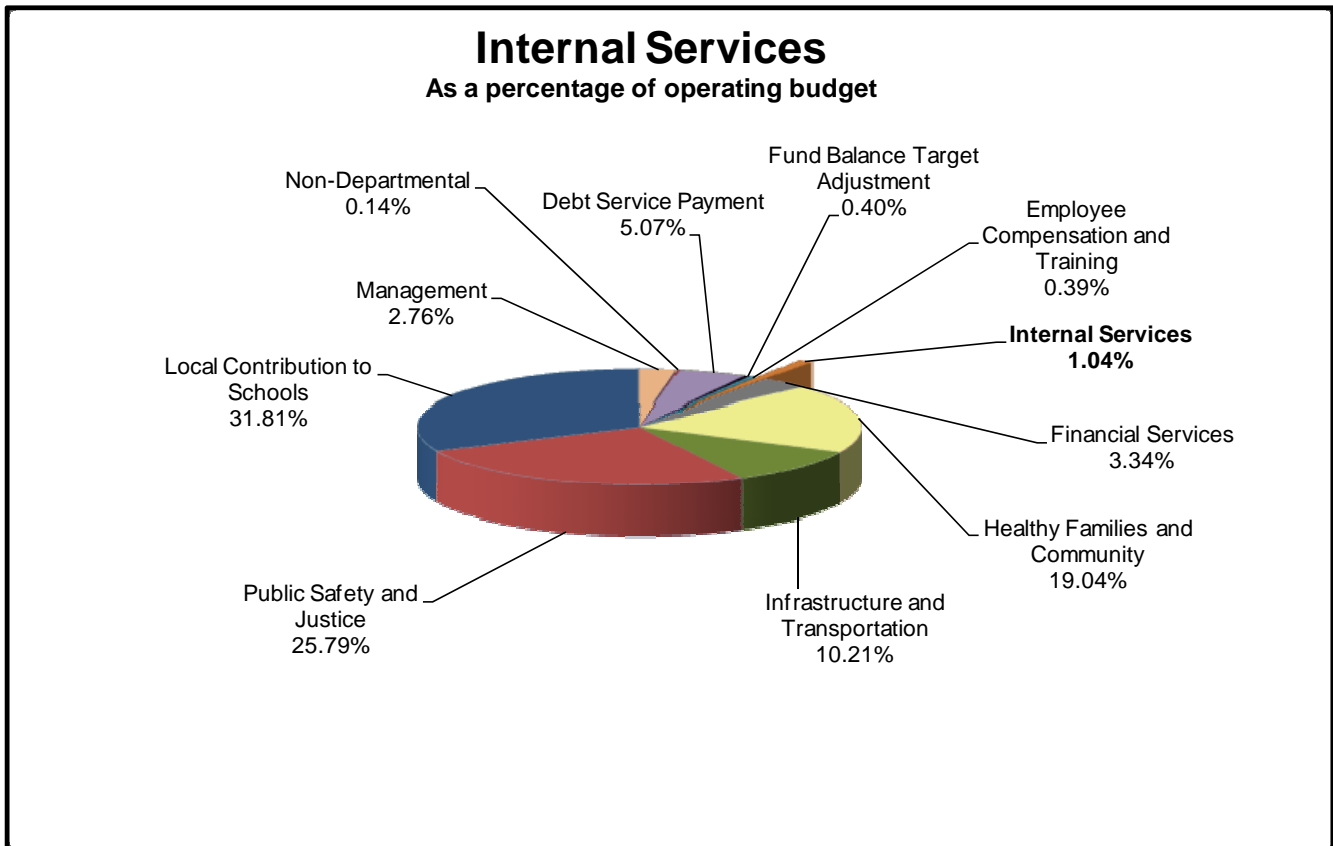


Internal Services Summary	FY2008-2009 General Fund Actual	FY2009-2010 General Fund Budget	FY2010-2011 General Fund Budget	FY2008-2009 Other Funds Actual	FY2009-2010 Other Funds Budget	FY2010-2011 Other Funds Budget
INTERNAL SERVICES						
Finance Department: Purchasing/Risk Management/Warehouse	\$304,724	\$299,203	\$301,001	\$2,875,027	\$2,580,461	\$2,579,476
Human Resources	905,927	1,005,275	1,012,246	0	0	0
Information Technology	0	0	0	4,541,445	4,522,686	4,056,981
INTERNAL SERVICES SUBTOTAL	\$1,210,651	\$1,304,478	\$1,313,247	\$7,416,472	\$7,103,147	\$6,636,457

2010-11 General Fund Budget	\$1,313,247
2009-10 General Fund Budget	\$1,304,478
Increase/(Decrease)	\$8,769
Percentage Change	0.67%



INTERNAL SERVICES

ACCOMPLISHMENTS OF THE PAST YEAR

- ❖ The Finance Department's Purchasing division continued the procurement review program which reviews decentralized purchases by offering support and guidance on streamlining the process, continuing insurance of legal compliance.
- ❖ The Human Resources Department continued wellness, health risk management, and other cost containment initiatives that helped achieve a 0% increase in medical insurance rates for FY 2009-10 and a projected 3% increase for FY 2010-11.
- ❖ The Human Resources Department identified and implemented replacement Retiree Medicare Supplement plan following an unexpected mid-year decision by current provider to not continue to offer the product.
- ❖ The Finance Department's Warehouse division implemented online auction via GovDeals for sale of surplus property, which should generate increased revenue for the Warehouse fund and will allow Finance to reach a broader audience of prospective buyers for City surplus.
- ❖ 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 finished designing and completed 50% of the implementation of a citywide technology infrastructure upgrade project.
- ❖ The Finance Department's Risk Management division increased targeted training of key personnel, and increased monitoring of jobsite safety practices and reduced the total number of casualty claims by 2% compared to the previous year.

**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. This includes 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.

Funding Summary	FY 08-09 Actual	FY 09-10 Budget	FY 10-11 Budget	Increase/ (Decrease)	% Change
Salaries and Benefits	\$440,184	\$434,022	\$438,454	\$4,432	1.02%
Other Expenditures	<u>2,739,567</u>	<u>2,445,642</u>	<u>2,442,023</u>	<u>(3,619)</u>	<u>-0.15%</u>
Total	\$3,179,751	\$2,879,664	\$2,880,477	\$813	0.03%
General Fund Total	\$304,724	\$299,203	\$301,001	\$1,798	0.60%
Non-General Fund Total	<u>2,875,027</u>	<u>2,580,461</u>	<u>2,579,476</u>	<u>(985)</u>	<u>-0.04%</u>
Total	\$3,179,751	\$2,879,664	\$2,880,477	\$813	0.03%
General Fund FTEs	3.5	3.5	3.5	0.0	
Non-General Fund FTEs	2.5	2.5	2.5	0.0	

Explanation of Changes: Salaries and Benefits reflect the increase in the City’s retirement rate as required by the actuarial report. Other Expenditures are decreasing due to a reduction in insurance premium payments in the Risk Management budget.

<u>FY 11 Services</u>	<u>FY 11 Budget</u>
Purchasing	\$301,001
Risk Management	2,432,627
Warehouse	<u>146,849</u>
Total	\$2,880,477

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 include: (1) Continuing emphasis on training and development related to the City's diversity initiatives; (2) Continue emphasis on wellness initiatives as part of the City's health care cost containment strategy; (3) Helping ensure that an open, honest, positive relationship exists between City employees and City management, and (4) Continuing to evaluate and revise department business processes to maximize the utility of the Human Resources/Payroll system with particular emphasis on improvement to customer service.

Funding Summary	FY 08-09 Actual	FY 09-10 Budget	FY 10-11 Budget	Increase/ (Decrease)	% Change
Salaries and Benefits	\$639,534	\$671,060	\$677,887	\$6,827	1.02%
Other Expenditures	<u>266,393</u>	<u>334,215</u>	<u>334,359</u>	<u>144</u>	<u>0.04%</u>
General Fund Total	\$905,927	\$1,005,275	\$1,012,246	\$6,971	0.69%
General Fund FTEs	8.0	8.0	8.0	0.0	

Explanation of Changes: Salaries and Benefits reflect the increase in the City's retirement rate as required by the actuarial report. Other Expenditures remain essentially level.

Information Technology

The Department of Information Technology (IT) is an internal services division of the City of Charlottesville. IT assists all 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.

Funding Summary	FY 08-09 Actual	FY 09-10 Budget	FY 10-11 Budget	Increase/ (Decrease)	% Change
Salaries and Benefits	\$1,511,974	\$1,653,300	\$1,670,330	\$17,030	1.03%
Other Expenditures	1,550,196	1,918,823	1,863,975	(54,848)	-2.86%
Technology Capital Investments	1,479,274	358,563	381,676	23,113	6.45%
Transfer to Capital Projects	0	592,000	141,000	(451,000)	-76.18%
Non-General Fund Total	\$4,541,445	\$4,522,686	\$4,056,981	(\$465,705)	-10.30%
Non-General Fund FTEs	18.00	18.00	18.00	0.0	

Explanation of Changes: The overall increase in salaries and benefits reflect the increase in the City's retirement rate as required by the actuarial report, an increase in temporary salaries for interns and a reduction in overtime expenses. Other Expenditures is decreasing mainly as a result of a reduction in funds for service contracts and 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 the addition of several new computers into the Computer Replacement Pool.

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.

FY 11 Services	FY 11 Budget
Information Technology Operations	\$1,979,503
City Link Operations	1,550,000
GIS Operations	38,100
Computer Replacement Pool	160,628
Technology Infrastructure Replacement	187,750
Transfer to Capital Projects	141,000
Total	\$4,056,981

