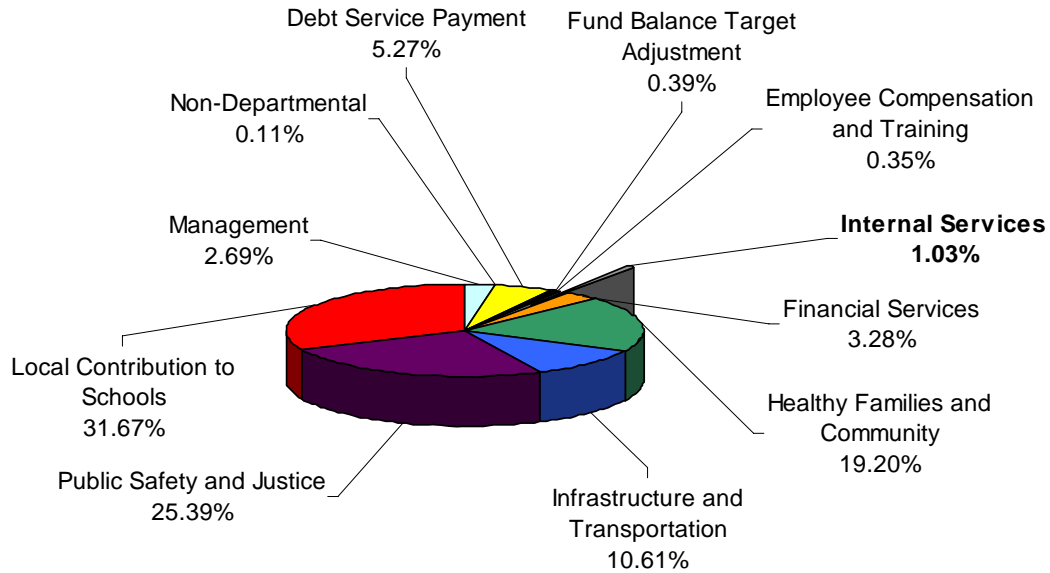


**Internal Services Summary**

	FY2007-2008 General Fund Actual	FY2008-2009 General Fund Budget	FY2009-2010 General Fund Budget	FY2007-2008 Other Funds Actual	FY2008-2009 Other Funds Budget	FY2009-2010 Other Funds Budget
<b>INTERNAL SERVICES</b>						
Finance Department: Purchasing/Risk Management/Warehouse	\$266,518	\$271,183	\$299,203	\$2,870,612	\$2,474,864	\$2,580,461
Human Resources	873,342	1,034,141	1,005,275	0	0	0
Information Technology	0	0	0	4,589,341	3,917,526	4,522,686
<b>INTERNAL SERVICES SUBTOTAL</b>	<b>\$1,139,860</b>	<b>\$1,305,324</b>	<b>\$1,304,478</b>	<b>\$7,459,954</b>	<b>\$6,392,390</b>	<b>\$7,103,147</b>
<b>2009-10 General Fund Budget</b>	<b>\$1,304,478</b>					
<b>2008-09 General Fund Budget</b>	<b>\$1,305,324</b>					
<b>Increase/(Decrease)</b>	<b>(\$846)</b>					
<b>Percentage Change</b>	<b>-0.06%</b>					

**Internal Services**  
As a percentage of operating budget



## INTERNAL SERVICES

### ACCOMPLISHMENTS OF THE PAST YEAR

- ❖ The Finance Department's Purchasing division continued the procurement review program which reviews decentralized purchases in order to offer support and guidance on streamlining the process and to continue insuring legal compliance.
- ❖ The Finance Department's Purchasing division continued progress on green procurement action.
- ❖ The Human Resources Department implemented wellness, health risk management, and other cost containment initiatives that helped achieve a 2% increase in medical insurance rates for FY 2008-09 and no increase for FY 2009-10.
- ❖ The Human Resources Department converted Medicare eligible retirees to fully insured MediGap Advantage Plan resulting in cost savings for the retirees and the City while maintaining similar benefits.
- ❖ The Finance Department's Warehouse division established a contract for the sale of surplus property by online auction with GovDeals, which should generate increased revenue for the Warehouse fund.
- ❖ The Finance Department's Warehouse division continued moving to just-in-time inventory reducing the amount of inventory in the Warehouse and providing greater efficiency in the acquisition of goods and materials.
- ❖ Information Technology planned and funded an award winning 2008 Mid-Atlantic "Going Green" infrastructure upgrade project.
- ❖ Information Technology improved business continuity for the City through the installation of a new uninterruptible power supply to the City's data center.
- ❖ The Finance Department's Risk Management division implemented an OSHA-compliant Hazard Communications program in Public Works. More than 172 employees were trained and a web-based chemical ID program implemented.

**Finance Department  
Purchasing  
Risk Management  
Warehouse**

**Purchasing** has overall responsibility for the City’s purchasing system, develops regulations to ensure compliance with state and local laws, provides purchasing training to all City staff with procurement responsibilities, is responsible for the disposal of all City surplus property and manages the City’s Disadvantaged Business Enterprises program.

**Risk Management** coordinates overall risk management services for the City including managing the City’s casualty insurance programs and providing targeted safety training to all City employees.

The **Warehouse** provides inventory management and operates the Central Warehouse, as well as providing a central shipping and receiving point for City agencies.

<b>Funding Summary</b>	<b>FY 07-08 Actual</b>	<b>FY 08-09 Budget</b>	<b>FY 09-10 Budget</b>	<b>Increase/ (Decrease)</b>	<b>% Change</b>
Salaries and Benefits	\$394,386	\$412,428	\$434,022	\$21,594	5.24%
Other Expenditures	<u>2,742,744</u>	<u>2,333,619</u>	<u>2,445,642</u>	<u>112,023</u>	<u>4.80%</u>
<b>Total</b>	<b>\$3,137,130</b>	<b>\$2,746,047</b>	<b>\$2,879,664</b>	<b>\$133,617</b>	<b>4.87%</b>
General Fund Total	\$266,518	\$271,183	\$299,203	\$28,020	10.33%
Non-General Fund Total	<u>2,870,612</u>	<u>2,474,864</u>	<u>2,580,461</u>	<u>105,597</u>	<u>4.27%</u>
<b>Total</b>	<b>\$3,137,130</b>	<b>\$2,746,047</b>	<b>\$2,879,664</b>	<b>\$133,617</b>	<b>4.87%</b>
<b>General Fund FTEs</b>	3.5	3.5	3.5	<b>0.0</b>	
<b>Non-General Fund FTEs</b>	2.5	2.5	2.5	<b>0.0</b>	

**Explanation of Changes:** Increases in Salaries and Benefits can be attributed to the 4% salary increase granted during FY 2009, and an increase in retirement costs associated with the hiring of a new employee. In Other Expenditures, the increase is due mainly to changes in general insurance premiums and workers compensation rates for the City departments in the Risk Management budget.

<b>FY 10 Services</b>	<b>FY 10 Budget</b>
Purchasing	\$299,203
Risk Management	2,436,990
Warehouse	<u>143,471</u>
<b>Total</b>	<b>\$2,879,664</b>

**Human Resources**

Human Resources functional service areas include recruitment, employee relations, training, organizational development, employee benefits, workers' compensation, human resources information systems, and human resources administration. The department's key goals for FY 2009-10 are to: (1) Continue emphasis on training and development related to the City's diversity initiatives; (2) Work with departments to develop responses to the findings from the Employee Survey; (3) Continue emphasis on wellness initiatives as part of the City's health care cost containment strategy; (4) Help ensure that an open, honest, positive relationship exists between City employees and City management. This relationship is characterized by trust, openness, honest communication, mutual respect, appreciation of the value of our diversity, and a work environment that encourages and rewards creativity and teamwork, as well as individual performance, to enable the City to be an "Employer of Choice"; and, (5) Continue to evaluate and revise department business processes to maximize the utility of the new Human Resources/Payroll system with particular emphasis on improvement to customer service.

<b>Funding Summary</b>	<b>FY 07-08 Actual</b>	<b>FY 08-09 Budget</b>	<b>FY 09-10 Budget</b>	<b>Increase/ (Decrease)</b>	<b>% Change</b>
Salaries and Benefits	\$580,620	\$682,171	\$671,060	(\$11,111)	-1.63%
Other Expenditures	<u>292,722</u>	<u>351,970</u>	<u>334,215</u>	<u>(17,755)</u>	<u>-5.04%</u>
<b>General Fund Total</b>	<b>\$873,342</b>	<b>\$1,034,141</b>	<b>\$1,005,275</b>	<b>(\$28,866)</b>	<b>-2.79%</b>
<b>General Fund FTEs</b>	8.0	8.0	8.0	<b>0.0</b>	

**Explanation of Changes:** The net decrease in Salaries and Benefits can be attributed to the 4% salary increase granted during FY 2009 and a reduction in the amount of funding for temporary employees. Within Other Expenditures, general insurance and workers compensation increased, while funding for advertising and funding for education and training was decreased to better reflect historical budget actuals.

**Information Technology**

The Department of Information Technology (IT) is an internal services division of the City of Charlottesville. IT's primary mission is to assist all other City departments and divisions by centrally supporting the City's computer and telecommunications systems and providing technical support to City employees. IT is responsible for evaluating, recommending, purchasing, installing, and supporting all of the City's computer systems and communications networks for both voice and data. This department evaluates, integrates and supports innovative technologies to help internal and external customers achieve their goals, while effectively maximizing return on resources and providing cost effective methods for citizens, businesses, vendors and others to easily access information and conduct business with the City.

<b>Funding Summary</b>	<b>FY 07-08 Actual</b>	<b>FY 08-09 Budget</b>	<b>FY 09-10 Budget</b>	<b>Increase/ (Decrease)</b>	<b>% Change</b>
Salaries and Benefits	\$1,223,574	\$1,686,262	\$1,653,300	(\$32,962)	-1.95%
Other Expenditures	1,869,834	1,790,662	1,918,823	128,161	7.16%
Technology Capital Investments	1,495,933	440,602	358,563	(82,039)	-18.62%
Transfer to Capital Projects	<u>0</u>	<u>0</u>	<u>592,000</u>	<u>592,000</u>	<u>100.00%</u>
<b>Non-General Fund Total</b>	<b>\$4,589,341</b>	<b>\$3,917,526</b>	<b>\$4,522,686</b>	<b>\$605,160</b>	<b>15.45%</b>
<b>Non-General Fund FTEs</b>	18.00	18.00	18.00	<b>0.0</b>	

**Explanation of Changes:** The net decrease in Salaries and Benefits can be attributed to a 4% salary increase granted in FY 2009, decreased funding for Interns, and moving funding in the Geographic Information Systems (GIS) Operations budget from Temporary Salaries to professional services in order to hire outside contractors to assist with GIS updates. Other Expenditures is increasing as a result of additional funds for maintenance support contracts and the funding shift in GIS Operations from Temporary Salaries to professional services.

The Technology Capital Investments include funds for replacement of desktop computers and citywide infrastructure and system replacement needs. The increase is due to a one-time transfer from the Information Technology fund balance to the Capital Improvement Fund for the purpose of completing a major citywide technology infrastructure upgrade.

The total budget for City Link is \$1,550,000, which is funded from contributions by the Gas Fund and all Non General Fund departments that utilize the City Link system. This budget funds the salaries and benefits of two ABAP Programmers, an operational budget, a citywide City Link training budget, debt payment for the City Link loan to Utilities and capital funds for City Link server replacement.

The Information Technology operational budget is offset by revenues generated from IT User fees charged out to departments, GIS user fees, and fees received from outside agencies, such as the library and jail for IT service provided. Additionally, each department makes contributions to the Computer Replacement and the Technology Infrastructure Replacement pools.

<b>FY 10 Services</b>	<b>FY 10 Budget</b>
Information Technology Operations	\$2,013,853
City Link Operations	1,550,000
GIS Operations	38,100
Computer Replacement Pool	140,628
Technology Infrastructure Replacement	188,105
Transfer to Capital Projects	<u>592,000</u>
<b>Total</b>	<b>\$4,522,686</b>

