

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.

<u>Fund Detail</u>	<u>FY 17 - 18</u> <u>Actual</u>	<u>FY 18 - 19</u> <u>Budget</u>	<u>FY 19-20</u> <u>Budget</u>
Beginning Fund Balance	\$185,910	\$175,783	\$175,783
<u>Revenues</u>			
Phone Fees	215,028	203,331	203,331
Postage Revenue	64,572	77,500	77,500
Total Revenues	\$279,600	\$280,831	\$280,831
<u>Expenditures</u>			
Salaries	54,429	74,952	77,708
Telephone Services	114,649	87,517	87,517
Service Contracts	49,014	48,362	48,362
Postage Expenditures	66,093	70,000	60,000
Other Expenditures	5,541	-	-
Total Expenditures	\$289,727	\$280,831	\$273,587
Net Gain/(Loss)	(10,127)	-	7,244
Ending Fund Balance	\$175,783	\$175,783	\$183,027

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, 2018) is indicated by four key financial indicators: net bonded debt of \$73,385,687, a ratio of debt to assessed value of 1.04%, net bonded debt per capita of \$1,494, and a ratio of Debt Service to total General Fund expenditures of 6.36%. 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 2017. 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 2018, the legal debt limit was \$706,013,970. The City's current general obligation indebtedness is \$131,846,865, 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>	FY17-18 <u>Actual</u>	FY18-19 <u>Budget*</u>	FY19-20 <u>Budget</u>		
Beginning Fund Balance	\$11,880,013	\$11,905,368	\$12,656,191		
Revenues					
General Fund Transfer	\$7,968,000	\$8,560,788	\$9,410,788		
Meals Tax Revenue	2,403,750	2,363,475	2,488,800		
Interest	111,973	-	-		
2010 BABs Rebate	156,966	158,446	147,677		
Refunding Proceeds					
Total Revenues	\$10,640,689	\$11,082,709	\$12,047,265		
Expenditures					
Bonds-	FY17-18 Total	FY18-19 Total	FY19-20 Total	FY19-20 Principal	FY19-20 Interest
Series - 2008	\$ 764,063	-	-	-	-
Series - 2009	921,240	885,733	133,907	122,850	11,057
Series - 2010	821,379	802,461	781,846	499,150	282,696
Series - 2011	841,550	554,800	544,350	380,000	164,350
Series - 2012	2,195,465	2,757,083	2,678,813	2,181,200	497,613
Series - 2013	428,400	417,200	406,000	280,000	126,000
Series - 2014	788,338	757,078	729,570	593,465	136,105
Series - 2015	2,049,954	1,924,832	2,593,472	1,856,532	736,939
Series - 2016	747,241	737,468	720,239	382,860	337,379
Series - 2017	959,526	959,119	933,919	560,000	373,919
Series - 2018	-	386,113	415,675	235,000	180,675
Subtotal	\$ 10,517,156.00	\$10,181,886	\$ 9,937,791	7,091,057	2,846,733
Administrative Costs - 2021001000	98,178	150,000	50,000		
Subtotal	\$98,178	\$150,000	\$50,000		
Total Expenditures	\$ 10,615,334.00	\$10,331,886	\$ 9,987,791		
Net Gain/(Loss)	25,355	750,823	2,059,474		
Ending Fund Balance	\$11,905,368	\$12,656,191	\$14,715,665		

* Revised FY 2019 Budget

Equipment Replacement Fund

The City’s fleet consists of 687 vehicles and pieces of equipment, 503 of which are replaced using this fund. The other 184 are Utilities, Fire apparatus and Social Services vehicles replaced by other means. 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 by the Fleet Advisory Committee and the annual budgeting of the funds necessary to accomplish this replacement.

<u>Fund Detail</u>	<u>FY 17-18</u> <u>Actual</u>	<u>FY 18-19</u> <u>Budget*</u>	<u>FY 19-20</u> <u>Budget</u>
Beginning Fund Balance	\$ 1,772,373	\$ 2,043,674	\$ 2,043,674
<u>Revenues</u>			
Transfer from General Fund	1,317,786	1,323,786	1,332,286
Total Revenues	\$ 1,317,786	\$ 1,323,786	\$ 1,332,286
<u>Expenditures</u>			
Vehicle/Equipment Replacement	1,046,485	1,323,786	1,332,286
Total Expenditures	\$ 1,046,485	\$ 1,323,786	\$ 1,332,286
Net Gain/(Loss)	271,301	-	-
Ending Fund Balance	\$ 2,043,674	\$ 2,043,674	\$ 2,043,674

*Revised 2019 Budget

Note: All of the vehicles and pieces of equipment that are to be recommended for replacement during FY 20 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.

Fund Detail	FY 17-18 Actual	FY 18-19 Budget*	FY 19-20 Budget
Beginning Fund Balance	\$ 783,673	\$ 839,160	\$ 639,187
Revenues			
Transfer from General Fund	400,000	400,000	400,000
Health Department Rent Revenue	59,809	251,655	251,655
Total Revenues	\$ 459,809	\$ 651,655	\$ 651,655
Expenditures			
City Facilities/Buildings (incl. Parks and Recreation)	403,819	599,973	190,000
Health Department Building	504	251,655	251,655
Total Expenditures	\$ 404,323	\$ 851,628	\$ 441,655
Net Gain/(Loss)	55,487	(199,973)	210,000
Ending Fund Balance	\$ 839,160	\$ 639,187	\$ 849,187

*Revised 2019 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 17-18 Actual	FY 18-19 Budget*	FY 19-20 Budget
Beginning Fund Balance	\$ 4,250,950	\$ 5,802,215	\$ 5,723,663
Revenues			
Department contributions (including JMRL)	8,734,682	9,822,993	8,979,360
Employee/Retiree contributions	4,175,299	4,135,170	3,974,000
Retirement fund contribution	3,651,015	3,779,644	4,149,365
Employee and retiree payments for Physical Fitness Clubs	223,980	230,000	230,000
Wellness Fund Coventry Health	-	10,000	-
Flexible Spending and HRA Account Forfeitures	212,361	15,000	15,000
Refund of Prior Year Expenditures	84	-	-
Total Revenues	\$ 16,997,421	\$ 17,992,807	\$ 17,347,725
Expenditures			
Medical Expenses			
Self-insurance medical claims and administrative costs	12,315,760	14,700,000	13,844,328
Insurance premiums - Medicare Supplement	1,628,769	1,600,000	1,900,000
Affordable Care Act contributions and excise tax	4,243	5,000	5,000
HMO - Health reimbursement account	110,494	190,000	190,000
Dental claims and administrative costs	721,713	810,000	810,000
Total Medical and Dental expenses	\$ 14,780,979	\$ 17,305,000	\$ 16,749,328
Other Expenses			
Temporary Staffing	21,521	25,000	25,000
City payments for Fitness Program	359,029	410,000	410,000
Contribution to Retirement Fund for Senior Mgmt	-	-	-
Employee Assistance Program	13,860	25,000	25,000
Health care consultants	47,563	60,000	60,000
Wellness Initiatives	10,861	35,000	20,000
Flu Shots	6,839	10,000	10,000
Medical insurance opt-out payment	24,227	25,000	30,000
Line of Duty (LOD) insurance premium	-	-	-
Flexible spending payment & COBRA administration	24,435	30,000	30,000
Human resource staff	122,022	110,000	120,000
City Link Recurring Cost	34,820	35,780	36,740
Telephone charges	-	579	579
Total Other Expenditures	\$ 665,177	\$ 766,359	\$ 767,319
Total Expenditures	\$ 15,446,156	\$ 18,071,359	\$ 17,516,647
Net Gain/(Loss)	1,551,265	(78,552)	(168,922)
Ending Fund Balance	\$ 5,802,215	\$ 5,723,663	\$ 5,554,741

* Revised FY 2019 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 20 represents the third full fiscal year of this budget which covers the costs associated with the Parking Manager position, as well as costs associated with City-owned parking facilities. The Parking Manager provides the day-to-day focus needed to move the parking action plan forward.

Parking related revenues that were originally budgeted in the General Fund are recorded as part of the Parking Fund and transferred back to the General Fund, with a goal of eventually eliminating the transfer to the General Fund and becoming a stand-alone enterprise.

Fund Details	FY 17-18 Actual	FY 18-19 Budget *	FY 19-20 Budget
Beginning Fund Balance	\$ 490,963	\$ 701,251	\$ 1,092,267
Revenues			
General Parking Revenues			
Parking Permits	51,054	35,000	45,000
Parking Meters	62,602	1,500	53,000
Parking Fines	420,024	450,000	420,000
Market Street Parking Garage	1,131,568	1,195,500	1,195,500
Market Street Parking Leasing	233,540	262,676	235,000
701 E. Market Street	82,710	94,320	83,000
411 E. High Street	10,120	14,520	10,000
801-805 East Market Street	118,725	-	130,000
Pilot Meter Program	51,433	-	-
Water Street Parking Garage	516,765	550,000	2,642,155
Total revenues	\$ 2,678,540	\$ 2,603,516	\$ 4,813,655
Expenditures			
Parking Administration			
Salaries and Benefits	98,114	100,992	104,839
Other Expenses	9,891	12,934	11,859
Market Street Parking Garage	668,073	675,000	675,000
Market Street Parking Leasing	26,485	25,000	25,000
701 E. Market Street	-	7,500	-
411 E. High Street	-	5,000	-
801-805 East Market Street	-	-	15,000
Water Street Parking Garage	-	-	1,742,155
Pilot Meter Program	50,219	-	-
Transfers			
Transfer to General Fund	1,723,475	1,500,000	1,200,000
Total expenditures	\$ 2,468,252	\$ 2,212,500	\$ 3,657,155
Net Gain/(Loss)	210,288	391,016	1,156,500
Ending Fund Balance	\$ 701,251	\$ 1,092,267	\$ 2,248,767

*Revised FY2019 Budget

Retirement Fund

The Charlottesville Supplemental Retirement Fund, and the Post-Retirement Benefits Fund, together constitute the Pension Plan, which 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 Pension Plan is a trust (fiduciary) fund supported by contributions paid by the City and plan members. Employee contributions are categorized as follows:

- Beginning July 1, 2018, employees hired before July 1, 2012 (Plan 1 Employees) are required to contribute 2% of their salary. Previously, these employees were required to contribute 1% of their salary.
- Employees hired between July 1, 2012 and July 1, 2017, (Plan 2 Employees) are required to contribute 3% of their salary.
- Employees hired after July 1, 2017 (Plan 3 Employees) are required to contribute 5% of their salary.

The City's rate of contribution into the fund for FY 20 is 31.37% for general government and 48.78% 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 17-18 Actuals	FY 18-19 Budget	FY 19-20 Budget
Beginning Fund Balance	\$ 136,318,740	\$ 150,748,262	\$ 160,299,373
Revenues			
Investment Income	2,180,932	2,120,000	2,250,000
Net (decrease) increase in fair value of investments	12,825,368	8,880,000	9,000,000
Contributions from City	14,279,456	15,132,167	14,913,783
Member Contributions	1,984,695	2,371,200	2,500,000
Contribution for Senior Management OPEB benefits	849,262	302,832	296,979
Total Revenues	\$ 32,119,713	\$ 28,806,199	\$ 28,960,762
Expenditures			
Retirement distributions	11,524,450	12,539,546	13,426,380
Refund of employee contributions	124,461	75,000	120,000
Life Insurance claims paid to benefit retirees	154,500	200,000	200,000
Human Resource shared expenses	109,836	119,582	121,042
Legal Fees	10,699	23,000	20,568
Investment Advisory Fees	701,378	800,000	900,000
Actuarial Study and Services	52,145	51,960	53,000
Health care costs (Employer and Retirees)	4,843,367	5,200,000	5,400,000
Disability insurance cost (LTD)	94,401	115,000	110,000
Life insurance cost	28,790	80,000	30,000
Employer FICA for life insurance tax benefit	3,098	5,000	3,000
City Link Recurring Costs	36,960	37,800	37,800
Miscellaneous	6,106	8,200	5,000
Total Expenditures	\$ 17,690,191	\$ 19,255,088	\$ 20,426,790
 Net Gain/(Loss)	 14,429,522	 9,551,111	 8,533,972
Ending Fund Balance	\$ 150,748,262	\$ 160,299,373	\$ 168,833,345

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>	FY 17 - 18 Actual	FY 18 - 19 Budget	FY 19 - 20 Budget
Beginning Fund Balance	\$ 3,293,593	\$ 3,403,851	\$ 2,919,738
Revenues			
Charges for services	2,624,330	2,680,028	2,522,216
Interest Income	45,895	47,272	53,890
Insurance Recovery	36,535	35,000	35,000
Total Revenues	\$ 2,706,760	\$ 2,762,300	\$ 2,611,106
Expenditures			
Insurance premium cost	1,025,256	1,050,818	1,266,173
Workers compensation claim payments and changes in reserves	808,250	1,400,000	1,700,000
Administrative costs	412,996	445,595	618,993
Total Expenditures	\$ 2,246,501	\$ 2,896,413	\$ 3,585,166
Transfer to General Fund	350,000	350,000	-
Net Gain/(Loss)	110,258	(484,113)	(974,060)
ENDING FUND BALANCE	\$ 3,403,851	\$ 2,919,738	\$ 1,945,678

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

