

Acknowledgements

As with many of the programs of the City of Charlottesville, the development of the budget takes a team effort. The Office of Budget and Performance Management, with the City Manager's Office, develops the budget with the assistance of many other individuals in the City government. This acknowledgment identifies a number of the key individuals who shared in the development of this budget. Many others who assisted are not individually identified. We thank all of you!

City Manager	Maurice Jones
Assistant City Manager	David Ellis
COO/CFO	Aubrey V. Watts, Jr.
Director, Budget and Performance Management	Leslie M. Beauregard
Budget and Management Analyst	Ryan Davidson
City Manager's Office	Terry Bentley
Charlottesville Albemarle Convention and Visitors Bureau	Kurt Burkhart
Circuit Court	Llezelle Dugger, Pat Young
City Attorney	Craig Brown, Barbara Ronan
City Sheriff	Sheriff James Brown, Kara Thomas
Clerk of Council	Paige Rice
Commissioner of the Revenue	Todd Divers
Communications Department	Miriam Dickler, Joe Rice
Economic Development	Chris Engel
Finance Department	Chris Cullinan, Bernard Wray, Sharon O'Hare, Roosevelt Barbour, Monica Brumfield, Krisy Hammill, Gail Hassmer, Michael Heny, Teresa Kirkdoffer, Beatrice Segal, Jennifer Stieffenhofer
Fire Department	Chief Charles Werner, Emily Pelliccia
General District Court	Mary Trimble
General Registrar	Dianne Gilliland
Human Resources	Galloway Beck
Human Services	Mike Murphy
Information Technology	Karen Parker, Barbara Sites
Juvenile & Domestic Relations Court/ Court Services Unit	Martha Carroll, Jody Shelley, Debra Terry
Leadteam Budget Review Team	Galloway Beck, Leslie Beauregard, Brian Daly, Miriam Dickler, Llezelle Dugger, David Ellis, Chris Engel, Judith Mueller, Mike Murphy, Jim Tolbert, Jason Vandever, Aubrey V. Watts, Jr., Chief Charles Werner, Bernard Wray
Magistrate's Office	Faith Baskerville
Neighborhood Development Services	Jim Tolbert, Missy Creasy, Sharon Patterson
Social Services	Diane Kuknyo, Laura Morris, Stacie Asbury
Parks and Recreation	Brian Daly, Doug Ehman, Vic Garber, Brian Ray, Rion Summers
Police	Chief Timothy Longo, Cheryl Sandridge
Public Works	Judith Mueller, Lauren Hildebrand, John Jones, Mary Kay Kotelec, Steve Lawson, Jim McClung, Mike Mollica, Kristel Riddervold, Lance Stewart, Dan Sweet
Treasurer	Jason Vandever, Chad Thorne

Charlottesville City Council

Charlottesville voters, at large, elect a five member Council to serve as the City's legislative and governing body. The members serve four year terms, and they elect one Councilor to serve as Mayor and one as Vice Mayor for two years. Municipal elections are held in November in odd-numbered years. The terms of Council members are staggered so that three are elected in one year and two are elected two years later. The Mayor presides over meetings, calls special meetings, makes some appointments to advisory boards and serves as the ceremonial head of government. The Vice Mayor substitutes wherever the Mayor is unavailable. City Council appoints the City Manager, Finance Director, City Assessor, the Clerk of Council and members of major policing making Boards and Commissions.

Council makes policy in the areas of city planning and finances, human development, public safety and justice, public utilities, and transportation. It has specific powers to pass ordinances, levy taxes, collect revenues, adopt a budget, make appropriations, issue bonds, and provides payment of public debts.



Left to Right: Vice Mayor Dede Smith, Councilor Bob Fenwick, Councilor Kathy Galvin, Mayor Satyendra Huja, Councilor Kristin Szakos

Introduction to the Budget

This **Fiscal Year 2015-2016** budget for the City of Charlottesville is presented in a user-friendly style that easily explains the City's fund structure and budget allocations. An Introductory section is followed by sections detailing expenditures for Management, Non Departmental Activities, Debt Service, Fund Balance Target Adjustment, Employee Compensation and Training, Internal Services, Financial Services, Healthy Families and Community, Infrastructure and Transportation, Public Safety and Justice, School Operations, the Capital Improvement Program, and Other Non General Funds.

In addition to these broad categories, an index is provided for quick and easy reference. We hope this document is easy to read, interpret, and use in understanding the City's budget for Fiscal Year 2015-2016. Our goal is to provide a straightforward document that provides the citizens of Charlottesville with a clear explanation of how their tax dollars are helping to support a variety of quality services and programs important to our city.

Contact Information

City Council (All Members)

Satyendra Huja, Mayor
Dede Smith, Vice Mayor
Bob Fenwick
Kathy Galvin
Kristin Szakos

council@charlottesville.org
HUJA@charlottesville.org
dsmith@charlottesville.org
bfenwick@charlottesville.org
kgalvin@charlottesville.org
kszakos@charlottesville.org

City Manager

Maurice Jones
(434) 970-3101
cityman@charlottesville.org

Director, Budget and Performance Management

Leslie Beauregard
(434) 970-3105
beauregard@charlottesville.org

Clerk of Council

Paige Rice
(434) 970-3113
ricep@charlottesville.org

Mailing Address

P.O. Box 911
Charlottesville, VA 22902

Website

www.charlottesville.org/budget

CHARLOTTESVILLE CITY COUNCIL VISION - 2025

Charlottesville: A Great Place to Live for All of Our Citizens

- A leader in innovation, environmental sustainability, social and economic justice, and healthy race relations
- Flexible and progressive in anticipating and responding to the needs of our citizens
- Cultural and creative capital of Central Virginia
- United community that treasures diversity

Economic Sustainability

Our community has an effective workforce development system that leverages the resources of the University of Virginia, Piedmont Virginia Community College, and our excellent schools to provide ongoing training and educational opportunities to our residents. We have a business-friendly environment in which employers provide well-paying, career-ladder jobs and residents have access to small business opportunities. The Downtown Mall, as the economic hub of the region, features arts and entertainment, shopping, dining, cultural events, and a vibrant City Market. The City has facilitated significant mixed and infill development within the City.

A Center for Lifelong Learning

In Charlottesville, the strength of our education is measured not by the achievements of our best students, but by the successes of all our students. Here, an affordable, quality education is cherished as a fundamental right, and the community, City schools, Piedmont Virginia Community College and the University of Virginia work together to create an environment in which all students and indeed all citizens have the opportunity to reach their full potential.

Quality Housing Opportunities for All

Our neighborhoods retain a core historic fabric while offering housing that is affordable and attainable for people of all income levels, racial backgrounds, life stages, and abilities. Our neighborhoods feature a variety of housing types, including higher density, pedestrian and transit-oriented housing at employment and cultural centers. We have revitalized public housing neighborhoods that include a mixture of income and housing types with enhanced community amenities. Our housing stock is connected with recreation facilities, parks, trails, and services.

C'ville Arts and Culture

Our community has world-class performing, visual, and literary arts reflective of the unique character, culture, and diversity of Charlottesville. Charlottesville cherishes and builds programming around the evolving research and interpretation of our historic heritage and resources. Through City partnerships and promotion of festivals, venues, and events, all have an opportunity to be a part of this thriving arts, cultural, and entertainment scene.

A Green City

Charlottesville citizens live in a community with a vibrant urban forest, tree-lined streets, and lush green neighborhoods. We have an extensive natural trail system, along with healthy rivers and streams. We have clean air and water, we emphasize recycling and reuse, and we minimize storm-water runoff. Our homes and buildings are sustainably designed and energy efficient.

America's Healthiest City

All residents have access to high-quality health care services. We have a community-wide commitment to personal fitness and wellness, and all residents enjoy our outstanding recreational facilities, walking

trails, and safe routes to schools. We have a strong support system in place. Our emergency response system is among the nation's best.

A Connected Community

The City of Charlottesville is part of a comprehensive, regional transportation system that enables citizens of all ages and incomes to easily navigate our community. An efficient and convenient transit system supports mixed use development along our commercial corridors, while bike and pedestrian trail systems, sidewalks, and crosswalks enhance our residential neighborhoods. A regional network of connector roads helps to ensure that residential neighborhood streets remain safe and are not overburdened with cut-through traffic.

Community of Mutual Respect

In all endeavors, the city of Charlottesville is committed to racial and cultural diversity, inclusion, racial reconciliation, economic justice, and equity. As a result, every citizen is respected. Interactions among city leaders, city employees and the public are respectful, unbiased, and without prejudice.

Smart, Citizen-Focused Government

The delivery of quality services is at the heart of Charlottesville's social compact with its citizens. Charlottesville's approach to customer service ensures that we have safe neighborhoods, strong schools, and a clean environment. We continually work to employ the optimal means of delivering services, and our decisions are informed at every stage by effective communication and active citizen involvement. Citizens feel listened to and are easily able to find an appropriate forum to respectfully express their concerns.

CHARLOTTESVILLE STRATEGIC PLAN FY 2015 – 2017

During the summer of 2008, City staff developed and started implementation of a process known as **P3: Plan, Perform, Perfect**, or **P3**, that builds on the City's internal capacity to develop (1) departmental strategic business plans, (2) a performance measurement and management system and (3) a means of reporting results to staff, City management, Council and the public, all of which will guide the organization towards intentional application of strategies and techniques to achieve desired results.

As the next logical step, in June 2014, City Council adopted a formal **three year strategic plan** after many months of hard work from numerous City staff, department heads and feedback from City Council throughout the entire process. The strategic plan incorporated over 60 city reports and documents into a citywide vision, mission, organizational values, five citywide goals, 3 to 5 objectives under each goal, and over 60 strategic initiatives which represent the action items of the plan. The strategic plan is now being implemented using teams of city staff and guidance from City Council.

The next phases include finalizing initiative reports which report on progress of the strategic plan, creating a reporting mechanism (ClearPoint and others) that includes updates and performance measures, intermediate and outcomes, and aligning department scorecards with the strategic plan.

The FY 2016 Adopted Budget starts to illustrate the alignment between the allocation of resources and the strategic plan goals, objectives and initiatives. This is done for both new funding initiatives and existing ones that are in place and ongoing. Throughout the document icons indicate alignment between strategic plan goals and departments/programs.

A key at the bottom of each functional area's first page informs the reader on how to interpret these icons as to which goal they represent. A one page summary of the strategic plan, along with a snapshot of each goal's outcome measures, can be found following the Manager's Message on *pg. vii*. A report of all strategic initiatives will be provided as a separate document/report from the annual budget and will be posted on the City's strategic plan website found at www.charlottesville.org/strategicplan.

New Funding Alignment with Strategic Plan Initiatives

There is new funding included in the adopted operating budget that aligns directly with strategic plan initiatives:

Goal 1: Enhance the self-sufficiency of our residents

1.5 Improve college/career readiness of students

Identify and implement strategies to promote cradle to college supports for children

The FY 2016 Adopted Budget fully supports the City of Promise Director's position which for four years, was supported through grant funds. The funding for this position is shown in the General Fund transfer to the Human Services fund where this program is housed. The City of Promise is an initiative designed to create a continuum of solutions with eth potential to significantly improve the educational and developmental outcomes of children and youth in the 10th and Page, Westhaven and Starr Hill neighborhoods.

Goal 2: Be a safe, equitable, thriving and beautiful community

2.1: Provide an effective and equitable public safety system

Address the needs of the growing community by increasing the number of City Police Officers

The FY 2016 Adopted Budget includes \$481K to continue funding eight new Police Officers that were approved during FY 15 as "over hires" in order to ensure that positions were filled while new officers completed their academy service and necessary training. Since that request, a proposal has been made to keep these new officers permanent and to phase in additional police officers in future year if resources are available to do so.

Fill the gap left in rescue squad services provided to the City of Charlottesville

In 2015 the City of Charlottesville and the Charlottesville-Albemarle Requests Squad (CARS) entered into an agreement that includes the funding by CARS of two City Fire Department EMS Medic positions at a cost of \$130,000.

2.4: Ensure families and individuals are safe and stable

Improve permanency for children in the child welfare system

The FY 2016 Adopted Budget includes the local match requirement, \$90,000, to continue funding two long term temporary Family Services Specialist positions. These were added during FY 2015 due to increasing workloads and administrative requirements mandated by the State that have resulted in poor performance outcomes in child welfare programs. These positions will improve the capacity of the Department of Social Services to meet these mandated program outcomes for children in the child welfare system, maintain continuity of service, and maximize the specialized training needed to be a successful family services specialist.

Goal 5: Foster Strong Connections

5.3: Promote community engagement

Evaluate community engagement tools and development recommendations for improving effectiveness

Included in the adopted budget is \$15,000 allocated towards the City's engagement opportunities, such as Our Town Meetings, engagement worksessions and others as the City's overall strategy is finalized and implemented.

The Purpose of Budgeting

Budgeting has several major purposes. First and foremost, budgeting is a formal way to convert the City's long-range plans and policies into services and programs for the citizens of the City of Charlottesville. The budget also details these services and programs in terms of costs. The City's budget informs the City Council and the public of the City government's plans for the coming fiscal year (July 1, 2015 - June 30, 2016), and provides the Council with the opportunity to review and decide the level of services to be provided to our citizens.

Budgeting also outlines the revenues (taxes, fees, and others) that are needed to support the City's services, including the rate of taxation to be adopted for the coming fiscal year. Finally, the budget adopted by City Council becomes a work plan of objectives to be accomplished over the coming year.

The City's Fund Structure

The City's financial management system is divided into a number of funds. A separate sum of money is set aside for each fund. Funds are established for special program groups which usually have specific revenue sources associated with their expenditures. The City's major funds, which are subject to appropriation by City Council, are:

1. General Fund (Operating)
2. Enterprise Funds (Utilities and Golf Funds)
3. Capital Improvement Program Fund
4. Internal Service Funds
5. Other Non General Funds

The **General Fund** is usually referred to as the operating fund and is used to finance the day-to-day operations of the City. It is the largest part of the City's total financial operation. Revenues for this fund are obtained from taxes, licenses and permits, intergovernmental revenue, charges for services, fines, interest, and City/County Revenue Sharing funds.

The **Enterprise Funds** consist of the operating and capital budgets of the Gas, Water and Wastewater programs in the City and the Golf Course Fund. These funds account for each of their respective operations as if they were each a separate, self-supporting business.

The **Capital Improvement Program Fund** is used to account for all financial resources that are needed in the acquisition or construction of capital assets. Revenues for this fund are obtained from bond issues, a transfer from the General Fund (City/County Revenue Sharing), a contribution from the City Schools for their small capital projects program, and contributions from Albemarle County for shared projects.

The **Internal Service Funds** are governmental funds that consist of the operating and minor capital budgets of the Information Technology, Communication systems, and Fleet Management funds. These funds primarily provide services and support to other City departments, and are used to account for the goods and services provided by one department to other departments or agencies on a cost-reimbursement basis.

Other Non General Funds include the following:

- **Equipment Replacement Fund** – Provides funding for a scheduled replacement program for 686 vehicles and pieces of equipment.
- **Facilities Repair Fund** – An internal service fund, this provides funding to preserve the City's investment in non-school facilities.
- **Retirement Fund** – This is a trust (fiduciary) fund supported by contributions paid by the City, based on actuarial calculations, that provides City employees with a pension to supplement social security benefits upon retirement.
- **Risk Management Fund** – An internal service fund, this provides accounting for the City's risk management program.
- **Debt Service Fund** – Provides necessary funds to retire the City's general government outstanding bond indebtedness and related costs.
- **Health Care Fund** – The Health Care Fund is the funding source for the City's health related benefits provided to participants in the City's health care programs.

The Basis of Budgeting

The basis of budgeting for the City of Charlottesville is the same as the basis of accounting used in the governmental fund financial statements. All budgets are presented on the modified accrual basis of accounting, under which revenues and related assets are recorded when measurable and available to finance operations during the year, and expenditures, other than compensated absences and interest on debt, are recorded as the related fund liabilities are incurred. Revenues considered prone to accrual consist primarily of property taxes, certain grants, and sales and utility taxes. Any property taxes that are not due as of June 30th are recorded as deferred revenues. Budgets for City and School operations, Utilities and Debt Service are adopted on an annual basis. Budgets for the Capital Projects Fund and Other Funds are continuing appropriations beyond the fiscal year. It is the intention of the City Council that appropriations for capital projects continue until completion of the project.

Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

The Budget Process

Capital Improvement Program (CIP) Development

For a detailed description of this process, see *pg. 143*, Capital Improvement Program.

Operating Budget – Expenditure and Revenue Development

The City's operating budget process begins in the fall when departments prepare their budget requests and the City Manager presents the City's long-term financial forecast to City Council. Based upon this forecast, City Council formally adopts its budget guidelines (*pg. 11*) and assumptions for the upcoming fiscal year. Council also holds a budget work session in December or January to provide further guidance to staff in budget preparation.

From late October to mid-January, departmental budget requests and agency budget requests are submitted to the Budget Office and reviewed individually with each department by the **Leadteam Budget Review Team (LBRT)**. The LBRT consists of four teams of department heads who meet with individual departments, review budget proposals, new program requests and budget reduction scenarios. The teams make recommendations on balancing the budget and long term financial strategies to the City Manager.

Estimated revenue forecasts are finalized by the **Revenue Team** simultaneous with the development of the expenditure budgets. The **Revenue Team** is made up of the City Treasurer, Commissioner of Revenue, Director of Economic Development, Director of Budget and Performance Management and the Finance Director.

The City Manager's Adopted Budget, along with the School's Budget, is presented to City Council at the first Council meeting in March. The City is required to present a balanced budget where revenues (money that is received from taxes, fess, intergovernmental sources, etc.) equal expenditures. A series of City Council work sessions and public hearings are held during the months of March and April. The City and School budget is formally adopted by City Council each year no later than April 15th.

Budget Adoption

An annual operating budget is adopted for the General Fund. Within the General Fund, budgets are legally adopted at the departmental level. The City Manager is authorized to transfer the budget for personnel cost (salaries and fringe benefits), if necessary, between departments; however, any other revisions that alter the total expenditures of any department or agency must be approved by City Council with an appropriation. Unexpended appropriations lapse at the end of the fiscal year unless carried over by Council action. Budgets for City and School operations, Utilities and Debt Service are adopted on an annual basis. Budgets for the Capital Projects Fund and Other Funds are continuing appropriations beyond the fiscal year. It is the intent of the City Council that appropriations for capital projects continue until completion of the project and that funds accumulated in the Debt Service Fund be dedicated to future debt service.

Legal Budgeting Requirements

City Code Sec. 11-1

The City Manager shall keep the Council fully advised of the City's financial condition and shall, on or before March fifteenth in each year, prepare and submit to the Council a tentative budget for the next fiscal year. Such budget shall be in conformity with the provisions of the Charter and of this Code and the general law, and shall contain estimates of the financial needs and resources of the City for such fiscal year and a program of activities which in the City Manager's judgment will best meet the needs of the City and its people, considering resources available.

City Code Sec. 11-2

The council shall cause to be prepared by the City Manager an annual budget containing all proposed expenditures and estimated revenues and borrowing for the ensuing year, and at least thirty (30) days thereafter shall order a city levy as provided for by state law and sections 14, 19 and 20 of the Charter. The Council shall adopt or approve the annual budget and shall make such city levy prior to April fifteenth in each year.

FY 2016 Budget Calendar

July 30, 2014.....	FY 2016 - 2020 Capital Improvement Program Preliminary Submission Packets Distributed
August 8, 2014.....	Capital Improvement Program Preliminary Requests Due
September 4, 2014.....	Preliminary Submission Review Meeting with City Manager and COO
October 18, 2014.....	Capital Improvement Program Final Request Forms Due
October 15, 2014.....	Non-Profit Agency Funding Applications Due
October 17, 2014.....	FY 2016 Budget Submission Guidelines and Instructions Distributed to City Departments
October 31, 2014.....	FY 2016 Budget Submissions Due from City Departments
November 25, 2014.....	FY 2016 – 2020 Capital Improvement Program Planning Commission Work Session
December 4, 2014.....	Council Budget Worksession
December 9, 2014.....	FY 2016 – 2020 Capital Improvement Program Planning Commission Public Hearing
December 2014 – February 2015.....	Finalize City Manager’s FY 2016 Proposed Budget
February 5, 2015.....	Council Budget Worksession
March 2, 2015.....	Proposed City and School Operating and Capital Budget Formally Presented to City Council
March 5, 2015.....	Council Budget Worksession
March 12, 2015.....	Council Budget Worksession
March 16, 2015.....	Tax Rate Public Hearing/First Public Hearing on Proposed Budget
March 18, 2015.....	Community Budget Forum
March 26, 2015.....	Council Budget Worksession
April 6, 2015.....	Second Public Hearing on Budget and First Reading of Budget
April 9, 2015.....	Council Budget Worksession
April 14, 2015.....	Second Reading and Council Adoption of Budget

Budget Guidelines (As Adopted By City Council)

Each fall, Budget Office staff presents five year revenue and expenditure forecasts and a draft set of Budget Guidelines for the upcoming fiscal year that Council will formally adopt. This assists the City Manager's Office and the Office of Budget and Performance Management in planning and preparing a balanced budget by establishing broad goals that guide decision making for the upcoming and future fiscal years.

1. Maintain the current real estate and personal property tax rates.
2. Develop operational budgets within projected available revenues.
3. Focus on Council's Strategic Vision:
 - Economic Sustainability
 - A Center for Lifelong Learning
 - Quality Housing Opportunities for All
 - Charlottesville Arts and Culture
 - A Green City
 - America's Healthiest City
 - A Connected Community
 - Community of Mutual Respect
 - Smart, Citizen Focused Government
4. Continue to incorporate the use of performance measures to assist in making decisions that support budget priorities related to the City's Strategic Plan, the goal being to use measures as a management and decision making tool during the budget process.
5. Continue the strong commitment to education by allocating up to 40% of new City real estate and property tax revenue to schools.
6. Invest strategically in employees by providing adequate pay, benefits, training, technology resources, support, and appreciation.
7. Annually review the living wage ordinance "so that every City contract for the provision of non-professional services will require that the contractor pay each employee assigned to perform services a living wage equal to no less than the lowest starting salary for City employees."
8. Fund no new programs or major expansion of existing programs without fully offsetting revenues or reductions in expenditures.
9. Balance reinvestment in the City's existing infrastructure and facilities and creation of new opportunities for investing in the future of the City.
10. Conduct the Agency Budget Review Team process, jointly with Albemarle County, to evaluate agency requests for program congruence with Council's strategic areas.
11. Transfer at least 3% of general fund expenditures to the Capital Improvement Fund (CIP).
12. Budget a reserve for Council Strategic Initiatives.
13. Budget a Fund Balance Target Adjustment pool of funds to help ensure that the City continues to meet the important financial policy of maintaining an unappropriated fund balance in the General Fund equal to 14% of the City's general fund budget and a Downturn Reserve Fund equal to 3% of the City's general fund budget.

Long Term Financial Policies

The Long Term Financial Policies are reviewed by City Council each year along with the Budget Guidelines. These policies support a financial planning process that assesses the long-term financial implications of operating and capital budgets, budget policies and guidelines and cash management and investment policies.

1. Maintain a minimum General Fund balance of at least 14% of General Fund budget.*
2. Maintain a minimum Downturn Reserve Fund balance of no less than 3% of General Fund budget.**
3. Maintain sufficient working capital in the utilities funds (Water, Wastewater, Gas).
4. Stabilize all non-general funds by ensuring they have a positive fund balance.
5. Maintain a debt service to general fund total expenditure budget ratio of 8% or less.***
6. Transfer 1-cent of the meals tax revenue to the Debt Service Fund to be used for debt service.

* This policy, effective July 1, 2013, increases the minimum General Fund balance from 12% to 14% in order to provide the City with sufficient working capital and a margin of financial safety to address unforeseen, one-time expenditure emergencies or significant unforeseen declines in revenues in a specific fiscal year, for which there is no other current budgetary resource available, or other categories of fund balance available to satisfy the funding need. In the event of a drawdown, the reserve must be replenished to the 14% level within three years.

** Drawdown of this reserve can occur in the event that revenues decline by more than 1.5% of current fiscal year estimate and will be limited to less than half of the balance of the Downturn Reserve Fund. In the event of a drawdown, the reserve must be replenished to the 3% level within three years.

*** This policy is currently under review by City staff and its financial advisors and may be adjusted higher as the City's infrastructure needs increase, and at which time, City Council will be presented with a formal recommendation and policy change.

Major Highlights of the Budget

General Fund Revenues

- Real Estate assessments for CY 2015 reflects a residential property assessments increase of 1.78% and when including commercial and new construction, the overall assessment increase is 2.78%. As a result, revenue is expected to increase by over \$1.4M in FY 2016.
- Personal Property Tax revenue is expected to increase by \$516,570 in FY 2016.
- Lodging Tax revenue is expected to bring in an additional \$166,000.
- Sales and Use Tax revenues are expected to increase by \$523K in FY 2016.
- The City will receive \$130,000 in revenue from the Charlottesville-Albemarle Rescue Squad, per a formal agreement between the two agencies, to pay for two EMS Medic positions that will be housed in the Fire Department.
- City/County Revenue Sharing is decreasing in by \$408,313 due to a decline in Albemarle County's 2013 real estate assessments which is the year on which the FY 2016 formula is based.

Proposed Changes to Taxes and Program Fees

- An ***Acton Alternative*** of the Blue Ribbon Commission on Sustainable School Funding, the FY 2016 Council Adopted Budget includes a 1% increase in the City's Meals Tax rate, from 4% to 5%. This is estimated to bring in additional revenue of \$2.142M for the year to help the City pay for the increase to the City Schools, public safety officers and other City services highly valued by our citizens and residents.
 - It is estimated that 40% of those who would pay the City meals tax do not live in the City and are classified as "tourists" or "visitors". In addition, there are more than 35,000 jobs located at establishments in the City meaning the daytime population swells considerably each work day. Many of these employees live outside the City in the surrounding localities but work and purchase meals while in the City. In addition, there are approximately 20,000 students associated with the University of Virginia, with an estimated 9,000 that reside in the City.
- Parks and Recreation will increase fees associated with several of their programs:
 - Increase cost of 5 week therapeutic summer camp from \$75 to \$125 – many of those who attend this camp are Albemarle County residents. New Revenue = \$2,000
 - Increase premium hourly rental fee for Carver Multi-Purpose Room to \$125/hour, up from \$110/hour. New Revenue = \$1,800
 - Institute weekly fee for pre-teen and teen summer camps, changing from a one-time fee of \$100 to \$25 per week per camper, a total increase of \$50 per week over the current rate. Other camps in the area are already at a much higher per week rate, and even with the new rates, the City's' camps will remain much more competitive. New Revenue = \$7,550

General Fund Expenditures

Major expenditure changes that have direct alignment with a Strategic Plan initiative are described on **pg. 6, New Funding Alignment with Strategic Plan Initiatives**

- In FY 2016, the schools will receive an additional \$1.643 million from the City, \$790K of which is calculated from the school target funding formula that provides the schools with 40% of new real estate and personal property tax revenue.
- This budget fully funds the City's Actuarial Retirement Contribution for the retirement fund and funds a projected 3% increase in the health care premium costs (City and employee share).
- Provides a 2% cost of living increase starting July 1, 2015, which is necessary in order to remain competitive in the region, at a cost of over \$824K.
- Increases Parks and Recreation by \$120,667 to cover the cost of two months of landscape and turf maintenance at the recently opened McIntire Interchange and the City's portion of the John W. Warner Parkway, including areas north of Melbourne Rd. (adds one new Gardener); and continues the After School Meals Program once the grant funds expire at the end of FY 2015.
- The City funds several contractual/partnership agencies, including the regional jail, juvenile detention center, the library system, the 911 center, and transit and paratransit services for the region. The cost for the City to support these agencies is increasing by over \$424K.
- Provides the first seven months of the City's share of the new firearms range operational cost, a total of \$44,898.
- Funds a new long term temporary Business Tax Auditor in the Commissioner of Revenue's Office to support expanded business delinquency collections, discovery, and enhanced auditing of existing accounts. There is \$53,673 budgeted for this position for salary and benefits. After two years, this position's outcomes will be reviewed and possibly made regular full time depending on the results.
- Funds \$35,000 for a new long term temporary Preservation Planner position in Neighborhood Development Services to better address current needs as well as continue implementation of community preservation goals.
- The General Fund transfer to the Debt Service fund is increasing by \$553K based on the adopted capital improvement program.

Budget Reductions and Savings

- City departments identified over \$268,000 in budget reductions. Reductions were identified by carefully reviewing past year actuals and spending trends or in some cases recognizing that an expense could be delayed a year without significant impact. **Pg. xii** following the Manager's Budget Message shows the list of the reductions made to City department budgets.
- The City will suspend for one year new payments into the City's computer replacement fund, a savings of approximately \$74K.
- When the City renegotiated the residential recycling program contract, this produced savings for the City in the amount of over \$162K annually.
- Accounts up front savings for realized when vacancies occur and positions are not filled for a period of time, an estimated savings of \$250,000.

FY 2016 Capital Improvement Program Highlights

Revenue

- \$4,750,000 General Fund contribution
- \$47,500 in PEG Fee revenue
- \$147,500 contribution from Albemarle County for shared projects (CATEC and Central Library)
- \$200,000 contribution from the City Schools for the small cap program
- \$10,725,887 in CY 2016 bonds

...for total FY 2016 Revenue of **\$15.87 million**

Expenditures

- \$1,720,491 for City School Facilities
- \$1,345,491 for City Facilities
- \$3,854,692 for Transportation and Access
- \$3,149,921 for Parks and Recreation
- \$3,483,470 for Public Safety and Justice
- \$150,000 for Economic Development Strategic Initiatives
- \$125,000 for Neighborhood and Citywide Stormwater Initiatives
- \$47,500 for Technology Infrastructure
- \$1,569,322 for the Charlottesville Affordable Housing Fund
- \$425,000 for Other Governmental Commitments

...for total FY 2016 Expenditures of **\$15.87 million**

Capital Improvement Program Alignment with the Strategic Plan

The FY 2016 – 2020 Capital Improvement Program (CIP) budget includes funding for several projects that align directly with a strategic plan initiative.

Goal 1: Enhance the self-sufficiency of our residents

1.3 Increase affordable housing options

Partner with developers and incentivize affordable property growth

The FY 2016 Proposed Budget continues funding for the **Charlottesville Affordable Housing Fund** at \$1,569,322. Charlottesville Affordable Housing Fund dollars are specifically targeted toward assisting with creation of new low income housing opportunities.

Goal 2: Be a safe, equitable, thriving and beautiful community**2.3. Provide reliable and high quality infrastructure**Build the bicycle network such that all households are within a half mile of a trail or designated bicycle facility

The FY 2016 CIP includes an additional \$200,000 for the **Bicycle Infrastructure** project. FY 2015 funding was used to update the 2003 Bicycle and Pedestrian Master Plan. FY 2016 funds will be used to implement recommendations from the plan.

Build the pedestrian network such that all households are within an eighth of a mile of a sidewalk or trail

Included in the adopted budget are two projects related to building the pedestrian network, **New Sidewalks** (\$200,000) and **Tail and Greenway Development** (\$77,109). The New Sidewalk project attempts to remedy the gaps that remain throughout the sidewalk infrastructure of the City. Funding for the Trail and Greenway Development project will go towards the acquisition, development and construction of trails and greenways throughout the City.

Complete West Main Street Project

The proposed CIP continues funding for the **West Main Street** project at \$500,000 for FY 2016. Funding of a significant urban design and streetscape improvement project for the West Main Street Corridor Improvements that will include changes to the street profile, green infrastructure, trees and street furniture.

Implement SIA Improvements

SIA Immediate Implementation will receive \$250,000 in the FY 2016 CIP. This funding is intended to facilitate completion of projects outlined in the Strategic Investment Area Plan completed in December, 2013. Examples of capital projects in the plan include 2nd Street Extension to Ix Building with improved streetscape, day lighting of Pollacks Branch, improved connectivity and walkability, and improvement to the Monticello Avenue streetscape.

2.5: Provide natural and historic resource stewardshipImplement an energy savings plan to achieve measurable progress on the 10% emission reduction goal.

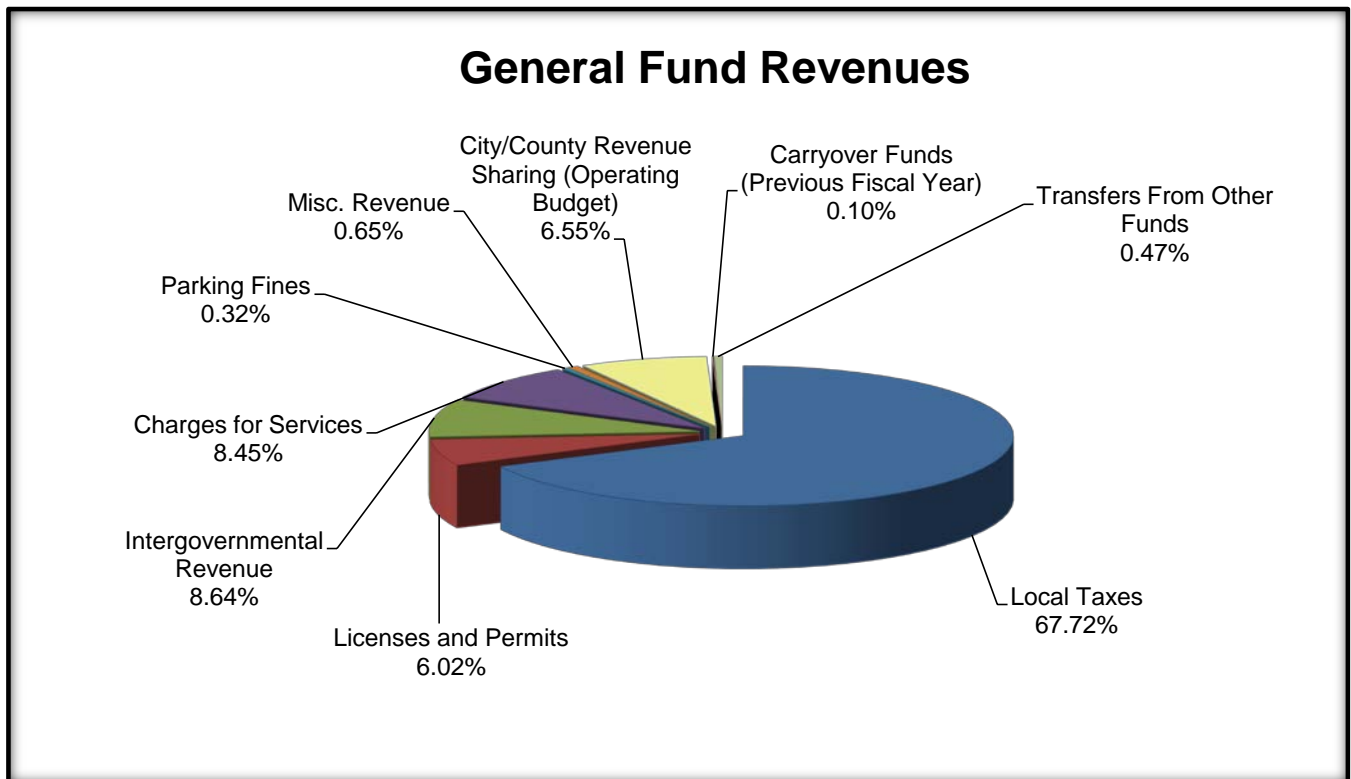
The FY 2016 Adopted Budget includes \$100,000 for the **City Solar PV Program**. This project is the phased installation of solar photovoltaic panels on the roofs of various City facilities. Upon completion of the first system the City will begin to generate some of the electricity need to run its facilities

2.6. Engage in robust and context sensitive urban planningComplete Small Area Plans

As part of the FY 2016 Adopted CIP **Small Area Plans** will receive \$50,000. The Comprehensive Plan Update identified several specific areas of the city where planning and design issues or investment opportunities may warrant additional study through the development of specific small area plans in the coming years. The small area planning process is intended to examine areas anew and holistically, with the full engagement of the public, elected and appointed officials and planning professionals. The resulting small area plans will provide the basis for future planning, urban design, investment decisions, and possible changes to zoning and the future land use plan.

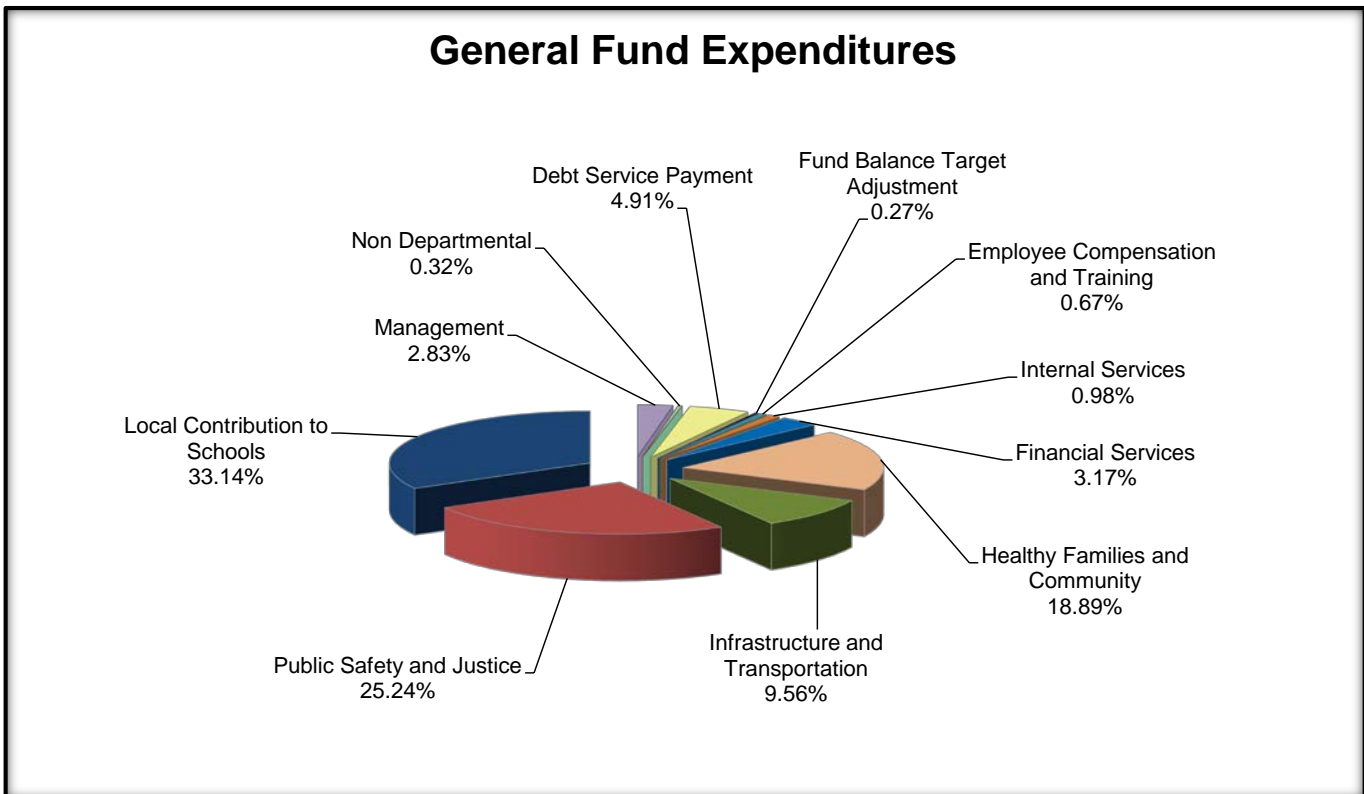
General Fund Revenue Summary

	FY 2013-2014 Actual	FY 2014-2015 Budget	FY 2015-2016 Budget	Increase/ (Decrease)% Change
General Fund Revenue				
Local Taxes	\$90,308,313	\$91,612,801	\$96,739,283	\$5,126,482 5.60%
Licenses and Permits	8,409,280	8,870,527	8,603,371	(267,156) -3.01%
Intergovernmental Revenue	12,368,027	11,896,383	12,337,927	441,544 3.71%
Charges for Services	12,098,985	11,779,940	12,065,992	286,052 2.43%
Parking Fines	349,090	450,000	450,000	0 0.00%
Misc. Revenue	1,127,023	856,077	928,000	71,923 8.40%
Carryover Funds (Previous Fiscal Year)	0	0	141,659	141,659 N/A
Transfers From Other Funds	250,000	775,000	675,000	(100,000) -12.90%
Transfers to Other Funds	691,711	0	0	0 N/A
City/County Revenue Sharing (Operating Budget)	12,063,833	11,467,895	10,908,668	(559,227) -4.88%
TOTAL OPERATING BUDGET	\$137,666,262	\$137,708,623	\$142,849,900	\$5,141,277 3.73%



General Fund Expenditure Summary

	FY 2013-2014 Actual	FY 2014-2015 Budget	FY 2015-2016 Budget	Increase/ (Decrease)%	Change
General Fund Expenditures					
Management	\$3,688,461	\$3,998,351	\$4,040,976	\$42,625	1.07%
Non Departmental	187,377	210,915	460,415	249,500	118.29%
Debt Service Payment	6,550,000	6,465,000	7,018,000	553,000	8.55%
Fund Balance Target Adjustment	302,000	300,000	390,159	90,159	30.05%
Employee Compensation and Training	929,151	880,260	959,105	78,845	8.96%
Internal Services	1,374,200	1,388,018	1,403,041	15,023	1.08%
Financial Services	4,353,897	4,488,288	4,532,820	44,532	0.99%
Healthy Families and Community	25,358,943	26,361,133	26,985,539	624,406	2.37%
Infrastructure and Transportation	13,391,070	12,829,111	13,655,680	826,569	6.44%
Public Safety and Justice	35,015,555	35,088,489	36,061,317	972,828	2.77%
Local Contribution to Schools *	44,067,826	45,699,058	47,342,848	1,643,790	3.60%
TOTAL OPERATING BUDGET	\$135,218,480	\$137,708,623	\$142,849,900	\$5,141,277	3.73%



* The Schools FY 2016 Adopted Budget is showing a revised Local Contribution dollar amount for FY 2015, which differs than the one shown in the above chart. After the State passed their FY 2015 budget, the schools were able to return \$66,659 to the City. The Schools budget shows that revised contribution, whereas the City is showing the original appropriated contribution. Regardless, in FY 2016, both the City and Schools are showing a total contribution of **\$47,442,848**.

Explanation of Revenues

Services provided by the City of Charlottesville are funded by a variety of revenue sources: local, state, federal, and other intergovernmental revenue. When preparing revenue estimates for the budget, a team of staff reviewed prior year revenue activity, current year to date activity, and future factors that will affect the City's economic vitality. City staff uses a variety of revenue projection techniques in order to ensure the accuracy of the revenue projections.

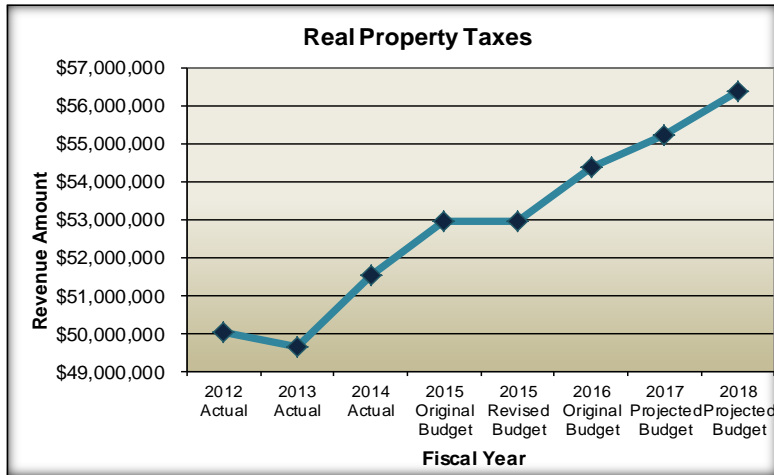
- Informed/Expert Judgment (e.g. the advice of a department head)
- Deterministic Techniques (e.g. formulaic revenues)
- Time Series Techniques (e.g. moving averages and predictive statistics)
- Estimates from the Commonwealth of Virginia (e.g. transfer payments)
- Long Term Forecasting (e.g. looking five years out at the start of the budget process in order to better plan for future revenue conditions and expenditure needs)

In practice, most revenue projections combine two or more of these techniques. Generally, the amount of revenue available to the City depends on current and future economic activity. Below is a listing of the major revenue sources (individually approximately 1% or more of the total City revenue) for the City of Charlottesville, which make up 87.49% of the total General Fund revenue collected by the City of Charlottesville.

Revenue Source	FY 2016 Projection	% of General Fund Total Revenues
Real Estate Taxes	\$54,391,163	34.78%
City/County Revenue Sharing	16,058,668	10.27%
Sales & Use Taxes	11,181,966	7.15%
Meals Tax	10,710,750	6.85%
State Assistance	7,513,718	4.80%
Personal Property Taxes	7,268,094	4.65%
Business & Professional Licenses	6,768,371	4.33%
Payment in Lieu of Taxes: Utilities	5,231,345	3.35%
Utility Services Consumer Tax	4,600,000	2.94%
PPTRA	3,498,256	2.24%
Virginia Communications Sales & Use Tax	3,232,000	2.07%
Transient Room Tax	3,085,500	1.97%
Recreation Income	1,959,628	1.25%
Public Service Corporation Taxes	1,300,000	0.83%
TOTAL	\$136,799,459	87.47%

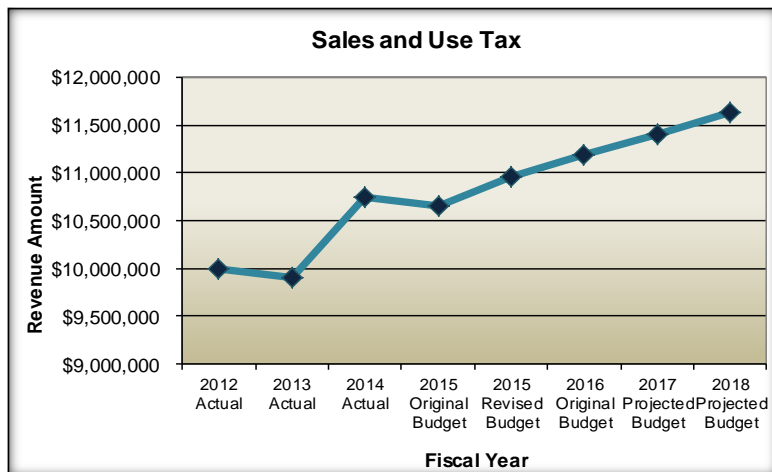
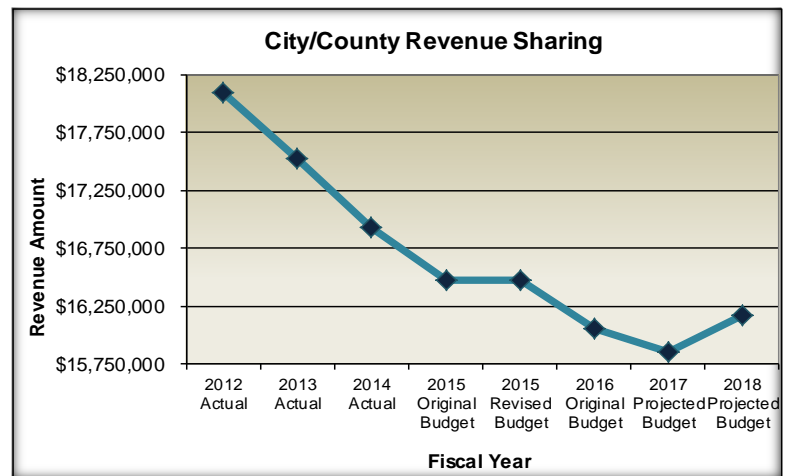
In the following section, a graph has been presented for each of the major revenues listed in the above chart. This provides a graphical representation of the trend data that was used when the revenue projections were made for FY 2016. The data in the graphs represents the amount of actual revenue collected for FY 2012-2014, along with the originally budgeted amounts and revised revenue estimates for FY 2015, all of which were important factors in projecting the revenues for FY 2016. Also included in the charts is two years of the five year forecast that staff provided to City Council at the start of the budget process in the fall of 2014. Looking long term helps in decision making when it comes to predicting revenue conditions and expenditure needs.

Major Local Revenue – Descriptions and Trend Data

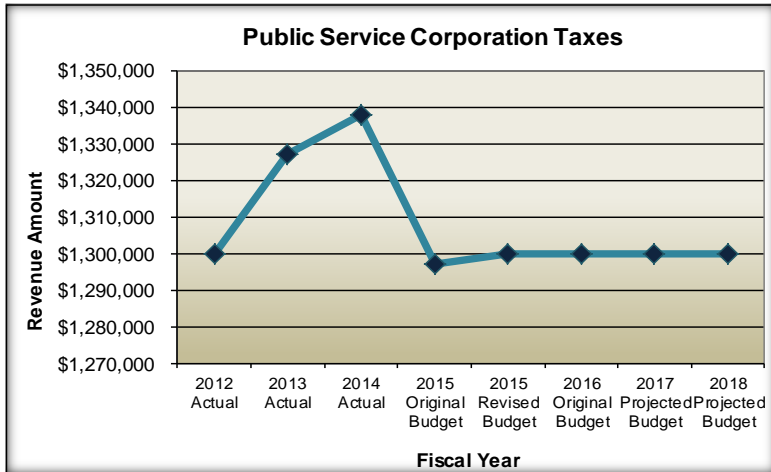


Real Property Taxes are the largest source of revenue for the City. They are *ad valorem* taxes based on the assessed value of real property owned by businesses, individuals, and corporations. They are assessed at 100% valuation, with tax rates being applied per \$100 of assessed value. **The adopted tax rate for FY 2016 is \$.95 per \$100 of assessed value.**

City/County Revenue Sharing is based on an agreement between the City of Charlottesville and the County of Albemarle dated February 17, 1982. The agreement requires the County to contribute a portion of its real property tax base to the City in exchange for the City's agreement to forgo annexation of any County property. The amount from the County is equal to 1/10 of 1% of the County's total assessed property values for CY 2013 when estimating the FY 2016 payment. The majority of this revenue is dedicated to projects and operations that benefit City and County residents alike, including replacement of transit infrastructure and transportation improvements, enhancements to parks and recreation facilities and programs, public safety enhancements, and road and infrastructure maintenance.

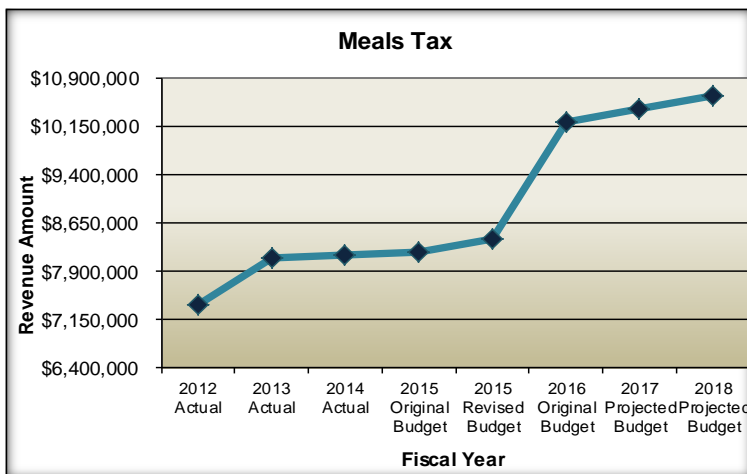
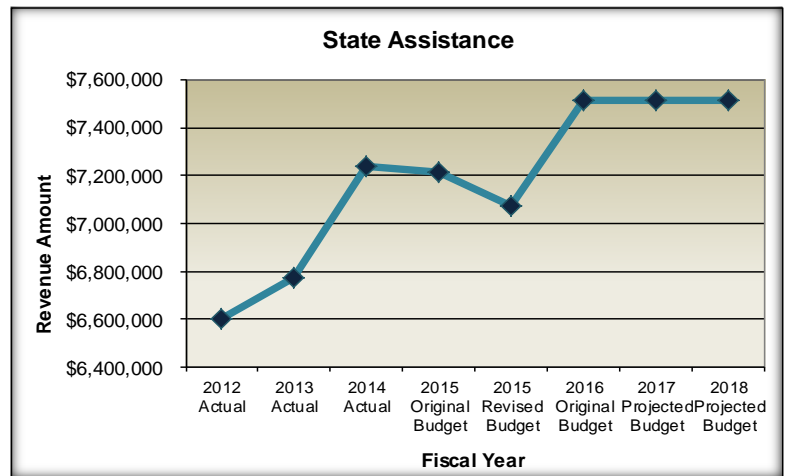


Sales and Use Taxes are revenues received by the City from 1-cent of the 5-cent State sales tax generated within the City. Growth in this revenue has been positive the past few years and will continue to be strong as confidence in the economy improves. Starting July 1, 2013, an additional .3% will be collected that is dedicated to statewide transportation projects. This was approved by the General Assembly during their 2013 session. **The adopted Sales Tax rate is 5.3% for general sales purchases and 2.5% for non-prepared foods (implemented July 1, 2005).**

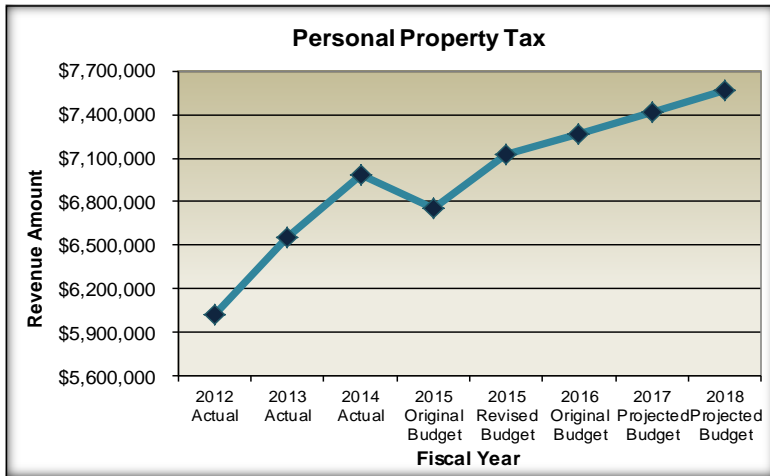


Public Service Corporation Taxes are levied on the real estate and tangible property owned by railroads, utilities, pipelines, and other businesses required to register with the State Corporation Commission. The FY 2016 budgeted amount for these revenues are expected to remain level from the FY 2015 revised budget due to adjustments made to the depreciation method for computer equipment, furniture and office equipment, and central office equipment which decreased the assessments over the prior year.

State Assistance consists of four major revenue items: **Constitutional Officer Reimbursement**, which is determined by the State Compensation Board on an annual basis for the elected official offices, including the Treasurer, Commissioner of Revenue, Sheriff, Clerk of the Circuit Court, and Commonwealth's Attorney; **State Highway Assistance** is highway maintenance funds received from the State based on a formula which includes road type, lane miles, and rate of pavement per lane mile; **State Aid for Police Protection**, where the amount of revenue received by the localities is based upon a proportional formula that uses the adjusted crime rate index for the locality as its base; and **State Flex Cuts (Local Aid to Commonwealth)** where localities can decide to reduce individual revenue items from the State, or reimburse the State in one lump sum. This was reinstated for FY 2015 but discontinued in FY 2016.

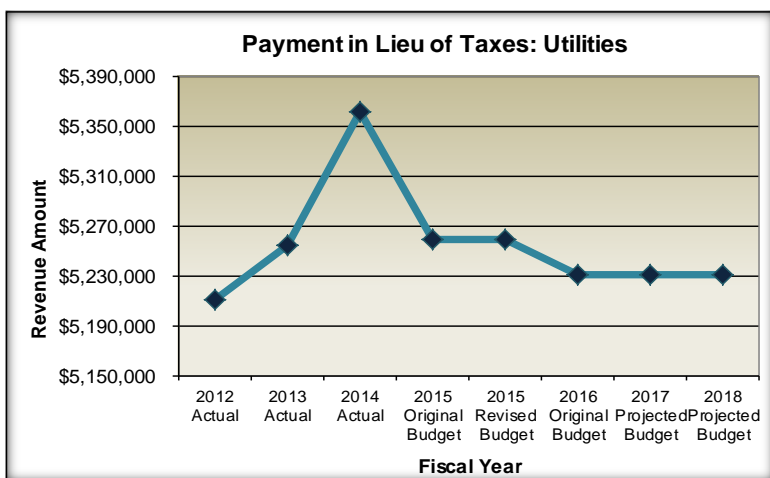
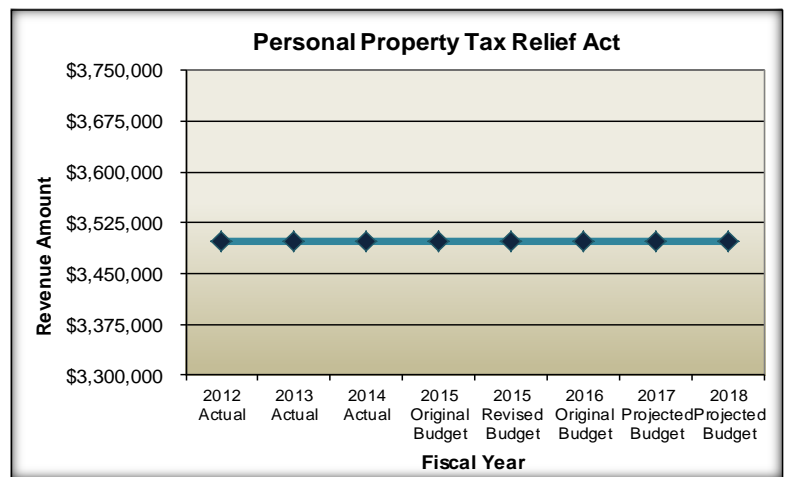


Meals Tax is assessed on the sales price of prepared food and beverages sold in the City. 1-cent of the tax rate is dedicated to the Debt Service Fund to pay off the future debt of bond issuances used to pay for capital projects. The remaining is dedicated to the General Fund. Since FY 2011 it has shown consistent growth and that trend is projected to continue in FY 2016. The FY 2016 Manager's Proposed Budget includes a 1% increase in the City's Meals Tax rate, from 4% to 5%. This is estimated to bring in additional revenue of \$2.142 million in FY 2016. **The adopted Meals Tax rate is 5%.**

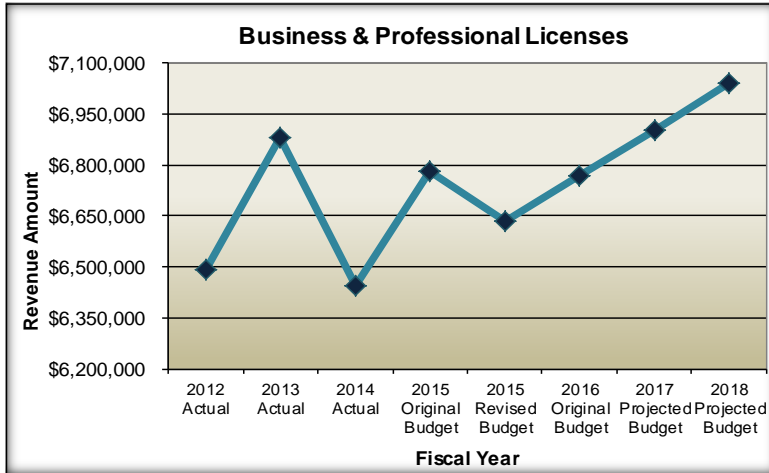


Personal Property Taxes are levied on vehicles owned by individuals and businesses, as well as tangible property owned by businesses. In the fall of 2005, City Council approved changing the valuation method of personal property from average loan value to trade in value. FY 2016 Personal Property Tax revenue is projected to increase by 2.0% from the FY 2015 revised budget amount. **The adopted tax rate for FY 2016 is unchanged at \$4.20 per \$100 of assessed value.**

PPTRA is the State reimbursement to the localities for those vehicles that qualify for reduced personal property tax rates under the Personal Property Tax Relief Act. SB 5005, establishes what amounts to a fixed, annual block grant to localities, the proceeds of which must be used to provide relief to the owners of qualifying vehicles. The State's obligation is capped and made certain and localities are provided greater flexibility in determining how relief is to be distributed.

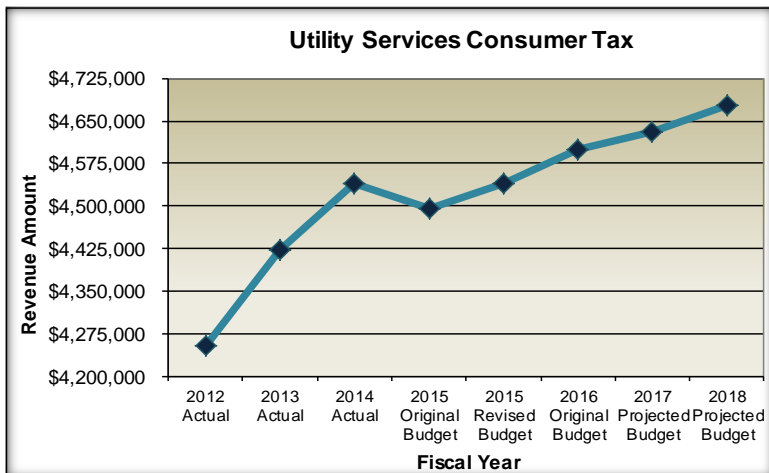
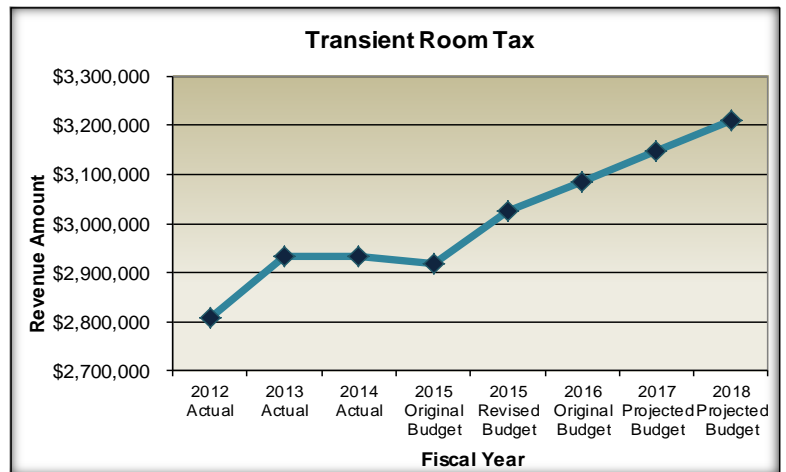


Payment in Lieu of Taxes: Utilities covers the property taxes and business licenses that city-owned water, sewer, and gas operations would pay if they were private businesses. The payment in lieu of taxes for the utilities is calculated by a predetermined formula. In FY 2016, this revenue item is estimated to generate approximately \$5.18 million in revenue, a 1.41% decrease from the FY 2015 original budgeted figure.



Licenses and Permits are revenues collected from permits and privilege fees required by the City. The largest of these sources is the **Business and Professional Licenses**, which is estimated to bring in over \$6.76 million in FY 2016, which represents a \$12,156 decrease from the FY 2015 original budgeted figure.

Transient Room Tax, often called the lodging tax, consists of taxes assessed on the use of rooms in hotels, motels, and boarding houses. Like many of the other consumer driven taxes (Meals Tax, Sales & Use Tax, etc.) this revenue saw a decrease in FY 2009 of 7.86% but had an increase of 8.27% in FY 2010, and an increase of 14.12% in FY 2012. In FY 2015 revised revenue projections are showing an increase of over \$90,000 (3.13%) from the prior fiscal year. For FY 2016, Transient Room tax is projected to see a 2.0% increase from the FY 2015 revised budget projections. **The adopted tax rate remains unchanged at 6%.**



The **Utility Services Consumer Tax** is collected on the sale of goods and services from the following utility services: electric service, gas service, and water service. Beginning in January 2007, Telephone and Cable taxes previously recorded under Utility Taxes were rolled into a new revenue stream called the Virginia Communications Sales and Use Tax. For FY 2016, revenue from these taxes is projected to increase by only 1.34% due mainly to mild weather.

Adopted Tax and Fee Rates

	Adopted Fiscal Year 2015-2016	Adopted Fiscal Year 2014-2015
Real Estate Tax	\$0.95/\$100 Assessed Value	\$0.95/\$100 Assessed Value
Personal Property Tax	\$4.20/\$100 Assessed Value	\$4.20/\$100 Assessed Value
Machinery and Tools Tax	\$4.20/\$100 Assessed Value	\$4.20/\$100 Assessed Value
Mobile Home Tax	\$0.95/\$100 Assessed Value	\$0.95/\$100 Assessed Value
Sales Tax - General ⁽¹⁾	5.3%	5.3%
Sales Tax - Food (Excludes prepared food) ⁽²⁾	2.5%	2.5%
Restaurant/Meals Tax	5.0%	4.0%
Lodging Tax	6%	6%
Cigarette Tax	\$.55 per pack	\$.55 per pack
E-911 Fee ⁽³⁾	\$.75/phone line	\$.75/phone line
Cable Franchise Fee ⁽³⁾	5%	5%
PEG Fee (Cable)	\$.35/month	\$.35/month
Utility Services Consumer Tax (Gas, Water, Electric)	10%	10%
Utility Services Consumer Tax (Telephone and Cable) ⁽³⁾	5%	5%
Refuse Collection		
Trash Sticker Fee	12 Gallon - \$1.05 each 31 Gallon - \$2.10 each	12 Gallon - \$1.05 each 31 Gallon - \$2.10 each
Trash Decal Fees ⁽⁴⁾		
32 Gallon Can	\$94.50 Annually	\$94.50 Annually
45 Gallon Can	\$125.00 Annually	\$125.00 Annually
64 Gallon Can	\$189.00 Annually	\$189.00 Annually
96 Gallon Can	\$283.50 Annually	\$283.50 Annually
Large Item Pickup Fee	\$35 for first occurrence; \$50 for second occurrence; \$100 for third and subsequent occurrences	\$35 for first occurrence; \$50 for second occurrence; \$100 for third and subsequent occurrences
Motor Vehicle License Fee	Up to 4,000 lbs. - \$28.49 4,000 - 6,500 lbs. - \$33.49 Over 6,500 lbs. - \$33.49 Motorcycles - \$8.49	Up to 4,000 lbs. - \$28.49 4,000 - 6,500 lbs. - \$33.49 Over 6,500 lbs. - \$33.49 Motorcycles - \$8.49
Courthouse Maintenance Fee	\$2.00 per court case	\$2.00 per court case
Courtroom Security Fee	\$10.00 per conviction	\$10.00 per conviction

- (1) Of this 5.3% collected by the State, 1% is returned to the locality to support public education and .3% was approved during the 2013 General Assembly session to be dedicated to transportation projects.
- (2) This second Sales Tax rate for non-prepared foods (i.e., grocery stores) was adopted by the State as of July 1, 2005.
- (3) Starting in January 2007, these taxes are rolled into one revenue: the **Virginia Communications Sales and Use Tax**. The tax rates are set by the State in an effort to streamline communications taxes. The revenue is collected by the State and the City is reimbursed on a monthly basis. It is still considered a local tax.
- (4) These rates are based on purchasing the decals after July 1st and prior to September 30th of each year. If purchased after September 30th the City offers prorated rates based upon date of purchase.

General Fund Revenue Detailed

	FY 2013-2014 Actual	FY 2014-2015 Budget	FY 2015-2016 Budget	Increase/ (Decrease)	% Change
LOCAL TAXES					
Real Estate Taxes	\$51,533,641	\$52,930,727	\$54,391,163	\$1,460,436	2.76%
Personal Property Tax	6,986,644	6,752,334	7,268,904	516,570	7.65%
Public Service Corporation Tax	1,337,981	1,296,916	1,300,000	3,084	0.24%
Penalty/Interest on Delinquent Taxes	345,326	350,000	350,000	0	0.00%
Utility Services Consumer Tax	4,539,149	4,494,500	4,600,000	105,500	2.35%
Virginia Communications Sales and Use Tax	3,221,105	3,333,000	3,232,000	(101,000)	-3.03%
Franchise Taxes (See <i>VA Communications Sales and Use Tax</i>)	7,000	0	0	0	N/A
Tax on Bank Stock	923,869	925,000	925,000	0	0.00%
Tax on Wills & Deeds	565,320	600,000	600,000	0	0.00%
Sales & Use Tax	10,747,757	10,659,000	11,181,966	522,966	4.91%
Rolling Stock Tax	21,408	13,001	21,000	7,999	61.53%
Transient Room Tax	2,933,227	2,919,240	3,085,500	166,260	5.70%
Meals Tax	6,117,532	6,144,083	8,568,750	2,424,667	39.46%
Short-Term Rental Tax	39,196	40,000	40,000	0	0.00%
Cigarette Tax	674,571	850,000	850,000	0	0.00%
Recordation Tax Receipts	224,641	180,000	200,000	20,000	11.11%
Vehicle Daily Rental Tax	89,946	125,000	125,000	0	0.00%
Taxes Subtotal	\$90,308,313	\$91,612,801	\$96,739,283	\$5,126,482	5.60%
LICENSES AND PERMITS					
Business & Professional Licenses	\$6,442,386	\$6,780,527	\$6,768,371	(\$12,156)	-0.18%
Vehicle Licenses	844,866	825,000	825,000	0	0.00%
Dog Licenses	14,517	15,000	15,000	0	0.00%
Electrical, Heating and Mechanical Permits	235,266	200,000	200,000	0	0.00%
Building and Plumbing Permits	374,950	600,000	370,000	(230,000)	-38.33%
Other Permits	497,295	450,000	425,000	(25,000)	-5.56%
Licenses and Permits Subtotal	\$8,409,280	\$8,870,527	\$8,603,371	(\$267,156)	-3.01%
INTERGOVERNMENTAL REVENUE					
<i>Revenue from State Agencies</i>					
PPTRA Revenue (State Personal Property Tax)	\$3,498,256	\$3,498,256	\$3,498,256	\$0	0.00%
State Highway Assistance	3,708,699	3,670,000	3,819,950	149,950	4.09%
Reimbursement/Constitutional Offices	1,514,392	1,450,000	1,600,000	150,000	10.34%
State Aid for Police Protection	2,012,664	2,093,768	2,093,768	0	0.00%
Trailer Title	2,248	1,200	1,200	0	0.00%
Other State Assistance: Misc Rev	357,784	50,000	50,000	0	0.00%
<i>Revenue from Other Intergovernmental Sources</i>					
Jefferson Area Drug Enforcement (JADE)	96,000	96,000	96,000	0	0.00%
School Resource Officers (City Schools)	255,020	262,696	259,523	(3,173)	-1.21%
Regional Library Administrative Fee	91,000	91,500	96,000	4,500	4.92%
Fire Department Operations (Albemarle County)	300,000	186,000	186,000	0	0.00%
Juvenile & Domestic Relations Court Operations (Albemarle County)	52,255	54,896	53,311	(1,585)	-2.89%
Juvenile & Domestic Relations Court Building Maint. (Albemarle County)	61,126	62,463	62,985	522	0.84%
Magistrate's Office (Albemarle County)	4,170	4,550	4,650	100	2.20%
Payments In Lieu Of Taxes (Housing Authority)	0	25,000	25,000	0	0.00%
Fire Department (CARS)	0	0	130,000	130,000	N/A
Fire Department Ops (UVA)	327,351	270,054	278,284	8,230	3.05%
Service Charge (UVA)	33,944	30,000	33,000	3,000	10.00%
Property Maintenance (UVA)	53,118	50,000	50,000	0	0.00%
Intergovernmental Revenue Subtotal	\$12,368,027	\$11,896,383	\$12,337,927	\$441,544	3.71%
CHARGES FOR SERVICE					
Property Transfer Fees	\$1,033	\$1,000	\$1,000	\$0	0.00%
Zoning Appeal Fees	1,550	500	500	0	0.00%
Court Revenue (Circ/Genl Dist Cts)	462,672	425,000	450,000	25,000	5.88%
Circuit Court - Online Land Records Subscription Revenue	0	50,000	50,000	0	0.00%
Parking Meter Receipts	95,721	100,000	100,000	0	0.00%
Parking Garage Revenue	1,307,715	1,250,000	1,250,000	0	0.00%
Internal City Services	1,136,969	1,141,352	1,404,519	263,167	23.06%
Utility Cut Permits	146,659	199,000	199,000	0	0.00%
Recreation Income	1,613,083	1,944,631	1,959,628	14,997	0.77%
Reimbursable Overtime	395,841	265,000	265,000	0	0.00%
Parking Permit Fees	85,783	55,000	55,000	0	0.00%
Payment in Lieu of Taxes: Utilities	5,360,874	5,258,457	5,231,345	(27,112)	-0.52%
Indirect Cost Recovery	104,552	125,000	125,000	0	0.00%
Waste Disposal Fees	924,661	850,000	850,000	0	0.00%
Other Charges and Fees for Services	461,872	115,000	125,000	10,000	8.70%
Charges for Service Subtotal	\$12,098,985	\$11,779,940	\$12,065,992	\$286,052	2.43%

	FY 2013-2014 Actual	FY 2014-2015 Budget	FY 2015-2016 Budget	Increase/ (Decrease)	% Change
PARKING FINES					
Parking Fines	\$349,090	\$450,000	\$450,000	\$0	0.00%
Fines Subtotal	\$349,090	\$450,000	\$450,000	\$0	0.00%
MISCELLANEOUS REVENUE					
Interest Earned	\$247,921	\$250,000	\$350,000	\$100,000	40.00%
Rent	206,065	180,000	200,000	20,000	11.11%
Hedgerow Property Revenue (Parking Revenue)	185,081	196,077	85,000	(111,077)	-56.65%
Refund of Prior Years' Expenditures	159,203	50,000	50,000	0	0.00%
Parking Garage Maintenance	50,000	30,000	30,000	0	0.00%
Other Miscellaneous Revenue	278,753	150,000	213,000	63,000	42.00%
Miscellaneous Revenue Subtotal	\$1,127,023	\$856,077	\$928,000	\$71,923	8.40%
CARRYOVER FUNDS (PREVIOUS FISCAL YEAR)					
Local Contribution to Schools	\$0	\$0	\$66,659	\$0	N/A
Council Strategic Initiatives Fund	0	0	75,000	0	N/A
Carryover Funds Subtotal	\$0	\$0	\$141,659	\$141,659	N/A
TRANSFERS FROM OTHER FUNDS					
Risk Management Fund	\$250,000	\$325,000	\$325,000	\$0	0.00%
Landfill Fund	0	100,000	100,000	0	0.00%
Health Care Fund	0	250,000	250,000	0	0.00%
Human Services Fund	0	100,000	0	(100,000)	-100.00%
Transfers from Other Funds Subtotal	\$250,000	\$775,000	\$675,000	(\$100,000)	-12.90%
COUNTY FIRE SERVICE FEES TRANSFERRED TO DEBT SERVICE FUND	\$691,711	\$0	\$0	\$0	N/A
CITY/COUNTY REVENUE SHARING: OPERATING BUDGET	\$12,063,833	\$11,467,895	\$10,908,668	(\$559,227)	-4.88%
OPERATING BUDGET TOTAL	\$137,666,262	\$137,708,623	\$142,849,900	\$5,141,277	3.73%
DESIGNATED REVENUE					
Contractual Services: Pupil Transportation	\$2,218,317	\$2,469,600	\$2,662,630	\$193,030	7.82%
Contractual Services: School Building Maintenance	3,406,499	3,516,991	3,586,905	69,914	1.99%
City/County Revenue Sharing: Transfer to Capital Improvement Program Fund	4,467,500	4,599,086	4,750,000	150,914	3.28%
City/County Revenue Sharing: Transfer to Facilities Repair Fund	400,000	400,000	400,000	0	0.00%
Meals Tax Revenue: Transfer to Debt Service Fund	2,039,177	2,048,027	2,142,000	93,973	4.59%
DESIGNATED REVENUE TOTAL	12,531,493	13,033,704	13,541,535	\$507,831	3.90%
TOTAL CITY BUDGET	\$150,197,755	\$150,742,327	\$156,391,435	\$5,649,108	3.75%

CITY SCHOOLS BUDGET

	FY 2013-2014 Actual	FY 2014-2015 Budget	FY 2015-2016 Budget	Increase/ (Decrease)	% Change
SCHOOL OPERATIONS (SCHOOL GENERAL FUND)					
Local Contribution	\$42,240,197	\$43,335,755	\$44,905,383	\$1,569,628	3.62%
State Funds	12,879,061	14,492,382	14,733,593	241,211	1.66%
Federal Funds	15,318	24,000	24,000	0	0.00%
Misc. Revenue	1,201,827	1,309,556	1,394,226	84,670	6.47%
TOTAL SCHOOL OPERATIONS BUDGET	\$56,336,403	\$59,161,693	\$61,057,202	\$1,895,509	3.20%

Non General Funds Revenue Detailed

	FY 2013-2014 Actual	FY 2014-2015 Budget	FY 2015-2016 Budget	Increase/ (Decrease)	% Change
GOLF COURSE FUND					
Sales and Concessions	\$54,344	\$65,500	\$55,000	(\$10,500)	-16.03%
Greens Fees, Lessons, Etc.	517,419	592,000	555,000	(37,000)	-6.25%
Cart Rentals	207,459	243,300	216,000	(27,300)	-11.22%
Annual Memberships	27,695	25,000	29,000	4,000	16.00%
Misc. Revenue	33,149	11,940	7,940	(4,000)	-33.50%
GOLF COURSE FUND REVENUE TOTAL	\$840,067	\$937,740	\$862,940	(\$74,800)	-7.98%
DEPARTMENT OF SOCIAL SERVICES FUND					
Intergovernmental Revenue	\$8,528,207	\$9,574,186	\$9,628,982	\$54,796	0.57%
Misc. Revenue	40,895	709,706	534,922	(174,784)	-24.63%
Transfer from General Fund	3,230,761	3,212,777	3,502,777	290,000	9.03%
DEPARTMENT OF SOCIAL SERVICES FUND REVENUE	\$11,799,863	\$13,496,669	\$13,666,681	\$170,012	1.26%
HUMAN SERVICES FUND					
Intergovernmental Revenue	\$445,926	\$597,129	\$609,129	\$12,000	2.01%
Welfare Revenue	3,786,191	4,173,173	4,082,267	(90,906)	-2.18%
Misc. Revenue	16,655	70,467	188,639	118,172	167.70%
Transfer from General Fund	523,808	495,891	604,275	108,384	21.86%
HUMAN SERVICES FUND REVENUE SUBTOTAL	\$4,772,580	\$5,336,660	\$5,484,310	\$147,650	2.77%
WATER (OPERATIONAL AND DEBT SERVICE FUNDS)					
Water Sales Revenue	\$8,426,445	\$9,553,335	\$9,838,839	\$285,504	2.99%
Water Connection Fees	421,050	125,000	125,000	0	0.00%
Other Fees	176,837	65,000	65,000	0	0.00%
Misc. Revenue	142,912	0	0	0	N/A
Transfer from Other Funds	1,550,000	1,725,000	1,725,000	0	0.00%
WATER FUND REVENUE TOTAL	\$10,717,243	\$11,468,335	\$11,753,839	\$285,504	2.49%
WASTEWATER (OPERATIONAL AND DEBT SERVICE FUNDS)					
Wastewater Sales Revenue	\$11,302,395	\$11,639,295	\$13,103,436	\$1,464,141	12.58%
Other Fees	29,686	20,000	20,000	0	0.00%
Misc. Revenue	16,384	0	0	0	N/A
Bond Proceeds	0	4,967,000	3,217,000	(1,750,000)	-35.23%
Transfer from Other Funds	2,000,000	2,400,000	2,985,000	585,000	24.38%
WASTEWATER REVENUE TOTAL	\$13,348,466	\$19,026,295	\$19,325,436	\$299,141	1.57%
GAS (OPERATIONAL AND DEBT SERVICE FUNDS)					
Gas Sales Revenue	\$33,238,063	\$30,700,701	\$25,593,699	(\$5,107,002)	-16.63%
Other Fees	642,543	325,000	325,000	0	0.00%
Miscellaneous Revenue	(28,858)	0	0	0	N/A
Transfer from Other Funds	900,000	900,000	900,000	0	0.00%
GAS REVENUE TOTAL	\$34,751,748	\$31,925,701	\$26,818,699	(\$5,107,002)	-16.00%

	FY 2013-2014 Actual	FY 2014-2015 Budget	FY 2015-2016 Budget	Increase/ (Decrease)	% Change
STORMWATER (OPERATIONAL AND DEBT SERVICE FUNDS)					
Stormwater Fee Revenue	\$940,046	\$1,749,753	\$1,937,242	\$187,489	10.72%
Miscellaneous Revenue	97	0	0	0	N/A
Bond Proceeds	240,000	275,000	170,000	(105,000)	-38.18%
Transfer from Other Funds	0	27,000	48,588	21,588	79.96%
STORMWATER REVENUE TOTAL	\$1,180,143	\$2,051,753	\$2,155,830	\$104,077	5.07%
TRANSIT FUND					
Intergovernmental Revenue (Transit Operations)	\$4,315,050	\$4,095,803	\$4,152,938	\$57,135	1.39%
Intergovernmental Revenue (Transit Bus Replacement)	2,400,100	994,358	1,590,982	596,624	60.00%
Transfer from Capital Improvement Program (Local Match)	249,535	168,710	66,291	(102,419)	-60.71%
Charges for Services	852,558	921,611	931,200	9,589	1.04%
Misc. Revenue	54,326	52,908	52,908	0	0.00%
Transfer from General Fund (Transit Operations)	2,293,513	1,881,095	2,080,295	199,200	10.59%
TRANSIT FUND REVENUE TOTAL	\$10,165,082	\$8,114,485	\$8,874,614	\$760,129	9.37%
FLEET MANAGEMENT FUND					
Charges for Services	\$2,805,123	\$1,073,612	\$1,045,320	(\$28,292)	-2.64%
FLEET MANAGEMENT FUND REVENUE TOTAL	\$2,805,123	\$1,073,612	\$1,045,320	(\$28,292)	-2.64%
HVAC FUND					
Charges for Services	\$556,809	\$593,623	\$0	(\$593,623)	-100.00%
HVAC FUND REVENUE TOTAL	\$556,809	\$593,623	\$0	(\$593,623)	-100.00%
INFORMATION TECHNOLOGY FUND					
Charges for Services - IT Operations	\$2,330,478	\$2,385,256	\$2,483,197	\$97,941	4.11%
Charges for Services - GIS Operations	59,929	64,155	64,155	0	0.00%
Computer Replacement Pool	88,073	86,632	0	(86,632)	-100.00%
Infrastructure Replacement Pool	305,669	225,000	200,000	(25,000)	-11.11%
Transfer from Gas Fund (City Link Operations)	1,350,000	1,000,000	1,000,000	0	0.00%
Transfer from Non General Funds (City Link Operations)	199,619	200,000	200,000	0	0.00%
INFORMATION TECHNOLOGY FUND REVENUE TOTAL	\$4,333,769	\$3,961,043	\$3,947,352	(\$13,691)	-0.35%
WAREHOUSE FUND					
Charges for Services	\$835,975	\$155,970	\$168,930	\$12,960	8.31%
WAREHOUSE FUND REVENUE TOTAL	\$835,975	\$155,970	\$168,930	\$12,960	8.31%
C'VILLE/ALBEMARLE VISITORS CENTER FUND					
Intergovernmental Revenue	\$666,195	\$725,098	\$773,146	\$48,048	6.63%
Charges for Services	29,705	20,000	2,000	(18,000)	-90.00%
Transfer from General Fund	701,832	733,091	733,307	216	0.03%
VISITOR'S CENTER FUND REVENUE TOTAL	\$1,397,732	\$1,478,189	\$1,508,453	\$30,264	2.05%
CITY SCHOOLS BUDGET					
SCHOOL OPERATIONS (NON GENERAL FUNDS)					
Local Contribution	\$1,827,629	\$2,363,303	\$2,437,465	\$74,162	3.14%
State Revenue	4,737,080	4,285,856	4,514,763	228,907	5.34%
Federal Revenue	4,933,897	4,902,485	4,908,254	5,769	0.12%
Misc. Revenue	1,799,629	1,926,168	1,933,064	6,896	0.36%
SCHOOL OPERATIONS (NON GENERAL FUND) REVENUE TOTAL	\$13,298,235	\$13,477,812	\$13,793,546	\$315,734	2.34%

Expenditures Detailed (All Funds)

	FY2013-2014 General Fund Actual	FY2014-2015 General Fund Budget	FY2015-2016 General Fund Budget	FY2013-2014 Other Funds Actual	FY2014-2015 Other Funds Budget	FY2015-2016 Other Funds Budget
MANAGEMENT						
Council Strategic Initiatives	\$34,204	\$70,486	\$127,860	\$0	\$0	\$0
Homelessness Collaborative RFP	25,000	0	0	0	0	0
Needs Assessment Implementation	35,000	0	0	0	0	0
City Council/Clerk of Council	229,141	251,673	251,323	0	0	0
Office of the City Manager: Administration, Communications, and Economic Development	1,951,286	2,111,866	2,122,645	0	0	0
City Attorney	793,354	864,764	836,821	0	0	0
General Registrar	442,223	515,855	509,375	0	0	0
Organizational Memberships & Workforce Development Agencies	178,253	183,707	192,952	0	0	0
MANAGEMENT SUBTOTAL	\$3,688,461	\$3,998,351	\$4,040,976	\$0	\$0	\$0
NON-DEPARTMENTAL						
Non-Departmental Activities	\$187,377	\$210,915	\$460,415	\$0	\$0	\$0
NON-DEPARTMENTAL SUBTOTAL	\$187,377	\$210,915	\$460,415	\$0	\$0	\$0
DEBT SERVICE PAYMENT						
General Fund Contribution	\$6,200,000	\$6,115,000	\$6,668,000	\$0	\$0	\$0
General Fund Contribution - Fire Apparatus	350,000	350,000	350,000	0	0	0
DEBT SERVICE PAYMENT SUBTOTAL	\$6,550,000	\$6,465,000	\$7,018,000	\$0	\$0	\$0
FUND BALANCE TARGET ADJUSTMENT						
Fund Balance Target Adjustment	\$302,000	\$300,000	\$390,159	\$0	\$0	\$0
FUND BALANCE TARGET ADJUSTMENT	\$302,000	\$300,000	\$390,159	\$0	\$0	\$0
EMPLOYEE COMPENSATION AND TRAINING						
Compensation and Benefits (2% salary increase in FY16)	\$0	\$830,260	\$824,105	\$0	\$0	\$0
Contribution to Retirement Fund	700,000	0	0	0	0	0
City Wide Attrition Savings	0	(300,000)	(250,000)	0	0	0
Unemployment Compensation	46,415	50,000	50,000	0	0	0
Corporate Training Fund	36,375	35,000	35,000	0	0	0
Miscellaneous Expenses	146,361	265,000	300,000	0	0	0
EMPLOYEE COMPENSATION AND TRAINING SUBTOTAL	\$929,151	\$880,260	\$959,105	\$0	\$0	\$0
INTERNAL SERVICES						
Finance Department: Purchasing/Risk Management/Warehouse	\$349,408	\$353,059	\$345,308	\$2,892,407	\$3,270,617	\$3,185,126
Human Resources	1,024,792	1,034,959	1,057,733	0	0	0
Information Technology	0	0	0	3,990,428	3,961,043	3,947,352
INTERNAL SERVICES SUBTOTAL	\$1,374,200	\$1,388,018	\$1,403,041	\$6,882,835	\$7,231,660	\$7,132,478
FINANCIAL SERVICES						
Commissioner of the Revenue	\$1,058,331	\$1,126,987	\$1,202,989	\$0	\$0	\$0
Finance Department: Administration/Real Estate Assessment/ Utility Billing Office	2,143,212	2,136,650	2,105,392	1,439,621	1,641,630	1,659,898
Treasurer	1,152,354	1,224,651	1,224,439	0	0	0
FINANCIAL SERVICES SUBTOTAL	\$4,353,897	\$4,488,288	\$4,532,820	\$1,439,621	\$1,641,630	\$1,659,898

	FY2013-2014 General Fund Actual	FY2014-2015 General Fund Budget	FY2015-2016 General Fund Budget	FY2013-2014 Other Funds Actual	FY2014-2015 Other Funds Budget	FY2015-2016 Other Funds Budget
HEALTHY FAMILIES & COMMUNITY						
Charlottesville Albemarle Convention & Visitors Bureau	\$701,832	\$733,091	\$733,307	\$705,952	\$745,098	\$775,146
Comprehensive Services Act	1,813,365	2,300,000	2,175,000	5,807,274	6,644,165	6,902,098
Community Events and Festivals	67,954	83,175	110,675	0	0	0
Contributions to Children, Youth and Family Programs	3,204,429	3,261,593	3,318,134	0	0	0
Contributions to Education and the Arts	1,643,333	1,703,781	1,886,269	0	0	0
Department of Social Services	3,230,761	3,212,777	3,502,777	8,570,480	10,283,892	10,163,904
Housing Programs and Tax Relief	1,319,158	1,432,442	1,347,561	0	0	0
Human Services	523,808	495,891	604,275	4,328,472	4,840,769	4,880,035
Neighborhood Development Services	3,211,856	3,390,739	3,459,496	0	0	0
Office of Human Rights	194,047	231,496	233,492	0	0	0
Parks and Recreation	9,448,400	9,516,148	9,614,553	871,556	906,996	852,969
HEALTHY FAMILIES & COMMUNITY SUBTOTAL	\$25,358,943	\$26,361,133	\$26,985,539	\$20,283,735	\$23,420,920	\$23,574,152
INFRASTRUCTURE AND TRANSPORTATION						
Public Works: Administration, Facilities Development, Facilities Maintenance, HVAC Services	\$2,279,839	\$2,338,363	\$2,905,797	\$511,613	\$580,955	\$0
Public Works: Public Service	8,016,795	7,808,731	7,733,309	2,749,640	1,003,757	999,708
Public Works: Charlottesville Area Transit and JAUNT Paratransit Services	3,094,435	2,682,017	3,016,574	7,871,569	6,233,390	6,794,319
Public Works: Utilities (Gas, Water, Wastewater)	0	0	0	62,704,449	62,563,797	56,651,992
Public Works: Stormwater Utility	0	0	0	135,029	1,846,297	1,921,754
INFRASTRUCTURE AND TRANSPORTATION SUBTOTAL	\$13,391,070	\$12,829,111	\$13,655,680	\$73,972,299	\$72,228,196	\$66,367,773
PUBLIC SAFETY AND JUSTICE						
City Sheriff	\$1,021,381	\$1,026,750	\$1,038,684	\$0	\$0	\$0
Commonwealth's Attorney	848,014	1,113,953	1,127,531	0	0	0
Contributions to Programs Supporting Public Safety & Justice	7,821,063	8,046,536	8,187,195	0	0	0
Courts and Other Support Services	1,083,283	1,170,550	1,157,519	0	0	0
Fire Department	9,544,771	9,524,264	9,771,687	0	0	0
Police Department	14,697,043	14,206,436	14,778,701	0	0	0
PUBLIC SAFETY SUBTOTAL	\$35,015,555	\$35,088,489	\$36,061,317	\$0	\$0	\$0
LOCAL CONTRIBUTION TO SCHOOLS						
Local Contribution to Schools	\$44,067,826	\$45,699,058	\$47,342,848	\$0	\$0	\$0
SCHOOLS SUBTOTAL	\$44,067,826	\$45,699,058	\$47,342,848	\$0	\$0	\$0
TOTAL CITY OPERATIONS	\$135,218,480	\$137,708,623	\$142,849,900	\$102,578,490	\$104,522,406	\$98,734,301
DESIGNATED EXPENDITURES						
Contractual Services: Pupil Transportation	\$2,470,465	\$2,469,600	\$2,662,630	\$0	\$0	\$0
Contractual Services: School Building Maintenance	3,454,141	3,516,991	3,586,905	0	0	0
Transfer to Capital Improvements Program Fund	6,284,022	4,599,086	4,750,000	0	0	0
Transfer to Facilities Repair Fund	400,000	400,000	400,000	0	0	0
Transfer to Debt Service Fund (Meals Tax Portion)	2,039,177	2,048,027	2,142,000	0	0	0
DESIGNATED EXPENDITURES TOTAL	\$14,647,805	\$13,033,704	\$13,541,535	\$0	\$0	\$0
TOTAL CITY BUDGET	\$149,866,285	\$150,742,327	\$156,391,435	\$102,578,490	\$104,522,406	\$98,734,301
CITY SCHOOLS BUDGET						
	FY2013-2014 General Fund Actual	FY2014-2015 General Fund Budget	FY2015-2016 General Fund Budget	FY2013-2014 Other Funds Actual	FY2014-2015 Other Funds Budget	FY2015-2016 Other Funds Budget
SCHOOL OPERATIONS						
School Operations	\$56,336,403	\$59,161,693	\$61,057,202	\$13,298,235	\$13,477,812	\$13,793,546
TOTAL SCHOOL OPERATIONS BUDGET	\$56,336,403	\$59,161,693	\$61,057,202	\$13,298,235	\$13,477,812	\$13,793,546