Program Budget Pages

This page intentionally left blank

PROGRAM BUDGET PAGES

INTRODUCTION

The city transitioned to program-based budgeting in FY 2022 as an effort to develop a public budget document that clearly communicates the programs offered by the city; the resources it takes to provide those services; and the level of services stakeholders can expect to receive based on the resources allocated to each program.

FY 2024 marks the third year the City of Norfolk presents the operating budget by program. The program budget pages outlined in this section showcase departmental expenditures, personnel resources, goals, performance measures, and ability to meet stakeholder demand by program. The Government Finance Officers Association (GFOA) defines a program as "a set of related activities or tasks intended to produce a desired result for constituents." The city's programs consist of several different types of tasks or services, but all functions support a common goal which is outlined in each program budget page.

The budget development process leverages programmatic data to facilitate decision-making; improve public transparency; and improve the administration's ability to conduct decision-making around City Council priorities.

Background

During FY 2021, departments took a first step towards program budgeting by defining their programs and services from the constituent's perspective. After programs were identified, departments provided program descriptions that clearly explained what each program accomplishes. From there, each department's budget was mapped to allocate full time equivalents (FTEs) and non-personnel cost by program.

In FY 2022, the City of Norfolk began the transition to a program-based budget. The Adopted FY 2022 Operating Budget included a separate Program Catalog document that defined citywide programs for all city executive departments. Beginning in FY 2023, the program catalog and department budget pages in the budget document were merged into Program Budget pages. These pages provide a detailed breakdown of the allocation of resources at the programmatic level.

Program budget pages are included for all executive departments that fall under the City Manager's governance. City Council Appointee Offices, Constitutional Offices, Elections, and Courts are included in the program budget pages; however, each office is classified as one program therefore program pages for these offices are structured slightly different. The following table is a summary of the Council Appointee Offices, Constitutional Offices, Elections, and Court departments, along with a reconciliation to total operating funds.

Table 1: Departments/Offices excluded from the FY 2024 Program Budget

Departments/Office	FY 2024 Adopted Budget
Circuit Court Judges	$958,303
City Attorney	$5,963,932
City Auditor	$1,214,892
City Clerk	$1,932,740
City Council	$395,607
City Real Estate Assessor	2,835,235
City Treasurer	3,098,885
Clerk of the Circuit Court	3,470,939
Commissioner of the Revenue	3,483,443

Departments/Office	FY 2024 Adopted Budget
Commonwealth's Attorney	$7,085,084
Elections	$1,179,525
General District Court	$260,761
Juvenile and Domestic Relations Court	$81,833
Magistrate	$12,248
Norfolk Juvenile Court Service Unit	$209,594
Sheriff and Jail	$45,655,414
Subtotal	**$77,838,435**
General Fund Program-Based Budget	**$1,001,406,593**
Non-General Funds Program-Based Budget	**$360,612,584**
Total Operating Budget	**$1,439,857,612**

CITYWIDE PROGRAMS

Several programs are used across departments to capture administrative, financial, and management functions that are broadly similar across the city. Examples of these functions include staff recruitment services, invoice payment processing and strategic planning. These are classified as Department Overhead Programs. There are also programs specific to Non-General Fund funds. These programs include reimbursements paid to the General Fund and debt service payments specific to the fund.

Department Overhead Programs

Each city department has programs that are unique to the services they provide. However, certain overhead functions are similar across the city. Since these programs are similar in scope, they have been categorized into three distinct programs (Administrative Support, Director's Office, and Leadership and Support) that capture the administrative, financial, and management/leadership functions across city departments and agencies. Additional details can be found by department in the "Departmental Program Budget Pages" section.

The criteria used to classify each category is as follows:

- Larger organizations with greater than 55-65 FTEs, typically have distinct administrative support and leadership/ strategy functions. These organizations are reflected in either the Administrative Support program or the Director's Office program.

- Departments/agencies with fewer than 55-65 FTEs typically have less of a need for dedicated staff to perform specific administrative functions. Often a single administrative professional will perform all of these functions. In these organizations the leadership/strategy and administrative support functions are combined into one program called "Leadership and Support".

Resource allocation for overhead programs is included in the program budget pages for each department. The following section provides program descriptions for each overhead program.

Program: Administrative Support

Program Description: The Administrative Support Program conducts department wide human resources and financial operations. The program includes financial reporting, managing the departmental budget, financial planning, procurement and contract management, payment processing, and revenue collection, where applicable. It would not include those functions to support other city departments or the public. This Program designation is used for larger

departments / agencies which are of such a size (greater than 55-65 FTE's) that it requires a team of folks to provide ongoing administrative support.

Program: Director's Office

Program Description: The Director's Office Program implements the City Manager's and City Council policies, sets the goals and strategies for the department, and manages department operations. This Program designation is used for larger departments / agencies, which are of such a size (greater than 55-65 FTE's) that long-term planning, strategy, and leadership are separate functions from daily administrative support.

Program: Leadership and Support

Program Description: This Program designation is used in departments / agencies which are of such a size (less than 55-65 FTE's) that the administrative support functions are not large enough to constitute a discrete program. Often a single administrative professional will perform all these functions. As a result, the Leadership and Support program combines both the leadership and strategic planning functions of the director's office and the administrative functions that support departmental personnel, procurement, accounts payable, contract management, and similar functions.

Non-General Fund Specific Programs:

Cost Allocation for Citywide Services: This Program captures reimbursements paid from non-general funds to the General Fund for:

- Administrative services provided by General Fund departments (i.e Finance, Budget, Human Resources, Information Technology, etc.), and
- Other costs paid by the General Fund where all or some of the expense is allocated to non-general fund departments.

Debt Service: Non-general fund programs support their capital programs with fees they charge to users. As a result, the debt service costs for these organizations are included within their annual operating budgets rather than the central debt service budget which supports the capital program of all General Fund departments. The Debt Service Program provides adequate funding to meet the organization's debt repayment schedule for bond obligations used to fund capital projects. Principal, interest, and issuance costs fall under this program.

Division Office: The Division Office Program is used for non-general fund organization that are a division of a General Fund department rather than a standalone department. The Division Office program is similar to the Director's Office in that it implements the City Manager's and City Council policies, sets the goals and strategies for the division, and manages the division's operations.

Overview of Program Budget Pages

Program Budget pages are organized by department. Each program page provides a summary of the program's description, overall goal, attributes, and resources. The information sets the stage for the level of service residents can expect to receive as well as anticipated program outcomes. The Department of Budget and Strategic Planning is continuing its work with city departments in the executive portfolio to develop and track program performance measures to assist in determining whether a program is meeting the demand of its customers.

Service Level Classification

Programs were also assigned service level classifications (SLC) to help inform decisions regarding allocation of limited resources. The intent of including a service level classification for each program is to clearly communicate whether a program has the resources necessary to meet the population's demand in a consistent, easy to understand way. This helps to set realistic and appropriate expectations for the service level of each program. The concept of a service level classification considers the demand for each program and how current resources are utilized to meet that demand. The basis for program demand classifications is rooted in one of five standards:

- Regulatory – Compliance with regulatory standards set by federal or state agencies
- Established Performance – Historical service delivery, typically over at least a five-year period
- Backlog – How does the current level of resources impact the amount of incomplete work
- Defined Expectation – Clear guidance provided by senior administration or City Council
- Best Practice – Industry standards or benchmarking across similar programs or other cities

Service level classifications are defined below.

Meets Demand – Maintains: Baseline service level meets demand. A planned approach is used to address service issues. Program goal is generally achieved. Status of the service objective is generally maintained.

Meets Demand – Exceeds: Baseline service level provides service beyond the documented demand. Program goal is achieved. Status of the service objective is generally improved.

Does Not Meet Demand: Baseline service level does not meet demand. Service issues are prioritized as they arise. Lower priority issues are delayed or unresolved. Program goal may not be achieved. Status of the service objective may decline if adjustments are not undertaken.

The following table provides a summary of the number programs, FTEs and cost allocation in each Service Level.

Table 2: Summary of FY 2024 Service Level Classifications

Service Level Classification	Number of Programs	FTEs	FY 2024 Adopted Budget
Meets Demand - Exceeds	7	129.0	$56,378,878
Meets Demand - Maintains	190	2,414.7	$711,001,411
Does Not Meet Demand	47	1,715.6	$189,594,715
Total	**244**	**4,259.3**	**$956,975,004**

*Table does not include Norfolk Public Schools, Constitutionals, City Council Appointees, and Courts. Norfolk Public Schools programs have service objectives but not service level classifications.

A program's service level classification is based on the programs ability to meet the demand of its' stakeholders. In many cases, when departments are unable to meet demand it is due to a lack of resources. Approved enhancements increase a program's resources in terms of staffing and additional funding to expand a program's capacity and ultimately improve the service level classification. This concept helps to drive decision-making regarding budget actions and enhancements. The following table reflects programs with improved Service Level Classification (SLC) in FY 2024.

Table 3: Summary of FY 2024 Service Level Classification Changes

Department	Program	FY 2023 SLC	FY 2024 SLC
Norfolk Public Library	Programming Services	Does Not Meet Demand	Meets Demand - Maintains
Norfolk Public Library	Administrative Support	Does Not Meet Demand	Meets Demand - Maintains
Planning	Environmental Review and Inspections	Does Not Meet Demand	Meets Demand - Maintains
Cultural Facilities Arts and Entertainment	Event Services and Project Management	Does Not Meet Demand	Meets Demand - Maintains
Cultural Facilities Arts and Entertainment	MacArthur Programming	Does Not Meet Demand	Meets Demand - Maintains
Neighborhood Services	Rental Improvement Services Program	Does Not Meet Demand	Meets Demand - Maintains
Economic Development	Military Liaison	Does Not Meet Demand	Meets Demand - Maintains
Norfolk Community Services Board	Peer Recovery Services	Does Not Meet Demand	Meets Demand - Maintains
National Maritime Center	Educational Programming	Does Not Meet Demand	Meets Demand - Maintains
National Maritime Center	USS Wisconsin Operations	Does Not Meet Demand	Meets Demand - Maintains
Finance	Purchasing	Does Not Meet Demand	Meets Demand - Maintains
Communications	Account Services	Does Not Meet Demand	Meets Demand - Maintains
Communications	Creative Services	Does Not Meet Demand	Meets Demand - Maintains

Table 3: Summary of FY 2024 Service Level Classification Changes

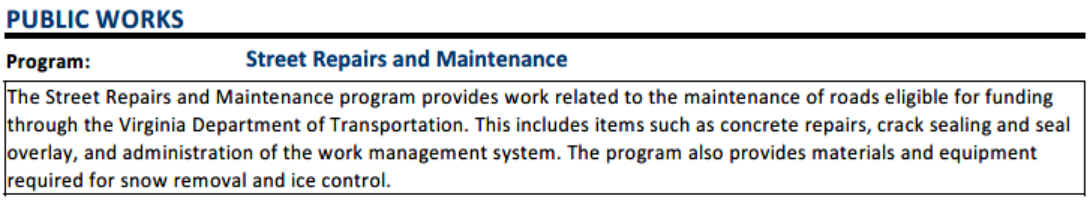
Department	Program	FY 2023 SLC	FY 2024 SLC
Communications and Marketing	Account Services	Does Not Meet Demand	Meets Demand - Maintains
Communications and Marketing	Creative Services	Does Not Meet Demand	Meets Demand - Maintains
Department of Transportation	Transportation Safety	Does Not Meet Demand	Meets Demand - Maintains
Department of Transportation	Transportation Planning	Does Not Meet Demand	Meets Demand - Maintains
Department of Transportation	VDOT Project Management	Does Not Meet Demand	Meets Demand - Maintains
Finance	Leadership and Support	Does Not Meet Demand	Meets Demand - Maintains
Slover Library	Leadership and Support	Does Not Meet Demand	Meets Demand - Maintains
Emergency Preparedness and Response	Leadership and Support	Does Not Meet Demand	Meets Demand - Exceeds
Parks and Recreation	Norfolk Emerging Leaders and Youth Initiatives	Does Not Meet Demand	Meets Demand - Maintains
Parks and Recreation	Director's Office	Does Not Meet Demand	Meets Demand - Maintains

To assist in understanding the contents of the Program Budget pages, the following section provides examples of how to read and understand the information contained in the Program Budget pages section.

How to Read Program Budget Pages

Program Descriptors

For each program, the top section provides useful context and description for the program. This includes the department the program is associated with, program name and description. The description is a short explanation of what service(s) the program provides, purpose of the program, and how services are provided.



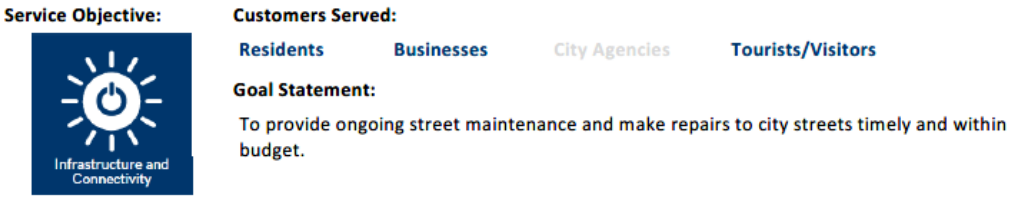
PUBLIC WORKS

Program: **Street Repairs and Maintenance**

The Street Repairs and Maintenance program provides work related to the maintenance of roads eligible for funding through the Virginia Department of Transportation. This includes items such as concrete repairs, crack sealing and seal overlay, and administration of the work management system. The program also provides materials and equipment required for snow removal and ice control.

The **Customers Served** are located beneath the program description. The type of customers each program could serve includes residents, businesses, visitors, and city agencies. Each program can serve multiple customers including external and internal customers.

The **Goal Statement** provides the desired intended outcome of the program. This statement along with performance measures are used to help determine whether a program is meeting the necessary level of demand.



Each Program Budget page includes an icon to indicate which of the seven **Service Objectives** the program is most closely aligned with. For additional information on Service Objectives, please see the Strategic Goals and Objectives section of this document.

Program Attributes

Each program has five major attributes that assist in providing context to the program.

Mandate	Reliance	Cost Recovery	Population Served	Demand
Discretionary	City is Sole Provider	Yes	Majority of Population Benefits	Meets Demand - Exceeds
Federal/State Mandate			Less than 50% of Population Benefits	Meets Demand - Maintains
City Mandate	Other Entities Provide this Service	No	Less than 10% of Population Benefits	Does Not Meet Demand

These attributes are:

Mandate – Informs the reader as to the whether the program has required functions through legislation at the city, state, or federal level. Programs that are not mandated are classified as discretionary. Categories are Discretionary, Federal/State Mandate, and City Mandate.

Reliance – Answers the question, "Is the city the sole provider of the service in the market." Programs are classified into two categories – City is Sole Provider or Other Entities Provide this Service.

Cost Recovery – Details whether a program has revenue tied directly to it. Program revenue generally relates to outside grants or revenue tied to a departmental service. Programs who experience either or both will be labeled as "yes," since the program has cost recovery. If a program relies solely on city local revenue sources to support costs then the cost recovery will be labeled as "no."

Population Served – City programs serve a variety of people. Population is defined as the customers the program serves. This could be an internal program providing service to city employees or an external program providing service to businesses and residents. The programs can be classified as Majority of the Population Benefits, Less than 50 percent of the Population Benefits, and Less than ten percent of the Population Benefits.

Demand – Details whether a program has the resources necessary to meet the established standard for each service. Standards are set by compliance regulations or a well-defined expectation. The program's ability to meet that standard fall into one of three categories: Does Not Meet Demand, Meets Demand – Maintains, or Meets Demand – Exceeds.

Performance Measures

Performance measure data in collaboration with the intended outcome of a program is used to help determine whether a program is meeting the necessary level of demand. Each metric is reported as an annual calculation for each fiscal year. Actual data is data that has been fully collected and calculated after a fiscal year has ended. A projection is simply what the program expects to be able to accomplish by the end of the fiscal year. The metric is the standard or target that is set for each measure. The standards for demand metrics are rooted in either best practices, historical performance, industry regulations, leadership expectation or backlog.

Performance Measures

	FY 2021 Actual	FY 2022 Actual	FY 2023 Projection	FY 2024 Adopted	Metric
Feet of sidewalk repaired or replaced per fiscal year	N/A	2,500	24,171	25,000	25,000
Number of potholes repaired per year	N/A	650	6,117	8,000	8,000
Number of roadway lane miles resurfaced per year	72	88	55	64	65

Adjustments to FY 2024 Program Base Budget

Each program will include a section that summarizes cost adjustments in FY 2023 required to maintain the same level of service provided in the prior year. Some programs will show updates for specific contracts and agreements as well as a net adjustment for central budget actions. A summary of each of these actions is provided in the following section. They are all routine adjustments that occur during each budget cycle.

Adjustments to Baseline Service Level Cost:

	FY 2024	FTE
Remove one-time funds for road resurfacing equipment	**(300,000)**	**0.0**
Technical adjustment to remove one-time funds for a pothole spray injection patcher used for street repairs and maintenance throughout the city.		
Adjust required contribution to Virginia Retirement System	**122,033**	**0.0**
Technical adjustment for the annual required contribution to the Virginia Retirement System (VRS). The contribution rate for the city is 12.84 percent of eligible payroll in FY 2024. Costs are distributed to departments based on each department?s VRS eligible payroll.		
Increase funding for project management software renewal	**5,850**	**0.0**
Technical adjustment to provide funds for contractual increases for the e-Builder project management system. Contract costs are expected to increase by five percent annually.		
Increase funds for security services	**1,208**	**0.0**
Technical adjustment to support a two percent contractual increase in expenses for security costs. Costs are expected to increase $1,208 from $57,000 in FY 2023 to $58,208 in FY 2024.		
Update base program costs	**626,532**	**(1.0)**
Technical adjustment to update program costs for citywide budget actions. Changes include personnel adjustments for approved permanent positions, healthcare enrollment, retirement contributions, and the citywide salary increase effective July 1, 2023. In addition, if applicable, adjustments for annual fleet expenditures based on maintenance and fuel for vehicles used for operations are also included. These are routine adjustments that occur each budget cycle.		
Total	**455,623**	**(1.0)**

Central Budget Actions:

The Department of Budget and Strategic Planning budgets for several items centrally and then allocates the appropriate portion to each department. Items budgeted centrally are personnel adjustments for approved permanent positions, healthcare enrollment, retirement contributions, and citywide salary increases. In addition, if applicable, adjustments for annual fleet expenditures based on maintenance and fuel for vehicles used for operations are budgeted centrally. Additional information regarding each adjustment is included in the following section. Refer to department's program budget pages for a summary of each central budget action by program.

Personnel Upload: 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. Changes include updates to staffing due to administrative actions and the funds needed in FY 2024 for such actions.

Healthcare: The Norfolk Healthcare Consortium agreed to keep rates the same for plan year 2024. This is the first year that we have not had an employer or employee rate increase.

Retirement: Technical adjustment for 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 15.72 to 20.96 percent of eligible payroll in FY 2024. Costs are distributed to departments based on each department's NERS eligible payroll. The city has transitioned to the Virginia Retirement System (VRS), new employees are automatically enrolled in VRS. The contribution rate for VRS for the city is 12.84 percent of eligible payroll in FY 2024.

Compensation: Provide funds to support a citywide five percent general wage increase for all general, constitutional and non-sworn employees effective July 2023. Sworn Police and Fire-Rescue employees will receive one step and an increase of 2.5 percent to the minimum and maximum of pay plan five for a minimum of a five percent increase for all sworn employees. Minimum and maximum pay ranges were also increased across all pay plans except pay plan two.

Fleet: 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 operation.

Service Level Changes in FY 2024

This section highlights any resource enhancements to the program that have been recommended by the City Manager in the Adopted Budget, including amount, full-time equivalent staffing (FTEs), and a short description explaining the nature of the enhancement and what it will help accomplish or improve with service level delivery.

Adopted Service Level Changes:
No adopted Service Level changes.

Requested but Not Funded

This section shows enhancements that were requested by the department but not recommended for funding in the Adopted FY 2024 Budget.

Requested but Not Funded Service Level Changes:
No requested but not funded Service Level changes.

Financial Summary

The last section includes two tables that summarize the resource allocation in FY 2024 for the program. The first table is an expenditure summary reflecting Adopted FY 2023 and Adopted FY 2024 resource allocation by major expenditure categories. The second table is a summary of personnel or full-time equivalents (FTEs) associated with the program, if applicable.

Expenditure Summary

	FY 2023 Adopted	FY 2024 Adopted
Personnel Services	5,151,325	5,861,278
Materials, Supplies, and Repairs	2,144,941	2,177,553
Contractual Services	147,030	148,238
Equipment	350,071	61,921
Department Specific Appropriation	6,878,321	6,878,321
Total	**14,671,688**	**15,127,311**

Full Time Equivalent (FTE) Summary

	Pay Grade	Minimum	Maximum	FY 2023 Adopted	FTE Change	FY 2024 Adopted
Administrative Assistant II	1 10	$41,187	$67,135	1.0	0.0	1.0
Administrative Technician	1 07	$39,837	$64,934	2.0	(1.0)	1.0
Asphalt Plant Operator I	1 08	$40,100	$65,362	0.0	1.0	1.0
Asphalt Plant Operator II	1 09	$40,362	$65,790	1.0	0.0	1.0
Assistant City Engineer	1 19	$80,451	$130,837	1.0	0.0	1.0
Assistant Streets Engineer	1 15	$62,122	$101,571	1.0	0.0	1.0
Automotive Mechanic	1 10	$41,187	$67,135	1.0	0.0	1.0
Bridge Inspection Supervisor	1 13	$52,755	$86,020	1.0	0.0	1.0
Bridge Maintenance Supervisor	1 13	$52,755	$86,020	1.0	0.0	1.0
Building / Equipment Maintenance Supervisor	1 11	$45,013	$73,453	1.0	0.0	1.0
Business Manager	1 13	$52,755	$86,020	1.0	0.0	1.0
Construction Inspector I	1 09	$40,362	$65,790	1.0	0.0	1.0
Construction Inspector II	1 11	$45,013	$73,453	1.0	0.0	1.0
Construction Inspector III	1 12	$48,912	$79,765	2.0	0.0	2.0
Design/Construction Project Manager, Senior	1 17	$70,887	$115,688	2.0	0.0	2.0
Equipment Operator II	1 07	$39,837	$64,934	17.0	(1.0)	16.0
Equipment Operator III	1 08	$40,100	$65,362	9.0	(1.0)	8.0
Equipment Operator IV	1 09	$40,362	$65,790	1.0	0.0	1.0
Geographic Information Systems Specialist II	1 12	$48,912	$79,765	1.0	0.0	1.0
Lead Mason	1 07	$39,837	$64,934	5.0	0.0	5.0
Maintenance Mechanic I	1 06	$39,575	$64,506	1.0	0.0	1.0
Maintenance Worker I	1 05	$39,312	$64,079	8.0	0.0	8.0
Maintenance Worker II	1 06	$39,575	$64,506	8.0	0.0	8.0
Mason	1 06	$39,575	$64,506	6.0	0.0	6.0
Project Manager	1 16	$66,353	$108,182	1.0	0.0	1.0
Staff Technician II	1 09	$40,362	$65,790	1.0	0.0	1.0
Street Maintenance Supervisor	1 11	$45,013	$73,453	9.0	0.0	9.0
Support Technician	1 05	$39,312	$64,079	0.0	1.0	1.0
Utility Maintenance Supervisor, Senior	1 13	$52,755	$86,020	2.0	0.0	2.0
Total				**86.0**	**(1.0)**	**85.0**

This page intentionally left blank