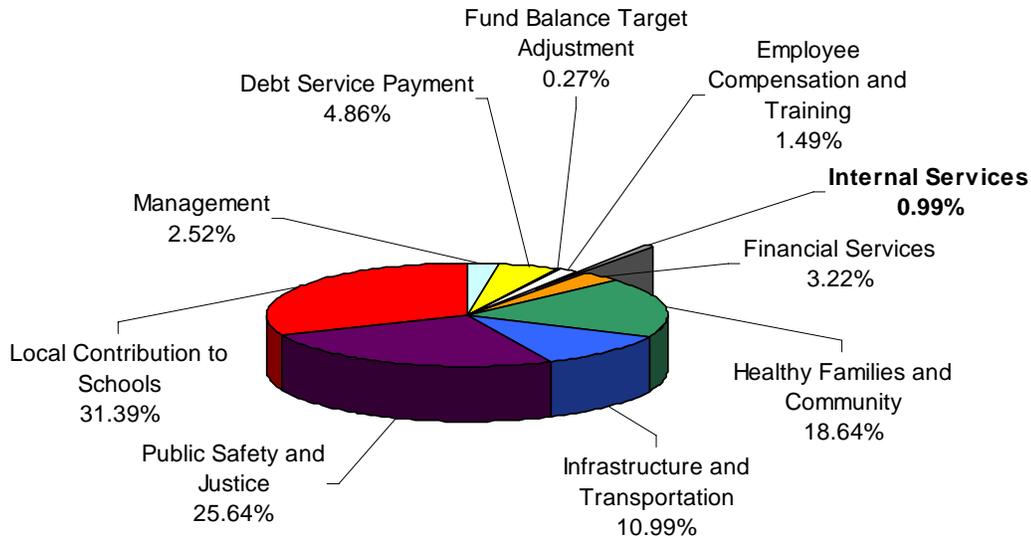


Internal Services Summary

	FY2005-2006 General Fund Actual	FY2006-2007 General Fund Budget	FY2007-2008 General Fund Budget	FY2005-2006 Other Funds Actual	FY2006-2007 Other Funds Budget	FY2007-2008 Other Funds Budget
INTERNAL SERVICES						
Business Services	\$239,800	\$239,800	\$0	\$0	\$0	\$0
Finance Department: Purchasing/Risk Management/Warehouse	87,243	74,344	238,076	2,599,038	2,370,526	2,313,585
Human Resources	785,069	892,641	966,328	0	0	0
Information Technology	0	0	0	1,964,501	3,506,801	3,748,227
INTERNAL SERVICES SUBTOTAL	\$1,112,112	\$1,206,785	\$1,204,404	\$4,563,539	\$5,877,327	\$6,061,812
2007-08 General Fund Budget	\$1,204,404					
2006-07 General Fund Budget	\$1,206,785					
Increase/(Decrease)	-\$2,381					
Percentage Change	-0.20%					

Internal Services
As a percentage of operating budget



INTERNAL SERVICES

ACCOMPLISHMENTS OF THE PAST YEAR

- ❖ The Human Resources Department implemented cost containment and wellness program measures that contributed to a \$1 million reduction in projected medical claims costs.
- ❖ The Finance Department's Purchasing division established the Decentralized Buyer User Group for SAP, which includes a documentation team, mentors team, development team, communications team and issues resolution team.
- ❖ Risk Management implemented a web-based workers' comp injury report system and trained City supervisory personnel (300+ employees) regarding its use, which resulted in reduced workers' comp claim lapse time.
- ❖ City Link was successfully implemented, including all financial modules, materials management, plant maintenance, utility billing, project systems modules, payroll and human resources.
- ❖ Information Technology successfully implemented the Microsoft Enterprise Licensing Agreement 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 2008

- ❖ Risk Management will work to reduce workplace injury occurrences by at least ten percent by the end of FY 2008.
- ❖ Human Resources will 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.
- ❖ Purchasing will continue work 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 complete the selection of a 3rd party administrator for the 457 Deferred Compensation and 401(a) Retirement plans.
- ❖ The Warehouse division will identify and address obsolete inventory as well as continuing to move to a just-in-time inventory system.
- ❖ 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.

Funding Summary	FY 05-06 Actual	FY 06-07 Budget	FY 07-08 Budget	Increase/ (Decrease)	% Change
Business Services	\$239,800	\$239,800	\$0	(\$239,800)	-100.00%
General Fund Total	\$239,800	\$239,800	\$0	(\$239,800)	-100.00%

Explanation of Changes: FY 2008 will be the first full year that the City has not had "live" the HP-3000 financial system, which was replaced by City Link. Therefore, these expenditures have been spread out and included as part of the departmental IT User Fees to support the cost of general operations of supporting the City's complex information technology system.

Finance Department
Purchasing
Risk Management
Warehouse

Purchasing has overall responsibility for the City’s purchasing system, develops regulations to ensure 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 05-06 Actual	FY 06-07 Budget	FY 07-08 Budget	Increase/ (Decrease)	% Change
Salaries and Benefits	\$355,492	\$363,839	\$374,631	\$10,792	2.97%
Other Expenditures	<u>2,330,789</u>	<u>2,081,031</u>	<u>2,177,030</u>	<u>95,999</u>	<u>4.61%</u>
Total	\$2,686,281	\$2,444,870	\$2,551,661	\$106,791	4.37%
General Fund Total	\$87,243	\$74,344	\$238,076	\$163,732	220.24%
Non-General Fund Total	<u>2,599,038</u>	<u>2,370,526</u>	<u>2,313,585</u>	<u>(56,941)</u>	<u>-2.40%</u>
Total	\$2,686,281	\$2,444,870	\$2,551,661	\$106,791	4.37%
General Fund FTEs	2.0	2.0	3.5	1.5	
Non-General Fund FTEs	4.0	4.0	2.5	(1.5)	

Explanation of Changes: Increases in Salaries and Benefits can be attributed to increasing retirement costs and a 4% salary increase granted during FY 2007. In Other Expenditures, increases occurred in fixed costs and insurance premiums for City departments in the Risk Management budget. Although FTE’s remain the same, and salaries and benefits overall are not increasing significantly, the General Fund portion is increasing due to re-allocation of staff salaries between Purchasing, Warehouse and Risk Management.

FY 08 Services	FY 08 Budget
Purchasing	\$238,076
Risk Management	2,172,054
Warehouse	<u>141,531</u>
Total	\$2,551,661

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 2007-08 are to: (1) Continue emphasis on training and development related to the City's diversity initiatives; (2) Work with departments to develop responses to the findings from the Employee Survey; (3) Continue emphasis on wellness initiatives as part of the City's health care cost containment strategy; (4) Help ensure that an open, honest, positive 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 teamwork, as well as individual performance, to enable the City to be an "Employer of Choice"; and, (5) 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 05-06 Actual	FY 06-07 Budget	FY 07-08 Budget	Increase/ (Decrease)	% Change
Salaries and Benefits	\$577,514	\$581,537	\$625,010	\$43,473	7.48%
Other Expenditures	<u>207,555</u>	<u>311,104</u>	<u>341,318</u>	<u>30,214</u>	<u>9.71%</u>
General Fund Total	\$785,069	\$892,641	\$966,328	\$73,687	8.25%
General Fund FTEs	8.0	8.0	8.0	0.0	

Explanation of Changes: The increase in Salaries and Benefits can be attributed to the 4% salary increase granted during FY 2007, and increases in retirement costs. Within Other Expenditures, fixed costs increased, as well as tuition aid provided to employees, increases in contractual services such as drug testing and costs associated with the online job application, training and travel for Human Resources staff members and increases in the cost and volume of advertising.

Information Technology

The Department of Information Technology (IT) is an internal services division of the City of Charlottesville. IT'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. 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.

Funding Summary	FY 05-06 Actual	FY 06-07 Budget	FY 07-08 Budget	Increase/ (Decrease)	% Change
Salaries and Benefits	\$1,154,148	\$1,444,878	\$1,554,309	\$109,431	7.57%
Other Expenditures	565,543	1,619,006	1,749,172	130,166	8.04%
Technology Capital Investments	<u>244,810</u>	<u>442,917</u>	<u>444,746</u>	<u>1,829</u>	<u>0.41%</u>
Non-General Fund Total	\$1,964,501	\$3,506,801	\$3,748,227	\$241,426	6.88%
Non-General Fund FTEs	18.00	18.00	18.00	0.0	

Explanation of Changes: The increase in Salaries and Benefits can be attributed to a 4% salary raise granted in FY 2007 and retirement cost increases. There were also several market rate adjustments provided during FY 2007. Other Expenditures is increasing as a result of additional funds for disaster recovery and security improvements, citywide support for video streaming of City Council meetings, and new computers for Help Desk Technicians.

The Technology Capital Investments include funds for replacement of desktop computers and citywide infrastructure and system replacement needs.

The total budget for City Link is \$1,450,000, 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 2008.

The Information Technology operational budget is offset by revenues generated from IT User fees charged out to departments, GIS user fees, 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 08 Services	FY 08 Budget
Information Technology Operations	\$1,915,640
City Link Operations	1,450,000
GIS Operations	37,391
Computer Replacement Pool	157,092
Technology Infrastructure Replacement Pool	<u>188,104</u>
Total	\$3,748,227