

# CITY OF CHARLOTTESVILLE

*To be one community filled with opportunity*

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July 1, 2016

Mayor and Members of City Council  
City Hall  
Charlottesville, VA 22902

Dear Mayor and Council:

I am pleased to deliver to you the City Council's Adopted Budget for Fiscal Year 2016-2017. The total General Fund Budget of **\$162,018,737** represents a **3.60%** increase over FY 2016.

Overall, the City's economic conditions continue to gradually rebound in the aftermath of the "Great Recession". The City's assessed commercial property increased again in 2015, up 6.01% from the previous year, and the value of new commercial building permits reached \$88M. Investment in new construction has been rising for several years with exciting projects either planned or under construction such as Burnet Commons II and III, the Uncommon, Country Inn and Suites, the King Lumber Building on Preston Avenue and Market Plaza. The March unemployment rate for the City was at 3.4%, much lower than the national and state averages for that time period; sales tax revenues reached \$11.2M in 2015, up \$350K from the previous year; hotel occupancy rates were at 70% in 2015, a slight increase from 2014; and retail vacancies at major shopping centers in the City were 3.5% in January of 2016.

While our economic indicators continue to move in a positive direction, the needs of our community also continue to grow - with the largest area of growth occurring in our investment in the City schools. The City continues a very strong commitment to the schools, providing in this budget \$1.987 million in new funding, \$587,220 above the funding target of 40% of new real estate and personal property tax revenue as stated in the Budget Guidelines.

The City also continues to invest millions of dollars in maintaining and improving aging infrastructure. Some of the major projects in the FY 2017 capital improvement program (CIP) include enhancements for the West Main Street corridor, design funding for a new General District Court building to be co-located with Albemarle County in the Court Square area of downtown, funding to implement the Small Area Plans and Strategic Investment Area (SIA) initiatives, and our continued commitment to maintaining and enhancing city and school facilities, transportation infrastructure and parks.

This budget adopts a 1% increase in the Transient Occupancy (Lodging) Tax rate to help offset the cost of funding the additional revenue to the City schools. The increase is projected to add \$566,667 in revenue. An increase in the lodging tax was one of the *Action Alternatives* suggested by the Blue Ribbon Commission on Sustainable Schools Funding in 2014 to help provide additional stability for the funding of our schools.

This step will help offset the continued shifting of responsibility from the state to local level for funding K-12 education. Since FY 2009, state funding as a percentage of the school's total budget has decreased from 29% to 27%. Concurrently, the City of Charlottesville's local contribution, as a percentage of the school's budget, has increased from 62% to 67% in that same period. Also during this period, the state's Local Composite Index (LCI) of ability to pay for Charlottesville has increased almost 6 percentage points from .6091 to .6683. The LCI is driven by property values, adjusted gross income levels and taxable retail sales. This factor is applied to state funding formulas to determine how state education funds are distributed across all Virginia localities. (The LCI is inversely related to state funding: a higher LCI means a reduction in state funding). Also since FY 2009, while enrollments have increased by over 250 students, the schools have made more than \$3.9M in discretionary budget cuts to help balance the overall pull-back in state funding for education.

This budget provides significant investment in the services that our residents, our businesses and our visitors have come to expect from the City of Charlottesville, but still makes some reasonable choices and changes in service levels. I believe it continues to move us forward in addressing the many challenges that lie ahead.

### **Revenue Projections**

FY 2017 revenue is projected to increase in most of our sources of revenue including real estate property. Our indicators show a healthy, albeit slowly growing economy. However, even with this good news, we must continue to focus our efforts to diversify our revenue base in order to achieve sustainable growth.

The budget keeps the City's Real Estate Tax rate at 95 cents per 100 dollars of assessed value. As other cities and localities in Virginia first lowered and then increased their tax rates during the recession, Charlottesville has maintained this tax rate for a period of nine years after several reductions of the rate occurred in the mid-2000s. The City has not experienced an increase in the Real Estate Tax rate for at least the last two decades.

The major revenue changes for the City's budget are described in detail below:

- Real Estate assessments for CY 2016 are showing residential property assessments increase by 2.56%, and when including commercial and new construction, the overall assessment increase is 4.5%. As a result, revenue is projected to be up \$3.1M in FY 2017.
- Personal Property Tax revenue is expected to increase by \$399,794 in FY 2017.

- Sales and Use Tax revenues are expected to increase by \$318,034 in FY 2017.
- Meals Tax revenues are projected to be up by \$471,250 in FY 2017.
- Business Licenses Taxes are forecasted to rise by \$297,152 in FY 2017.
- City/County Revenue Sharing is decreasing by \$291,584 due to a decline in Albemarle County's 2014 real estate assessments which is the year on which the FY 2017 formula is based.

*Change in Tax Rate – Transient Occupancy Tax*

The FY 2017 City Council Adopted Budget includes an increase in the City's Transient Occupancy (Lodging) Tax rate, from 6% to 7%. This is estimated to bring in additional revenue of \$566,667 to help the City fund the increase for the schools that is not covered by the 40% target formula. In total, Transient Occupancy Tax revenue is expected to bring in an additional \$881,167.

**Balancing the Budget**

The FY 2017 City Council Adopted Budget takes steps that preserve high quality City services while considering long term sustainability and efficiencies.

Several major expenditure needs are driving this budget, which:

- Continues a very strong commitment to the schools, providing \$1.987 million in new funding, \$587,220 above the funding target of 40% of new real estate and personal property tax revenue as stated in the Budget Guidelines.
- Fully funds the City's Actuarial Retirement Contribution for the Retirement Fund, which requires \$971,949 in additional funds.
- Funds a projected 12% increase in health care premium costs. The City is funding a higher share of this, 15%, in order to reduce the increase that our employees would experience, which will be 9%. The City has not seen a double digit increase in health care costs for 10 years. We will, in the near future, examine possible changes in our healthcare plan offerings that may result in lower costs now and in the future. The cost of the increase for FY 2017 is \$692,957.
- Provides a 2% cost of living increase starting July 1, 2016, which is necessary in order to remain competitive in the region and to help offset the large increase in health care costs, at a cost of approximately \$850,000.
- The General Fund transfer to the Debt Service fund is increasing by \$568,000 and the General Fund contribution to the CIP increases by \$125,164, all based on the adopted capital improvement program.

## *Major City Department Additions/Service Enhancements*

- **City Market Composting Program: \$16,000** - The goals of the program are to capture organic waste from market vendors and customers, to facilitate an organic waste drop-off location for residents, and to provide guidance and education for residents on individualized composting options and strategies. For the 2015 City Market season, staff secured a one-time grant from the EPA for a pilot composting program, which proved to be successful. For the 2016 season, FY 2015 carryover funds were secured to continue the program. The FY 2017 Adopted Budget includes \$16,000 as ongoing funding for this program, which includes continuing the composting program at the City Market, a staffed mid-week drop-off location during the market season, and an unstaffed drop-off location during the winter. As of May 2016, an estimated 10,000 pounds of waste has been diverted from landfills and over 5.5 metrics tons of greenhouse gases reduced.

### **Strategic Plan Alignment**

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

2.5 Provide natural and historic resources stewardship

- **Enhanced Transit Service to Fifth Street Station: \$139,000** - This funding will support a new stop in the Wegmans shopping center (called Fifth Street Station), and due to route changes to accommodate this new stop, service will also now be added to serve Avon Street as well. Albemarle County does not have full funding in their Adopted Budget but instead is interested in exploring less expensive alternatives. If the County decides not to fully fund their adopted share of the route, the City would consider alternative options that could provide service as part of our workforce development efforts but would cost less than the adopted route.

### **Strategic Plan Alignment**

***Goal 1: Enhance the self-sufficiency of our residents***

1.1 Promote education and training

***Goal 3: Have a strong, diversified economy***

3.3 Develop a quality workforce

- **Citywide Weeding and Leaf Debagging: \$48,976** – This funding will pay for additional temps to provide the important service of curbing weeds along city streets and curbs, and debagging leaves at Panorama Farms with whom the City partners with to dispose of the leaves that have been collected so that they can be recycled.

### **Strategic Plan Alignment**

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

2.5 Provide natural and historic resources stewardship

- **Public Safety Ammunition: \$100,000** - Recent years have proven to be a challenge to obtain ammunition. Conflicts around the world have contributed to a deficit of ammunition, causing the Police Department to deplete any cache of supplies that were in place. This, along with high demand and the rising cost of metal, has increased the overall cost of the ammunition the Police Department needs for training and operational needs, especially once the new firing range is fully operational.

**Strategic Plan Alignment**  
***Goal 2: Be a safe, equitable, thriving and beautiful community***  
 2.1 Provide an effective and equitable public safety system

- **Presidential Election Costs: \$75,217** – These costs reflect anticipated higher rates of voter interest (phone calls, applications, inquiries, visits), voter registration applications, absentee voting (by mail and in person) and election day voting expected in a presidential year in a state that is already being cited by political pundits as one of three states in the U.S. that could swing the election to either side. Historic expenditures of the office have been compared to recent years and to the last two presidential election years, as well as consideration of historic voter turnout numbers for these elections (2008 – 72.9%; 2012 – 80.2%, both of active registered voters).

**Strategic Plan Alignment**  
***Goal 5: Foster strong connections***  
 5.3 Promote community engagement

- **City Council Strategic Initiatives Fund: \$50,000** – City Council added \$50,000 in the Adopted Budget programmed for community engagement and customer service initiatives as they relate to the management of technology that will assist in these efforts.

**Strategic Plan Alignment**  
***Goal 5: Foster strong connections***  
 5.3 Promote community engagement

***Reclassified and New Positions***

- **Part-time Administrative Assistant for the Clerk of Council: \$34,460** – This position will provide support to the Clerk of Council, including assisting with citizen and Council requests, responding to inquiries, and assisting with meeting and special event logistics.

- **Redevelopment Specialist: \$120,000** – To be housed in the City Manager’s Office, this position will coordinate and manage housing and redevelopment projects in the City and manage implementation of the Strategic Investment Area (SIA) Plan, including programs and activities to attract and retain businesses in the SIA, workforce development, citizen engagement, neighborhood revitalization, and human services.
- **Reclassified Outreach and Education Specialist (from full time to part time): \$40,100 (reduction)** – The adopted budget reclassifies this full time position to a 20 hour per week position, reducing the OHR budget by \$40,100 and by 0.5 FTE. An additional \$5,000 has been added to the OHR budget to cover any possible legal services that may be required.

### ***City Department Budget Reductions***

Staff and department heads worked together to review for efficiencies and develop reductions and eliminations in several areas to help balance this challenging budget. Departments were asked to submit cuts as defined by four categories of reductions:

1. ***No Service Impact*** – The budget reduction will not impact services in any way.
2. ***Minimal Service Impact*** - These cuts would have minimal impact on delivery of the City service in question. Any change in service level would be hardly noticed or noticed just by a very small few.
3. ***Moderate Service Impact*** - These cuts would have a larger impact on service delivery and could result in the possible reduction in the number of citizens who are served or the length of time or amount of times a service is offered.
4. ***Major Service Impact*** - These cuts would represent a major service impact such as the elimination of a program or service or the reduction of the service amount by more than 50%.

City departments identified over **\$241,850** in the ***No Service Impact*** category by looking at previous year actuals and making adjustments, or by determining they did not need that level of operating funds to provide the same level of service. These include reductions in office supplies, travel, advertising, food and meals, furniture and equipment, dues and subscriptions, and printing, just to name a few.

**\$9,750** worth of budget savings in the ***Minimal Service Impact*** category was identified:

- **Conversion of Annual Planting Beds: (\$9,750)** – Conversion of ten planting beds from annual to perennial beds. The following beds will be impacted: 250 Bypass at Fire Station, 10th and Preston bed, Craw Garden, Main and Ridge (Lewis and Clark Monument), Schenks Branch, Lee Park, Jackson Park, Tonsler Park, Meade Park, and Meadowcreek Golf Course circle. Annuals will be eliminated entirely at these locations and either converted to turf grass, or the existing beds of perennials will be maintained, unless otherwise noted: 250 Bypass at Hydraulic Rd., CHS entrance, school planters (will be the responsibility

of the schools), hanging baskets at Onesty and Washington Park pools (not provided), and Adopt a Spot locations.

In the *Moderate Service Impact* category, a total of **\$276,000** in savings was identified:

- **Changes to CAT Route 7: (\$172,000)** - Currently Route 7, which serves the Downtown Transit Station and all major shopping centers, operates seven buses per hour; this reduction will reduce that to six buses per hour. The scheduled lead time between buses will change from one bus every 15 minutes to one bus every 20 minutes and increase ridership on each bus, enhancing the route's efficiency. This change will not negatively impact any City personnel as those relief drivers' hours will be diverted to other routes as needed.
- **Downtown Mall Ambassador Program: (\$104,000)** – In FY 2014, the Downtown Mall Ambassador Program was started to assist visitors in the Downtown Mall area. Since that time, the City's strategy has been to hire more full time police officers, some of whom will be assigned to the Downtown Mall (eight additional officers were approved in FY 2016 with more to be phased in over time).

Council will soon be considering the creation of a new parking division to improve parking options in Downtown Charlottesville. Providing hospitality and customer service training to future parking enforcement officers could increase the number of City representatives who are responsible for making Downtown a welcoming place.

There are several vacant positions that will be de-funded in FY 2017 and re-evaluated the following fiscal year as to their need and purpose. If these positions are reinstated, these savings are one time in nature:

- **Paralegal – Commonwealth Attorney: (\$56,689)** – This is a Compensation Board (State) funded position but the State has not funded this for many years. The Commonwealth Attorney will maintain, but not fill this position until the State decides to fund it.
- **Section 3 Coordinator – Neighborhood Development Services: (\$69,000)** – With the anticipation of CRHA redevelopment, the Section 3 Coordinator was hired in August 2011 to implement the program in compliance with the Department of Housing and Urban Development (hereafter “HUD”) requirements and the City and CRHA's Section 3 Policy. The purpose of Section 3 is to support training, employment, contracting and other economic opportunities for the purpose of providing jobs and furthering business opportunities for Section 3 residents and Section 3 business concerns. When the Section 3 Policy was adopted, the expectation was that the City would strongly encourage Section 3 participation on non-HUD funded projects, which has been implemented. With redevelopment still several years away, the adopted budget maintains the position but eliminates the funding until definitive plans are agreed upon.

City staff also revisited what the City pays for fuel for its vehicles and determined that the price budgeted per gallon could be reduced from \$3.10 to \$2.50 per gallon given the current price of fuel and projecting future costs for the next fiscal year. This saved the general fund over **\$200,000** across all departments that have vehicles. If the price of fuel were to ever be above \$2.50 a gallon, the city has fuel reserves it could use if necessary to supplement department's budgets.

### **Into the Future**

The financial commitments in this budget are designed to provide continued support for many of the services and organizations that contribute to the high quality of life in our community. Investing in our schools, workforce development, public safety and capital improvements contribute greatly to our overall well-being. They are critical pieces in ensuring continued growth in our local economy which will ultimately result in enhanced economic opportunities for our residents.

I thank City Council and our dedicated staff for assisting in the development of this budget which I believe continues to fulfill the City's mission – ***“To provide services and facilities that promote an excellent quality of life for everyone in our community.”***

Sincerely,

A handwritten signature in cursive script that reads "Maurice Jones".

Maurice Jones  
City Manager

**FY 2017 Operating Revenue Changes**  
**(Operating Budget FY 2016 to Operating Budget FY 2017)**

<b><u>Local Taxes</u></b>	
Real Estate Tax	\$3,101,546
Transient Occupancy (Lodging) Tax - Rate increase from 6% to 7%	881,167
Meals Tax	471,250
Personal Property Tax (Local Portion)	399,794
Sales and Use Tax	318,034
Utility Services Consumer Tax	30,386
Virginia Communications Sales and Use Tax	(128,000)
Tax on Wills and Deeds	(80,000)
Cigarette Tax	(50,000)
Other Local Taxes	(33,000)
<b><u>Licenses and Permits</u></b>	
Business, Professional, Occupational License Fee	\$297,152
Building and Other Permits	105,000
Vehicle Licenses	75,000
<b><u>Intergovernmental Revenue</u></b>	
State Highway Assistance	\$86,007
Fire Department Operations - University of Virginia Agreement	12,588
School Resource Officers	12,128
Misc. Intergovernmental Revenue	24,617
<b><u>Charges for Services</u></b>	
PILOT: Utilities Funds	\$104,627
Parking Garage Revenue	100,000
Waste Disposal Fees	50,000
Parking Meter Receipts	(80,000)
Internal City Services	(49,552)
Parks and Recreation Income	(3,936)
<b><u>Misc. Revenue</u></b>	
Interest Earned	\$15,000
<b><u>Previous Fiscal Year Carryover Funds</u></b>	
Retirement Fund Contribution	\$300,000
Local Contribution to Schools	(66,659)
City Council Strategic Initiative Funds	(42,273)
<b><u>Transfers from Other Funds</u></b>	
Human Services Fund	\$500,000
Risk Management Fund	(325,000)
Health Care Fund	(250,000)
Landfill Fund	(100,000)
<b><u>City/County Revenue Sharing</u></b>	
Operating Budget Portion	(\$416,748)
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<b><u>Net Operating Revenue Changes</u></b>	<b>\$5,259,128</b>

**FY 2017 Designated Revenue Changes**  
**(Designated Budget FY 2016 to Designated Budget FY 2017)**

City/County Revenue Sharing: Transfer to Capital Improvement Program	\$125,164
Contracted Services with City Schools (Building Maintenance and Pupil Transportation)	125,010
Meals Tax Revenue: Transfer to Debt Service	118,000
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<b><u>Net Designated Revenue Changes</u></b>	<b>\$368,174</b>
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<b><u>Total General Fund Revenue Changes</u></b>	<b>\$5,627,302</b>
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**FY 2017 Operating Expenditure Changes**  
**(Operating Budget FY 2016 to Operating Budget FY 2017)**

<b>City Schools</b>	
City Contribution to Schools	\$1,987,756
<b>City Council</b>	
City Council Strategic Initiatives Funds	(\$77,860)
<b>City Department Budget Reductions</b>	
<b>No Service Impact</b>	
City departments identified No Service Impact budget reductions by looking at previous year actuals and making adjustments, or by determining they did not need that level of operating funds to provide the same level of service. These include reductions in office supplies, travel, advertising, food and meals, furniture and equipment, dues and subscriptions, and printing.	(\$241,850)
<b>Minimal Service Impact</b>	
Reduction in horticulture supplies - Parks and Recreation	(9,750)
<b>Moderate Service Impact</b>	
Reduce # of buses serving Route 7 from seven to six buses - Charlottesville Area Transit	(172,000)
Eliminate Downtown Mall Ambassador Program (5 seasonal positions) - Police Department	(104,000)
<b>Vacant Position Reductions</b>	
<i>Ongoing Budget Savings (full time position to be reclassified as part time):</i>	
Outreach and Education Specialist - Office of Human Rights	(80,200)
<i>One Time Budget Savings (position remains but funding eliminated for one year):</i>	
Section 3 Coordinator - Neighborhood Development Services	(69,000)
Paralegal - Commonwealth Attorney	(56,689)
<b>City Department Additions/Service Enhancements</b>	
Enhanced transit route to First Street Station (Wegmans) - Transfer to Charlottesville Area Transit	\$139,000
Ammunition - Police Department	100,000
2016 Presidential Election Costs - Voting Registrar	75,217
Weeding and Leaf De-bagging Temporary Positions - Public Works Streets and Sidewalks	48,976
Composting at City Market - Public Works	16,000
<b>Reclassified and New Positions</b>	
Redevelopment Specialist - City Manager's Office	120,000
Part-time Outreach and Education Specialist (20 hrs./week) - Office of Human Rights	40,100
Part-time Administrative Assistant (20 hrs./week) - Clerk of Council	34,460
Reclassified Communications Specialist (Long Term Temporary to Regular) - Office of Communications	14,748

<b>Compensation and Benefits</b>	
Retirement Costs	\$971,949
2% COLA on July 1, 2016	850,000
Health Care Costs - (15% increase for City; 9% increase for employees)	692,957
Living Wage Adjustments for Temporary Employees	50,000

<b>Contributions to Nonprofit and Outside Agencies (Major Changes)</b>	
Blue Ridge Juvenile Detention Center	\$234,269
JAUNT	137,729
Jefferson Madison Regional Library	122,811
Charlottesville-Albemarle Regional Jail	97,495
Thomas Jefferson Health Department	53,714
Emergency Communications Center	(217,916)
Other funding changes to nonprofit and outside agencies	28,621

<b>Interagency Transfers</b>	
Transfer to Debt Service Fund (non meals tax revenue portion)	\$450,000
Transfer to Charlottesville Area Transit (not including route enhancements)	188,535
Fund Balance Target Adjustment	104,452
Transfer of Charlottesville Albemarle Convention and Visitors Bureau	58,270
Transfer to Children's Services Act	(175,000)
Transfer to Human Services Fund	(31,737)

<b>Other Changes</b>	
Misc. Budget Adjustments (fixed costs, etc.)	(\$121,929)

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<b>Net Operating Expenditure Changes</b>	<b>\$5,259,128</b>
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**FY 2017 Designated Expenditure Changes**  
(Designated Budget FY 2016 to Designated Budget FY 2017)

Transfer to Capital Improvement Program	\$125,164
Contracted Services with City Schools (Building Maintenance and Pupil Transportation)	125,010
Transfer to Debt Service Fund (Meals Tax Portion)	118,000

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<b>Net Designated Expenditure Changes</b>	<b>\$368,174</b>
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<b>Total General Fund Expenditure Changes</b>	<b>\$5,627,302</b>
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# City Department Budget Reductions

<b>No Service Impact Total</b>		<b>\$241,850</b>	<b>This level of budget reductions will not impact services in any way.</b>
Various Departments			City departments identified <b>\$241,850</b> in the <b>No Service Impact</b> category by looking at previous year actuals and making adjustments, or by determining they did not need that level of operating funds to provide the same level of service. These include reductions in office supplies, travel, advertising, food and meals, furniture and equipment, dues and subscriptions, and printing, just to name a few.
<b>Minimal Service Impact Total</b>		<b>\$9,750</b>	<b>These cuts would have minimal impact on delivery of the City service in question. Any change in service level would be hardly noticed or noticed just by a very small few.</b>
Parks and Recreation		\$9,750	Conversion of ten (10) planting beds from annual to perennial beds. The following beds will be impacted: 250 Bypass at Fire Station, 10th and Preston bed, Craw Garden, Main and Ridge (Lewis and Clark Monument), Schenks Branch, Lee Park, Jackson Park, Tonsler Park, Meade Park, and Meadowcreek Golf Course circle. Annuals would be eliminated entirely at these locations and either converted to turf grass or the existing beds of perennials will be maintained, unless otherwise noted : 250 Bypass at Hydraulic Rd., CHS entrance, school planters (will be the responsibility of the schools), hanging baskets at Onesty and Washington Park pools (not provided), and Adopt a Spot locations.
<b>Moderate Service Impact Total</b>		<b>\$276,000</b>	<b>These cuts would have a larger impact on service delivery and could result in the possible reduction in the number of citizens who are served or the length of time or amount of times a service is offered.</b>
Charlottesville Area Transit		\$172,000	Currently Route 7, which serves the Downtown Transit Station and all major shopping centers, operates seven buses per hour; the proposed reduction would reduce that to six buses per hour. This reduction will change the scheduled lead time between buses from one bus every 15 minutes to one bus every 20 minutes. The change would increase the number of riders on each bus, which would increase the route's efficiency. This change will not negatively impact any City personnel as those relief drivers' hours will be diverted to other routes as needed.
Police Department		\$104,000	In FY 2014, the Downtown Mall Ambassador Program was started to assist visitors in the Downtown Mall area. They are a visible resource for those visiting our City and provide directions and information about local businesses and attractions. Since that time, the City's strategy has been to hire more full time police officers, some of which would be assigned to the Downtown Mall (eight additional officers were approved in FY 2016 with more to be phased in over time). The proposed reduction would eliminate the program in FY 2017. Council will soon be considering the creation of a new parking division to improve parking options in Downtown Charlottesville. Providing hospitality and customer service training to future parking enforcement officers could increase the number of City representatives who are responsible for making Downtown a welcoming place.

<b>Vacant Position Reductions Total</b>	<b>\$125,689</b>	
Commonwealth Attorney - Paralegal	\$56,689	This is a Compensation Board (State) funded position but the State has not funded this for many years. The Commonwealth Attorney will not fill this position until the State decides to fund it.
Neighborhood Development Services - Section 3 Coordinator	\$69,000	With the anticipation of CRHA redevelopment, the Section 3 Coordinator was hired in August 2011 to implement the program in compliance with the Department of Housing and Urban Development (hereafter "HUD") requirements and the City and CRHA's Section 3 Policy. The purpose of Section 3 is to support training, employment, contracting and other economic opportunities for the purpose of providing jobs and furthering business opportunities for Section 3 residents and Section 3 business concerns. When the Section 3 Policy was adopted, the expectation was that the City would strongly encourage Section 3 participation on non-HUD funded projects, which has been implemented. Since the Redevelopment project is still in a holding pattern, when the position was vacated, it was left open with existing staff maintaining the program. The proposed budget maintains the position but eliminates the funding until such time as redevelopment is back on the table.
<b>Total City Department Reductions</b>	<b>\$653,289</b>	

**City Council Amendments to the  
FY 2017 Proposed General Fund Budget**

<b>Manager's Recommended FY 17 Revenue Estimates</b>	<b>\$</b>	<b>161,871,784</b>
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**Amendments to FY 17 Revenue Estimates**

***Decrease Revenues***

**Local Taxes**

Tax on Wills and Deeds	(80,000)
Virginia Communications Sales and Use Tax	(96,000)

**Designated Revenue**

Contractual Services: Pupil Transportation	(2,891)
Contractual Services: School Building Maintenance	(38,089)

***Increase Revenues***

**Licenses and Permits**

Business and Professional Licenses	161,785
Electrical and Mechanical Permits	50,000
Building and Plumbing Permits	50,000

**Intergovernmental Revenue**

State Compensation Board	5,518
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**Charges for Services**

Parks and Recreation Revenue (Access Passes to SAFC and Carver Recreation Center increase by \$1)	12,509
Parks and Recreation - Restore Smith Aquatic and Fitness Center AM Hours	1,082
Parks and Recreation - Restore Washington Park Pool PM Hours	312
Waste Disposal Fees	50,000

**FY 2016 Carryover**

Council Strategic Initiatives	32,727
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<b>Total Revenue Amendments</b>	<b>\$</b>	<b>146,953</b>
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<b>Total Amended FY 17 General Fund Revenue Estimates</b>	<b>\$</b>	<b>162,018,737</b>
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<b>Manager's Recommended FY 17 Expenditures</b>	<b>\$ 161,871,784</b>
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**Amendments to FY 17 Expenditures**

***Decrease Expenditures***

**City Departments**

City Manager's Office	(42,230)
Clerk of Council	(7,770)

*Reduced Vehicle Fuel Cost from \$3.10 to \$2.50/gallon*

J&DR Court	(63)
City Sheriff	(2,764)
City Manager's Office	(125)
Public Works Facilities Development	(188)
Public Works Facilities Maintenance	(502)
Public Service Administration	(440)
Streets and Sidewalks	(15,379)
Public Works Stormwater	(4,398)
Refuse Collection	(1,885)
Large Item Pickup	(1,885)
Traffic Operations	(1,759)
City HVAC/Electrical Operations	(252)
Police	(34,681)
Parks and Recreation	(6,370)
Neighborhood Development Services	(1,319)

**Transfer to Charlottesville Area Transit Fund**

Transfer to Charlottesville Area Transit (reduced fuel cost)	(92,820)
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**Designated Expenditures**

Contractual Services: Pupil Transportation (reduced fuel)	(2,891)
Contractual Services: School Building Maintenance (reduced fuel cost)	(38,089)

**Outside and Nonprofit Agencies**

Charlottesville-Albemarle Regional Jail	(12,345)
ECC - 911 Center	(7,180)

***Increase Expenditures***

**Council Strategic Initiatives**

Community Engagement and Customer Service Reserves	50,000
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**Employee Salaries and Benefits**

Living Wage (\$13.52) Provided to Eligible Temporary Employees	50,000
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**City Departments**

Parks and Recreation - Restore Smith Aquatic and Fitness Center AM Hours	10,987
Parks and Recreation - Restore Washington Park Pool PM Hours	7,951
City Manager's Office - Redevelopment Specialist Position	120,000

**Nonprofit and Outside Agencies**

Virginia Cooperative Extension Service	473
Blue Ridge Juvenile Detention Center	563
Legal Aid Justice Center	50,973
Jefferson School Foundation	30,000
Offenders Aid and Restoration - Criminal Justice Planner	3,500
Ready Kids - Early Learning	3,070
Arts Coordination and Planning	12,000

***Restoration of 5% cut in funding for agencies receiving "Solid" program scores***

Charlottesville Abundant Life Ministries	1,432
Jefferson Area CHIP	1,192
Legal Aid Justice Center	983
MACAA	4,828
Offender Aid & Restoration	731
Piedmont CASA	491
Piedmont Housing Alliance	4,610
PHAR	1,250
Shelter for Help in Emergency	3,306
Thomas Jefferson Area Coalition for the Homeless	3,740
Virginia Film Festival	760
First Night Virginia	119
Ash Lawn-Highland Summer Festival	162
Charlottesville Festival of Cultures	187

***Funding for new agencies/programs receiving "Exemplarily" or "Solid" program scores***

Bridgeline - Day Program	15,000
City Schoolyard Garden	19,200
Lighthouse Studio	8,321
Music Resource Center	14,209
WNRN - Hear Together	2,250

**Total Expenditure Amendments** **\$ 146,953**

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**Total Amended FY 17 General Fund Expenditures** **\$ 162,018,737**

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**City Council Amendments to the  
FY 2017 Proposed Capital Improvement Program Budget**

<b>Manager's Recommended FY 17 Revenue Estimates</b>	<b>\$</b>	<b>20,405,486</b>
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**Amendments to FY 17 Revenue Estimates**

***Decrease Revenues***

Revenue from Albemarle County		(134,000)
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***Increase Revenues***

CY 2017 Bond Issue		134,000
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<b>Total Revenue Amendments</b>	<b>\$</b>	<b>-</b>
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<b>Total Amended FY 17 Capital Fund Revenue Estimates</b>	<b>\$</b>	<b>20,405,486</b>
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<b>Manager's Recommended FY 17 Expenditures</b>	<b>\$</b>	<b>20,405,486</b>
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**Amendments to FY 17 Expenditures**

***Increase Expenditures***

Charlottesville Affordable Housing Fund		130,280
Urban Tree Preservation and Planting		25,000
Charlottesville High School Track (design work/County approvals)		100,000
Charlottesville High School Field House (design work)		100,000
Milling and Paving		79,720
Strategic Investment Area (Daughters of Zion Cemetery)		40,000

***Decrease Expenditures***

Parkland Acquisition		(25,000)
Parks Plans Implementation - (Skatepark reduced by \$200,000; McIntire Park Master Plan and Meadowcreek Valley Master Plan Implementation reduced by \$250,000)		(450,000)

<b>Total Expenditure Amendments</b>	<b>\$</b>	<b>-</b>
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<b>Total Amended FY 17 Capital Fund Expenditures</b>	<b>\$</b>	<b>20,405,486</b>
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**City Council Amendments to the  
FY 2017 Proposed Transit Fund Budget**

<b>Manager's Recommended FY 17 Revenue Estimates</b>	<b>\$ 7,716,428</b>
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**Amendments to FY 17 Revenue Estimates**

***Decrease Revenues***

Revenue - Albemarle County	(7,180)
Transfer from General Fund	(92,820)

***Increase Revenues***

Revenue - Albemarle County	73,815
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<b>Total Revenue Amendments</b>	<b>\$ <u>(26,185)</u></b>
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<b>Total Amended FY 17 Transit Fund Revenue Estimates</b>	<b>\$ <u>7,690,243</u></b>
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<b>Manager's Recommended FY 17 Expenditures</b>	<b>\$ 7,716,428</b>
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**Amendments to FY 17 Expenditures**

***Decrease Expenditures***

Vehicle Fuel Savings	(100,000)
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***Increase Expenditures***

Salaries and Benefits	73,230
Maintenance Expenses	585

<b>Total Expenditure Amendments</b>	<b>\$ <u>(26,185)</u></b>
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<b>Total Amended FY 17 Transit Fund Expenditures</b>	<b>\$ <u>7,690,243</u></b>
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**City Council Amendments to the  
FY 2017 Proposed Social Services Fund Budget**

<b>Manager's Recommended FY 17 Revenue Estimates</b>	<b>\$</b>	<b>14,039,815</b>
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**Amendments to FY 17 Revenue Estimates**

*Decrease Revenues*

State Assistance		(809)
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<b>Total Revenue Amendments</b>	<b>\$</b>	<b>(809)</b>
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<b>Total Amended FY 17 Social Services Fund Revenue Estimates</b>	<b>\$</b>	<b>14,039,006</b>
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<b>Manager's Recommended FY 17 Expenditures</b>	<b>\$</b>	<b>14,039,815</b>
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**Amendments to FY 17 Expenditures**

*Decrease Expenditures*

Vehicle Fuel Savings		(809)
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<b>Total Expenditure Amendments</b>	<b>\$</b>	<b>(809)</b>
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<b>Total Amended FY 17 Social Services Fund Expenditures</b>	<b>\$</b>	<b>14,039,006</b>
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**City Council Amendments to the  
FY 2017 Proposed Human Services Fund Budget**

<b>Manager's Recommended FY 17 Revenue Estimates</b>	<b>\$</b>	<b>5,910,599</b>
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**Amendments to FY 17 Revenue Estimates**

*Decrease Revenues*

Welfare Revenue		(2,137)
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<b>Total Revenue Amendments</b>	<b>\$</b>	<b>(2,137)</b>
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<b>Total Amended FY 17 Human Services Fund Revenue Estimates</b>	<b>\$</b>	<b>5,908,462</b>
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<b>Manager's Recommended FY 17 Expenditures</b>	<b>\$</b>	<b>5,910,599</b>
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**Amendments to FY 17 Expenditures**

*Decrease Expenditures*

Vehicle Fuel Savings		(2,137)
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<b>Total Expenditure Amendments</b>	<b>\$</b>	<b>(2,137)</b>
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<b>Total Amended FY 17 Human Services Fund Expenditures</b>	<b>\$</b>	<b>5,908,462</b>
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**City Council Amendments to the  
FY 2017 Proposed Golf Fund Budget**

<b>Manager's Recommended FY 17 Expenditures</b>	<b>\$</b>	<b>880,507</b>
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**Amendments to FY 17 Expenditures**

*Decrease Expenditures*

Vehicle Fuel Savings		(252)
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<b>Total Expenditure Amendments</b>	<b>\$</b>	<b>(252)</b>
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<b>Total Amended FY 17 Golf Fund Expenditures</b>	<b>\$</b>	<b>880,255</b>
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**City Council Amendments to the  
FY 2017 Proposed Water Fund Budget**

<b>Manager's Recommended FY 17 Revenue Estimates</b>	<b>\$ 10,623,993</b>
<b>Amendments to FY 17 Revenue Estimates</b>	
<i>Decrease Revenues</i>	
Water Sale Revenue	(5,058)
<b>Total Revenue Amendments</b>	<b>\$ (5,058)</b>
<b>Total Amended FY 17 Water Fund Revenue Estimates</b>	<b>\$ 10,618,935</b>
<b>Manager's Recommended FY 17 Expenditures</b>	<b>\$ 10,345,198</b>
<b>Amendments to FY 17 Expenditures</b>	
<i>Decrease Expenditures</i>	
Vehicle Fuel Savings	(5,026)
<b>Total Expenditure Amendments</b>	<b>\$ (5,026)</b>
<b>Total Amended FY 17 Water Fund Expenditures</b>	<b>\$ 10,340,172</b>

**City Council Amendments to the  
FY 2017 Proposed Wastewater Fund Budget**

<b>Manager's Recommended FY 17 Revenue Estimates</b>	<b>\$ 13,529,269</b>
<b>Amendments to FY 17 Revenue Estimates</b>	
<i>Decrease Revenues</i>	
Sewer Sale Revenue	(3,802)
<b>Total Revenue Amendments</b>	<b>\$ (3,802)</b>
<b>Total Amended FY 17 Wastewater Fund Revenue Estimates</b>	<b>\$ 13,525,467</b>
<b>Manager's Recommended FY 17 Expenditures</b>	<b>\$ 13,250,474</b>
<b>Amendments to FY 17 Expenditures</b>	
<i>Decrease Expenditures</i>	
Vehicle Fuel Savings	(3,770)
<b>Total Expenditure Amendments</b>	<b>\$ (3,770)</b>
<b>Total Amended FY 17 Wastewater Fund Expenditures</b>	<b>\$ 13,246,704</b>

**City Council Amendments to the  
FY 2017 Proposed Gas Fund Budget**

<b>Manager's Recommended FY 17 Revenue Estimates</b>	<b>\$ 25,816,961</b>
<b>Amendments to FY 17 Revenue Estimates</b>	
<i>Decrease Revenues</i>	
Gas Sales Revenue	(12,106)
<b>Total Revenue Amendments</b>	<b>\$ (12,106)</b>
<b>Total Amended FY 17 Gas Fund Revenue Estimates</b>	<b>\$ 25,804,855</b>
<b>Manager's Recommended FY 17 Expenditures</b>	<b>\$ 26,374,551</b>
<b>Amendments to FY 17 Expenditures</b>	
<i>Decrease Expenditures</i>	
Vehicle Fuel Savings	(12,170)
<b>Total Expenditure Amendments</b>	<b>\$ (12,170)</b>
<b>Total Amended FY 17 Gas Fund Expenditures</b>	<b>\$ 26,362,381</b>

**City Council Amendments to the  
FY 2017 Proposed Fleet Fund Budget**

<b>Manager's Recommended FY 17 Expenditures</b>	<b>\$ 997,057</b>
<b>Amendments to FY 17 Expenditures</b>	
<i>Decrease Expenditures</i>	
Vehicle Fuel Savings	(1,885)
<b>Total Expenditure Amendments</b>	<b>\$ (1,885)</b>
<b>Total Amended FY 17 Fleet Fund Expenditures</b>	<b>\$ 995,172</b>