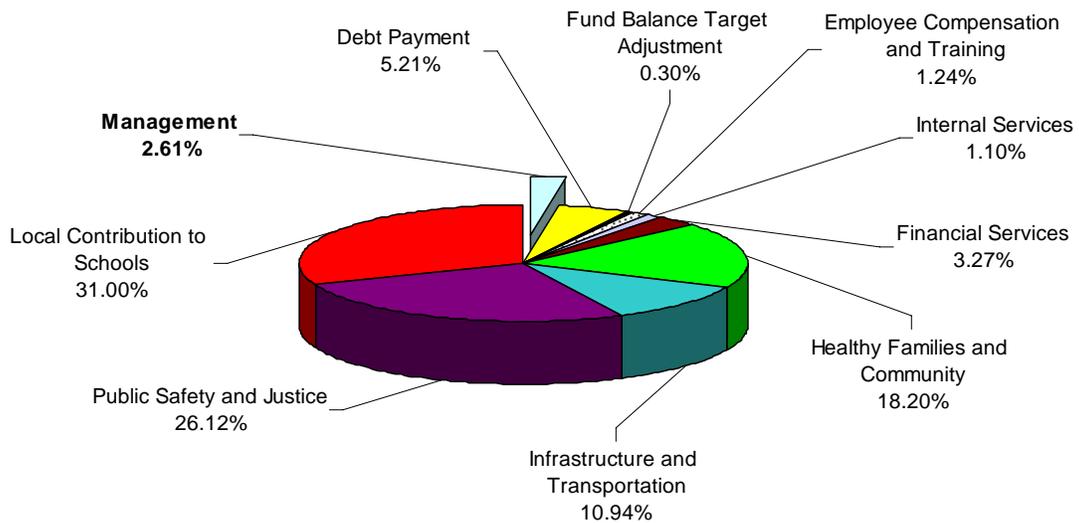


**Management Summary**

	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
<b>MANAGEMENT</b>						
Council Reserve	\$0	\$14,627	\$25,000	\$0	\$0	\$0
Mayor and City Council	186,375	178,445	181,845	0	0	0
City Manager's Office/Administration and Communications	1,033,789	1,112,180	1,107,958	0	0	0
City Manager/ Office of Economic Development	478,700	503,143	506,828	0	0	0
City Attorney	519,011	587,962	618,734	0	0	0
General Registrar	349,523	240,698	304,797	0	0	0
Organizational Memberships	87,917	90,844	119,628	0	0	0
<b>MANAGEMENT SUBTOTAL</b>	<b>\$2,655,315</b>	<b>\$2,727,899</b>	<b>\$2,864,790</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>2006-07 General Fund Budget</b>	<b>\$2,864,790</b>					
<b>2005-06 General Fund Budget</b>	<b>\$2,727,899</b>					
<b>Increase/(Decrease)</b>	<b>\$136,891</b>					
<b>Percentage Change</b>	<b>5.02%</b>					

**Management**  
As a percentage of operating budget



## MANAGEMENT

### ACCOMPLISHMENTS OF THE PAST YEAR

- ❖ The City Manager's Office received the Government Finance Officers Association Distinguished Budget Presentation Award for the FY 2005-2006 budget.
- ❖ The City Manager's Office won the prestigious International City/County Management Association Award for Program Excellence.
- ❖ The City received the prestigious AAA Bond Rating in 2005, one of a small number of cities in the country to receive this rating.
- ❖ The City of Charlottesville's web site, designed and maintained by the Communications Department (along with the I.T. Department's technology efforts), was redeveloped to be more consistent, informative, readable, and interactive.
- ❖ Construction activity has increased to \$104 million in 2005 more than double the amount in 2000.
- ❖ In 2005, 599 new businesses were started in the City.
- ❖ The Office of Economic Development assisted in construction of the Pavilion amphitheater, World Market, Caspari, Paramount Theater, and completed RFP on the Water Street lot development.

### GOALS AND OBJECTIVES FOR FY 2007

- ❖ Increase and improve communication between City departments and with the local and national media in order to help promote tourism, business, and living in Charlottesville.
- ❖ Apply for and receive the GFOA Distinguished Budget Presentation Award for the FY 2006-2007 Budget.
- ❖ Provide leadership on various planning and development issues, such as affordable housing, transportation, strategic planning and economic development initiatives.
- ❖ Market Charlottesville as a center for creativity and innovation where entrepreneurial people thrive in order to secure new business, jobs, and capital investment for the City.
- ❖ Continue to find ways to improve City services at less cost.
- ❖ Connect City government with our citizens by redesigning the City's website to allow services such as on-line citizen complaint reporting, utility bill payment and service initiation, citizen service and more.
- ❖ Continue work to develop citywide and departmental Strategic Business Plans and a program of performance measurement.
- ❖ Continue managerial leadership via the Council approved "City Manager's Strategic Work Plan" that sets formal annual work to be achieved.

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**Council Reserve**

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A reserve of \$25,000 is set aside for City Council to fund various unfunded budget requests and/or agency requests either during the budget process or the fiscal year.

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<b>Funding Summary</b>	<b>FY 04-05</b>	<b>FY 05-06</b>	<b>FY 06-07</b>	<b>Increase/ (Decrease)</b>	<b>% Change</b>
	<b>Actual</b>	<b>Budget</b>	<b>Budget</b>		
<b>General Fund Total</b>	<b>\$0</b>	<b>\$14,627</b>	<b>\$25,000</b>	<b>\$10,373</b>	<b>70.92%</b>

**Mayor and City Council**

City Council establishes policies for the City government, including neighborhood planning and services, education funding, human services, economic development, utilities, transportation, public safety, and other community and service issues. The Council is responsible for adopting the annual budget and passes laws to ensure the public's safety and welfare. The Council appoints members to over 30 boards and commissions, including governing boards for many community agencies. The Mayor (or the Vice-Mayor in the Mayor's absence) presides over and sets the agenda for meetings, calls special meetings, and serves as the ceremonial head of government. Regular Council meetings are held twice a month. Councilors participate in joint public hearings with the Planning Commission once a month, meet with the School Board once a month, and hold special meetings and work sessions as needed.

The Clerk of Council serves as staff to the City Council, maintains official Council records, serves as a liaison between Council and the public, notifies citizens of Council action, and coordinates Council meetings and appointments to boards and commissions. The Clerk is involved in a variety of efforts to provide public information about City government to citizens and represents the City on certain boards and commissions.

<b>Funding Summary</b>	<b>FY 04-05 Actual</b>	<b>FY 05-06 Budget</b>	<b>FY 06-07 Budget</b>	<b>Increase/ (Decrease)</b>	<b>% Change</b>
Salaries and Benefits	\$124,074	\$132,331	\$135,656	\$3,325	2.51%
Other Expenditures	<u>62,301</u>	<u>46,114</u>	<u>46,189</u>	<u>75</u>	<u>0.16%</u>
<b>General Fund Total</b>	<b>\$186,375</b>	<b>\$178,445</b>	<b>\$181,845</b>	<b>\$3,400</b>	<b>1.91%</b>
General Fund FTEs	1.0	1.0	1.0	<b>0.0</b>	

**Explanation of Changes:** The increase in Salaries and Benefits can be attributed to increases to retirement and health insurance costs, and a 4% salary increase granted in FY 2006. The net increase in Other Expenses can be attributed to increases in operational fixed costs, such as HVAC fees, IT User fees, a contribution to the Technology Infrastructure Replacement Pool, risk insurance, and a decrease in Other Supplies and the contribution to the Computer Replacement Pool.

**Office of the City Manager/Administration and Communications**

The City Manager, appointed by the City Council, is the Chief Executive Officer for the City. This office is responsible for implementing the policies and directives of the City Council throughout the various City departments and agencies. The City Manager's office is also charged with recommending, implementing, and monitoring policies and procedures that maintain the financial well-being of City government. This office directs, monitors, reviews, and evaluates a wide array of programs and services conducted on behalf of the City, is responsible for the development of the City's operating and capital budgets, and citywide communications through the Office of Communications.

The Office of Communications serves as a liaison between the City and our citizens by coordinating media, public and community relations, and by encouraging citizen involvement in their government through a variety of informational sources including, but not limited to, the region's media outlets, the City's monthly newsletter "City Notes", the City's web site [www.charlottesville.org](http://www.charlottesville.org), print advertisements, public appearances, and public service announcements.

In the coming year, the City Manager's Office will continue to place an emphasis on quality delivery of city services, while at the same time looking for efficiencies and cost reductions. Council priorities for education, affordable housing, economic development, transportation, regional cooperation, community involvement including a new comprehensive plan, and neighborhood initiatives will be emphasized.

<b>Funding Summary</b>	<b>FY 04-05 Actual</b>	<b>FY 05-06 Budget</b>	<b>FY 06-07 Budget</b>	<b>Increase/ (Decrease)</b>	<b>% Change</b>
Salaries and Benefits	\$899,685	\$990,965	\$963,477	(\$27,488)	-2.77%
Other Expenditures	<u>134,104</u>	<u>121,215</u>	<u>144,481</u>	<u>23,266</u>	<u>19.19%</u>
<b>General Fund Total</b>	<b>\$1,033,789</b>	<b>\$1,112,180</b>	<b>\$1,107,958</b>	<b>(\$4,222)</b>	<b>-0.38%</b>
General Fund FTEs	9.0	9.0	8.0	<b>(1.0)</b>	
Other Funded FTEs	1.0	1.0	1.0	<b>0.0</b>	

**Explanation of Changes:** This budget reflects the elimination of one position, which is currently vacant: Project Communications Specialist. This is a net reduction of \$46,000. The impact of this reduction will be the elimination of the City's talk show, *Talk of C'Ville* and the newsmagazine show, *Inside Charlottesville*. The City will focus instead on live taping and re-broadcasting Council meetings, community forums, commission meetings, and featuring special TV programming. An existing vacant position, the Web Content Manager, will be restructured in order to recruit someone with a strong editing and television background in addition to expertise of website development and management.

Salaries and Benefits also include increases in retirement and health care costs and it reflects the 4% salary increases granted in FY 2006. Other Expenditures is increasing as a result of higher fixed costs, such as HVAC fees, IT User fees, risk insurance, vehicle fuel and maintenance costs, and a contribution to the Technology Infrastructure Replacement pool. The contribution to the Computer Replacement pool is decreasing slightly.

**Office of the City Manager/Office of Economic Development**

The Office promotes the creation of small businesses and has an active retention and expansion program. Significant attention is provided to technology business creation and expansion. The Economic Development staff work with other departments at the City to coordinate development activities and services. Attention is provided to workforce development and entrepreneurial training. Partnerships are in place with TJPED, SBDC, VPTC, VPCC, DBAC, CVG, UVA, and other city and regional agencies.

<b>Funding Summary</b>	<b>FY 04-05 Actual</b>	<b>FY 05-06 Budget</b>	<b>FY 06-07 Budget</b>	<b>Increase/ (Decrease)</b>	<b>% Change</b>
Salaries and Benefits	\$397,096	\$434,054	\$426,191	(\$7,863)	-1.81%
Other Expenditures	<u>81,604</u>	<u>69,089</u>	<u>80,637</u>	<u>11,548</u>	<u>16.71%</u>
<b>General Fund Total</b>	<b>\$478,700</b>	<b>\$503,143</b>	<b>\$506,828</b>	<b>\$3,685</b>	<b>0.73%</b>
General Fund FTEs	5.0	4.0	4.0	<b>0.0</b>	

**Explanation of Changes:** The net reduction in Salaries and Benefits is a result of staffing reorganization within the department, and increases to retirement, health care costs and fully realizing the 4% salary increase granted in FY 2006. Other Expenditures increases can be attributed to higher fixed costs, such as HVAC fees, risk insurance, IT User fees, vehicle fuel costs, a contribution to the Technology Infrastructure Replacement Pool, and a slight decrease in the contribution to the Computer Replacement Pool.

**City Attorney**

The City Attorney's Office is staffed with four attorney and two paralegal positions. Formal and informal opinions, reports, ordinances, resolutions, and City contracts are drafted, reviewed, and negotiated by this office. Zoning, procurement, insurance, and Freedom of Information Act (FOIA) matters are handled by the office, and personnel issues (workers' compensation, terminations, and grievances) account for an increasing share of the workload. Social Services and other litigation continue to demand significant attorney time. The City Attorney's Office provides legal counsel to the City Council, Planning Commission, Airport Authority, Charlottesville Industrial Development Authority, and Charlottesville Redevelopment and Housing Authority, their managers and employees.

<b>Funding Summary</b>	<b>FY 04-05 Actual</b>	<b>FY 05-06 Budget</b>	<b>FY 06-07 Budget</b>	<b>Increase/ (Decrease)</b>	<b>% Change</b>
Salaries and Benefits	\$472,897	\$534,889	\$541,731	\$6,842	1.28%
Other Expenditures	<u>46,114</u>	<u>53,073</u>	<u>77,003</u>	<u>23,930</u>	<u>45.09%</u>
<b>General Fund Total</b>	<b>\$519,011</b>	<b>\$587,962</b>	<b>\$618,734</b>	<b>\$30,772</b>	<b>5.23%</b>
General Fund FTEs	6.0	6.0	6.0	<b>0.0</b>	

**Explanation of Changes:** The increase in Salaries and Benefits reflects the 4% salary increase granted in FY 2006, as well as increases in retirement and health care costs. Other Expenditures increased as well, including HVAC fees, risk insurance and IT User fees, and a new contribution to the Technology Infrastructure Replacement Pool; decreasing is the contribution to the Computer Replacement Pool. Also included in this budget is \$20,000 in additional funds that will be used to update the City Code, which has not been updated since 1990.

**General Registrar**

The Charlottesville Office of General Registration is responsible for matters pertaining to: voter registration and comprehensive list maintenance; certification of candidate declarations and campaign finance management; ballot development and administration of absentee voting; Officer of Election database management; maintenance and preparation of voting equipment and supplies; polling place management; public and media relations related to the electoral process; and effective implementation of legislative mandates and policy directives within the scope of operations. In addition, this office administers primary and special elections, as called. Officer of Election appointments, polling place recommendations, and certifications of election results are conducted by the Charlottesville Electoral Board, for which this office provides all administrative support. In order to conduct the required functions of this office in full accordance with federal, state and local laws, it is imperative that all staff receive comprehensive initial training and participate in on-going continuous education efforts to stay abreast of often changing legal dictates and policy requirements. Numerous training opportunities are provided through the State Board of Elections, the statewide professional associations of General Registrars and Electoral Boards, voting equipment user groups and other professional organizations within the industry.

The Office of the General Registrar has two full time employees located in the City Hall Annex and a part time employee at the Division of Motor Vehicles office on Pantops. Additionally, a number of assistant registrars, election officials and part time election workers are employed as required by the State Board of Elections.

<b>Funding Summary</b>	<b>FY 04-05 Actual</b>	<b>FY 05-06 Budget</b>	<b>FY 06-07 Budget</b>	<b>Increase/ (Decrease)</b>	<b>% Change</b>
Salaries and Benefits	\$209,873	\$164,731	\$202,390	\$37,659	22.86%
Other Expenditures	<u>139,650</u>	<u>75,967</u>	<u>102,407</u>	<u>26,440</u>	<u>34.80%</u>
<b>General Fund Total</b>	<b>\$349,523</b>	<b>\$240,698</b>	<b>\$304,797</b>	<b>\$64,099</b>	<b>26.63%</b>
General Fund FTEs	2.5	2.5	2.5	<b>0.0</b>	

**Explanation of Changes:** The adopted General Registrar’s budget assumes two City-wide elections within the budget year: a Federal election in November 2006 and a primary in June 2007. This budget fully realizes the costs of these elections and more accurately reflects what the budget should be during the year. Most, if not all, of the increases are mandated by the State, including training for staff, advertising for elections, printing and duplicating, material purchases for elections, election staff overtime and salaries. Also included in this budget is an additional \$10,000 to cover the extended warranty of the voting machines, a contribution to the Technology Infrastructure Replacement account, and increases in fixed costs, such as HVAC fees, IT User fees and risk insurance.

**Organizational Memberships**

The **Virginia Municipal League** is an advocate for Virginia towns and cities. It represents the City's interests before the General Assembly and provides legal, technical, and management information.

The **Charlottesville Regional Chamber of Commerce** is the local organization that represents the business community on issues pertaining to relations between the public and businesses.

The **Thomas Jefferson Planning District Commission (TJPDC)** is the regional planning agency created by Charlottesville, and the counties of Albemarle, Fluvanna, Louisa, Greene, and Nelson under the Virginia Area Development Act that provides planning and technical assistance to member governments through planning on a regional level.

The **Thomas Jefferson Planning District Commission Workforce One Stop Center**, a newly funded program starting in FY 2007, offers various work training services to the unemployed and helps them find gainful employment.

The **Virginia Institute of Government**, established in 1994 by the Virginia General Assembly, provides programs that increase the training, technical services and information resources available to the Commonwealth's local governments.

The **Virginia Innovations Group** is a regional office of the Innovations Group, a non-profit organization with a membership base of 430 city, town and county governments from 28 states, that helps city and county governments find the tools and information to improve productivity, and save time and money.

The **Virginia First Cities Coalition** is a statewide coalition of 15 cities that provides lobbying services and fiscal analysis for its member cities.

The **Thomas Jefferson Regional Partnership for Economic Development** is a public/private organization committed to retaining business, expanding employment opportunities and "growing" the economy of the region in a manner consistent with local plans, policies, and needs.

The **Thomas Jefferson Soil and Water Conservation District** works in partnership with various local, state and federal agencies to provide comprehensive and efficient natural resource assistance.

The **International City/County Management Association Performance Measurement Consortium** helps local governments compare and improve the effectiveness and efficiency of public services through the collection, analysis and application of performance information. Over 160 local governments participate across the nation.

<b>Funding Summary</b>	<b>FY04-05 Actual</b>	<b>FY05-06 Budget</b>	<b>FY06-07 Budget</b>	<b>Increase/ (Decrease)</b>	<b>% Change</b>
Virginia Municipal League	\$11,148	\$11,592	\$12,142	\$550	4.74%
Chamber of Commerce	2,500	2,500	2,500	0	0.00%
Thomas Jefferson Planning District Commission	41,888	44,621	44,621	0	0.00%
TJPDC Workforce One Stop Center	0	0	15,771	15,771	100.00%
Virginia Institute of Government	2,500	2,500	2,500	0	0.00%
Virginia Innovations Group	1,750	1,500	2,500	1,000	66.67%
Virginia First Cities Coalition	15,631	15,631	17,194	1,563	10.00%
Thomas Jefferson Regional Partnership for Economic Dev.	12,500	12,500	12,500	0	0.00%
Thomas Jefferson Soil and Water Conservation District	0	0	1,000	1,000	100.00%
ICMA Performance Measurement Consortium	0	0	8,900	8,900	100.00%
<b>General Fund Total</b>	<b>\$87,917</b>	<b>\$90,844</b>	<b>\$119,628</b>	<b>\$28,784</b>	<b>31.69%</b>

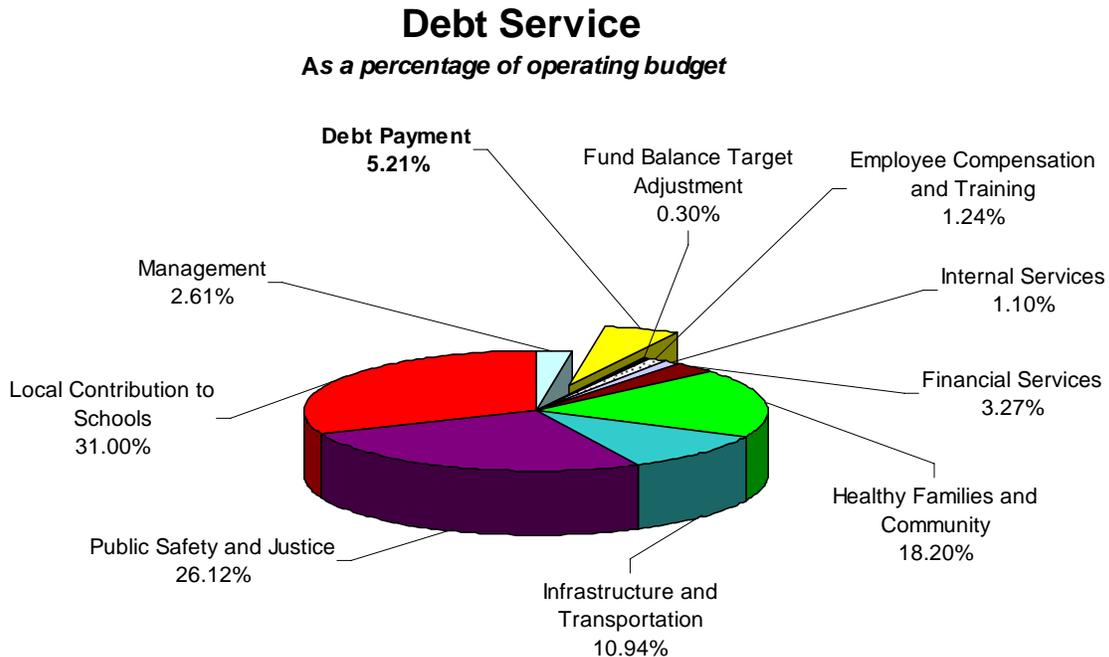


**Debt Service Payment**

The General Fund contribution to the City’s annual debt service payments on general purpose, school, and literary bonds is shown in this part of the budget. The City has several major, long-term capital needs such as school maintenance, Downtown Mall and West Main Street improvements, and maintenance of City buildings, economic development, neighborhood improvements, and transportation. It is anticipated that in future years the amount of funds going to debt service will need to increase in order to finance the City’s increasing capital needs (see Capital Improvement Program on page 85 and Debt Service Fund detail on page 95).

<b>Funding Summary</b>	<b>FY 04-05 Actual</b>	<b>FY 05-06 Budget</b>	<b>FY 06-07 Budget</b>	<b>Increase/ (Decrease)</b>	<b>% Change</b>
General Fund Contribution	\$5,100,000	\$5,400,000	\$5,450,000	\$50,000	0.93%
County Fire Service Fee	250,000	375,000	264,000	(111,000)	-29.60%
<b>General Fund Total</b>	<b>\$5,350,000</b>	<b>\$5,775,000</b>	<b>\$5,714,000</b>	<b>(\$61,000)</b>	<b>-1.06%</b>

In addition to the funding shown above, there is \$1.5 million in designated Meals Tax revenue that will be transferred to the fund, and the Fire Department has budgeted \$250,000 to cover the first debt service payment for future replacement of a fire truck. The County Fire Service Fee revenue is dedicated to debt service and is paying off loans for fire apparatus previously purchased.





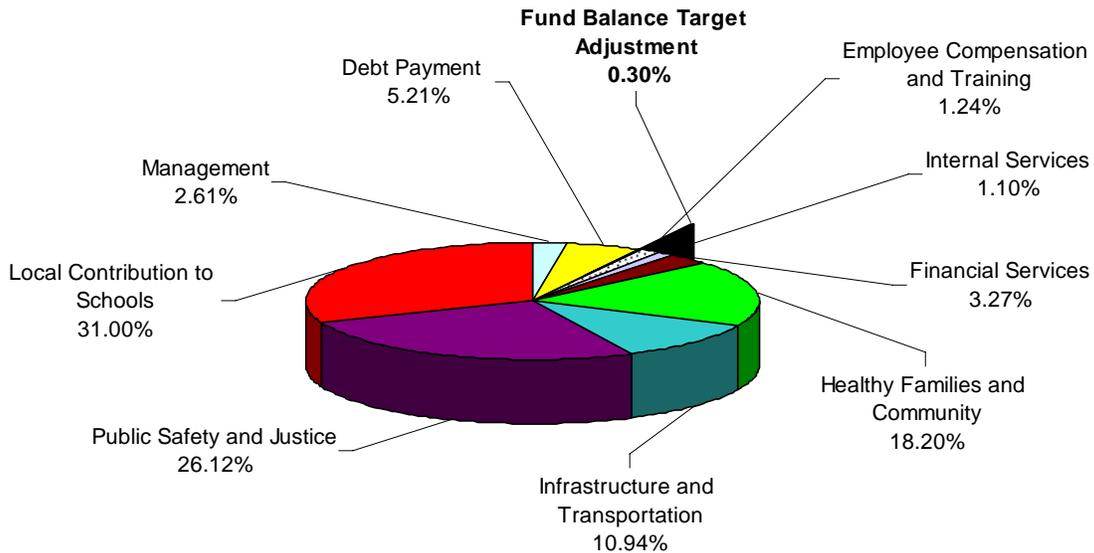
### Fund Balance Target Adjustment

One of the key factors in retaining the City's AAA bond rating is the City's 12% fund balance policy. This policy states that the City will maintain an unappropriated fund balance in the General Fund equal to 12% of the City's operating budget. As the operating budget grows over time, this target fund balance must be adjusted. This account, created in FY 05, is increased this year to help ensure that the City continues to meet this important financial policy. During FY 2007, City Departments will be directed to identify and implement at least \$154,455 in operational budget savings to help meet this financial policy.

Funding Summary	FY 04-05 Actual	FY 05-06 Budget	FY 06-07 Budget	Increase/ (Decrease)	% Change
Fund Balance Target Adjustment	\$0	\$400,000	\$478,157	\$78,157	19.54%
City Wide Departmental Savings	0	0	(154,455)	(154,455)	-100.00%
<b>General Fund Total</b>	<b>\$0</b>	<b>\$400,000</b>	<b>\$323,702</b>	<b>(\$76,298)</b>	<b>-19.07%</b>

### Fund Balance Target Adjustment

As a percentage of operating budget





### Employee Compensation and Training

This budget provides funding for salary increases to city employees, various market rate adjustments, unemployment compensation and citywide training. The compensation and market rate adjustments are budgeted each year as a lump sum and then allocated to departments after July 1st.

In FY 2007, salary increases are funded at 4% across the board starting July 1<sup>st</sup>. In addition, the City has budgeted \$300,000 in citywide attrition savings, which simply demonstrates up front the savings associated with keeping vacancies open for a specified period of time. Unemployment Compensation is increasing to reflect the actual costs for the past several years. No change is proposed for the Corporate Training Fund, which funds citywide training opportunities.

<b>Funding Summary</b>	<b>FY 04-05 Actual</b>	<b>FY 05-06 Budget</b>	<b>FY 06-07 Budget</b>	<b>Increase/ (Decrease)</b>	<b>% Change</b>
Compensation - 4% salary increase	\$67,288	\$1,402,225	\$1,590,980	\$188,755	13.46%
City Wide Attrition Savings	0	0	(300,000)	(300,000)	100.00%
Public Safety Reserve - Social Security Supplement	0	49,000	0	(49,000)	-100.00%
Public Safety Reserve - Disability	0	51,000	0	(51,000)	-100.00%
Unemployment Compensation	41,146	28,000	40,000	12,000	42.86%
Corporate Training Fund	<u>47,201</u>	<u>34,000</u>	<u>34,000</u>	<u>0</u>	<u>0.00%</u>
<b>General Fund Total</b>	<b>\$155,635</b>	<b>\$1,564,225</b>	<b>\$1,364,980</b>	<b>(\$199,245)</b>	<b>-12.74%</b>

### Employee Compensation and Training

As a percentage of operating budget

