

Other Non General Funds



Communications System Fund

Debt Service Fund

Equipment Replacement Fund

Facilities Repair Fund

Health Care Fund

Parking Enterprise Fund

Retirement Fund

Risk Management Fund

Communications System Fund

The Communications System Fund provides the necessary funding for the operation of the City of Charlottesville's citywide phone system and the City's mailroom operations throughout the fiscal year. The citywide phone system is managed by the Department of Information Technology and funded through user fees. This portion of the Communications System Fund includes base rates for phones, long distance, maintenance contracts, and any software upgrades related to the phone system.

Mailroom operations are also included in the Communications System Fund. Mailroom expenses include the cost of postage and maintenance contracts for postage meter machines. This portion of the Communications System Fund is funded by the departments through fees for usage of the postage machines.

Fund Detail	FY 15 - 16	FY 16 - 17	FY 17 - 18
	Actual	Budget	Budget
Beginning Fund Balance	\$155,000	\$183,450	\$183,450
Revenues			
Phone Fees	205,865	217,833	220,337
Postage Revenue	81,609	79,676	78,200
Total Revenues	\$287,474	\$297,509	\$298,537
Expenditures			
Salaries	50,103	51,333	53,837
Telephone Services	105,617	131,500	131,500
Service Contracts	28,767	42,500	42,500
Postage Expenditures	68,237	71,476	70,000
Other Expenditures	6,301	700	700
Total Expenditures	\$259,024	\$297,509	\$298,537
Net Gain/(Loss)	28,450	-	-
Ending Fund Balance	\$183,450	\$183,450	\$183,450

Debt Service Fund

The City's Debt Service Fund provides the funds necessary to retire the City's general government outstanding bonded indebtedness. General obligation bonds are used to pay the cost of various public improvements.

The City's current level of bonded indebtedness (at June 30, 2016) is indicated by four key financial indicators: net bonded debt of \$72,132,467, a ratio of debt to assessed value of 1.21%, net bonded debt per capita of \$1,496, and a ratio of Debt Service to total General Fund expenditures of 6.25%. All of these indicators of the City's debt position are very positive and consequently the City has received the highest bond rating (AAA) from the two major rating agencies, Moody's and Standard & Poor's. Both Moody's and Standard & Poor's confirmed this AAA bond rating in May 2016. The City's legal debt limit, as authorized by the Code of Virginia, is 10% of the total assessed value of real estate subject to local taxation. In 2016, the legal debt limit was \$595,391,000. The City's current general obligation indebtedness is \$116,967,389, which includes debt being repaid by the City's utility funds. The City also has a financial policy of Debt service as a percentage of the general fund total expenditure budget has a ceiling of 10%, with a target of 9% (pg. A-9).

<u>Fund Detail</u>	FY15-16 <u>Actual</u>	FY16-17 <u>Budget*</u>	FY17-18 <u>Budget</u>		
Beginning Fund Balance	\$11,606,401	\$11,962,480	\$11,754,643		
Revenues					
General Fund Transfer	\$7,018,000	\$7,468,000	\$7,968,000		
CIDA-SNL Loan					
Meals Tax Revenue	2,261,578	2,260,000	2,419,400		
Interest	33,181	-	-		
2010 BABs Rebate	172,118	177,168	168,328		
Refunding Proceeds	4,380,874	-	-		
Total Revenues	\$13,865,751	\$9,905,168	\$10,555,728		
Expenditures					
Bonds-	Total	Total	Total	FY17-18 Principal	FY17-18 Interest
Series 2003 - 2400009	\$ 249,134.00	\$ -	\$ -		
Series 2006 - 2400025	662,500	637,500	-	-	-
Series 2008 - 2400036	1,037,500	995,938	764,063	750,000	14,063
Series 2009 - 2400040	972,941	948,187	921,240	851,900	69,340
Series 2010 - 2400046	853,624	838,300	821,379	499,150	322,229
Series 2011 - 2400051	910,300	873,300	841,550	635,000	206,550
Series 2012 - 2400055	2,456,044	2,244,627	2,195,465	1,602,200	593,265
Series - 2013	451,675	438,200	428,400	280,000	148,400
Series - 2014	844,788	813,061	788,338	610,140	178,198
Series - 2015	511,570	1,474,303	2,049,955	1,249,699	800,256
Series - 2016	0	688,705	747,242	379,288	367,954
Subtotal	\$8,950,076	\$9,952,121	\$9,557,631	\$6,857,377	\$2,700,254
Literary Loans-					
Johnson - 2400001	\$ 10,140.00	\$ -	\$ -		
Burnley-Moran - 2400002	11,398	10,884	-		
Subtotal	\$21,538	\$10,884	\$ -		
Refunding Expenditures	\$4,381,927	\$ -	\$ -	\$ -	\$ -
Administrative Costs - 2021001000	156,131	150,000	150,000	150,000	-
Subtotal	\$4,538,058	\$150,000	\$150,000	\$150,000	\$0
Total Expenditures	\$13,509,672	\$10,113,005	\$9,707,631		
Net Gain/(Loss)	356,079	(207,837)	848,097		
Ending Fund Balance	\$ 11,962,480	\$11,754,643	\$12,602,740		

* Revised FY 2017 Budget

Equipment Replacement Fund

The City's fleet consists of 678 vehicles and pieces of equipment. The Equipment Replacement Fund is targeted at reducing the operating costs of the City's fleet through preventive maintenance programs, selection of fuel efficient and alternatively fueled vehicles, and a scheduled replacement program. It has three major objectives:

1. To objectively evaluate equipment purchases from an economic perspective (maintenance and operating costs versus capitalization of new vehicles).
2. To stabilize the fluctuations in the annual budget due to equipment and vehicle purchases.
3. To function as a major component in the City's comprehensive fleet management program. This program includes an annual evaluation of the replacement needs of the City's fleet and annual budgeting of the funds necessary to accomplish this replacement.

<u>Fund Detail</u>	FY 15-16 <u>Actual</u>	FY 16-17 <u>Budget*</u>	FY 17-18 <u>Budget</u>
Beginning Fund Balance	\$ 2,166,493	\$ 2,399,588	\$ 2,422,937
<u>Revenues</u>			
Transfer from General Fund	1,174,227	1,115,349	1,322,361
Auction Sales/Contributions	43,834	-	-
Other Revenue and Sales	53,346	-	-
Total Revenues	\$ 1,271,407	\$ 1,115,349	\$ 1,322,361
<u>Expenditures</u>			
Vehicle/Equipment Replacement	1,038,312	1,092,000	1,295,298
Total Expenditures	\$ 1,038,312	\$ 1,092,000	\$ 1,295,298
Net Gain/(Loss)	233,095	23,349	27,063
Ending Fund Balance	\$ 2,399,588	\$ 2,422,937	\$ 2,450,000

*Revised 2017 Budget

Note: All of the vehicles and pieces of equipment recommended for replacement during FY 18 have been determined to be beyond their useful life in accordance with the City of Charlottesville and national replacement standards. These funds will be transferred from the General Fund into the Equipment Replacement Fund and are reflected in the revenues shown above. Small vehicles (priced under \$50,000) scheduled to be replaced include pickup trucks and sedans. Large vehicles and equipment, \$50,000 and over, scheduled to be replaced include several dump trucks.

Facilities Repair Fund

The Facilities Repair Fund, an internal service fund, provides funding to preserve the City's investment of numerous non-school facilities which have annual maintenance requirements. A schedule of non-routine preventive maintenance/repair and minor facility rehabilitation maintains an acceptable level of facility condition, and reduces the need for future, more expensive repair or replacement. This annual funding is based upon information obtained from facility assessments and analyses of the estimated useful life of facility components. The repair of the taxpayers' investment in the City's facilities remains the best defense against the enormous cost of total construction/renovation of the City's very valuable public facilities.

<u>Fund Detail</u>	<u>FY 15-16</u>	<u>FY 16-17</u>	<u>FY 17-18</u>
	<u>Budget</u>	<u>Budget*</u>	<u>Budget</u>
Beginning Fund Balance	\$ 912,092	\$ 884,165	\$ 455,673
<u>Revenues</u>			
Transfer from General Fund	400,000	400,000	400,000
Health Department Rent Revenue	-	318,468	251,655
Other Misc. Revenue	88,492	-	-
Total Revenues	\$ 488,492	\$ 718,468	\$ 651,655
<u>Expenditures</u>			
City Facilities/Buildings (incl. Parks and Recreation)	516,419	828,492	332,000
Health Department Building	-	318,468	251,655
Total Expenditures	\$ 516,419	\$1,146,960	\$ 583,655
Net Gain/(Loss)	(27,927)	(428,492)	68,000
Ending Fund Balance	\$ 884,165	\$ 455,673	\$ 523,673

*Revised 2017 Budget

Note: Several projects are planned for City facilities including concrete and exterior building repairs, electrical work, masonry, safety, ADA improvements, and other interior and exterior finish replacement projects.

For Parks and Recreation, major planned projects include various repairs and improvements to building interior finishes, and electrical upgrades.

Health Care Fund

The Health Care Fund is the funding source for the City's health-related benefits provided to participants in the City's health care programs. The City self-insures its medical and dental insurance plans, meaning that the City is responsible for paying all claims and expenses generated by the program's participants. Each year an actuarial analysis is conducted to determine the expected revenue requirements for the next fiscal year. The analysis evaluates prior year claims, participation levels, and any proposed plan design changes, to determine the required level of funding to cover claims costs. The Fund also pays for the associated Wellness Initiatives, which are an integral part of the City's medical cost containment strategy.

Fund Details	FY 15-16 Actual	FY 16-17 Budget*	FY 17-18 Budget
Beginning Fund Balance	\$ 6,045,059	\$ 3,882,233	\$ 4,218,581
Revenues			
Department contributions (including JMRL)	6,696,531	8,625,410	9,379,699
Employee/Retiree contributions	3,699,364	3,949,047	4,067,518
Retirement fund contribution	2,703,452	3,240,000	3,512,160
Employee and retiree payments for Physical Fitness Clubs	209,801	225,000	229,275
Wellness Fund Coventry Health	-	10,000	10,000
Flexible Spending and HRA Account Forfeitures	-	15,000	15,000
Refund of Prior Year Expenditures	4,923	-	20,182
Total Revenues	\$ 13,314,070	\$ 16,064,457	\$ 17,233,834
Expenditures			
Medical Expenses			
Self-insurance medical claims and administrative costs	12,311,545	12,622,629	13,815,945
Insurance premiums - Medicare Supplement	1,486,555	1,375,000	1,500,000
Affordable Care Act contributions and excise tax	89,886	4,306	4,577
HMO - Health reimbursement account	-	190,000	190,000
Dental claims and administrative costs	723,173	781,200	800,726
Total Medical and Dental expenses	\$ 14,611,160	\$ 14,973,135	\$ 16,311,248
Other Expenses			
Temporary Staffing	20,348	25,000	25,000
City payments for Fitness Program	348,395	410,000	410,000
Contribution to Retirement Fund for Senior Mgmt	76,671	-	-
Employee Assistance Program	18,805	25,000	25,000
Health care consultants	45,258	55,000	55,000
Wellness Initiatives	26,745	30,000	35,000
Flu Shots	25	10,000	10,000
Medical insurance opt-out payment	23,290	25,000	30,000
Line of Duty (LOD) insurance premium	137,173	-	-
Flexible spending payment & COBRA administration	25,046	27,000	27,000
Human resource staff	109,040	114,695	120,032
City Link Recurring Cost	34,080	32,700	34,820
Telephone charges	861	579	579
Total Other Expenditures	\$ 865,737	\$ 754,974	\$ 772,431
Total Expenditures	\$ 15,476,897	\$ 15,728,109	\$ 17,083,679
Net Gain/(Loss)	(2,162,826)	336,348	150,155
Ending Fund Balance	\$ 3,882,233	\$ 4,218,581	\$ 4,368,736

* Revised FY 2017 Budget

Parking Enterprise Fund

In FY 17 City Council approved the creation of a parking function and allocated initial startup funding for the effort. FY 18 represents the first full fiscal year of this budget which covers the costs associated with the Parking Manager position, as well as costs associated with the Market Street Parking Garage. The Parking Manager will provide the day-to-day focus needed to move the parking action plan forward. The budget for the Market Street Parking Garage (revenues, utilities, building insurance, fees) will be moved out of the General Fund and into the Parking Fund.

Parking related revenues will be recorded as part of the Parking Fund and transferred back to the General Fund minus the amount necessary to cover parking related expenses. Revenues now being recorded in the Parking Enterprise fund include - Parking Garage Revenue, Parking Meter Receipts, Zone Parking Permits, Parking Fines, and Parking Garage Maintenance Revenue.

Fund Details	FY15-16 Actual	FY16-17 Budget	FY17-18 Budget
Beginning Fund Balance	\$ -	\$ -	\$ 432,075
Revenues			
Parking Permits	-	-	35,000
Parking Meters	-	-	20,000
Parking Facilities	-	-	3,324,780
Parking Fines	-	-	450,000
Total Revenues	\$ -	\$ -	\$ 3,829,780
Expenditures			
Parking Administration			
Salary and Benefits	-	-	112,356
Other Expenses	-	-	11,645
Total Administration Expenses	-	-	124,001
Parking Facilities			
Parking Management Fees	-	-	1,924,780
Parking Facilities Maintenance	-	-	181,525
Transfer to General Fund	-	-	1,723,475
Total Parking Facilities Expenses	-	-	3,829,780
Total Expenditures	\$ -	\$ -	\$ 3,953,781
Net Gain/(Loss)	-	-	(124,001)
Ending Fund Balance	\$ -	\$ -	\$ 308,074

Retirement Fund

The Charlottesville Supplemental Retirement Fund, or Pension Plan, is designed to provide City employees with a valuable pension to supplement social security benefits upon retirement. Regular employees may enroll in the plan, but are not vested until they have completed five years of service. The City also offers new employees a choice to opt into a Defined Contribution plan rather than the City's Defined Benefit Pension Plan. The Retirement Fund is a trust (fiduciary) fund supported by contributions paid by the City and plan members. Since July 1, 2012, newly hired employees (Plan 2 Employees) who choose the Pension Plan have been required to contribute 3% of their salary on top of the City's contribution. Beginning July 1, 2017, employees hired before July 1, 2012 (Plan 1 Employees) will be required to contribute 1% of their salary to the plan, and employees hired after July 1, 2017 (Plan 3 Employees) will be required to contribute 5% of their salary to the plan. Beginning July 1, 2018, employees hired before July 1, 2012 (Plan 1 Employees) will be required to contribute 2% of their salary to the plan. The City's rate of contribution into the fund for FY 18 is 32.75% for general government and 49.68% for public safety employees' salaries.

The Charlottesville Pension Plan is administered by a commission as specified by the City Code. Representatives include a City Councilor, City employees and retirees, and citizen representatives.

Fund Details	FY 15-16 Actual	FY 16-17 Budget*	FY 17-18 Budget
Beginning Fund Balance	\$ 124,930,825	\$ 122,505,012	\$ 130,042,773
Revenues			
Investment Income	2,175,910	2,000,000	2,000,000
Net (decrease) increase in fair value of investments	(3,425,490)	7,500,000	7,668,500
Contributions from City	12,891,051	13,355,192	14,450,000
Contribution from General Fund	-	-	-
Contribution from plan members for future pension and OPEB benefits	-	250,000	726,200
Contributions from retirees for current health care benefits	1,320,718	1,100,000	1,375,000
Contribution for Senior Management OPEB benefits	76,671	0.00	295,000
Total Revenues	\$ 13,038,860	\$ 24,205,192	\$ 26,514,700
Expenditures			
Retirement distributions	10,461,115	11,482,224	12,141,022
Refund of employee contributions	41,271	40,000	41,900
Life Insurance claims paid to benefit retirees	164,320	200,000	200,000
Human Resource shared expenses	101,655	105,042	109,836
Legal Fees	33,808	25,085	26,000
Investment Counsel Fees	724,446	750,000	750,000
Actuarial Study and Services	62,343	53,400	56,960
Health care costs (Employer and Retirees)	3,681,828	3,800,000	4,500,000
Disability insurance cost (LTD)	116,976	125,000	125,000
Life insurance cost	32,498	35,000	40,000
Employer FICA for life insurance tax benefit	4,249	4,500	4,700
City Link Recurring Costs	34,080	35,180	36,960
Miscellaneous	6,085	12,000	12,000
Total Expenditures	\$ 15,464,673	\$ 16,667,431	\$ 18,044,378
Net Gain/(Loss)	(2,425,813)	7,537,761	8,470,322
Ending Fund Balance	\$ 122,505,012	\$ 130,042,773	\$ 138,513,095

Risk Management Fund

The City maintains a Risk Management Fund, an internal service fund, to account for all insurance revenues and expenditures, workers compensation claims payments and administrative costs. Premium costs are allocated to the various operating funds and accounts and are distributed within each department/division budget under the "Insurance" and "Workers Compensation" line items. The Risk Management Fund has the following objectives:

1. Protect the City of Charlottesville, to the extent possible, by eliminating or reducing conditions that could result in financial loss.
2. Preserve the City's assets and public service capabilities from loss, destruction, or depletion.
3. Minimize the total long-term cost to the City of all activities related to the identification, prevention, and control of accidental losses and their consequences.
4. Maintain procedures to identify, analyze, and predict exposures to financial loss, and employ proven risk management techniques to minimize and provide funding for losses.
5. Maintain a comprehensive risk financing program to review liability and risk transfer opportunities and determine the feasibility of self-insurance in lieu of the purchase of traditional insurance coverage.

<u>Fund Detail</u>	<u>FY 15 - 16</u> <u>Actual</u>	<u>FY 16 - 17</u> <u>Budget</u>	<u>FY 17 - 18</u> <u>Budget</u>
Beginning Fund Balance	\$ 3,291,958	\$ 3,875,458	\$ 3,559,729
<u>Revenues</u>			
Charges for services	2,441,084	2,439,344	2,644,697
Total Revenues	\$ 2,441,084	\$ 2,439,344	\$ 2,644,697
<u>Expenditures</u>			
Insurance premium cost	983,618	1,073,160	1,288,251
Workers compensation claim payments and reserves	199,606	1,394,910	1,394,910
Administrative costs	349,360	287,002	315,512
Total Expenditures	\$ 1,532,584	\$ 2,755,072	\$ 2,998,673
Transfer to General Fund	325,000	-	350,000
Net Gain/(Loss)	583,500	(315,728)	(703,976)
ENDING UNRESERVED FUND BALANCE	\$ 3,875,458	\$ 3,559,729	\$ 2,855,753

City Code Section 11-127 requires the Risk Management Fund maintain a fund balance of \$250,000.

