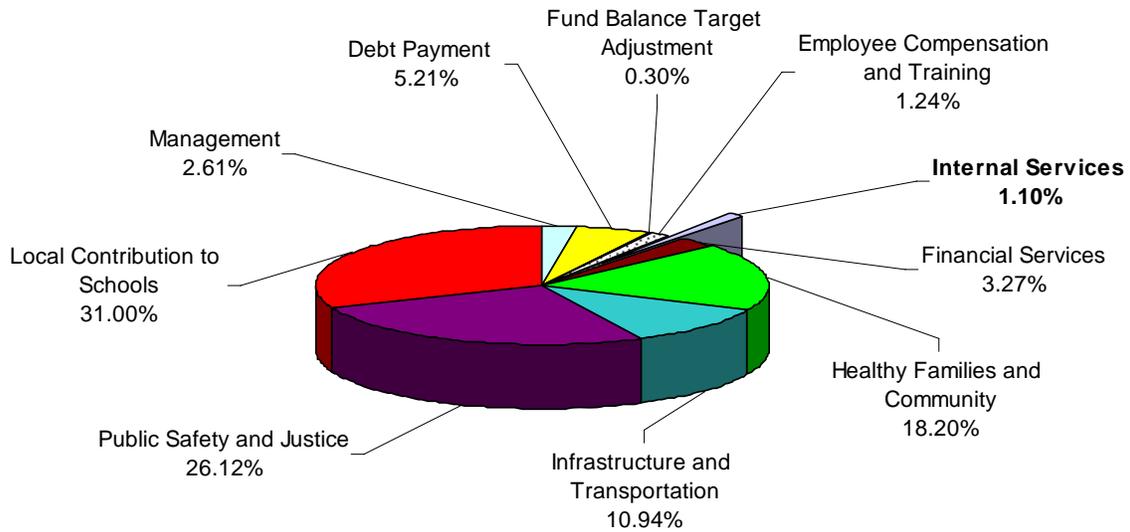


Internal Services Summary

	FY2004-2005 General Fund Actual	FY2005-2006 General Fund Budget	FY2006-2007 General Fund Budget	FY2004-2005 Other Funds Actual	FY2005-2006 Other Funds Budget	FY2006-2007 Other Funds Budget
INTERNAL SERVICES						
Business Services	\$239,847	\$239,800	\$239,800	\$0	\$0	\$0
Finance Department: Purchasing/Risk Management/Warehouse	84,374	84,943	74,344	2,527,123	2,070,029	2,370,526
Human Resources	682,096	833,974	892,641	0	0	0
Information Technology	0	0	0	1,587,535	1,872,159	3,506,801
INTERNAL SERVICES SUBTOTAL	\$1,006,317	\$1,158,717	\$1,206,785	\$4,114,658	\$3,942,188	\$5,877,327
2006-07 General Fund Budget	\$1,206,785					
2005-06 General Fund Budget	\$1,158,717					
Increase/(Decrease)	\$48,068					
Percentage Change	4.15%					

Internal Services

As a percentage of operating budget



INTERNAL SERVICES

ACCOMPLISHMENTS OF THE PAST YEAR

- ❖ The Human Resources Department contracted with MetLife as the City's new basic and supplemental life insurance provider, resulting in approximately \$165,000 in savings to the City, while obtaining enhanced insurance options for employees.
- ❖ The Finance Department's Purchasing division successfully implemented the Purchasing and EBP Modules of SAP and documented the new SAP procurement procedures.
- ❖ The Risk Management division of the Finance Department provided training on a wide variety of topics including fall protection, incident reporting, hearing protection, PPE, lifting techniques, avoiding slips/falls, ergonomics, driving training, fork lift training, which can help reduce workers compensation and general insurance costs.
- ❖ City Link was successfully implemented, including all financial modules, materials management, plant maintenance, utility billing, project systems modules, payroll and human resources.
- ❖ The Microsoft Enterprise Licensing Agreement was implemented to ensure software license compliance and standardize PC software platforms and reduced internal support costs and software costs by approximately \$150,000 per year.

GOALS AND OBJECTIVES FOR FY 2007

- ❖ Risk Management will pursue implementation of key safety and cost containment programs and continue focused safety training in loss-sensitive Departments.
- ❖ Continue to implement wellness and educational programs that minimize health care cost increases for both the employees and the City of Charlottesville as an employer.
- ❖ Continue work to be the first local government in Virginia to have a buy/pay process interfaced with the state's electronic procurement system, eVA and provide direct access to selected City decentralized buyers.
- ❖ The Human Resources Department will engage in diversity training which will incorporate the diversity module as part of new employee orientation; schedule all supervisors and managers for diversity and ethics training sessions during the year; and continue diversity/cultural awareness training as part of supervisory training classes.
- ❖ Information Technology will implement a new permitting system for Neighborhood Development Services, a new Parks and Recreation system as well as greater GIS integration for various departments.

Business Services

Business Services Strategy area is comprised of four City departments:

- Office of the Commissioner of Revenue
- Department of Finance
- Department of Information Technology
- Treasurer’s Office

This team is working together on ways to improve financial services to our "customers" - citizens, taxpayers, the business community, and City employees. Specifically:

- ◆ Offer citizens access to their own account information;
- ◆ Move toward "one stop shopping";
- ◆ Offer new options for interacting with City Hall via the Internet/e-government and City Link.

The \$239,800 budgeted here represents the collective computer usage charges for the year for all major City financial systems, including cash collections, payroll, bill-paying, accounting, personnel, warehouse, etc.

Funding Summary	FY 04-05 Actual	FY 05-06 Budget	FY 06-07 Budget	Increase/ (Decrease)	% Change
General Fund Total	\$239,847	\$239,800	\$239,800	\$0	0.00%

Finance Department
Purchasing
Risk Management
Warehouse

Purchasing has overall responsibility for the City’s purchasing system, develops regulations to insure 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 provides 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.

Funding Summary	FY 04-05 Actual	FY 05-06 Budget	FY 06-07 Budget	Increase/ (Decrease)	% Change
Salaries and Benefits	\$377,869	\$395,378	\$363,839	(\$31,539)	-7.98%
Other Expenditures	<u>2,233,627</u>	<u>1,759,594</u>	<u>2,081,031</u>	<u>321,437</u>	<u>18.27%</u>
Total	\$2,611,496	\$2,154,972	\$2,444,870	\$289,898	13.45%
General Fund Total	\$84,374	\$84,943	\$74,344	(\$10,599)	-12.48%
Non-General Fund Total	<u>2,527,123</u>	<u>2,070,029</u>	<u>2,370,526</u>	<u>300,497</u>	<u>14.52%</u>
Total	\$2,611,497	\$2,154,972	\$2,444,870	\$289,898	13.45%
General Fund FTEs	2.0	2.0	2.0	0.0	
Non-General Fund FTEs	4.0	4.0	4.0	0.0	

Explanation of Changes: The overall net decrease in Salaries and Benefits were realized in Purchasing due to departmental reorganization that offsets the salary and benefits increases. The net decrease in Other Expenses is due to increases in fixed costs, such as risk insurance, HVAC fees and IT User fees and decreases in technology related charges due to the decreasing cost in replacing desktop computers and the elimination of HP 3000 computer related costs. These budgets contain contributions to the Technology Infrastructure Replacement account as well and a slight decrease in the contribution to the Computer Replacement pool.

<u>FY 07 Services</u>	<u>FY 07 Budget</u>
Purchasing	\$74,344
Risk Management	2,107,487
Warehouse	<u>263,039</u>
Total	\$2,444,870

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 2006-07 are to: (1) Increase training and development related to the City's strategic plan for diversity (2) Increase emphasis on wellness initiatives as part of the City's health care cost containment strategy, (3) Help ensure that an open, honest, posorking 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 team work, as well as individual performance to enable the City to be an "Employer of Choice", and (4) 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.

Funding Summary	FY 04-05 Actual	FY 05-06 Budget	FY 06-07 Budget	Increase/ (Decrease)	% Change
Salaries and Benefits	\$528,092	\$543,082	\$581,537	\$38,455	7.08%
Other Expenditures	<u>154,004</u>	<u>290,892</u>	<u>311,104</u>	<u>20,212</u>	<u>6.95%</u>
General Fund Total	\$682,096	\$833,974	\$892,641	\$58,667	7.03%
General Fund FTEs	8.0	8.0	8.5	0.5	

Explanation of Changes: The increase in Salaries and Benefits can be attributed to the 4% salary increase in salaries and promotions granted during FY 2006, and increases in retirement and health care costs. The increase of .5 FTE is due to a Payroll Clerk that is shared between Human Resources and Finance. Within Other Expenditures, fixed costs that increased include risk insurance, IT User fees, HVAC fees and a new contribution to the Technology Infrastructure Replacement account; in addition, there is a small decrease in the contribution to the Computer Replacement pool. There is also an increase associated with the College Tuition Reimbursement Program due to climbing tuition rates.

Information Technology

The Department of Information Technology (IT) is an internal services division of the City of Charlottesville. I.T.'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. We evaluate, integrate and support 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 04-05 Actual	FY 05-06 Budget	FY 06-07 Budget	Increase/ (Decrease)	% Change
Salaries and Benefits	\$1,165,514	\$1,218,753	\$1,444,878	\$226,125	18.55%
Other Expenditures	422,021	507,437	1,619,006	1,111,569	219.06%
Technology Capital Investments	<u>0</u>	<u>145,969</u>	<u>442,917</u>	<u>296,948</u>	203.43%
Non-General Fund Total	\$1,587,535	\$1,872,159	\$3,506,801	\$1,634,642	87.31%
Non-General Fund FTEs	18.00	18.00	18.00	0.0	

Explanation of Changes: Starting in FY 2007, this fund is reflecting the City Link recurring operational budget. In previous years, during planning and implementation phases, the City Link budget was reflected in the Technology Fund of the Capital Budget. The total budget for City Link is \$1,400,000, 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 servers scheduled to be replaced in FY 2007.

This budget includes a new capital account that will be dedicated to the future replacement of the "backbone" of the City's technology, which includes cabling, communications equipment, computer systems and network hardware. The account, set up similarly to the Computer Replacement pool, is perpetual (unexpended monies roll over into the next budget year) and will ensure sufficient budget exists on a yearly basis to replace servers and data systems prior to the expiration of their factory warranties.

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

	FY 07 Budget
<u>FY 07 Services</u>	
Information Technology Operations	\$1,789,301
City Link Operations	1,400,000
Computer Replacement Pool	129,751
Technology Infrastructure Replacement Pool	<u>187,749</u>
Total	\$3,506,801