

Internal Services



Finance Department:
Procurement
Risk Management
Warehouse

Human Resources

Information Technology

City Strategic Goals Key:



Goal 1: An Inclusive Community of Self-sufficient Residents



Goal 2: A Healthy and Safe City



Goal 3: A Beautiful and Sustainable Natural and Built Environment

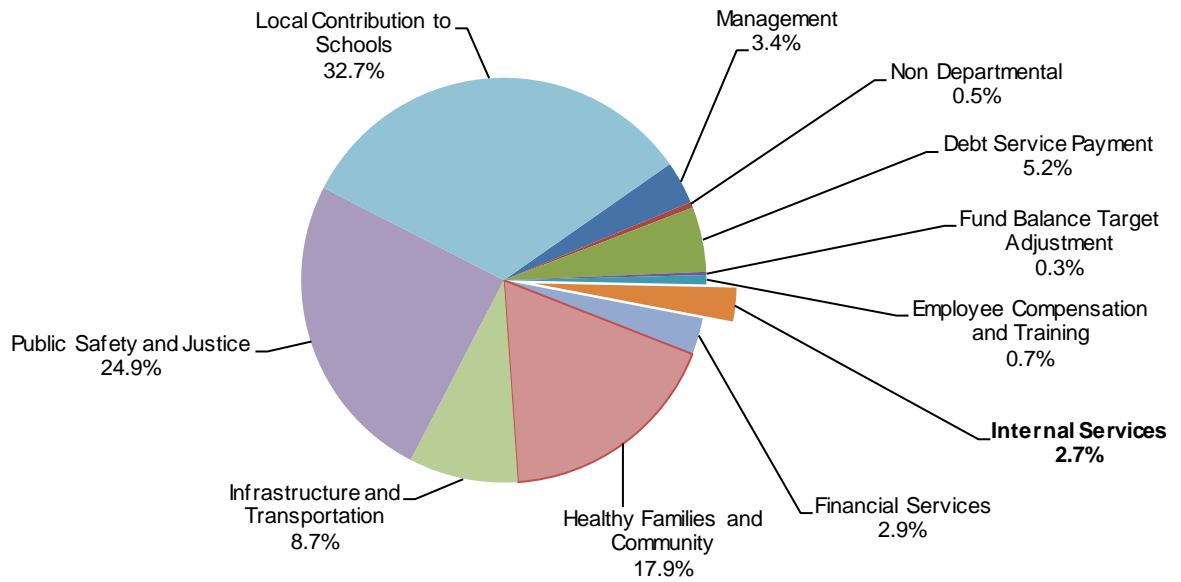


Goal 4: A Strong, Creative and Diversified Economy

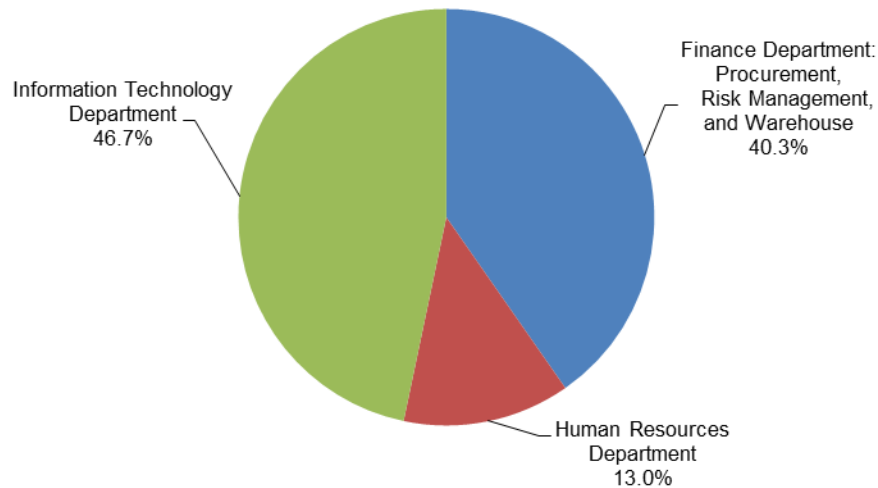


Goal 5: A Well-managed and Responsive Organization

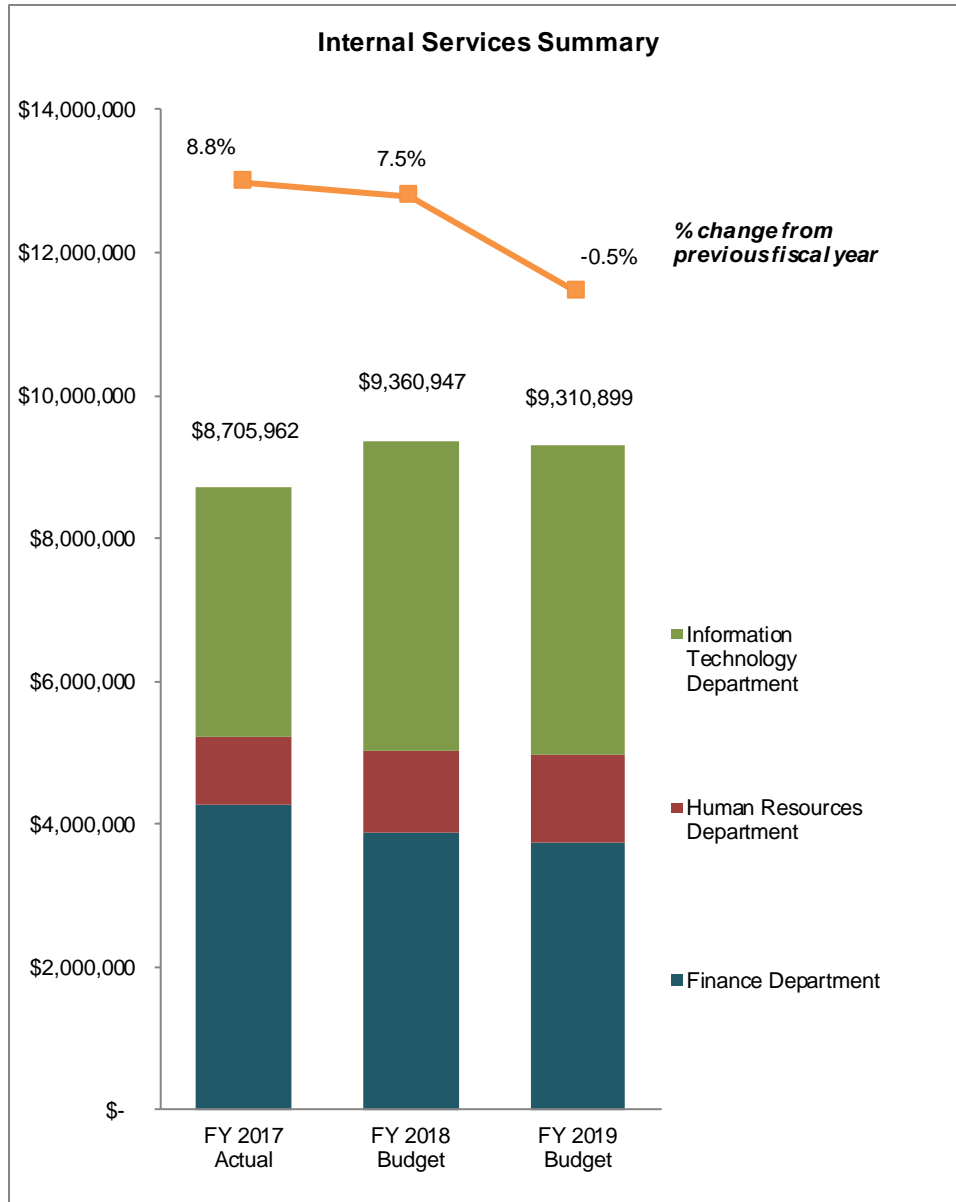
Internal Services
% of General Fund Operating Budget



Internal Services Overview
General Fund & Other Funds



Internal Services Summary	FY2017	FY2018	FY2019	FY2017	FY2018	FY2019
	General Fund Actual	General Fund Budget	General Fund Budget	Other Funds Actual	Other Funds Budget	Other Funds Budget
INTERNAL SERVICES						
Finance Department: Procurement, Risk Management, and Warehouse	\$360,445	\$369,037	\$345,052	\$3,921,359	\$3,507,280	\$3,407,140
Human Resources Department	951,833	1,147,400	1,210,180	0	0	0
Information Technology Department	153,000	0	2,881,027	3,319,326	4,337,230	1,467,500
INTERNAL SERVICES SUBTOTAL	\$1,465,277	\$1,516,437	\$4,436,259	\$7,240,685	\$7,844,510	\$4,874,640



Finance Department Procurement – Risk Management – Warehouse

*Strategic Plan
Alignment*

Procurement

FY 19 Budget - \$345,052



Procurement has overall responsibility for the City's purchasing system and develops procedures to ensure that procurements are conducted in a fair and impartial manner and in compliance with state, local and other applicable law, provides procurement training which is available 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

FY 19 Budget - \$3,246,413



Risk Management coordinates overall risk management services for the City. This includes managing the City's property and liability insurance. It also includes organizing, administering and coordinating activities for the City related to prevention and control of financial loss to the City. Services include performing risk analysis, evaluating, and using the data to develop and implement programs designed to limit the City's liability exposure, as well as improving workplace safety. Additionally, Risk Management is responsible for the transference of financial risk, to include procurement of the City's insurance policies and reviewing insurance provisions in third party service contracts.

Warehouse Operations

FY 19 Budget - \$160,727

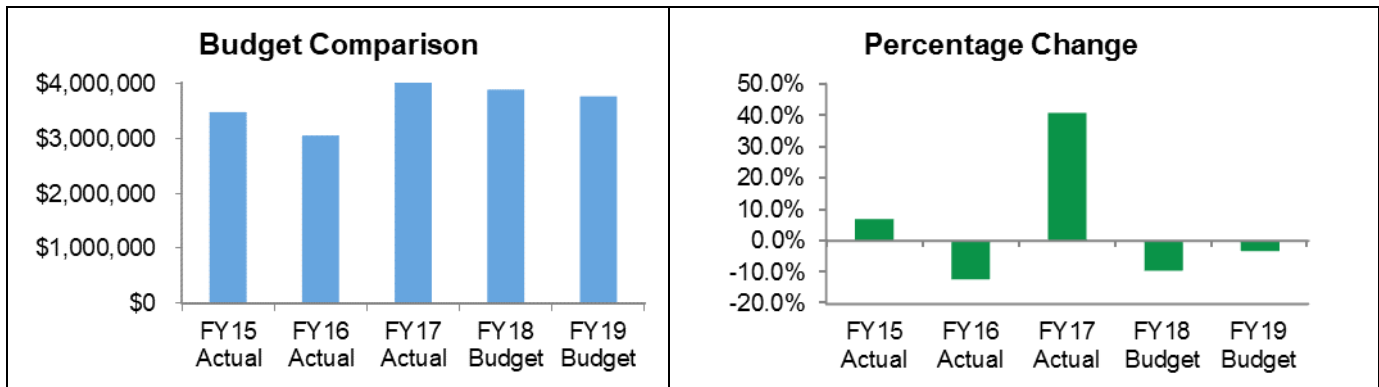


The Warehouse operates the Central Warehouse which includes: 1.) a central shipping and receiving point for City agencies, 2.) disposition of surplus property for the City and library, 3.) short term storage for City departments, and 4.) inventory management including material requirements planning and purchasing of inventory stocked in the central warehouse. The Warehouse also provides SAP and inventory management support for other warehouse locations, i.e., Charlottesville Area Transit and Fleet.

Finance Department Procurement – Risk Management – Warehouse Funding and Staffing Summary

Funding Summary	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2019 Budget	Increase/ (Decrease)	% Change
Salaries and Benefits	\$553,245	\$558,135	\$572,909	\$613,927	\$717,151	\$103,224	16.8%
Other Expenditures	2,589,172	2,161,422	3,708,895	2,912,390	2,685,041	(227,349)	-7.8%
Transfer to Other Funds	<u>325,000</u>	<u>325,000</u>	<u>0</u>	<u>350,000</u>	<u>350,000</u>	<u>0</u>	<u>0.0%</u>
Total	\$3,467,416	\$3,044,557	\$4,281,804	\$3,876,317	\$3,752,192	(\$124,125)	-3.2%
General Fund Total	\$357,946	\$347,682	\$360,445	\$369,037	\$345,052	(\$23,985)	-6.5%
Non General Fund Total	<u>3,109,470</u>	<u>2,696,875</u>	<u>3,921,359</u>	<u>3,507,280</u>	<u>3,407,140</u>	<u>(100,140)</u>	<u>-2.9%</u>
Total	\$3,467,416	\$3,044,557	\$4,281,804	\$3,876,317	\$3,752,192	(\$124,125)	-3.2%

Staffing Summary (Full Time Equivalents)	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Increase/ (Decrease)
General Fund FTEs	3.5	3.5	3.5	4.0	4.0	0.0
Non General Fund FTEs	2.5	2.5	2.5	4.0	4.0	0.0



Explanation of FY 19 Changes

Salaries and Benefits

- Increase due to a 2% cost of living adjustments budgeted in FY 18 for the General Fund, and 3% cost of living adjustment budgeted in FY 19 for the Risk Management and Warehouse Funds. The FY 19 cost of living adjustments for the General Fund are budgeted separately in Employee Compensation and Training (**pg. E-8**).
- Increase in health care.
- A Buyer II position was approved by Council and added in FY 18 after the budget was adopted. The salary and benefits for this position and the FTE are now reflected in the Procurement and Risk Management cost centers. The efficiency study recommended adding a Buyer II position and redistributing the central buyer workloads, including tasks such as a broader and more comprehensive procurement training program across the City. This position will enable the central buyers to advance the DBE Program and implement the other efficiency study recommendations.

Other Expenditures

- Decrease due to the removal of Information Technology fees from Procurement. The Department of Information Technology will be moved to the General Fund from an Internal Services Fund in FY 19.
- Increases due to increased insurance premiums related to Line of Duty Act (LODA) payments.
- Decreases in insurance premiums related to changes in the Transit general liability insurance coverage.

Human Resources

**Strategic Plan
Alignment**



Human Resources

FY 19 Budget - \$1,210,180

Human Resources functional service areas include recruitment, employee relations, training, organizational development, employee benefits, retiree benefits, workers compensation, human resources information systems, and human resources administration. The department's key goals include:

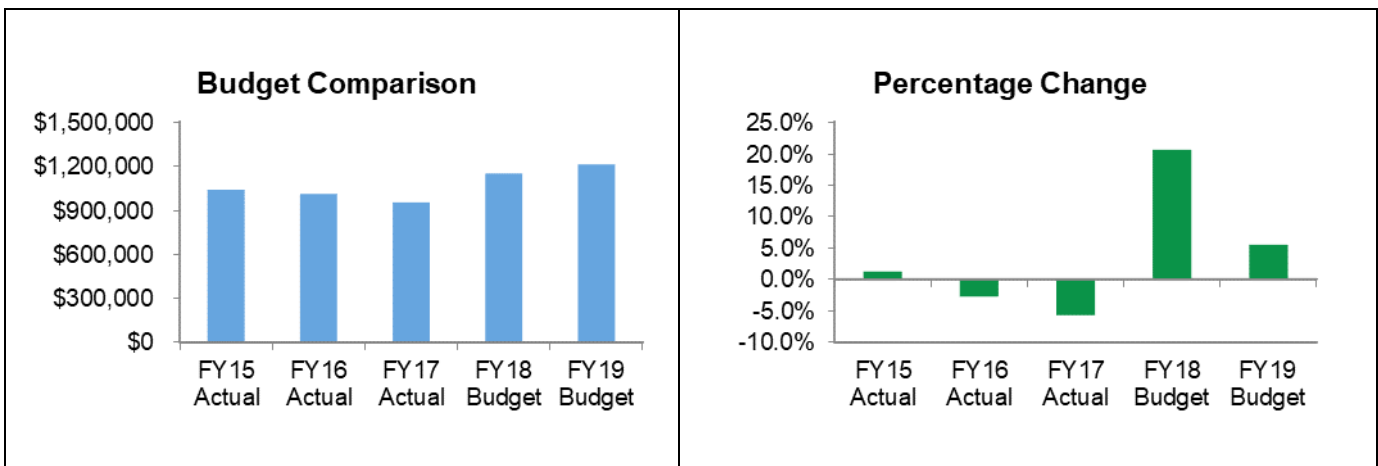
- 1.) Provide excellent customer service.
- 2.) Help ensure employees receive training required to perform their jobs.
- 3.) Offer a competitive total rewards compensation and benefits package.
- 4.) Provide a strong foundation for a "Great Place to Work"
- 5.) Effectively communicate the HR functions to internal and external customers.
- 6.) Provide well-administered policies and procedures that support the city's organizational goals.
- 7.) Support the City's diversity initiatives.

Human Resources

Funding and Staffing Summary

Funding Summary	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2019 Budget	Increase/ (Decrease)	% Change
Salaries and Benefits	\$784,769	\$781,266	\$732,216	\$891,358	\$965,800	\$74,442	8.4%
Other Expenditures	<u>252,725</u>	<u>227,858</u>	<u>219,617</u>	<u>256,042</u>	<u>244,380</u>	<u>(11,662)</u>	<u>-4.6%</u>
General Fund Total	\$1,037,495	\$1,009,124	\$951,833	\$1,147,400	\$1,210,180	\$62,780	5.5%

Staffing Summary (Full Time Equivalents)	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Increase/ (Decrease)
General Fund FTEs	8.0	8.0	8.0	8.0	8.0	0.0



Explanation of FY 19 Changes

Salaries and Benefits

- 2% salary increase and other salary adjustments provided in FY 18.
- Increase in health care costs.

Other Expenses

- Decrease due to the removal of Information Technology fees. The Department of Information Technology will be moved to the General Fund from an Internal Services Fund in FY 19.
- Decrease in risk management fixed costs and phone fees.
- Increases in education and training and registration fees.

Information Technology

**Strategic Plan
Alignment**



Information Technology Administration

FY 19 Budget - \$2,881,027

The Department of Information Technology (IT) assists all City departments and divisions by centrally supporting the City's computer and telecommunications systems and providing technical support to City employees. IT is responsible for evaluating, recommending, purchasing, installing, and supporting all of the City's computer systems and communications networks for both voice and data. This department evaluates, integrates, and supports innovative technologies to help internal and external customers achieve their goals, while effectively maximizing return on resources and providing cost effective methods for citizens, businesses, vendors, and others to easily access information and conduct business with the City. This budget is partially offset by revenues generated from user fees charged out to Non General Fund departments and received from outside agencies, such as the Library and Regional Jail.

City Link (SAP) Operations

FY 19 Budget - \$1,200,000



The total budget for City Link is \$1,200,000, which is funded from contributions by the Gas Fund (\$1.0M) and all Non General Fund departments that utilize City Link (\$200,000). This budget funds the salaries and benefits of two ABAP Programmers, an operational budget, and capital funds for City Link server replacement and potential enhancements.

Infrastructure Replacement

FY 19 Budget - \$267,500

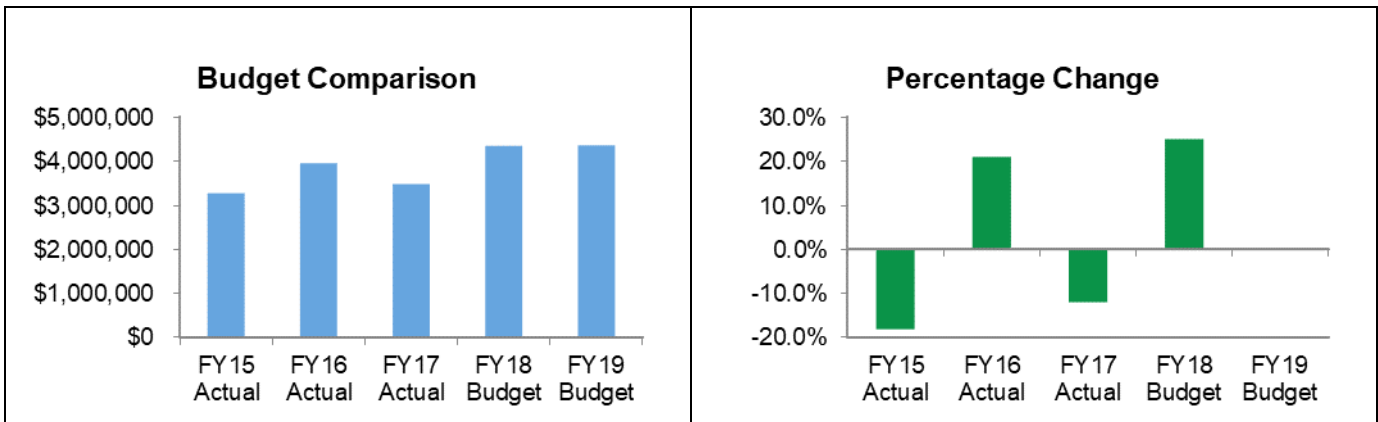


This includes funds for the replacements of citywide technology infrastructure and systems. This budget is offset by contributions made by each City department into the account.

Information Technology Funding and Staffing Summary

Funding Summary	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Budget	FY 2019 Budget	Increase/ (Decrease)	% Change
Salaries and Benefits	\$1,724,903	\$1,920,652	\$2,053,484	\$2,271,025	\$2,272,972	\$1,947	0.1%
Other Expenditures	1,289,831	1,716,885	1,757,000	1,699,894	1,602,618	(97,276)	-5.7%
Technology Capital Investments	<u>250,811</u>	<u>309,815</u>	<u>318,568</u>	<u>366,311</u>	<u>472,937</u>	<u>106,626</u>	<u>29.1%</u>
Total	\$ 3,265,545	\$ 3,947,352	\$ 4,129,052	\$ 4,337,230	\$ 4,348,527	\$ 11,297	0.3%
General Fund Total	0	0	153,000	0	2,881,027	2,881,027	NA
Non General Fund Total	<u>3,265,545</u>	<u>3,947,352</u>	<u>3,319,326</u>	<u>4,337,230</u>	<u>1,467,500</u>	<u>(2,869,730)</u>	<u>-66.2%</u>
Total	\$3,265,545	\$3,947,352	\$3,472,326	\$4,337,230	\$4,348,527	\$11,297	0.3%

Staffing Summary (Full Time Equivalents)	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	Increase/ (Decrease)
General Fund FTEs	0.0	0.0	0.0	0.0	18.0	18.0
Non General Fund FTEs	19.0	19.0	19.0	20.0	2.0	(18.0)



Explanation of FY 19 Changes

Salaries and Benefits

- Increase due to a 2% cost of living adjustments budgeted in FY 18 for the General Fund, and 3% cost of living adjustment budgeted in FY 19 for the Non General Fund portion of IT. The FY 19 cost of living adjustments for the General Fund are budgeted separately in Employee Compensation and Training (pg. E-8).
- Increase in health care.

Other Expenditures

- Decrease in professional services costs for SAP consultants.
- Technology Capital Investments reflects an increase in the capital funds for SAP server replacement and potential enhancements.

Beginning in FY 19 Information Technology (IT) Operations will be part of the General Fund. This will help create operational efficiencies and recognizes that IT is a core strategic function in how the City does business in that it is about not only keeping our current technology functioning, but also visioning future needs and implementing these initiatives in collaboration with city departments. The cost of this transition is being offset by the removal of Information Technology Fees from the General Fund Departments and the collection of revenues generated from user fees charged out to Non General Fund departments and received from outside agencies, such as the Library and Regional Jail.

