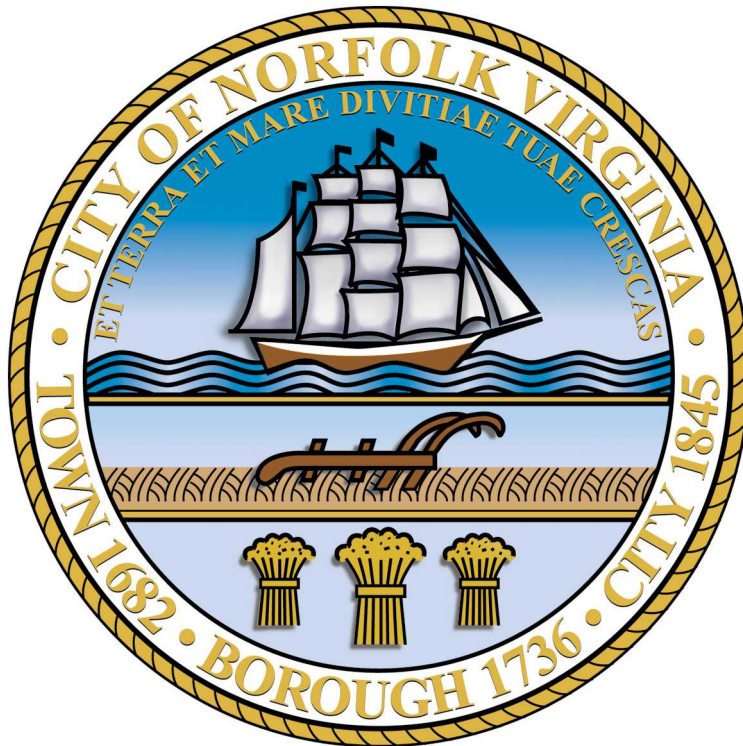

Internal Service Funds



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INTERNAL SERVICE FUND SUMMARY

	FY 2012 Actual	FY 2013 Approved	FY 2014 Proposed
Revenues			
Use of Money and Property	5,712	1,790	5,700
Charges for Services	12,803,653	13,185,559	71,574,173
Recovered Costs	114,057	103,000	0
Other Sources and Transfers	0	367,751	8,000
Total Revenues	12,923,422	13,658,100	71,587,873

	FY 2012 Actual	FY 2013 Approved	FY 2014 Proposed
Expenditures			
Personnel Services	3,753,153	3,720,921	3,255,249
Materials, Supplies & Repairs	7,810,439	8,517,007	8,864,042
Contractual Services	1,254,972	1,307,294	59,205,204
Equipment	15,705	111,878	263,378
Department Specific Appropriation	919	1,000	0
Total Expenditures	12,835,188	13,658,100	71,587,873

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HEALTHCARE FUND

MISSION STATEMENT

The Healthcare Fund will provide city-administered health insurance to employees of the Norfolk Healthcare Consortium which includes: City of Norfolk, Norfolk Public Schools (NPS) and the Norfolk Redevelopment and Housing Authority (NRHA).

DEPARTMENT OVERVIEW

The Proposed FY 2014 Budget includes the creation of a Healthcare Fund to implement the new city-administered healthcare plan which will begin January 2014. Currently the City of Norfolk, Norfolk Public Schools and the Norfolk Redevelopment and Housing Authority purchase health care services as a Consortium. In FY 2014, the Consortium will transition from using a fully-insured healthcare model to a self-insured model. In the new model, the Consortium will assume the risk and responsibility for the administration, and payment of claims rather than paying a private insurance company to assume the risk. A self-insured model allows the Consortium to fully control all aspects of the plan, including setting rates to smooth out the impact of increases on employees.

As a result of this move, the Consortium will be able to minimize the healthcare premium increase in FY 2014 to 8.2 percent from an initial projection of 15.2 under a fully-insured model. This new model is estimated to save the city \$2 million and city employees another \$567,000 on premiums in calendar year 2014 when compared to the fully-insured projection. Consortium wide (agencies, employees, retirees) the transition is projected to save \$5.3 million. No changes are expected in how employees will access healthcare services due to this transition.

This fund will collect employer, employee, and participating retiree premiums from the City of Norfolk, NPS, and NRHA beginning in the fall of 2013 in preparation of the conversion to city-administered healthcare in January 2014. Medical claims, administrative costs, wellness program costs, and fees related to the Affordable Care Act will be expended from the Healthcare Fund. Revenues in excess of expenditures and earned interest will be held by the fund as a premium stabilization reserve to allow the Consortium to maintain premium rate increases at manageable levels. Any funds deposited into this account shall only be used to pay costs associated with the healthcare plan. Since this is the initial year of the conversion, some adjustments may need to be made as the transition plan is finalized and implemented throughout FY 2014.

It is estimated that collections in the fund in FY 2014 will total \$57,931,973 from employee, employer and participating retiree contributions. Deposits into the Healthcare Fund per Consortium member in FY 2014 are estimated as follows:

- **City of Norfolk:** \$25,986,684
- **NPS:** \$30,601,337
- **NRHA:** \$1,343,952

REVENUE SUMMARY

	FY 2011 Actual	FY 2012 Actual	FY 2013 Approved	FY 2014 Proposed
Charges for Services	\$0	\$0	\$0	\$57,931,973
Total	\$0	\$0	\$0	\$57,931,973

EXPENDITURE SUMMARY

	FY 2011 Actual	FY 2012 Actual	FY 2013 Approved	FY 2014 Proposed
Contractual Services	\$0	\$0	\$0	\$57,931,973
Total	\$0	\$0	\$0	\$57,931,973

STOREHOUSE

FY 2014 WELL-MANAGED GOVERNMENT INITIATIVE

Beginning in FY 2014, the Storehouse will be decentralized and purchases will be procured and monitored by individual departments. The decentralization of the Storehouse is considered an industry-wide best practice that will improve operating efficiencies by promoting the just-in-time delivery of material goods purchased, reduce inventories as well as provide departments greater autonomy in managing resources.

REVENUE SUMMARY

	FY 2011 Actual	FY 2012 Actual	FY 2013 Approved	FY 2014 Proposed
Charges for Services	\$4,214,118	\$3,816,361	\$576,800	\$0
Recovered Costs	\$0	\$725	\$0	\$0
Total	\$4,214,118	\$3,817,086	\$576,800	\$0

EXPENDITURE SUMMARY

	FY 2011 Actual	FY 2012 Actual	FY 2013 Approved	FY 2014 Proposed
Personnel Services	\$527,055	\$492,725	\$512,762	\$0
Materials, Supplies and Repairs	\$49,451	\$51,173	\$58,565	\$0
Contractual Services	\$3,997	\$3,474	\$4,473	\$0
Department Specific Appropriation	\$3,398,544	\$3,067,438	\$1,000	\$0
Total	\$3,979,047	\$3,614,810	\$576,800	\$0

PROPOSED FY 2014 BUDGET ACTIONS

- **Update personnel expenditures** **FY 2014: (\$100,212) Positions: -3**

Technical adjustment to update department costs for personnel services. Changes reflect updates in staffing due to administrative actions, creation, consolidations, and reorganization efforts. This adjustment reflects the corresponding funds needed in FY 2014 for these actions. The adjustment also reflects a rate revision for the FY 2014 required contribution to the Norfolk Employee Retirement System of 23.54 percent (if applicable), policy changes to FICA and Group Life calculations, and an anticipated FY 2014 health care premium increase of approximately 8.2 percent. The update also includes the FY 2013 transfer of three positions to the Water Fund as part of the decentralization efforts. These are routine actions which occur at the beginning of the budget cycle.

- **Decentralize Storehouse operations**

FY 2014: (\$476,588) Positions: -8

Implement a FY 2013 efficiency initiative to decentralize the Storehouse. Decentralized inventory management is considered an industry-wide best practice that will improve operating efficiencies by promoting the just-in-time delivery of material goods purchased and provide departments greater autonomy in managing resources. As such, positions will be transferred to individual departments to manage their respective inventory and provide assistance for securing Master Agreements. In total Storehouse had 11 positions, three Storekeepers were transferred to Utilities in FY 2013, three Storekeeper positions will be transferred in FY 2014 to Utilities, Stormwater, and Public Works and a Materials Manager position will be transferred to Finance and then reclassified to a Procurement Specialist position. Four vacant positions will be eliminated. Corresponding adjustments can be found in Finance, Public Works, Stormwater, and Utilities.

Priority Area(s) Met: Well-Managed Government

Storehouse Total FY 2014: (\$576,800) Positions: -11

POSITION SUMMARY

	Pay Grade	Minimum	Maximum	FY 2013 Approved Positions	Change	FY 2014 Proposed Positions
Accounting Technician	OPS007	\$26,135	\$41,782	1	-1	0
Materials Manager	MAP011	\$53,634	\$85,742	1	-1	0
Storekeeper I	OPS005	\$22,427	\$35,853	1	-1	0
Storekeeper II	OPS007	\$26,135	\$41,782	5	-5	0
Storekeeper III	OPS008	\$28,251	\$45,161	2	-2	0
Support Technician	OPS006	\$24,199	\$38,684	1	-1	0
Total				11	-11	0

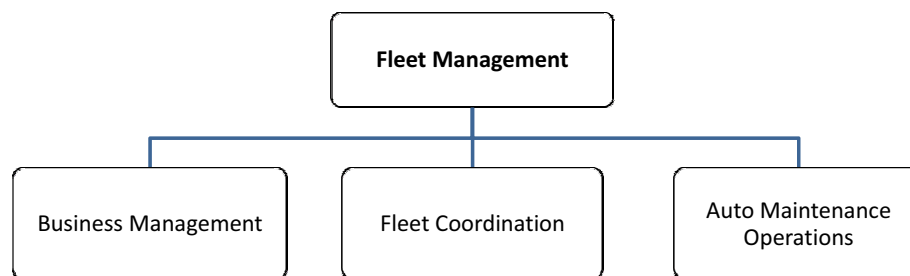
FLEET MANAGEMENT

MISSION STATEMENT

Fleet Management strives to provide quality maintenance and fueling services to all customers, whether internal or external; to ensure safe, operable vehicles and equipment in support of city programs; and to use city resources in the most efficient manner possible.

DEPARTMENT OVERVIEW

Fleet Management reports directly to the Department of General Services. Key responsibilities include vehicle maintenance and repair, fueling, replacement analysis, specification review, acquisition, new vehicle preparation, and disposal.



Short-Term Objective(s)

- Improve customer service through implementing a quality preventative maintenance program
- Decrease the amount of time vehicles are out of service
- Reduce the number of returns to Fleet for similar repairs
- Increase number of staff who possess industry certifications and related education
- Reduce the amount of fossil fuel (diesel & gasoline) used by the city's fleet of vehicles and equipment

Long-Term Goal(s)

- Enhance the efficiency of programs and services
- Develop, recruit and retain talented and engaged employees to meet current and future workplace needs
- Enhance efficient use and protection of natural resources and the environment

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 2011 Actual	FY 2012 Actual	FY 2013 Approved	FY 2014 Proposed	Change
Maintain preventative maintenance compliance rate of equipment and vehicles	95	0	94	90	-4
Decrease average number of days out of service for preventative maintenance (new measure)	0	0	0	1	1
Increase percent of customers who rate Fleet Services as meeting or exceeding expectations (new measure)	0	0	0	80	80

Objective

Decrease the amount of time vehicles are out of service

Measure	FY 2011 Actual	FY 2012 Actual	FY 2013 Approved	FY 2014 Proposed	Change
Maintain or decrease total number of unscheduled maintenance jobs	0	75	0	75	75
Maintain average number of days out of service for unscheduled maintenance	2	3	2	3	1
Maintain fleet availability rate	92	85	92	85	-7

Objective

Reduce the number of returns to Fleet for similar repairs

Measure	FY 2011 Actual	FY 2012 Actual	FY 2013 Approved	FY 2014 Proposed	Change
Maintain or reduce repair return rate	0	5	0	2	2

Priority: Well-Managed Government

Goal

Develop, recruit and retain talented and engaged employees to meet current and future workplace needs

Objective

Increase number of staff who possess industry certifications and related education

Measure	FY 2011 Actual	FY 2012 Actual	FY 2013 Approved	FY 2014 Proposed	Change
Increase number of technicians with Automotive Service Excellence (ASE) certifications	13	25	15	27	12

Priority: Environmental Sustainability

Goal

Enhance efficient use and protection of natural resources and the environment

Objective

Reduce the amount of fossil fuel (diesel & gasoline) used by the city's fleet of vehicles and equipment

Measure	FY 2011 Actual	FY 2012 Actual	FY 2013 Approved	FY 2014 Proposed	Change
Maintain percent of new vehicles purchased with at least a 19 mile per gallon (mpg) EPA city rating to improve fuel efficiency of the fleet (new measure)	0	0	0	70	70

REVENUE SUMMARY

	FY 2011 Actual	FY 2012 Actual	FY 2013 Approved	FY 2014 Proposed
Use of Money and Property	\$202	\$5,712	\$1,790	\$5,700
Charges for Services	\$11,272,622	\$12,178,316	\$12,608,759	\$13,642,200
Recovered Costs	\$89,039	\$113,332	\$103,000	\$0
Other Sources and Transfers In	\$0	\$0	\$367,751	\$8,000
Total	\$11,361,863	\$12,297,360	\$13,081,300	\$13,655,900

Actual amounts represent collections, not appropriation authority.

EXPENDITURE SUMMARY

	FY 2011 Actual	FY 2012 Actual	FY 2013 Approved	FY 2014 Proposed
Personnel Services	\$3,371,004	\$3,260,428	\$3,208,159	\$3,255,249
Materials, Supplies and Repairs	\$6,985,961	\$7,759,266	\$8,458,442	\$8,864,042
Contractual Services	\$1,159,915	\$1,251,498	\$1,302,821	\$1,273,231
Equipment	\$17,378	\$15,705	\$111,878	\$263,378
Total	\$11,534,258	\$12,286,897	\$13,081,300	\$13,655,900

PROPOSED FY 2014 BUDGET ACTIONS

- **Update personnel expenditures** **FY 2014:** (\$96,230) **Positions:** 0

Technical adjustment to update department costs for personnel services. Changes reflect updates in staffing due to administrative actions, creation, consolidations, and reorganization efforts. This adjustment reflects the corresponding funds needed in FY 2014 for these actions. The adjustment also reflects a rate revision for the FY 2014 required contribution to the Norfolk Employee Retirement System of 23.54 percent (if applicable), policy changes to FICA and Group Life calculations, and an anticipated FY 2014 health care premium increase of approximately 8.2 percent. These are routine actions which occur at the beginning of the budget cycle.

• Support certified technician special pay	FY 2014:	\$20,000	Positions:	0
Provide funds to support special pay costs. Special pay allows technicians to purchase and maintain the proper tools and equipment needed to perform, keeps them certified with up to date best practices, and assists in bringing national prominence to the city with the Automotive Service Excellence (ASE) Blue Seal Facility Certification.				
Priority Area(s) Met: Safe, Healthy, and Inclusive Communities				
• Increase funds for parts	FY 2014:	\$350,000	Positions:	0
Provide funds to support the increased cost of vehicle replacement parts associated with repairs and preventative maintenance.				
Priority Area(s) Met: Safe, Healthy, and Inclusive Communities and Well-Managed Government				
• Update outdated fleet management software	FY 2014:	\$200,000	Positions:	0
Provide funds for an upgraded web based fleet management system, which will be compatible with the city's current computer operating system and will interface with the parts computer system allowing for a more efficient fleet operation. The current system is outdated, inefficient, and does not allow for accurate record keeping.				
Priority Area(s) Met: Safe, Healthy, and Inclusive Communities				
• Adjust costs for Fleet expenditures	FY 2014:	\$27,510	Positions:	0
Technical adjustment to update the funding needed to support Fleet expenditures based on an annual cost revision calculation. Fleet provides maintenance, fuel, detailing contract services for vehicle's interior cabin and exterior, 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				
• Align personnel expenditures	FY 2014:	\$99,037	Positions:	0
Align personnel expenditures to more accurately represent historical rate of attrition. The addition of these funds will allow the department to support personnel needed to effectively provide services.				
Priority Area(s) Met: Safe, Healthy, and Inclusive Communities				
• Support a two percent General Wage Increase	FY 2014:	\$24,283	Positions:	0
Support a two percent General Wage Increase for City of Norfolk employees effective January 2014.				
Priority Area(s) Met: Safe, Healthy, and Inclusive Communities				
• Reduce funds for refuse trucks GPS pilot	FY 2014:	(\$50,000)	Positions:	0
Technical adjustment to remove one-time funding provided in FY 2013 to support costs associated with the Global Positioning System (GPS) for refuse trucks.				
Priority Area(s) Met: Safe, Healthy, and Inclusive Communities				
Fleet Management	Total FY 2014:	\$574,600	Positions:	0

POSITION SUMMARY

	Pay Grade	Minimum	Maximum	FY 2013 Approved Positions	Change	FY 2014 Proposed Positions
Administrative Assistant II	MAP003	\$32,801	\$52,435	1	0	1
Administrative Technician	OPS008	\$28,251	\$45,161	2	0	2
Assistant Fleet Maintenance Manager	MAP011	\$53,634	\$85,742	1	0	1
Autobody Repair Mechanic	OPS008	\$28,251	\$45,161	1	0	1
Automotive Machinist	OPS010	\$33,105	\$52,920	1	-1	0
Automotive Maintenance Operations Manager	MAP007	\$41,691	\$66,652	4	0	4
Automotive Parts Operations Manager	MAP007	\$41,691	\$66,652	0	0	0
Automotive Repair Technician	OPS009	\$30,567	\$48,870	17	1	18
Automotive Service Attendant	OPS006	\$24,199	\$38,684	5	0	5
Business Manager	MAP008	\$44,351	\$70,899	1	0	1
Data Quality Control Analyst	OPS008	\$28,251	\$45,161	0	1	1
Fleet Coordinator	MAP006	\$39,221	\$62,700	1	0	1
Fleet Maintenance Manager	SRM005	\$62,166	\$109,411	1	0	1
Messenger/Driver	OPS003	\$19,318	\$30,885	1	0	1
Senior Autobody Repair Mechanic	OPS010	\$33,105	\$52,920	1	0	1
Senior Automotive Repair Technician	OPS011	\$35,886	\$57,371	17	0	17
Staff Technician II	OPS009	\$30,567	\$48,870	1	-1	0
Storekeeper I	OPS005	\$22,427	\$35,853	1	0	1
Storekeeper II	OPS007	\$26,135	\$41,782	0	0	0
Storekeeper III	OPS008	\$28,251	\$45,161	0	0	0
Support Technician	OPS006	\$24,199	\$38,684	2	0	2
Welder	OPS009	\$30,567	\$48,870	1	0	1
Total				59	0	59

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