429,611
Materials, Supplies and Repairs	6,496,515	5,073,788	4,542,104
Contractual Services	91,888,770	92,881,777	93,441,507
Equipment	75,998	63,378	63,378
Total Expenditures	101,427,879	101,379,527	101,476,600

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HEALTHCARE FUND

MISSION STATEMENT

The Healthcare Fund provides city-administered health insurance to employees of the Norfolk Consortium which includes: 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 which implemented city-administered health insurance beginning January 2014. As a result of the move, the Norfolk Consortium was estimated to have avoided approximately \$6 million in costs.

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 the healthcare plan.

It is estimated that collections in the fund in FY 2017 will total \$89,943,167 from employee, employer, and retiree contributions. Deposits into the Healthcare Fund by Consortium member in FY 2017 are estimated as follows:

- City of Norfolk: \$43,979,772
- NPS: \$43,525,284
- NRHA: \$2,438,111

REVENUE SUMMARY

	FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted	FY 2017 Adopted
Charges for Services	\$39,622,727	\$86,410,352	\$89,383,437	\$89,943,167
Total	\$39,622,727	\$86,410,352	\$89,383,437	\$89,943,167

EXPENDITURE SUMMARY

	FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted	FY 2017 Adopted
Contractual Services	\$34,878,683	\$88,449,808	\$89,383,437	\$89,943,167
Total	\$34,878,683	\$88,449,808	\$89,383,437	\$89,943,167

ADOPTED FY 2017 BUDGET ACTIONS

- **Adjust Healthcare Fund expenditures**

FY 2017 \$559,730 FTE: 0

Adjust Healthcare Fund in FY 2017 based on projected expenditures. The increase in projected cost is primarily due to medical inflation.

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

Healthcare Fund

Total: \$559,730 FTE: 0

FLEET MANAGEMENT

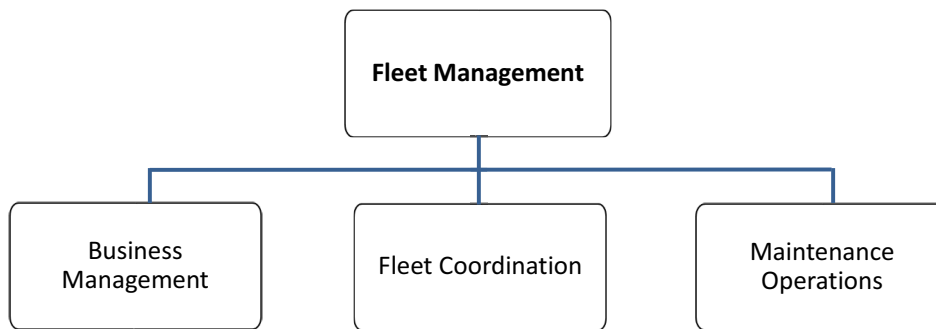
MISSION STATEMENT

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 our 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.



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

Fleet Management supports the Priority Areas of Environmental Sustainability and Well-Managed Government. Fleet's long-term goals are achieved by the efficient repair and maintenance of the fleet, managing multiple contracts, and the acquisition and disposal of vehicles and equipment. Specific division activities include:

Ongoing Actions	Status
Work with the departments to enhance their compliance with the preventative maintenance schedule, thereby lengthening the useable lives of vehicles	Ongoing
Strive to reduce the average time between vehicle failures (for the same vehicle)	Ongoing

PERFORMANCE MEASURES

Priority: Well-Managed Government

Goal					
Enhance the efficiency of programs and services					
Objective					
Improve customer service through implementing a quality preventative maintenance program					
Measure	FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted	FY 2017 Adopted	Change
City department preventative maintenance compliance rate for equipment and vehicles	74	36	80	80	0
Percent of customers who rate Fleet Services as meeting or exceeding expectations	95	100	95	95	0
Objective					
Decrease the amount of time vehicles are out of service					
Measure	FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted	FY 2017 Adopted	Change
Percent of maintenance jobs that are unscheduled (New measure in FY 2017)	0	0	0	20	20
Fleet availability rate	87	93	90	90	0
Objective					
Reduce the number of returns to Fleet for similar repairs					
Measure	FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted	FY 2017 Adopted	Change
Average time between vehicle failures-for the same vehicle (Baseline value will be determined by conclusion of FY 2016)	0	0	0	0	0

Priority: Well-Managed Government

Goal					
Develop, recruit and retain a well qualified work force					
Objective					
Increase number of staff who possess industry certifications and related education					
Measure	FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted	FY 2017 Adopted	Change
Percent of technicians with relevant industry certifications	47	70	50	50	0

REVENUE SUMMARY

	FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted	FY 2017 Adopted
Use of Money and Property	\$9,580	\$5,867	\$9,500	\$9,500
Charges for Services	\$13,144,424	\$13,330,407	\$11,699,590	\$11,310,068
Recovered Costs	\$68,844	\$59,394	\$72,000	\$98,865
Other Sources and Transfers In	\$213,051	\$245,238	\$215,000	\$115,000
Federal Aid	\$0	\$1,934	\$0	\$0
Total	\$13,435,899	\$13,642,840	\$11,996,090	\$11,533,433

Actual amounts represent collections, not appropriation authority.

EXPENDITURE SUMMARY

	FY 2014 Actual	FY 2015 Actual	FY 2016 Adopted	FY 2017 Adopted
Personnel Services	\$2,894,633	\$2,966,596	\$3,360,584	\$3,429,611
Materials, Supplies and Repairs	\$8,802,421	\$6,496,515	\$5,073,788	\$4,542,104
Contractual Services	\$1,558,520	\$3,438,962	\$3,498,340	\$3,498,340
Equipment	\$226,359	\$75,998	\$63,378	\$63,378
Total	\$13,481,933	\$12,978,073	\$11,996,090	\$11,533,433

ADOPTED FY 2017 BUDGET ACTIONS

- **Implement Phase III of ARMD compensation strategy FY 2017 \$21,865 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

- **Reduce contracted fuel costs FY 2017 (\$545,548) FTE: 0**

Technical adjustment to reduce contracted fuel prices. Fleet purchases gasoline and diesel fuel at contract prices reducing the fluctuation of costs during the fiscal year. In FY 2016 Fleet had \$1,515,273 in one-time fuel savings with the expectation that fuel prices would rise. However, fuel prices have remained low. As a result, this action includes an additional fuel savings of \$545,548 for a total fuel savings from the FY 2015 budget of \$2,060,821.

Priority Area(s) Met: Accessibility, Mobility, and Connectivity

• **Adjust financial management software cost** **FY 2017 \$13,864** **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: Safe, Healthy, and Inclusive Communities

• **Annualize Phase II of ARMD compensation strategy** **FY 2017 \$25,137** **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 \$7,454** **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: Safe, Healthy, and Inclusive Communities

• **Update personnel expenditures** **FY 2017 \$14,571** **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.

Fleet Management

Total: (\$462,657) FTE: 0

FULL TIME EQUIVALENT (FTE) SUMMARY

	Pay Grade	Minimum	Maximum	FY 2016 Adopted	FTE Change	FY 2017 Adopted
Administrative Assistant II	1 10	\$36,605	\$59,690	1	0	1
Administrative Technician	1 07	\$28,815	\$47,022	2	0	2
Assistant Fleet Maintenance Manager	1 15	\$55,210	\$90,270	1	0	1
Autobody Repair Mechanic	1 07	\$28,815	\$47,022	1	0	1
Automotive Operations Manager	1 12	\$43,470	\$70,890	4	0	4
Automotive Repair Technician	1 10	\$36,605	\$59,690	18	0	18
Automotive Service Attendant	1 08	\$31,180	\$50,847	3	0	3
Business Manager	1 13	\$46,885	\$76,449	1	0	1
Fleet Coordinator	1 11	\$40,005	\$65,280	1	0	1
Fleet Maintenance Manager	1 19	\$71,500	\$116,280	1	0	1
Messenger/Driver	1 02	\$19,705	\$32,135	0.8	0	0.8
Senior Autobody Repair Mechanic	1 09	\$33,770	\$55,060	1	0	1
Senior Automotive Repair Technician	1 11	\$40,005	\$65,280	17	0	17
Software Analyst	1 13	\$46,885	\$76,449	1	0	1
Storekeeper I	1 04	\$22,875	\$37,301	1	0	1
Support Technician	1 05	\$24,685	\$40,290	2	0	2
Welder	1 10	\$36,605	\$59,690	1	0	1
Total				56.8	0	56.8

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