

FISCAL YEAR 2009-2010
A D O P T E D

CITY OF CHARLOTTESVILLE
Operating & Capital Budget

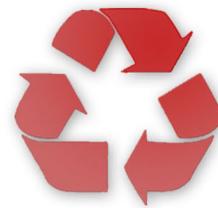


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CITY OF CHARLOTTESVILLE
"A World Class City"

Office of The City Manager

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July 1, 2009

Mayor and Members of City Council
City Hall
Charlottesville, VA 22902

Dear Mayor and Council:

Last year's budget was framed around a quote found on the Free Speech Wall: "It was the best of times, it was the worst of times." As conflicted as this statement might be, it has rung true time and time again. This statement reflects that we have left the good times behind and we now face new economic times that deal very real challenges. Specifically, the current state of the economy has been volatile and depressing – revenues are either down or stagnant in all resource areas and real estate assessments are relatively flat on average. This budget cycle has been one of the most difficult to prepare and balance in recent history. However, we knew we had to face this budget challenge head on and have been planning for several years for a downturn in the local real estate economy.

Because of the City's sound financial planning and decision making we made in previous fiscal years, the City is much better off than most other localities in our region and around the Commonwealth. We predicted and prepared for the turning of the economy by (a) planning for the future, (b) budgeting conservatively with sustainability in mind, and (c) wisely using funds we knew were going to be one-time revenues. That combination of responsible decision making and planning has made all the difference in preparing and adopting the budget for FY 2010.

The **City Council Adopted Budget for Fiscal Year 2009 – 2010** has a total operating budget of **\$126,972,791**, a decrease of **.32%** when compared to the current year's budget. In addition, there is a designated portion of the budget, totaling **\$12,674,884**, a decrease of **6.92%** from the current year's budget, which is funded from specific revenue sources, such as school funding for pupil transportation and building maintenance, City/County Revenue Sharing funds for the Capital Improvement Program, Equipment Replacement Fund and the Facilities Repair Fund, and a portion of Meals Tax revenue designated for Debt Service.

Balancing the Budget

Much of the challenge in developing the FY 2010 Adopted Budget was balancing revenues and expenditures. Decisions need to reflect a recognition of those challenges that will be faced in the future and ensure that down the road, decisions made today are sustainable. Therefore, we took several steps to develop a budget that is conservative yet forward thinking:

- The public will see no changes in the way City services and programs are provided, yet the majority of homeowners will pay the same or less in local taxes;
- Several staffing changes were made, resulting in a net reduction of **8.5** General Funded Full Time Equivalent (FTE) positions; a net total of 14.8 FTE positions are eliminated City wide. The following are not position freezes, but are **permanent** reductions in positions:
 - Eliminates 2 full time positions through departmental reorganization in Parks and Recreation, a Volunteer Coordinator and a Gardener, resulting in savings of over \$108,245;
 - Completely eliminates the proposal for a City administered EMS/Ambulance Service, resulting in net savings (after accounting for billing revenue) of over \$300,000 and reduces the City's FTE count by 7 positions (6 medics and one Administration Assistant) which were created but never filled;
 - Eliminates an Intern position in the City Manager's Office, a funding reduction of \$11,440;
 - Eliminates chipping and leaf temporary staff in Public Works, total savings of \$28,312, proposing instead to use inmate labor for these functions, which they are currently doing; and
 - Eliminates four intern positions in Neighborhood Development Services, resulting in savings of \$24,000.
- There are no pay raises for City employees in this Adopted Budget. While this was a difficult decision, as we greatly value our staff and their contribution to the community, the long term positive effects - job security, avoiding elimination of filled positions, and future affordability during difficult and unpredictable economic times – are a far greater priority. We are pleased to report that employees will experience no increase in their health care plan premiums, co-pays or deductibles;
- All fixed costs were carefully reviewed and in many cases, were reduced;

- Maintains the same level of criteria for the Tax and Rent Relief Programs and the Homeowner Tax Grant Program, but reduces the budgets for these programs by \$84,748 to reflect actual costs; and
- Across all city departments, budgets were streamlined and reduced to better reflect the actual cost of doing business or to take advantage of areas where a service can be provided in a more cost efficient manner, resulting in total cost savings of over \$600,000.

Council Priority Initiatives

This budget includes funding for a few new and expanded programs that are a high priority of City Council. Between the Operation and Capital Budgets, there is over **\$2 M** for Council Priority Initiatives.

- Expansion of the Youth Internship Program with a total budget of \$85,373. This program expansion is a combination of a summer internship and a piloted year-round internship program. A new pilot program will place ten students during the school year; the summer program will be expanded to accommodate 70 students. Community Attention, with funding approval, is prepared to execute this expanded program.
- Fare free transit on Charlottesville Transit System for VIEW participants, with total funding of \$63,000. Active participants, approximately 250, in the Department of Social Service's welfare-to-work program, VIEW, would be eligible for free public transit service for transportation related to employment, job training or other work preparation activities.
- \$50,000 for a facilitated conversation regarding a Community Dialogue on Race, which would attempt to engage our residents in an on-going discussion to better understand each other, our backgrounds, our history, our perceptions and how past actions continue to affect life in Charlottesville today, and be based on successful models from other localities who have engaged their citizens in this manner of discussion. The funding would cover the cost of hiring an experienced facilitation team to assist in establishing goals and objectives for the dialogue, train volunteer facilitators and provide guidance on turning the dialogue to action. Additional expenses include a one year, part time contract employee to serve as a coordinator for the initiative, travel expenses, printing and supplies, rental of meeting spaces and marketing. The contract employee would report to the City Manager.
- Includes \$112,100 for various workforce initiatives, including training access through the Housing Authority, a Buford/Charlottesville High School summer workforce program, World of Work offered at Walker and Buford, CATEC Transportation for Work and Charlottesville High School Medical Sciences Club.

In the FY 2010 Adopted Capital Budget, several projects are identified as Council Priority Initiatives:

- City Wide Stormwater Initiatives provides for \$600,000 in Capital Improvement Program funding each year over the next three fiscal years, for the strategic inspection and rehabilitation of the existing public stormwater infrastructure. This funding will be reevaluated annually with the Capital Improvement Budget with the long term goal to shift this to a self supporting utility.
- Through the Home Energy Conservation Grant Program the City will invest \$125,000 to fund an energy conservation program. The intent of the program is to save money on utilities for low income and other families using this program; facilitate low income families to be able to afford energy saving measures; and reduce use of nonrenewable energy. The Home Energy Conservation Grant Program is a grant/loan program for residential owner-occupied housing that would fund energy conservation measures for the recipients by either providing a grant to low income families, or a low interest loan to non low income families, as incentive for energy conservation.
- An additional \$25,000 for bicycle infrastructure which will be designated for new bicycle lanes, improvements to existing bicycle lanes, signage, and any other necessary improvements to the bicycle infrastructure of the City.
- Funds \$100,000 for the purpose of Park Land Acquisition. These funds will be used to pursue land acquisition opportunities that will preserve open space, protect natural resources and improve riparian buffers and provide future trail connections.
- \$50,000 of additional funding was added to urban tree preservation and planting, designated specifically for the purchase and planting of new trees throughout the City of Charlottesville.
- Continues the investment in the Charlottesville Housing Fund, with funding proposed at \$1 million per year. This will insure the continuation of funding for this important Council initiative. Past uses for these funds have included \$850,000 for the preservation of affordable rental units by Dogwood housing; \$420,000 to Habitat for Humanity for the construction of affordable housing units; \$279,000 to Albemarle Housing Improvement Program for the substantial rehabilitation of homes owned by low income families; and \$150,000 to the Workforce Housing Fund to assist low income individuals with down payment and closing cost assistance.

Economic Downturn Fund

This budget includes a \$2.8 million Economic Downturn Fund. This represents 1.96% of the FY 2010 total General Fund Adopted Budget. In the current FY 2009 budget, we have seen our revenues decline by over \$3.5 million, or 2.5%, of our adopted budget. It is not possible to accurately predict what the economy will do in the foreseeable future, so we feel that it is fiscally prudent for future financial stability to make this recommendation. We believe the trend will continue downward with more declining

City revenues and that it is wise to anticipate this as part of our short and long term financial planning.

Recently, the City's Financial Advisor, Morgan Keegan, relayed a story to staff that made us more closely reflect upon our financial future. When they were visiting Standards and Poor with another highly rated Virginia issuer in preparation for an upcoming bonds sale, the S&P analyst said "I used to think that for an issuer to be rated AAA they had to be bullet proof, but in reality they just need to be able to dodge bullets." Morgan Keegan then reiterated to City staff that "In these difficult economic times, management plays even a more critical role in maintaining a municipality's financial stability. By taking actions such as establishing an Economic Downturn Fund within the Proposed Budget, the City's management is again demonstrating the leadership that is expected amongst the highest rated localities in the United States."

Final Thoughts

The FY 2010 City Council Adopted Budget continues to reflect the successful themes of the past: conservative and responsible budgeting, a focus on Council priorities and a commitment to the needs of our community, while respecting our obligation to live within our means. Finally, this budget leaves our City in strong fiscal standing and health while preserving services and programs during difficult economic times.

Sincerely,

A handwritten signature in black ink that reads "Gary O'Connell". The signature is written in a cursive style with a large, stylized initial "G".

Gary O'Connell
City Manager

FY 2010 Operating Revenue Changes
(Operating Budget FY 2009 to Operating Budget FY 2010)

Operating Revenue Increases

Real Estate Tax	64,490
Virginia Communications Sales and Use Tax	128,730
Payment in Lieu of Taxes: Utilities Funds	191,216
Fire Department Operations (Payment from Albemarle County)	542,000
Misc. Licenses and Permits	10,000
Misc. Intergovernmental Revenues	185,083
Misc. Charges for Services	174,568
City/County Revenue Sharing: Operating Budget	2,211,129

Operating Revenue Decreases

Personal Property Tax (local portion)	(427,000)
Public Service Corporation Tax	(79,780)
Sales and Use Tax	(402,000)
Meals Tax	(446,750)
Lodging Tax	(300,000)
Utility Taxes	(19,738)
Business License Tax	(100,000)
Vehicle Licensing Fees	(23,200)
Various Building Permits	(150,000)
State Highway Assistance	(111,686)
State Aid for Police Protection	(104,841)
Court Revenue	(300,000)
Parking Garage Revenue	(150,000)
EMS Ambulance Service (Billing Portion)	(414,375)
EMS Ambulance Service (Carryover Portion from FY 2008)	(551,747)
Interest Earned	(304,833)
Misc. Local Taxes	(3,468)
Other Misc. Revenue	(20,152)

Net Operating Revenue Changes **(402,354)**

FY 2010 Designated Revenue Changes

(Designated Budget FY 2009 to Designated Budget FY 2010)

Designated Revenue Decreases

Contracted Services with City Schools (Building Maintenance and Pupil Transportation)	(309,236)
City/County Revenue Sharing: Transfer to Capital Improvement Program	(228,882)
City/County Revenue Sharing: Transfer to Equipment Replacement Fund	(373,124)
Meals Tax Revenue: Transfer to Debt Service	(31,250)

Net Designated Revenue Changes **(942,492)**

Total General Fund Operating and Designated Revenue Changes **(1,344,846)**

FY 2010 Operating Expenditure Changes
(Operating Budget FY 2009 to Operating Budget FY 2010)

Council Priority Initiatives

City Council Priority Initiatives (unallocated)	5,994
Fare Free Transit for VIEW Participants	63,000
Expanded Youth Internship Program	22,131
Community Dialogue on Race	50,000
Efficiency Study Recommendations	60,000
Workforce Initiatives	
CRHA Training Access	50,000
Buford/CHS: Summer Workforce Program	35,000
Walker/Buford: World of Work Academy	15,000
CATEC: Transportation for Work Experiences	9,600
CHS: Medical Sciences Club	2,500

City Schools

City Contribution to Schools	428,081
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Salary, Benefits and Staffing

Fire Department - Elimination of proposed EMS/Ambulance service medics and Administrative Secretary positions (7 positions eliminated)	(527,623)
Parks and Recreation - Elimination of two (2) positions - Volunteer Coordinator and Gardner	(108,245)
City Manager's Office - Elimination of Intern Position	(11,440)
Public Works/Public Service - Elimination of Chipping and Leaf Collection Temporary Positions	(28,312)
Neighborhood Development Services - Elimination of four (4) Intern positions	(24,000)
FY 2010 Salary Accrual	150,000
Health Care Contribution	(13,353)
Retirement Fund Contribution	105,971
Life Insurance Contribution	50,070

Contributions to Outside Agencies/Interagency Transfers

Contributions to Outside Agencies, Civic Organizations and Organizational Memberships	(45,197)
Reserved: Contribution to SPCA	39,350
Reserved: Contribution to QCC Farms!	15,000
Contributions to Regional Jail, Blue Ridge Juvenile Detention Center and ECC	240,148
Contribution to Jefferson/Madison Regional Library	32,872
Transfer to Charlottesville Transit Service	(196,537)
Transfer to Department of Social Services and Community Attention	(278,871)
Transfer to Charlottesville/Albemarle Convention and Visitor's Bureau	30,034
Local Match Requirement - Comprehensive Services Act	550,000

Other Changes

Transfer to Debt Service	542,000
Fixed Costs	
HVAC Fees	(11,686)
Information Technology Support Services Fees (including computer and infrastructure replacement fees)	(26,242)
Telephone Charges	(50,724)
Risk Management Fees (Workers Compensation and General Insurance)	30,925
Vehicle Fuel, Maintenance and Wash Facility Support	159,907
Warehouse Charges	2,908
Savings in Cost of Utilities (due to energy efficiency measures and improved infrastructure)	(110,055)
Rent/Tax Relief Programs/Homeowners Tax Grant Relief Program	(84,748)
Landfill Remediation	(750,000)
EMS/Ambulance Service Operational Expenses	(225,302)
Other City Department Budget Savings	(600,510)

Net Operating Expenditure Changes	(402,354)
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FY 2010 Designated Expenditure Changes
(Designated Budget FY 2009 to Designated Budget FY 2010)

Contracted Services with City Schools (Building Maintenance and Pupil Transportation)	(309,236)
Transfer to Capital Improvement Program	(228,882)
Transfer to Equipment Replacement Fund	(373,124)
Transfer to Debt Service Fund (Meals Tax Revenue Portion)	(31,250)
<hr/> <hr/>	
<u>Net Designated Expenditure Changes</u>	(942,492)
<hr/> <hr/>	
<u>Total General Fund Operating and Designated Expenditure Changes</u>	(1,344,846)

City Council Amendments to the FY 2010 Proposed Budget

Manager's Recommended FY 10 Revenue Estimates \$ 142,556,639

Amendments to FY 10 Revenue Estimates

Increase Revenues

State Aid for Police Protection	161,207
Reimbursement for Constitutional Officers	225,717
Interest Earned	95,167
Dog Tags	5,000
Misc. Revenue (Returned Check Fees/Parking Admin. Ticket Fees)	15,000

Decrease Revenues

Personal Property Tax (Revised Projections)	(204,000)
Lodging Tax (Revised Projections)	(77,000)
Meals Tax (Revised Projections)	(161,250)
Sales Tax (Revised Projections)	(173,000)

Total Revenue Amendments \$ (113,159)

Total Amended FY 10 Revenue Estimates \$ 142,443,480

Manager's Recommended FY 10 Expenditures \$ 142,556,639

Amendments to FY 10 Expenditures

Increase Expenditures

Administrative Adjustments

Partnership for Children (CYFS Program)	37,874
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Capital Improvement Program Adjustments (Gen. Fund Contribution)

Urban Tree Planting and Preservation	50,000
Parkland Acquisition	100,000
Bicycle Infrastructure	25,000

Outside Agencies (Funding Held in Reserve)

SPCA	39,350
QCC Farms!	15,000

Outside Agencies

CYFS: Real Dads	21,895
Mohr Center	82,661

Department Operations

McIntire Pool - Operations and Staffing	23,000
---	--------

Workforce Initiatives

CRHA Training Access	50,000
Buford/CHS: Summer Workforce Program	35,000
Walker/Buford: World of Work Academy	15,000
CATEC: Transportation for Work Experiences	9,600
CHS: Medical Sciences Club	2,500

City Council Priority Initiatives	
City Council Priority Initiatives (Efficiency Study Reserve)	60,000
Decrease Expenditures	
Administrative Adjustments	
Contribution to PVCC (Road Improvements)	(22,100)
Contribution to Regional Jail	(59,459)
Jefferson Area CHIP	(37,874)
Contribution to City Schools (40% of reduction in PPT Revenue)	(81,600)
Capital Improvement Program Adjustments (Gen. Fund Contribution)	
Non Bondable Contingency	(175,000)
City Council Priority Initiatives	
City Council Priority Initiatives (amount remaining: \$5,994)	(244,006)
Department Operations	
Performance Management Analyst Position	(60,000)
Total Expenditure Amendments	\$ (113,159)
Total Amended FY 10 Expenditures	\$ 142,443,480



GOVERNMENT FINANCE OFFICERS ASSOCIATION

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Budget Presentation
Award*

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**City of Charlottesville
Virginia**

For the Fiscal Year Beginning

July 1, 2008

Handwritten signature of the President of GFOA.

President

Handwritten signature of the Executive Director of GFOA.

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Charlottesville, Virginia for its Annual Budget for the fiscal year beginning July 01, 2008. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

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INTRODUCTION AND SUMMARY



Acknowledgements

As with many of the programs of the City of Charlottesville, the development of the budget is a team effort. The City Manager's Office develops the budget with the assistance of many other individuals in the City government. This acknowledgment identifies a number of the key individuals who shared in the development of this budget. Many others who assisted are not individually identified. We thank all of you.

City Manager	Gary B. O'Connell
COO/CFO	Aubrey V. Watts, Jr.
Director, Budget and Performance Management	Leslie M. Beauregard
Budget and Utilities Analyst	Ryan Davidson
Agency Budget Review Team	Robert Cox, III, Ryan Davidson, Mike Murphy
City Manager's Office	Terry Bentley
Charlottesville Albemarle Convention and Visitors Bureau	Allie Baer
Capital Improvement Program Ranking and Budget Development Committees	Brian Daly, Bill Emory, Britt Grimm, Jeanette Janiczek, Diane Kuknyo, Chad Thorne, Bernard Wray
Circuit Court	Paul Garrett, Pat Young
City Attorney	Craig Brown, Barbara Ronan
City Sheriff	Sheriff Cornelia Johnson, Kara Thomas, Mike Baird
Clerk of Council	Jeanne Cox
Commissioner of the Revenue	Lee Richards, Rosalind Collins, Betty Graham, Servilla Kidd
Communications Department	Ric Barrick
Community Attention	Mike Murphy, Chip McElearney
Department Budget Review Team	Galloway Beck, Timothy Longo, Judy Mueller, Mike Murphy, Charles Werner, Aubrey V. Watts, Jr., Bernard Wray
Economic Development	Chris Engel, Blair Morris
Finance Department	Bernard Wray, Sharon O'Hare, Roosevelt Barbour, Judy Barlow, Monica Brumfield, Krisy Hammill, Gail Hassmer, Michael Heny, Jennifer Luchard, Beatrice Segal
Fire Department	Chief Charles Werner, Britt Grimm
General District Court	Mary Trimble
General Registrar	Sheri Iachetta
Human Resources	Galloway Beck
Information Technology	Kerry Goode, Barbara Sites
Juvenile & Domestic Relations Court/ Court Services Unit	Martha Carroll, Jody Shelley, Debra Terry
Parks and Recreation	Mike Svetz, Brian Daly, Linda Daly, Rion Summers
Magistrate's Office	Cheryl Thompson
Neighborhood Development Services	Jim Tolbert, Sharon Patterson
Social Services	Robert Cox, III, Diane Kuknyo
Police	Chief Timothy Longo, David Shifflett
Public Works	Judith Mueller, Lauren Hildebrand, Mary Kay Kotelec, Steve Lawson, Jim McClung, Mike Mollica, Lance Stewart, Chad Thorne, Bill Watterson
Treasurer	Jennifer Brown

Introduction to the Budget

This **Fiscal Year 2009-2010** budget for the City of Charlottesville is presented in a user-friendly style that easily explains the City's fund structure and budget allocations. An Introductory section is followed by sections detailing adopted expenditures for Management, Non Departmental Activities, Debt Service, Fund Balance Target Adjustment, Employee Compensation and Training, Internal Services, Financial Services, Healthy Families and Community, Infrastructure and Transportation, Public Safety and Justice, School Operations, the Capital Improvement Program, and Other Non General Funds.

In addition to these broad categories, an index is provided for quick and easy reference. We hope this document is easy to read, interpret, and use in understanding the City's budget for Fiscal Year 2009-2010. Our goal is to provide a straightforward document that provides the citizens of Charlottesville with a clear explanation of how their tax dollars are helping to support a variety of quality services and programs important to our World Class City.

Contact Information

City Council

Dave Norris, Mayor
Julian Taliaferro, Vice Mayor
David Brown
Holly Edwards
Satyendra Huja

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City Council (All Members)

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City Manager

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cityman@charlottesville.org

Clerk of Council

Jeanne Cox
(434) 970-3113
coxj@charlottesville.org

Mailing Address

P.O. Box 911
Charlottesville, VA 22902

Website

www.charlottesville.org/budget

If you have questions or desire more information about the budget, please contact the City Manager's Office at (434) 970-3101 between 8:00 a.m. and 5:00 p.m., Monday through Friday or anytime via the City Manager's e-mail address shown above.

CHARLOTTESVILLE CITY COUNCIL VISION - 2025

Charlottesville: A Great Place to Live for All of Our Citizens

- A leader in innovation, environmental sustainability, and social and economic justice
- Flexible and progressive in anticipating and responding to the needs of our citizens
- Cultural and creative capital of Central Virginia

Economic Sustainability

Our community has an effective workforce development system that leverages the resources of the University of Virginia, Piedmont Virginia Community College, and our excellent schools to provide ongoing training and educational opportunities to our residents. We have a business-friendly environment in which employers provide well-paying, career-ladder jobs and residents have access to small business opportunities. The Downtown Mall, as the economic hub of the region, features arts and entertainment, shopping, dining, cultural events, and a vibrant City Market. The City has facilitated the development of significant infill commercial and mixed use sites within the City.

A Center for Lifelong Learning

In Charlottesville, the strength of our education is measured not by the achievements of our best students, but by the successes of all our students. Here, an affordable, quality education is cherished as a fundamental right, and the community, City schools, Piedmont Virginia Community College and the University of Virginia work together to create an environment in which all students and indeed all citizens have the opportunity to reach their full potential.

Quality Housing Opportunities for All

Our neighborhoods retain a core historic fabric while offering housing that is affordable and attainable for people of all income levels, life stages, and abilities. Our neighborhoods feature a variety of housing types, including higher density, pedestrian and transit-oriented housing at employment and cultural centers. We have revitalized public housing neighborhoods that include a mixture of income and housing types and enhanced community amenities. Our housing stock is connected with recreation facilities, parks, trails, and services.

C'ville Arts and Culture

Our community has world-class performing, visual, and literary arts reflective of the unique character, culture, and diversity of Charlottesville. Charlottesville cherishes and builds programming around the evolving research and interpretation of our historic heritage and resources. Through City partnerships and promotion of festivals, venues, and events, all have an opportunity to be a part of this thriving arts, cultural, and entertainment scene.

A Green City

Charlottesville citizens live in a community with a vibrant urban forest, tree-lined streets, and lush green neighborhoods. We have an extensive natural trail system, along with healthy rivers and streams. We have clean air and water, we emphasize recycling and reuse, and we minimize stormwater runoff. Our homes and buildings are sustainably designed and energy efficient.

America's Healthiest City

All residents have access to high-quality health care services. We have a community-wide commitment to personal fitness and wellness, and all residents enjoy our outstanding recreational facilities, walking trails, and safe routes to schools. We have a strong support system in place for families and for the elderly and disabled. Our emergency response system is among the nation's best.

A Connected Community

The City of Charlottesville is part of a comprehensive, regional transportation system that enables citizens of all ages and incomes to easily navigate our community. An efficient and convenient transit system supports mixed use development along our commercial corridors, while bike and pedestrian trail systems, sidewalks, and crosswalks enhance our residential neighborhoods. A regional network of connector roads helps to ensure that residential neighborhood streets remain safe and are not overburdened with cut-through traffic.

Smart, Citizen-Focused Government

The delivery of quality services is at the heart of Charlottesville's social compact with its citizens. Charlottesville's approach to customer service ensures that we have safe neighborhoods, strong schools, and a clean environment. We continually work to employ the optimal means of delivering services, and our decisions are informed at every stage by effective communication and active citizen involvement.

FY 2009-2010 Budget Calendar

August 18, 2008.....	FY 2010 – 2014 Capital Improvement Submission Packets Distributed
August 29, 2008.....	Outside Agency Applications Distributed
September 22, 2008	Capital Improvement Program Requests Due
October 10, 2008	FY 2010 Budget Submission Guidelines and Instructions Distributed to City Departments
October 14, 2008	Agency Budgets Due to City and County
November 7, 2008	FY 2010 Budget Submissions Due from City Departments
November 17, 2008	Financial Forecast/Budget Guidelines Presented to City Council
November – December.....	FY 2010 – 2014 Capital Improvement Program Presented to Planning Commission
November – January.....	FY 2010 Revenue Projection Meetings
December – January.....	Agency Budget Review with County and City Staff
December – January.....	Finalize City Manager's FY 2010 Proposed Budget
March 2, 2009	Proposed City and School Operating and Capital Budget Formally Presented to City Council
March 5, 2009	Council Budget Work Session
March 16, 2009	First Public Hearing on Proposed Budget
March 24, 2009	Council Budget Work Session
March 25, 2009	Community Budget Forum
April 2, 2009.....	Council Budget Work Session
April 6, 2009.....	Second Public Hearing and First Reading of Budget
April 7, 2009.....	Council Budget Work Session
April 14, 2009.....	Second Reading and Council Adoption of Budget

The Purpose of Budgeting

Budgeting has several major purposes. First and foremost, budgeting is a formal way to convert the City's long-range plans and policies into services and programs for the citizens of the City of Charlottesville. The budget also details these services and programs in terms of costs. The City's budget informs the City Council and the public of the City government's plans for the coming fiscal year (July 1, 2009 - June 30, 2010), and provides the Council with the opportunity to review and decide the level of services to be provided to our citizens.

Budgeting also outlines the revenues (taxes, fees, and others) that are needed to support the City's services, including the rate of taxation to be adopted for the coming fiscal year. Finally, the budget adopted by City Council becomes a work plan of objectives to be accomplished over the coming year.

The City's Fund Structure

The City's financial management system is divided into a number of funds. A separate sum of money is set aside for each fund. Funds are established for special program groups which usually have specific revenue sources associated with their expenditures. The City's major funds, which are subject to appropriation by City Council, are:

1. General Fund (operating)
2. Enterprise Funds (Utilities and Golf Funds)
3. Capital Improvement Program Fund
4. Other Non General Funds

The **General Fund** is usually referred to as the operating fund and is used to finance the day-to-day operations of the City. It is the largest part of the City's total financial operation. Revenues for this fund are obtained from taxes, licenses and permits, intergovernmental revenue, charges for services, fines, interest, and Albemarle County Revenue Sharing funds.

The **Enterprise Funds** consist of the operating and capital budgets of the Gas, Water and Wastewater programs in the City and the Golf Course Fund. These funds account for each of their respective operations as if they were each a separate, self-supporting business.

The **Capital Improvement Program Fund** is used to account for all financial resources that are needed in the acquisition or construction of capital assets. Revenues for this fund are obtained from bond issues, a transfer from the General Fund, a contribution from the City Schools for their small capital projects program, and contributions from Albemarle County for shared projects.

Other Non General Funds include the following:

- **Equipment Replacement Fund** – Provides funding for a scheduled replacement program for 685 vehicles and pieces of equipment.
- **Facilities Repair Fund** – Provides funding to preserve the City's investment of over \$83 million in non-school facilities, which have annual maintenance requirements.
- **Retirement Fund** – This is a trust fund supported by contributions paid by the City, based on actuarial calculations, that provides City employees with a pension to supplement social security benefits upon retirement.

- **Risk Management Fund** – Provides accounting for the City's risk management program.
- **Debt Service Fund** – Provides necessary funds to retire the City's general government outstanding bond indebtedness and related costs.
- **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.
- **Communications System Fund** – Provides funds for the City's phone system and mailroom operations.

The Basis of Budgeting

The basis of budgeting for the City of Charlottesville is the same as the basis of accounting used in the governmental fund financial statements. All budgets are presented on the modified accrual basis of accounting, under which revenues and related assets are recorded when measurable and available to finance operations during the year, and expenditures, other than compensated absences and interest on debt, are recorded as the related fund liabilities are incurred. Revenues considered prone to accrual consist primarily of property taxes, certain grants, and sales and utility taxes. Any property taxes that are not due as of June 30th are recorded as deferred revenues. Budgets for City and School operations, Utilities and Debt Service are adopted on an annual basis. Budgets for the Capital Projects Fund and Other Funds are continuing appropriations beyond the fiscal year. It is the intention of the City Council that appropriations for capital projects continue until completion of the project.

Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

The Budget Process

Capital Improvement Program (CIP) Development

The City's five-year capital improvement process begins in early fall of each year, when City departments are asked to submit their ranked requests for the five-year capital plan. CIP submissions are received by the Budget Office, which organizes and prepares the submissions for review. The CIP Staff Ranking Committee then meets several times to discuss and, if necessary, re-rank the requested projects based on various criteria adopted by the City Council and the Planning Commission. The CIP **Staff Ranking Committee** consists of staff members from Neighborhood Development Services, Public Works, Budget Office, Parks and Recreation, Public Safety, one member from a non-CIP requesting department, which for this year's process was the City Treasurer's Office, and one member from the Planning Commission. The CIP is then forwarded to the **Budget Development Committee**, which reviews all projects and their criteria scoring, and develops a recommendation that is fiscally sound and reflects the overall priorities of the City and its needs. The CIP Budget Committee consists of the City Manager, COO/CFO, Finance Director, the Budget Director and one member of the Planning Commission. The final proposal from the Budget Development Committee then comes before the Planning Commission. Following Planning Commission consideration and approval, the revised five-year CIP are forwarded to the City Manager and then to City Council for inclusion in the annual budget.

Operating Budget – Expenditure and Revenue Development

The City's operating budget process begins in the fall when departments prepare their budget requests and the City Manager presents the City's long-term financial forecast to City Council. Based upon this forecast, City Council formally adopts its budget guidelines (pg. 9) and assumptions for the upcoming fiscal year.

From late October to mid-December, departmental budget requests and agency budget requests are submitted to the City Manager's Office and reviewed individually with each department. The **Department Budget Review Team (DBRT)** reviews and makes recommendation on "big budget issues" such as fixed costs, new requests, budget reductions, other funds (debt service, CIP, etc.), and large budget categories (salaries/benefits, other expenses, etc.). The **DBRT** consists of the COO/CFO, the Budget Director, the Budget and Utilities Analyst, the Director of Finance, a department head from a small department, a department head from a large department, one staff member that alternates between a large and small department, and two representatives from public safety (Police and Fire). In December and January, estimated revenue forecasts are finalized by the **Revenue Team**, simultaneous with the development of the expenditure budgets.

The City Manager's Proposed Budget, along with the School's Budget, is presented to City Council at the first Council meeting in March. A series of City Council work sessions and public hearings are held during the months of March and April. The City and School budget is formally adopted by City Council each year by April 15th.

Strategic Vision and Council Priorities

In January 2006, City management and a team of staff began a process of developing the City's first comprehensive Strategic Plan. During a series of focus groups and meetings with a community driven Strategic Planning Steering Committee appointed by City Council, and the community at large, this group developed several strategic priority areas. Once these priority areas were refined and presented to City Council, Council developed them further at their Fall 2006 annual retreat. Over the course of several months, City Council shaped those priorities to reflect an overall **2025 Vision for the City** (pgs. 2-3).

In September 2008, City Council held their annual retreat and further shaped their priorities based on their Strategic Vision. The following priorities were identified at their retreat. This adopted budget financially supports the priorities that were identified at the fall 2008 retreat.

1. Affordable Housing
2. Repair of Aging Infrastructure
3. Workforce Development
4. Race Relations
5. Economic Development
6. Public Transportation

P3: Plan, Perform, Perfect

During the summer of 2008, City staff developed and started implementation of a process known as **P3: Plan, Perform, Perfect**, or **P3**, that builds on the City's internal capacity to develop (1) departmental strategic business plans, (2) a performance measurement and management system and (3) a means of reporting results to staff, City management, Council and the public, all of which will guide the organization towards intentional application of strategies and techniques to achieve desired results.

This initiative will be institutionalized as a process that is used to guide the organization and its partners in making key decisions and tracking progress towards achieving its goals, and to ensure that these goals are aligned upward to the City Council Strategic Vision. Therefore P3 must be implemented as an ongoing process that is integrated in the organization's culture, not simply the production of a document.

The long term goal of **Plan, Perform, Perfect**, or **P3**, is to have in place a system of **performance management** that enables the City to do the following:

- Focus on results, rather than activities;
- Align results to City Council's Strategic Vision and Initiatives;
- Serve as a management tool for the City Manager and Department Heads on which to evaluate progress of various programs and services.
- Report to City Council and the public on what the City is doing and how well we are doing it;
- Create a more comprehensive budget process, with decisions based on data, research and evidence and includes greater participation from City staff and the public; and
- Improve transparency in all areas of the organization.

Budget Adoption

An annual operating budget is adopted for the General Fund. Within the General Fund, budgets are legally adopted at the departmental level. The City Manager is authorized to transfer the budget for personnel cost (salaries and fringe benefits), if necessary, between departments; however, any other revisions that alter the total expenditures of any department or agency must be approved by City Council with an appropriation. Unexpended appropriations lapse at the end of the fiscal year unless carried over by Council action. Budgets for City and School operations, Utilities and Debt Service are adopted on an annual basis. Budgets for the Capital Projects Fund and Other Funds are continuing appropriations beyond the fiscal year. It is the intent of the City Council that appropriations for capital projects continue until completion of the project and that funds accumulated in the Debt Service Fund be dedicated to future debt service.

Legal Budgeting Requirements

City Code Sec. 11-1

The City Manager shall keep the Council fully advised of the City's financial condition and shall, on or before March fifteenth in each year, prepare and submit to the Council a tentative budget for the next fiscal year. Such budget shall be in conformity with the provisions of the Charter and of this Code and the general law, and shall contain estimates of the financial needs and resources of the city for such fiscal year and a program of activities which in the City Manager's judgment will best meet the needs of the City and its people, considering resources available.

City Code Sec. 11-2

The council shall cause to be prepared by the City Manager an annual budget containing all proposed expenditures and estimated revenues and borrowing for the ensuing year, and at least thirty (30) days thereafter shall order a city levy as provided for by state law and sections 14, 19 and 20 of the Charter. The Council shall adopt or approve the annual budget and shall make such city levy prior to April fifteenth in each year.

Budget Guidelines (As Adopted By City Council)

1. Maintain the current real estate and personal property tax rates.
2. Develop operational budgets within projected available revenues.
3. Focus on Council's Strategic Vision and Priorities:
 - Economic Sustainability
 - A Center for Lifelong Learning
 - Quality Housing Opportunities for All
 - Charlottesville Arts and Culture
 - A Green City
 - America's Healthiest City
 - A Connected Community
 - Smart, Citizen Focused Government
4. Begin to incorporate the use of performance measures to assist in making budget decisions that support budget priorities related to City Council's Strategic Vision and Priorities, the goal being to use measures as a management and decision making tool during the budget process.
5. Continue the strong commitment to education by allocating up to 40% of new City real estate and property tax revenue to schools.
6. Invest strategically in employees by providing adequate pay, benefits, training, technology resources, support, and appreciation.
7. Annually review the living wage ordinance "so that every City contract for the provision of non-professional services will require that the contractor pay each employee assigned to perform services a living wage equal to no less than the lowest starting salary for City employees."
8. Fund no new programs or major expansion of existing programs without fully offsetting revenues or reductions in expenditures.
9. Balance reinvestment in the City's existing infrastructure and facilities and creation of new opportunities for investing in the future of the City.
10. Conduct an agency review jointly with Albemarle County, the Commission on Children and Families, and the United Way to scrutinize agency requests for program congruence with Council's priority areas.
11. Transfer at least 3% of general fund operating expenditures to the Capital Improvement Fund (CIP).
12. Budget a Council Reserve.
13. Budget a Fund Balance Target Adjustment pool of funds to help ensure that the City continues to meet the important financial policy of maintaining an unappropriated fund balance in the General Fund equal to 12% of the City's operating budget.
14. To the extent possible, use the Quality of Service and Efficiency Report recommendations to help guide budget decisions.
15. Use 30%-50% of the increase of City/County Revenue Sharing dollars towards the FY 2010 operating budget, with the balance to remain in a reserve account for the next 2-3 years in anticipation of a continued slow economy.

Long Term Financial Policies

1. Maintain a General Fund balance of 12% of operating expenditures.
2. Maintain sufficient working capital in the utilities (Water, Wastewater and Gas) and Golf funds.
3. Stabilize all non-general funds by ensuring they have a positive fund balance.
4. Transfer any excess funds from parking fines above the amount budgeted in the General Fund to the Capital Fund for future parking projects.
5. Maintain a debt service to general fund total expenditure ratio of 8% or less.
6. Transfer 25% (1-cent of the rate) of the meals tax revenue to the Debt Service Fund to be reserved for debt service for future bond issues.

Major Expenditure Highlights of the Budget

Staffing Changes

The net permanent reduction in General Funded Full Time Equivalent (FTE) positions is 9.0, while the total net permanent reduction in all funds is 15.8 FTE's.

- Eliminates **2** full time positions in **Parks and Recreation**, a Volunteer Coordinator and a Gardener, resulting in savings of over **\$108,245**;
- Completely eliminates the proposal for a City administered **EMS/Ambulance Service**, resulting in net savings (after accounting for billing revenue) of over **\$300,000** and reduces the City's FTE count by **7** positions which were created but never filled;
- Eliminates an Intern position from the **City Manager's Office**, a funding reduction of **\$11,440**;
- Eliminates chipping and leaf temporary staff in **Public Works**, total savings of **\$28,312**, proposing instead to use inmate labor for these functions, which they are currently doing;
- Eliminates four intern positions in Neighborhood Development Services, resulting in savings of **\$24,000**; and

City Council Priority Initiatives

- Includes a pool of funds for **Council Priority Initiatives**, established to provide a means for Council to initiate new programs or expand existing programs related to the Community Priorities established by Council. **\$112,100** is allocated for programs focus on workforce development:
 - **\$50,000** for the **CHRA Training Access** program;
 - **\$35,000** is allocate to the Buford/CHS: **Summer Workforce Program**;
 - **\$15,000** for the **Buford/Walker World of Work Academy**;
 - **\$9,600** is allocate for the **CATEC: Transportation for Work Experiences** program; and
 - **\$2,500** for the **CHS: Medical Sciences Club**.
- Expansion of the **Youth Internship Program** with a total budget of **\$85,373**. This program expansion is a combination of a summer internship and a piloted year-round internship program. A new pilot program will place ten students during the school year; the summer program will be expanded to accommodate 70 students. Community Attention, with funding approval, is prepared to execute this expanded program.
- **Fare free transit** on Charlottesville Transit System for **VIEW participants**, with total funding of **\$63,000**. Active participants, approximately 250, in the Department of Social Service's welfare-to-work program, VIEW, would be eligible for free public transit service for transportation related to employment, job training or other work preparation activities.

- **\$50,000** for a facilitated conversation regarding a **Community Dialogue on Race**, which would attempt to engage our residents in an on-going discussion to better understand each other, our backgrounds, our history, our perceptions and how past actions continue to affect life in Charlottesville today, and be based on successful models from other localities who have engaged their citizens in this manner of discussion. The funding would cover the cost of hiring an experienced facilitation team to assist in establishing goals and objectives for the dialogue, train volunteer facilitators and provide guidance on turning the dialogue to action. Additional expenses include a one year, part time contract employee to serve as a coordinator for the initiative, travel expenses, printing and supplies, rental of meeting spaces and marketing. The contract employee would report to the City Manager.

Other Expenditure Changes

- City Schools will receive an additional **\$428,081**, an increase of **1.08%**;
- Increases the local contribution to the **Comprehensive Services Act**, a State mandated program, by **\$550,000**, for a total budget of **\$2.9 million**. This increase can be attributed to a reduction in State reimbursements for this program and changes to the local match requirements for congregate care and the unknowns this is creating in determining future cost of CSA services;
- Reflects an increase in funding to the **Regional Jail**, the **Emergency Communications Center** and the **Blue Ridge Juvenile Detention Center**, total new funds of **\$240,148**;
- Reflects reduced contribution to **Charlottesville Transit Service** totaling **\$196,537** in savings, while maintaining the same level of service;
- Reduces the City's obligation for Landfill Remediation by **\$750,000**;
- Maintains the same level of criteria for the **Tax and Rent Relief Programs** and the **Homeowner Tax Grant Program**, but reduces the budgets for these programs by **\$84,748** to reflect actual costs;
- **Across all city departments**, budgets were streamlined and reduced to better reflect the actual cost of doing business or to take advantage of areas where a service can be provided in a more cost efficient manner, resulting in total cost savings of over **\$600,000**;
- Net increase in **fixed costs** allocated out to departments, including **HVAC Charges**, **Information Technology** support fees, **Risk Management** fees, **vehicles fuel** and **maintenance** and fees associated with **Warehouse** operations, in the amount of **\$173,512**;
- Increase in the City's contribution to the **Retirement Fund** in the amount of **\$105,971**; and
- Reflects the City's contribution to **Life Insurance**, an increase of **\$50,070** due to revised rates from our provider.

FY 2010 Capital Improvement Program Highlights

Revenue

- \$4,575,000 General Fund contribution
- \$45,000 for PEG Fee revenue
- \$91,000 contribution from Albemarle County for a shared project (CATEC)
- \$200,000 contribution from the City schools for the small cap program, and
- \$11,398,522 in CY 2010 bonds

...for total FY 2010 Revenue of **\$16.31 million**

Expenditures

- \$2,537,343 million for City Schools
- \$1,068,090 for Facilities
- \$1,200,000 for Public Safety
- \$2,756,847 for Transportation and Access
- \$6,131,090 for Parks and Recreation
- \$100,000 for Strategic Development Initiatives
- \$775,000 for Neighborhood and Citywide Stormwater Initiatives
- \$45,000 for Technology Infrastructure
- \$1,000,000 for the Charlottesville Housing Fund
- \$125,000 for the Home Energy Conservation Grant Program and
- \$571,152 in Contingency Funds

...for total FY 2010 Expenditures of **\$16.31 million**

Capital Improvement Program Council Priority Initiatives

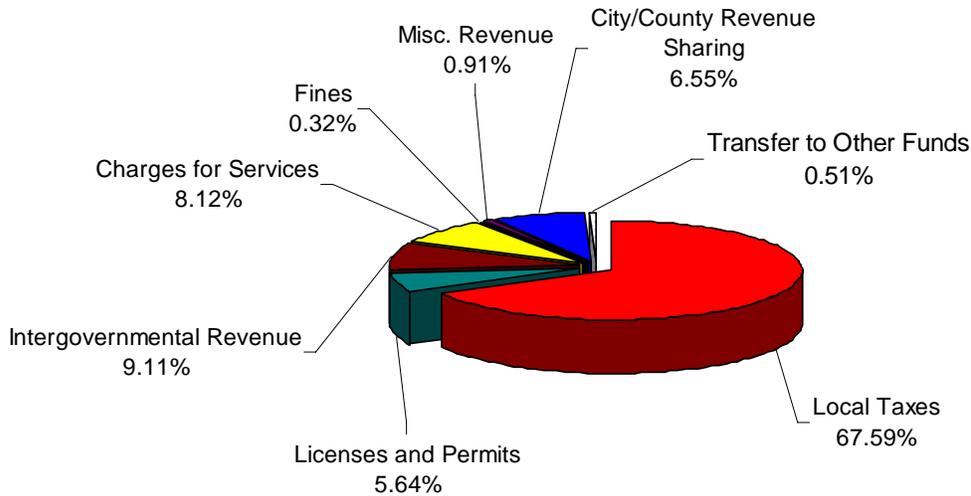
- **Citywide Stormwater Initiatives** provides for **\$600,000** in Capital Improvement Program funding each year over the next three fiscal years, for the strategic inspection and rehabilitation of the existing public stormwater infrastructure. The City has an aging stormwater infrastructure (consisting of over 50 miles of pipes) and currently over 7 miles of this system has been identified as being in need of immediate repair or replacement based on deterioration of the pipes. This funding will be reevaluated annually with the Capital Improvement Budget with the long term goal to shift this to a self supporting utility.
- Through the **Home Energy Conservation Grant Program** the City will invest **\$125,000** to fund an energy conservation program. The intent of the program is to save money on utilities for low income and other families using this program; facilitate low income families to be able to afford energy saving measures; and reduce use of nonrenewable energy. The Home Energy Conservation Grant Program is a grant/loan program for residential owner-occupied housing that would fund energy conservation measures for the recipients by either providing a grant to low income families, or a low interest loan to non low income families, as incentive for energy conservation.
- Continues the investment in the **Charlottesville Housing Fund**, with funding proposed at **\$1 million** per year. This will insure the continuation of funding for this important Council initiative. Past uses for these funds have included \$850,000 for the preservation of affordable rental units by Dogwood housing; \$420,000 to Habitat for Humanity for the construction of affordable housing units; \$279,000 to Albemarle Housing Improvement Program for the substantial rehabilitation of homes owned by low income families; and \$150,000 to the Workforce Housing Fund to assist low income individuals with down payment and closing cost assistance.
- **Bicycle Infrastructure** provides for **\$25,000** to improve the bicycle infrastructure throughout the City of Charlottesville. This funding will be designated for new bicycle lanes, improvements to existing bicycle lanes, signage, and any other necessary improvements to the bicycle infrastructure of the City.
- The FY 2010 Capital Improvement Program sets aside **\$100,000** for the purpose of **Park Land Acquisition**. These funds will be used to pursue land acquisition opportunities to preserve open space, protect natural resources and improve riparian buffers and provide future trail connections. Green infrastructure and open space conservation are often the cheapest way to safeguard drinking water, clean the air and achieve other environmental goals.
- **Urban Tree Preservation and Planting** is appropriated **\$156,090** in FY 2010. The importance of tree preservation is a highly held value among residents of the City, and the protection of the Urban Tree Canopy has a direct affect upon air quality, stormwater management and quality of life for City residents. In FY 2010 **\$50,000** of additional funding was added to this project, designated specifically for the purchase and planting of new trees throughout the City of Charlottesville.



General Fund Revenue Summary

	FY 2007-2008 Actual	FY 2008-2009 Budget	FY 2009-2010 Budget	Increase/ (Decrease)	% Change
General Fund Revenue					
Local Taxes	\$82,867,146	\$87,300,360	\$85,814,844	(\$1,485,516)	-1.70%
Licenses and Permits	7,869,759	7,425,630	7,162,430	(263,200)	-3.54%
Intergovernmental Revenue	12,161,074	11,604,740	11,573,296	(31,444)	-0.27%
Charges for Services	10,013,961	10,830,046	10,316,455	(513,591)	-4.74%
Fines	437,956	405,000	405,000	0	0.00%
Misc. Revenue	2,369,136	1,462,504	1,152,519	(309,985)	-21.20%
City/County Revenue Sharing (Operating Budget Portion)	7,959,142	7,695,118	9,906,247	2,211,129	28.73%
Transfer to Other Funds	683,747	651,747	642,000	(9,747)	-1.50%
TOTAL OPERATING BUDGET	\$124,361,921	\$127,375,145	\$126,972,791	(\$402,354)	-0.32%

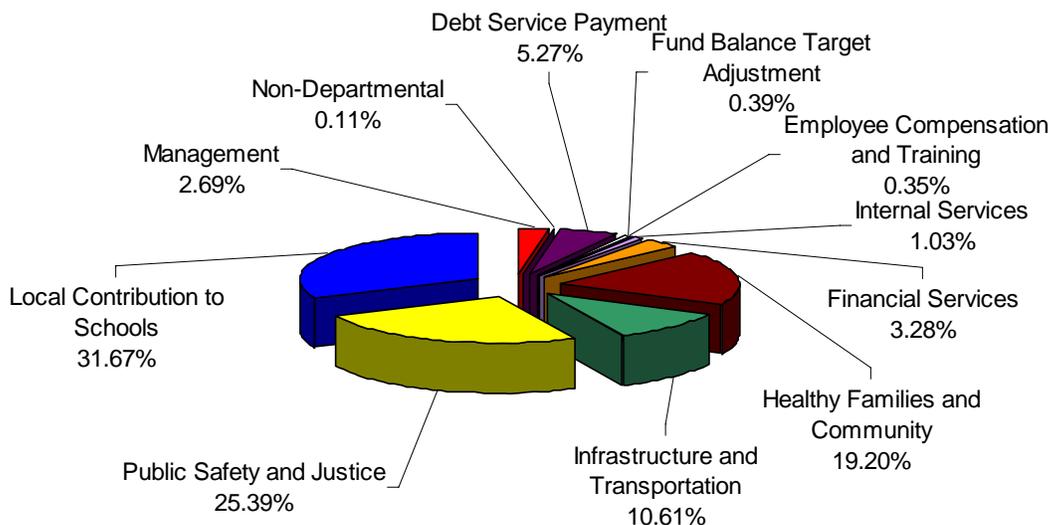
General Fund Revenues



General Fund Expenditure Summary

	FY2007-2008 Actual	FY2008-2009 Budget	FY 2009-2010 Budget	Increase/ (Decrease)	% Change
General Fund Expenditures					
Management	\$3,065,850	\$3,227,844	\$3,421,192	\$193,348	5.99%
Non-Departmental	5,000	80,000	146,000	66,000	82.50%
Debt Service Payment	6,190,566	6,150,000	6,692,000	542,000	8.81%
Fund Balance Target Adjustment	0	500,000	500,000	0	0.00%
Employee Compensation and Training	188,238	1,791,960	445,000	(1,346,960)	-75.17%
Internal Services	1,139,860	1,305,324	1,304,478	(846)	-0.06%
Financial Services	4,011,030	4,095,991	4,168,059	72,068	1.76%
Healthy Families and Community	21,660,514	24,088,316	24,373,529	285,213	1.18%
Infrastructure and Transportation	12,531,989	14,466,193	13,468,761	(997,432)	-6.89%
Public Safety and Justice	32,236,121	31,887,986	32,244,160	356,174	1.12%
Local Contribution to Schools	39,101,809	39,781,531	40,209,612	428,081	1.08%
TOTAL OPERATING BUDGET	\$120,130,977	\$127,375,145	\$126,972,791	(\$402,354)	-0.32%

General Fund Expenditures



Explanation of Revenues

Services provided by the City of Charlottesville are funded by a variety of revenue sources: local, state, federal, and other intergovernmental revenue. When preparing revenue estimates for the budget, a team of staff reviewed prior year revenue activity, current year to date activity, and future factors that will affect the City’s economic vitality. City staff uses four different revenue projection techniques in order to ensure the accuracy of the revenue projections.

- Informed/Expert Judgment (e.g. the advice of a department head)
- Deterministic Techniques (e.g. formulaic revenues)
- Time Series Techniques (e.g. moving averages and predictive statistics)
- Estimates from the Commonwealth of Virginia (e.g. transfer payments)

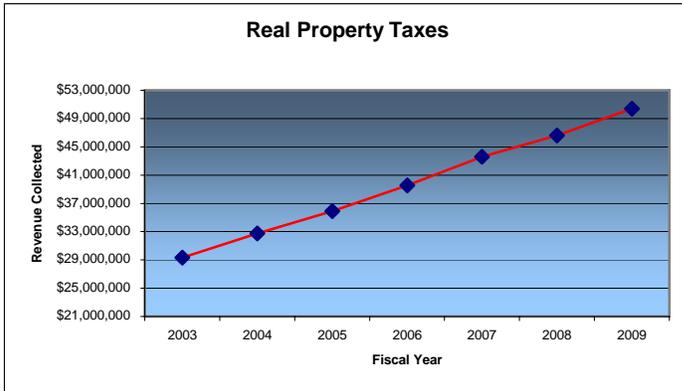
In practice, most revenue projections combine two or more of these techniques. Generally, the amount of revenue available to the City depends on current and future economic activity. Below is a listing of the major revenue sources for the City of Charlottesville, which make up 87.32% of the total General Fund revenues collected by the City of Charlottesville.

<u>Revenue Source</u>	<u>FY 2010 Projection</u>	<u>% of General Fund Total Revenues</u>
Real Estate Taxes	\$ 50,437,398	35.41%
City/County Revenue Sharing	18,038,878	12.66%
Sales & Use Taxes	9,925,000	6.97%
State Assistance	7,039,665	4.94%
Meals Tax	6,720,000	4.72%
Personal Property Taxes	6,273,000	4.40%
Business & Professional Licenses	5,700,000	4.00%
Payment in Lieu of Taxes: Utilities	5,059,860	3.55%
Utility Tax	4,643,072	3.26%
PPTRA	3,498,256	2.46%
Virginia Communications Sales & Use Tax	3,580,000	2.51%
Transient Room Tax	2,395,000	1.68%
Public Service Corporation Taxes	1,075,000	0.75%
TOTAL	\$ 124,385,129	87.32%

In the following section, a graph has been presented for each of the major revenues listed in the above chart. This provides a graphical representation of the trend data that was used when the revenue projections were made for Fiscal Year 2010. The data in the graphs represents the amount of actual revenue collected for Fiscal Years 2003 – 2008, and the appropriated amounts for Fiscal Year 2009, all of which were important factors in projecting the revenues for Fiscal Year 2010.

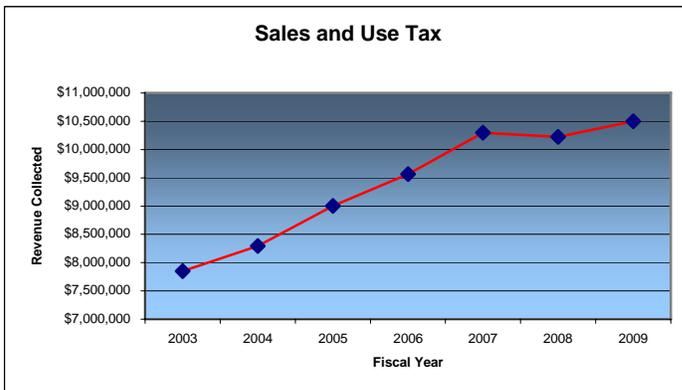
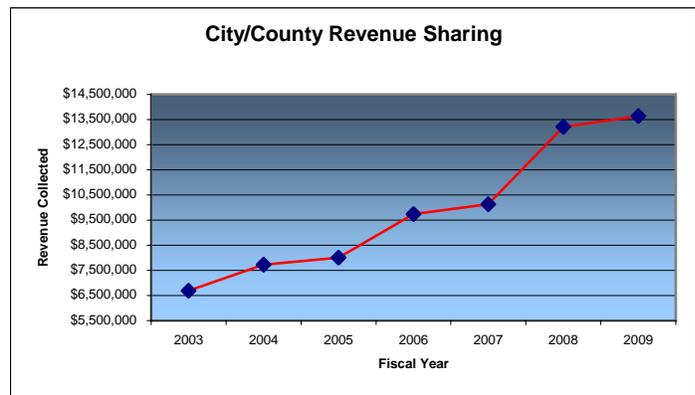
Beginning in January 2007, the E-911 Fee, Cable Franchise Fee, and Utility Taxes (Telephone and Cable) were rolled into one revenue stream called the Virginia Communications Sales and Use Tax. This is a State administered local tax and the City is reimbursed on a monthly basis. This consolidation of taxes has resulted in inaccurate trend data for the Utility Tax and Virginia Communications Sales and Use Tax revenue items and, therefore, those trends are not included in the following graphs.

Major Local Revenue – Descriptions and Trend Data

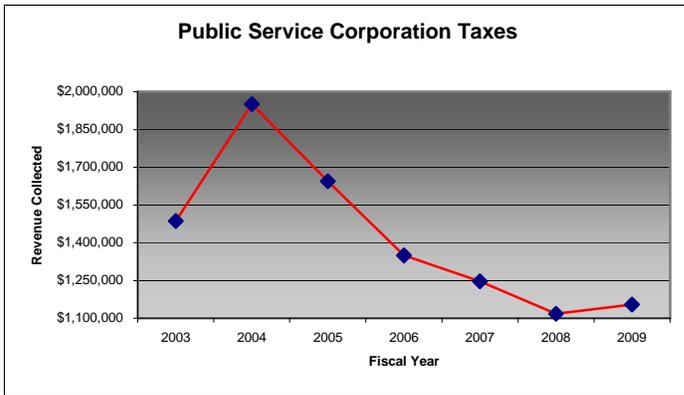


Real Property Taxes are the largest source of revenue for the City. They are *ad valorem* taxes based on the assessed value of real property owned by businesses, individuals, and corporations. They are assessed at 100% valuation, with tax rates being applied per \$100 of assessed value. **The adopted tax rate for FY 2010 is \$.95 per \$100 of assessed value.**

City/County Revenue Sharing is based on an agreement between the City of Charlottesville and the County of Albemarle dated February 17, 1982. The agreement requires the County to contribute a portion of its real property tax base to the City in exchange for the City's agreement to forgo annexation of any County property. The amount from the County is equal to 1/10 of 1% of the County's total assessed property values for CY 2007 when estimating the FY 2010 payment. The majority of this revenue is dedicated to projects and operations that benefit City and County residents alike, including replacement of transit infrastructure and transportation improvements, enhancements to parks and recreation facilities and programs, construction of a new fire station, and road/infrastructure maintenance.

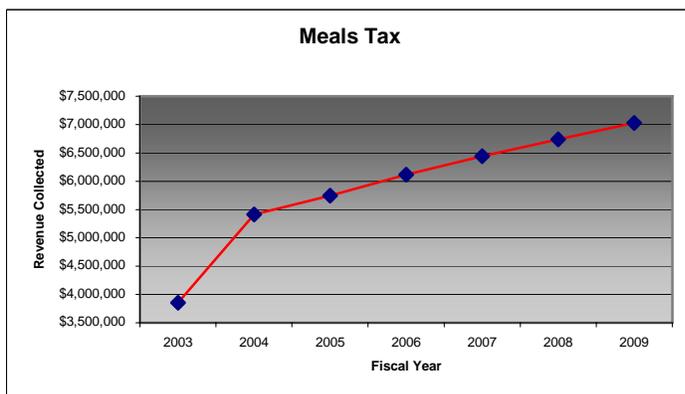
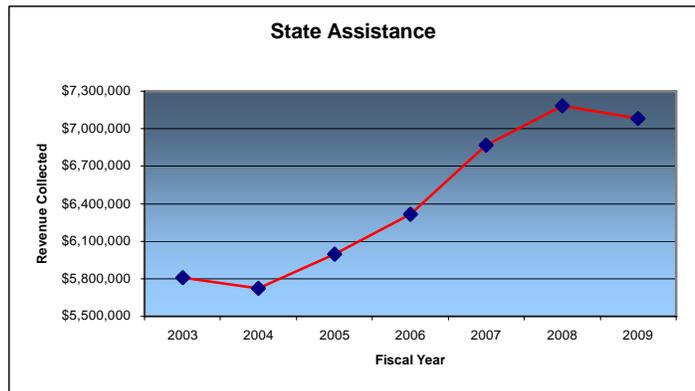


Sales and Use Taxes are revenues received by the City from 1 cent of the 5-cent State sales tax generated within the City. Historically this revenue has been a very strong performer, resulting in the large increases for prior fiscal years. However, due to the downturn in the economy, in FY 2010 this revenue is trending at a 5.48% decrease from FY 2009. **The current Sales Tax rate is 5% for general sales purchases and 2.5% for non-prepared foods (implemented July 1, 2005).**

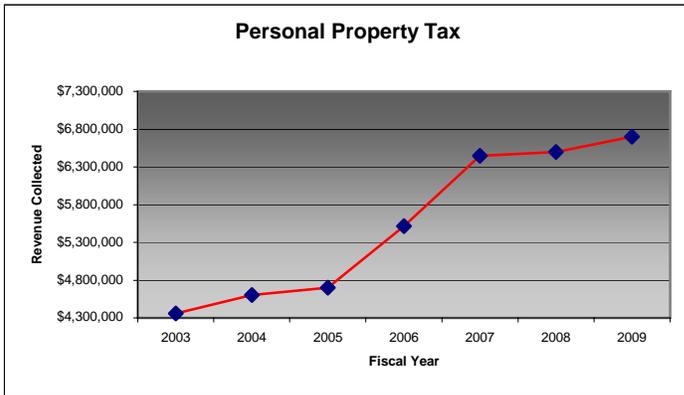


Public Service Corporation Taxes are levied on the real estate and tangible property owned by railroads, utilities, pipelines, and other businesses required to register with the State Corporation Commission. These revenues are expected to experience little to no growth due to adjustments made to the depreciation method for computer equipment, furniture and office equipment, and central office equipment, which then decreased the assessments over the prior year.

State Assistance consists of three major revenue items, which are: **Constitutional Officer Reimbursement**, which is determined by the State Compensation Board on an annual basis as funds for the elected official offices, including the Treasurer, Commissioner of Revenue, Sheriff, Clerk of the Circuit Court, and Commonwealth's Attorney; **State Highway Assistance** is highway maintenance funds received from the State, and are based on a formula approved by the General Assembly which includes road type, lane miles, and rate of pavement per lane mile; and, **State Aid for Police Protection**, where the amount of revenue received by the localities is based upon a proportional formula that uses the adjusted crime rate index for the locality as its base.

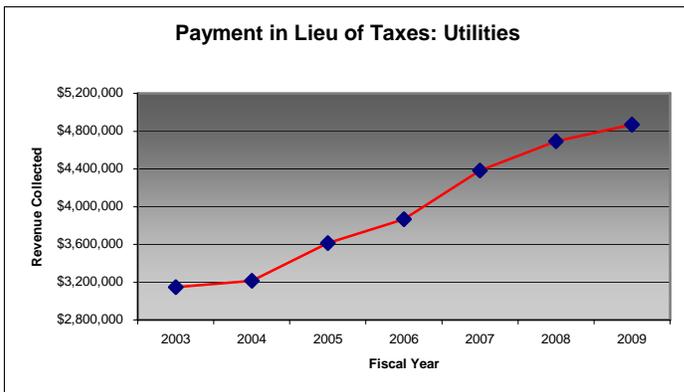
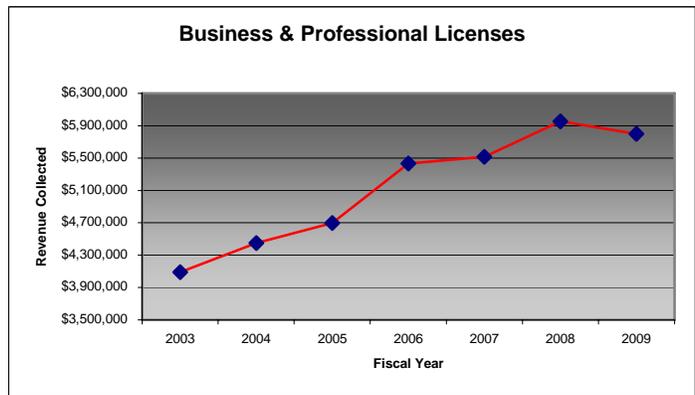


Meals Tax is assessed on the sales price of prepared food and beverages sold in the City. Twenty-five cents of each dollar collected is dedicated to the Debt Service Fund to pay off the future debt of bond issuances used to pay for capital projects. The remaining \$.75 of each dollar is dedicated to the General Fund. Over the past five years this revenue has shown consistent increases of between 4 – 6%. Due to the downturn in the economy, in FY 2010 this revenue is trending towards a 5.20% decrease from FY 2009. **The current Meals Tax rate is 4%.**

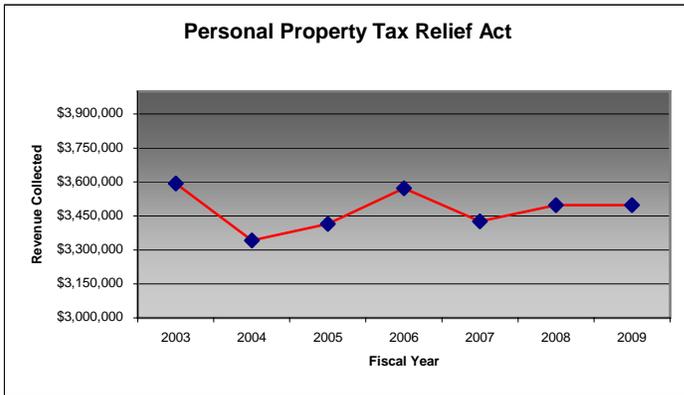


Personal Property Taxes are levied on vehicles owned by individuals and businesses, as well as tangible property owned by businesses. In the fall of 2005, City Council approved changing the valuation method of personal property from average loan value to trade in value. FY 2010 Personal Property Tax revenue is projected to decline by 6.37% from the FY 2009 budgeted figure. **The proposed tax rate for FY 2010 is unchanged at \$4.20 per \$100 of assessed value.**

Licenses and Permits are revenues collected from permits and privilege fees required by the City. The largest of these sources is the **Business and Professional Licenses**, which is estimated to bring in over \$5.7 M in FY 2010, which represents a \$100,000 decrease from the FY 2009 budgeted figure.

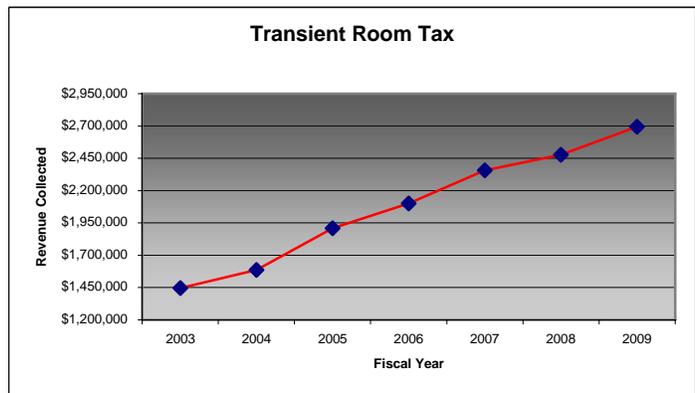


Payment in Lieu of Taxes: Utilities covers the property taxes and business licenses that city-owned water, sewer, and gas operations would pay if they were private businesses. The payment in lieu of taxes for the utilities is calculated by a predetermined formula. In FY 2010, this revenue item is estimated to generate approximately \$5.1 million in revenue.



PPTRA is the State reimbursement to the localities for those vehicles that qualify for reduced personal property tax rates under the Personal Property Tax Relief Act. Recent legislation, SB 5005, establishes what amounts to a fixed, annual block grant to localities, the proceeds of which must be used to provide relief to the owners of qualifying vehicles. The State's obligation is capped and made certain and localities are provided greater flexibility in determining how relief is to be distributed.

Transient Room Tax, often called the lodging tax, consists of taxes assessed on the use of rooms in hotels, motels, and boarding houses. Like many of the other consumer driven taxes (Meals Tax, Sales & Use Tax, etc.) this revenue is projected to see a decrease for FY 2010 due to the downturn in the economy. The Transient Room Tax is decreasing by 11.13% from FY 2009 projections. **The proposed tax rate remains unchanged at 6%.**



Adopted Tax and Fee Rates

	Adopted Fiscal Year 2009-2010	Adopted Fiscal Year 2008-2009
Real Estate Tax	\$0.95/\$100 Assessed Value	\$0.95/\$100 Assessed Value
Personal Property Tax	\$4.20/\$100 Assessed Value	\$4.20/\$100 Assessed Value
Machinery and Tools Tax	\$4.20/\$100 Assessed Value	\$4.20/\$100 Assessed Value
Mobile Home Tax	\$0.95/\$100 Assessed Value	\$0.95/\$100 Assessed Value
Sales Tax - General ⁽¹⁾	5.0%	5.0%
Sales Tax - Food (Excludes prepared food) ⁽²⁾	2.5%	2.5%
Restaurant/Meals Tax	4.0%	4.0%
Lodging Tax	6%	6%
Cigarette Tax	\$.35 per pack	\$.35 per pack
E-911 Fee ⁽³⁾	\$.75/phone line	\$.75/phone line
Cable Franchise Fee ⁽³⁾	5%	5%
PEG Fee (Cable)	\$.35/month	\$.35/month
Utility Taxes (Gas, Water, Wastewater, Electric)	10%	10%
Utility Taxes (Telephone and Cable) ⁽³⁾	5%	5%
Refuse Collection		
Trash Sticker Fee	13 Gallon - \$1.05 each 32 Gallon - \$2.10 each	13 Gallon - \$1.05 each 32 Gallon - \$2.10 each
Trash Decal Fees ⁽⁴⁾		
32 Gallon Can	\$94.50 Annually	\$94.50 Annually
45 Gallon Can ⁽⁵⁾	\$125.00 Annually	\$125.00 Annually
64 Gallon Can ⁽⁵⁾	\$189.00 Annually	\$189.00 Annually
96 Gallon Can	\$283.50 Annually	\$283.50 Annually
Large Item Pickup Fee	\$25.00 per occurrence	\$25.00 per occurrence
Motor Vehicle License Fee	Up to 4,000 lbs. - \$28.50 4,000 - 6,500 lbs. - \$33.50 Over 6,500 lbs. - \$33.50 Motorcycles - \$8.50	Up to 4,000 lbs. - \$28.50 4,000 - 6,500 lbs. - \$33.50 Over 6,500 lbs. - \$33.50 Motorcycles - \$8.50
Courthouse Maintenance Fee	\$2.00 per court case	\$2.00 per court case
Courtroom Security Fee	\$10.00 per conviction	\$10.00 per conviction

- (1) Of this 5% collected by the State, 1% is returned to the locality to support public education.
- (2) This second Sales Tax rate for non-prepared foods (i.e., grocery stores) was adopted by the State as of July 1, 2005.
- (3) Starting in January 2007, these taxes are rolled into one revenue stream called the **Virginia Communications Sales and Use Tax**. The tax rates are set by the State in an effort to streamline communications taxes. The revenue is also collected by the State and the City is reimbursed on a monthly basis. It is still considered a local tax.
- (4) These rates are based on purchasing the decals after July 1st and prior to September 30th of each year. If purchased after September 30th the City offers prorated rates based upon date of purchase.
- (5) Starting July 1, 2008, the City of Charlottesville began offering 45 gallon and 64 gallon annual trash decals.

General Fund Revenue Detailed

	FY 2007-2008 Actual	FY 2008-2009 Budget	FY 2009-2010 Budget	Increase/ (Decrease)	% Change
LOCAL TAXES					
Real Estate Taxes	\$46,618,241	\$50,372,908	\$50,437,398	\$64,490	0.13%
Personal Property Tax	6,497,572	6,700,000	6,273,000	(427,000)	-6.37%
Public Service Corporation Tax	1,118,174	1,154,780	1,075,000	(79,780)	-6.91%
Penalty/Interest on Delinquent Taxes	362,243	350,000	350,000	0	0.00%
Utility Taxes (City Utilities and Electric)	4,466,584	4,662,810	4,643,072	(19,738)	-0.42%
Virginia Communications Sales and Use Tax	3,674,556	3,451,270	3,580,000	128,730	3.73%
Franchise Taxes (See <i>VA Communications Sales and Use Tax</i>)	8,843	0	0	0	0.00%
Tax on Bank Stock	605,562	540,000	550,000	10,000	1.85%
Tax on Wills & Deeds	665,969	550,000	550,000	0	0.00%
Sales & Use Tax	10,221,226	10,500,000	9,925,000	(575,000)	-5.48%
Rolling Stock Tax	18,618	16,000	14,938	(1,062)	-6.64%
Transient Room Tax	2,476,572	2,695,000	2,395,000	(300,000)	-11.13%
Meals Tax	5,056,414	5,268,750	4,995,000	(273,750)	-5.20%
Short-Term Rental Tax	63,755	64,000	64,000	0	0.00%
Cigarette Tax	705,063	695,000	695,000	0	0.00%
Recordation Tax Receipts	194,091	154,842	142,436	(12,406)	-8.01%
Vehicle Daily Rental Tax	113,663	125,000	125,000	0	0.00%
Taxes Subtotal	\$82,867,146	\$87,300,360	\$85,814,844	(\$1,485,516)	-1.70%
LICENSES AND PERMITS					
Business & Professional Licenses	\$5,953,851	\$5,800,000	\$5,700,000	(\$100,000)	-1.72%
Vehicle Licenses	861,399	880,000	856,800	(23,200)	-2.64%
Dog Licenses	10,631	5,000	15,000	10,000	200.00%
Electrical, Heating and Mechanical Permits	172,660	150,000	120,000	(30,000)	-20.00%
Building and Plumbing Permits	387,493	390,630	310,630	(80,000)	-20.48%
Other Permits	483,725	200,000	160,000	(40,000)	-20.00%
Licenses and Permits Subtotal	\$7,869,759	\$7,425,630	\$7,162,430	(\$263,200)	-3.54%
INTERGOVERNMENTAL REVENUE					
<i>Revenue from Federal Agencies</i>					
Federal Assistance (CDBG Admin., etc.)	\$9,441	\$0	\$0	\$0	0.00%
<i>Revenue from State Agencies</i>					
PPTRA Revenue (State Personal Property Tax)	3,498,256	3,498,256	3,498,256	0	0.00%
State Highway Assistance	3,191,906	3,190,414	3,081,035	(109,379)	-3.43%
Reimbursement/Constitutional Offices	1,600,214	1,500,000	1,670,560	170,560	11.37%
ABC Board	48,148	0	0	0	0.00%
State Aid for Police Protection	2,392,909	2,392,911	2,288,070	(104,841)	-4.38%
Trailer Title	1,284	2,500	1,200	(1,300)	-52.00%
Other State Assistance: Misc Rev	118,047	40,000	35,000	(5,000)	-12.50%
<i>Revenue from Other Intergovernmental Sources</i>					
Jefferson Area Drug Enforcement (JADE)	54,000	54,000	54,000	0	0.00%
School Resource Officers (City Schools)	230,663	236,046	244,404	8,358	3.54%
Regional Library Administrative Fee	102,880	106,000	69,233	(36,767)	-34.69%
Fire Department Ops (Albemarle County)	491,941	100,000	100,000	0	0.00%
Juvenile & Domestic Relations Court Operations (Albemarle County)	54,111	56,659	83,004	26,345	46.50%
Juvenile & Domestic Relations Court Building Maint. (Albemarle County)	0	55,985	67,072	11,087	19.80%
Magistrate's Office (Albemarle County)	3,193	4,800	4,800	0	0.00%
Commission on Children and Families (Albemarle County)	83,142	85,727	85,648	(79)	-0.09%
Payments In Lieu Of Taxes (Housing Authority)	17,634	15,000	15,000	0	0.00%
Fire Department Ops (UVA)	182,326	191,442	201,014	9,572	5.00%
Service Charge (UVA)	26,664	25,000	25,000	0	0.00%
Property Maintenance (UVA)	54,315	50,000	50,000	0	0.00%
Intergovernmental Revenue Subtotal	\$12,161,074	\$11,604,740	\$11,573,296	(\$31,444)	-0.27%

	FY 2007-2008 Actual	FY 2008-2009 Budget	FY 2009-2010 Budget	Increase/ (Decrease)	% Change
CHARGES FOR SERVICE					
Property Transfer Fees	\$1,214	\$1,100	\$1,100	\$0	0.00%
City Sheriff's Fees	0	6,200	6,200	0	0.00%
Zoning Appeal Fees	450	750	500	(250)	-33.33%
Court Revenue (Circ/Genl Dist Cts)	502,111	800,000	500,000	(300,000)	-37.50%
Parking Meter Receipts	124,131	100,000	100,000	0	0.00%
Parking Garage Revenue	1,191,711	1,250,000	1,100,000	(150,000)	-12.00%
Internal City Services	936,912	911,477	1,096,295	184,818	20.28%
Utility Cut Permits	165,804	150,000	150,000	0	0.00%
Recreation Income	660,091	757,500	782,500	25,000	3.30%
Cemetery Income	35,560	0	0	0	0.00%
Reimbursable Overtime	167,679	215,000	200,000	(15,000)	-6.98%
Parking Permit Fees	120,647	55,000	55,000	0	0.00%
Payment in Lieu of Taxes: Utilities	4,693,828	4,868,644	5,059,860	191,216	3.93%
Indirect Cost Recovery	162,708	200,000	165,000	(35,000)	-17.50%
Waste Disposal Fees	1,149,948	1,000,000	1,000,000	0	0.00%
EMS/Ambulance Service	0	414,375	0	(414,375)	-100.00%
Other Charges and Fees for Services	101,167	100,000	100,000	0	0.00%
Charges for Service Subtotal	\$10,013,961	\$10,830,046	\$10,316,455	(\$513,591)	-4.74%
FINES					
Parking Fines	\$437,956	\$405,000	\$405,000	\$0	0.00%
Fines Subtotal	\$437,956	\$405,000	\$405,000	\$0	0.00%
MISCELLANEOUS REVENUE					
Interest Earned	\$1,408,614	\$700,000	\$395,167	(\$304,833)	-43.55%
Rent	333,540	220,152	225,000	4,848	2.20%
Hedgerow Property Revenue (Parking and Rent)	172,070	177,352	177,352	0	0.00%
Refund of Prior Years' Expenditures	17	30,000	5,000	(25,000)	-83.33%
Parking Garage Maintenance	50,000	50,000	50,000	0	0.00%
Other Miscellaneous Revenue	404,895	285,000	300,000	15,000	5.26%
Miscellaneous Revenue Subtotal	\$2,369,136	\$1,462,504	\$1,152,519	(\$309,985)	-21.20%
COUNTY FIRE SERVICE FEES TRANSFERED TO DEBT SERVICE FUND	\$132,000	\$100,000	\$642,000	\$542,000	542.00%
FY 2006 FUND BALANCE SURPLUS (EMS/AMBULANCE SERVICE)	\$551,747	\$0	\$0	\$0	0.00%
FY 2008 CARRYOVER (EMS/AMBULANCE SERVICE)	\$0	\$551,747	\$0	(\$551,747)	-100.00%
CITY/COUNTY REVENUE SHARING: OPERATING BUDGET	\$7,959,142	\$7,695,118	\$9,906,247	\$2,211,129	28.73%
OPERATING BUDGET TOTAL	\$124,361,921	\$127,375,145	\$126,972,791	(\$402,354)	-0.32%
DESIGNATED REVENUE					
Contractual Services: Pupil Transportation	\$2,525,658	\$2,539,087	\$2,332,687	(\$206,400)	-8.13%
Contractual Services: School Building Maintenance	3,115,114	3,383,207	3,280,371	(102,836)	-3.04%
City/County Revenue Sharing: Transfer to Capital Improvement Program Fund	3,915,259	4,803,882	4,575,000	(228,882)	-4.76%
City/County Revenue Sharing: Transfer to Facilities Repair Fund	500,000	550,000	550,000	0	0.00%
City/County Revenue Sharing: Transfer to Equipment Replacement Fund	838,000	584,950	211,826	(373,124)	-63.79%
Meals Tax Revenue: Transfer to Debt Service Fund	1,681,851	1,756,250	1,725,000	(31,250)	-1.78%
DESIGNATED REVENUE TOTAL	12,575,882	13,617,376	12,674,884	(\$942,492)	-6.92%
TOTAL GENERAL FUND OPERATING AND DESIGNATED EXPENDITURES	136,937,803	140,992,521	139,647,675	(\$1,344,846)	-0.95%
ECONOMIC DOWNTURN FUND					
Economic Downturn Fund	0	0	2,795,805	2,795,805	100.00%
ECONOMIC DOWNTURN FUND TOTAL	\$0	\$0	\$2,795,805	\$2,795,805	100.00%
TOTAL CITY BUDGET	\$136,937,803	\$140,992,521	\$142,443,480	\$1,450,959	1.03%
CITY SCHOOLS BUDGET					
	FY 2007-2008 Actual	FY 2008-2009 Budget	FY 2009-2010 Budget	Increase/ (Decrease)	% Change
SCHOOL OPERATIONS (SCHOOL GENERAL FUND)					
Local Contribution	\$38,340,609	\$38,116,082	\$38,619,839	\$503,757	1.32%
State Funds	15,874,922	16,986,955	15,001,119	(1,985,836)	-11.69%
Federal Funds	17,401	159,020	159,020	0	0.00%
Misc. Revenue	1,230,440	1,134,170	1,113,177	(20,993)	-1.85%
TOTAL SCHOOL OPERATIONS BUDGET	\$55,463,372	\$56,396,227	\$54,893,155	(\$1,503,072)	-2.67%

Non General Funds Revenue Detailed

	FY 2007-2008 Actual	FY 2008-2009 Budget	FY 2009-2010 Budget	Increase/ (Decrease)	% Change
GOLF COURSE FUND					
Sales and Concessions	\$88,524	\$150,000	\$122,000	(\$28,000)	-18.67%
Greens Fees, Lessons, Etc.	626,250	803,497	694,247	(109,250)	-13.60%
Cart Rentals	266,066	315,000	305,000	(10,000)	-3.17%
Annual Memberships	106,000	149,734	128,000	(21,734)	-14.52%
First Tee Fees	95,041	104,000	71,000	(33,000)	-31.73%
Misc. Revenue	18,637	16,636	30,000	13,364	80.33%
Grant Revenue	19,000	0	20,000	20,000	100.00%
GOLF COURSE FUND REVENUE TOTAL	\$1,219,518	\$1,538,867	\$1,370,247	(\$168,620)	-10.96%
DEPARTMENT OF SOCIAL SERVICES FUND					
Intergovernmental Revenue	\$10,935,667	\$10,901,529	\$10,794,457	(\$107,072)	-0.98%
Transfer from General Fund	2,317,429	3,577,677	3,361,806	(215,871)	-6.03%
DEPARTMENT OF SOCIAL SERVICES FUND REVENUE SUBTOTAL	\$13,253,097	\$14,479,206	\$14,156,263	(\$322,943)	-2.23%
COMMUNITY ATTENTION FUND					
Intergovernmental Revenue	\$152,704	\$597,834	\$591,685	(\$6,149)	-1.03%
Welfare Revenue	1,961,441	1,669,005	2,894,201	1,225,196	73.41%
Misc. Revenue	4379	0	0	0	0.00%
Transfer from General Fund	171,192	216,632	238,763	22,131	10.22%
COMMUNITY ATTENTION FUND REVENUE SUBTOTAL	\$2,289,716	\$2,483,471	\$3,724,649	\$1,241,178	49.98%
WATER (OPERATIONAL AND DEBT SERVICE FUNDS)					
Water Sales Revenue	\$8,131,464	\$8,634,227	\$8,785,828	\$151,601	1.76%
Water Connection Fees	130,982	135,000	135,000	0	0.00%
Other Fees	40,181	65,000	65,000	0	0.00%
Bond Proceeds	0	3,244,000	3,744,000	500,000	15.41%
Transfer from Other Funds	987,577	860,000	1,068,309	208,309	24.22%
WATER FUND REVENUE TOTAL	\$9,290,204	\$12,938,227	\$13,798,137	\$859,910	6.65%
WASTEWATER (OPERATIONAL AND DEBT SERVICE FUNDS)					
Wastewater Sales Revenue	\$7,363,080	\$7,670,838	\$8,372,865	\$702,027	9.15%
Wastewater Connection Fees	5,120	20,000	20,000	0	0.00%
Wastewater Charge	46,010	65,000	65,000	0	0.00%
Other Fees	24,974	0	0	0	0.00%
Bond Proceeds	0	5,331,000	5,111,000	(220,000)	-4.13%
Transfer from Other Funds	607,335	430,000	1,155,152	725,152	168.64%
WASTEWATER REVENUE TOTAL	\$8,046,518	\$13,516,838	\$14,724,017	\$1,207,179	8.93%
GAS (OPERATIONAL AND DEBT SERVICE FUNDS)					
Gas Sales Revenue	\$43,626,915	\$35,526,106	\$35,660,983	\$134,877	0.38%
Other Fees	222,143	325,000	325,000	0	0.00%
Miscellaneous Revenue	112,501	0	0	0	0.00%
Transfer from Other Funds	1,059,493	1,150,000	1,150,000	0	0.00%
GAS REVENUE TOTAL	\$45,021,052	\$37,001,106	\$37,135,983	\$134,877	0.36%

	FY 2007-2008 Actual	FY 2008-2009 Budget	FY 2009-2010 Budget	Increase/ (Decrease)	% Change
TRANSIT FUND					
Intergovernmental Revenue (Transit Operations)	\$2,997,230	\$3,427,874	\$3,471,919	\$44,045	1.28%
Intergovernmental Revenue (Transit Bus Replacement)	415,488	327,580	1,032,242	704,662	215.11%
Transfer from Capital Improvement Program (Local Match)	230,637	62,397	196,618	134,221	215.11%
Charges for Services	797,378	713,464	744,127	30,663	4.30%
Transfer from General Fund	1,586,596	1,965,371	1,768,834	(196,537)	-10.00%
Misc. Revenue	97,310	52,908	59,969	7,061	13.35%
TRANSIT FUND REVENUE TOTAL	\$6,124,640	\$6,549,594	\$7,273,709	\$724,115	11.06%
FLEET MANAGEMENT FUND					
Charges for Services	\$2,729,128	\$1,065,512	\$1,041,814	(\$23,698)	-2.22%
FLEET MANAGEMENT FUND REVENUE TOTAL	\$2,729,128	\$1,065,512	\$1,041,814	(\$23,698)	-2.22%
HVAC FUND					
Charges for Services	\$419,633	\$431,547	\$433,439	\$1,892	0.44%
HVAC FUND REVENUE TOTAL	\$419,633	\$431,547	\$433,439	\$1,892	0.44%
INFORMATION TECHNOLOGY FUND					
Charges for Services - IT Operations	\$1,865,034	\$2,024,311	\$2,013,853	(\$10,458)	-0.52%
Charges for Services - GIS Operations	119,876	37,391	38,100	709	1.90%
Computer Replacement Pool	175,369	157,092	140,628	(16,464)	-10.48%
Infrastructure Replacement Pool	437,742	198,732	188,105	(10,627)	-5.35%
Transfer from Gas Fund (City Link Operations)	1,250,000	1,300,000	1,350,000	50,000	3.85%
Transfer from Non General Funds (City Link Operations)	200,000	200,000	200,000	0	0.00%
INFORMATION TECHNOLOGY FUND REVENUE TOTAL	\$4,048,020	\$3,917,526	\$3,930,686	\$13,160	0.34%
WAREHOUSE FUND					
Charges for Services	\$156,644	\$145,480	\$160,890	\$15,410	10.59%
WAREHOUSE FUND REVENUE TOTAL	\$156,644	\$145,480	\$160,890	\$15,410	10.59%
C'VILLE/ALBEMARLE VISITORS CENTER FUND					
Intergovernmental Revenue	\$476,181	\$545,720	\$636,927	\$91,207	16.71%
Charges for Services	43,654	65,100	28,000	(37,100)	-56.99%
Transfer from General Fund	525,021	589,109	619,143	30,034	5.10%
Misc. Revenue	5,932	0	0	0	0.00%
VISITOR'S CENTER FUND REVENUE TOTAL	\$1,050,788	\$1,199,929	\$1,284,070	\$84,141	7.01%
CITY SCHOOLS BUDGET					
	FY 2007-2008 Actual	FY 2008-2009 Budget	FY 2009-2010 Budget	Increase/ (Decrease)	% Change
SCHOOL OPERATIONS (NON GENERAL FUNDS)					
Local Contribution	\$761,200	\$1,665,449	\$1,589,773	(\$75,676)	-4.54%
State Revenue	4,129,757	4,358,415	4,369,753	11,338	0.26%
Federal Revenue	5,590,382	5,725,369	5,727,831	2,462	0.04%
Misc. Revenue	1,687,191	1,648,614	1,721,221	72,607	4.40%
SCHOOL OPERATIONS (NON GENERAL FUND) REVENUE TOTAL	\$12,168,530	\$13,397,847	\$13,408,578	\$10,731	0.08%

Expenditures Detailed

	FY2007-2008	FY2008-2009	FY2009-2010	FY2007-2008	FY2008-2009	FY2009-2010
	General Fund	General Fund	General Fund	Other Funds	Other Funds	Other Funds
	Actual	Budget	Budget	Actual	Budget	Budget
MANAGEMENT						
Council Priority Initiatives	\$17,087	\$40,004	\$232,444	\$0	\$0	\$0
Mayor and City Council	226,502	251,858	234,561	0	0	0
Office of the City Manager/Administration and Communications	1,053,260	1,153,676	1,160,421	0	0	0
Office of the City Manager/ Office of Economic Development	585,036	587,766	587,489	0	0	0
City Attorney	704,723	682,491	706,094	0	0	0
General Registrar	364,642	376,192	365,829	0	0	0
Organizational Memberships	114,600	135,857	134,354	0	0	0
MANAGEMENT SUBTOTAL	\$3,065,850	\$3,227,844	\$3,421,192	\$0	\$0	\$0
NON-DEPARTMENTAL						
Non-Departmental Activities	\$0	\$80,000	\$146,000	\$0	\$0	\$0
NON-DEPARTMENTAL SUBTOTAL	\$0	\$80,000	\$146,000	0	\$0	\$0
DEBT SERVICE PAYMENT						
General Fund Contribution	\$5,708,566	\$5,700,000	\$5,700,000	\$0	\$0	\$0
General Fund Contribution - Fire Apparatus	350,000	350,000	350,000	0	0	0
County Fire Service Fee Contribution	132,000	100,000	642,000	0	0	0
DEBT SERVICE PAYMENT SUBTOTAL	\$6,190,566	\$6,150,000	\$6,692,000	\$0	\$0	\$0
FUND BALANCE TARGET ADJUSTMENT						
Fund Balance Target Adjustment	\$0	\$500,000	\$500,000	\$0	\$0	\$0
FUND BALANCE TARGET ADJUSTMENT	\$0	\$500,000	\$500,000	\$0	\$0	\$0
EMPLOYEE COMPENSATION AND TRAINING						
Compensation	\$0	\$1,446,960	\$0	\$0	\$0	\$0
FY 2010 Salary Accrual	0	0	150,000	0	0	0
City Wide Attrition Savings	0	(300,000)	0	0	0	0
City Wide Market Rate Adjustments	0	350,000	0	0	0	0
Unemployment Compensation	20,778	60,000	60,000	0	0	0
Corporate Training Fund	13,181	35,000	35,000	0	0	0
Miscellaneous Expenses	154,279	200,000	200,000	0	0	0
EMPLOYEE COMPENSATION AND TRAINING SUBTOTAL	\$188,238	\$1,791,960	\$445,000	\$0	\$0	\$0
INTERNAL SERVICES						
Finance Department: Purchasing/Risk Management/Warehouse	\$266,518	\$271,183	\$299,203	\$2,870,612	\$2,474,864	\$2,580,461
Human Resources	873,342	1,034,141	1,005,275	0	0	0
Information Technology	0	0	0	4,589,341	3,917,526	4,522,686
INTERNAL SERVICES SUBTOTAL	\$1,139,860	\$1,305,324	\$1,304,478	\$7,459,954	\$6,392,390	\$7,103,147
FINANCIAL SERVICES						
Commissioner of the Revenue	\$987,265	\$1,021,431	\$1,043,369	\$0	\$0	\$0
Finance Department: Administrative/Real Estate Assessment/ Utility Billing Office	1,868,853	1,939,820	1,974,565	900,069	1,494,719	1,478,026
Treasurer	1,154,912	1,134,740	1,150,125	0	0	0
FINANCIAL SERVICES SUBTOTAL	\$4,011,030	\$4,095,991	\$4,168,059	\$900,069	\$1,494,719	\$1,478,026

	FY2007-2008 General Fund Actual	FY2008-2009 General Fund Budget	FY2009-2010 General Fund Budget	FY2007-2008 Other Funds Actual	FY2008-2009 Other Funds Budget	FY2009-2010 Other Funds Budget
HEALTHY FAMILIES & COMMUNITY						
Charlottesville Albemarle Convention & Visitors Bureau	\$525,021	\$589,109	\$619,143	\$577,130	\$610,820	\$664,927
Comprehensive Services Act	2,360,029	2,400,058	2,950,058	6,764,807	6,782,951	8,539,712
Community Attention	171,192	216,632	238,763	2,112,581	2,266,839	3,485,886
Community Events and Festivals	62,938	101,700	101,700	0	0	0
Contributions to Children, Youth and Family Programs	3,243,526	3,364,543	3,428,336	0	0	0
Contributions to Education and the Arts	1,499,521	1,603,440	1,610,954	0	0	0
Department of Social Services	2,317,429	3,577,677	3,361,806	10,668,280	10,901,529	10,794,457
Housing Programs and Tax Relief	1,423,050	1,565,960	1,481,212	0	0	0
Neighborhood Development Services	2,679,839	2,898,102	2,852,487	0	0	0
Parks and Recreation	7,377,969	7,771,095	7,729,070	1,358,615	1,538,867	1,370,247
HEALTHY FAMILIES & COMMUNITY SUBTOTAL	\$21,660,514	\$24,088,316	\$24,373,529	\$21,481,414	\$22,101,006	\$24,855,229
INFRASTRUCTURE AND TRANSPORTATION						
Public Works: Administration, Facilities Management & Maint., HVAC Services	\$2,272,833	\$2,563,155	\$2,487,653	\$372,701	\$393,233	\$431,396
Public Works: Public Service	7,913,967	9,145,848	8,504,208	2,656,706	1,065,512	1,041,814
Public Works: Transit/JAUNT	2,345,189	2,757,190	2,476,900	4,538,044	4,584,223	5,504,875
Public Works: Utilities	0	0	0	55,327,859	61,773,038	63,526,522
INFRASTRUCTURE AND TRANSPORTATION SUBTOTAL	\$12,531,989	\$14,466,193	\$13,468,761	\$62,895,311	\$67,816,006	\$70,504,607
PUBLIC SAFETY AND JUSTICE						
City Sheriff	\$973,321	\$983,708	\$1,013,107	\$0	\$0	\$0
Commonwealth's Attorney	769,741	954,057	973,550	0	0	0
Contributions to Programs Supporting Public Safety & Justice	6,823,907	6,660,601	6,908,399	0	0	0
Courts and Other Support Services	956,272	995,648	1,067,589	0	0	0
Fire Department Operations	9,242,507	9,196,297	8,732,814	0	0	0
Police Department	13,470,373	13,097,675	13,548,701	0	0	0
PUBLIC SAFETY SUBTOTAL	\$32,236,121	\$31,887,986	\$32,244,160	\$0	\$0	\$0
LOCAL CONTRIBUTION TO SCHOOLS						
Local Contribution to Schools	\$39,101,809	\$39,781,531	\$40,209,612	\$0	\$0	\$0
SCHOOLS SUBTOTAL	\$39,101,809	\$39,781,531	\$40,209,612	\$0	\$0	\$0
TOTAL CITY OPERATIONS	\$120,125,977	\$127,375,145	\$126,972,791	\$92,736,747	\$97,804,121	\$103,941,009
DESIGNATED EXPENDITURES						
Contractual Services: Pupil Transportation	\$2,475,951	\$2,539,087	\$2,332,687	\$0	\$0	\$0
Contractual Services: School Building Maintenance	3,138,809	3,383,207	3,280,371	0	0	0
Transfer to Capital Improvements Program Fund	10,689,831	4,803,882	4,575,000	0	0	0
Transfer to Facilities Repair Fund	500,000	550,000	550,000	0	0	0
Transfer to Debt Service Fund (25% of Meals Tax Revenue)	1,681,905	1,756,250	1,725,000	0	0	0
Transfer to Equipment Replacement Fund	918,000	584,950	211,826	0	0	0
Transfer to Misc. Funds	341,504	0	0	0	0	0
DESIGNATED EXPENDITURES TOTAL	\$19,746,000	\$13,617,376	\$12,674,884	\$0	\$0	\$0
TOTAL GENERAL FUND OPERATING AND DESIGNATED EXPENDITURES	\$139,871,977	\$140,992,521	\$139,647,675	\$92,736,747	\$97,804,121	\$103,941,009
ECONOMIC DOWNTURN FUND						
Economic Downturn Fund	\$0	\$0	\$2,795,805	\$0	\$0	\$0
ECONOMIC DOWNTURN FUND	\$0	\$0	\$2,795,805	\$0	\$0	\$0
TOTAL CITY BUDGET	\$139,871,977	\$140,992,521	\$142,443,480	\$92,736,747	\$97,804,121	\$103,941,009
CITY SCHOOLS BUDGET						
	FY2007-2008 General Fund Actual	FY2008-2009 General Fund Budget	FY2009-2010 General Fund Budget	FY2007-2008 Other Funds Actual	FY2008-2009 Other Funds Budget	FY2009-2010 Other Funds Budget
SCHOOL OPERATIONS						
School Operations	\$48,991,081	\$56,396,227	\$54,893,155	\$12,839,543	\$13,397,847	\$13,408,578
TOTAL SCHOOL OPERATIONS BUDGET	\$48,991,081	\$56,396,227	\$54,893,155	\$12,839,543	\$13,397,847	\$13,408,578

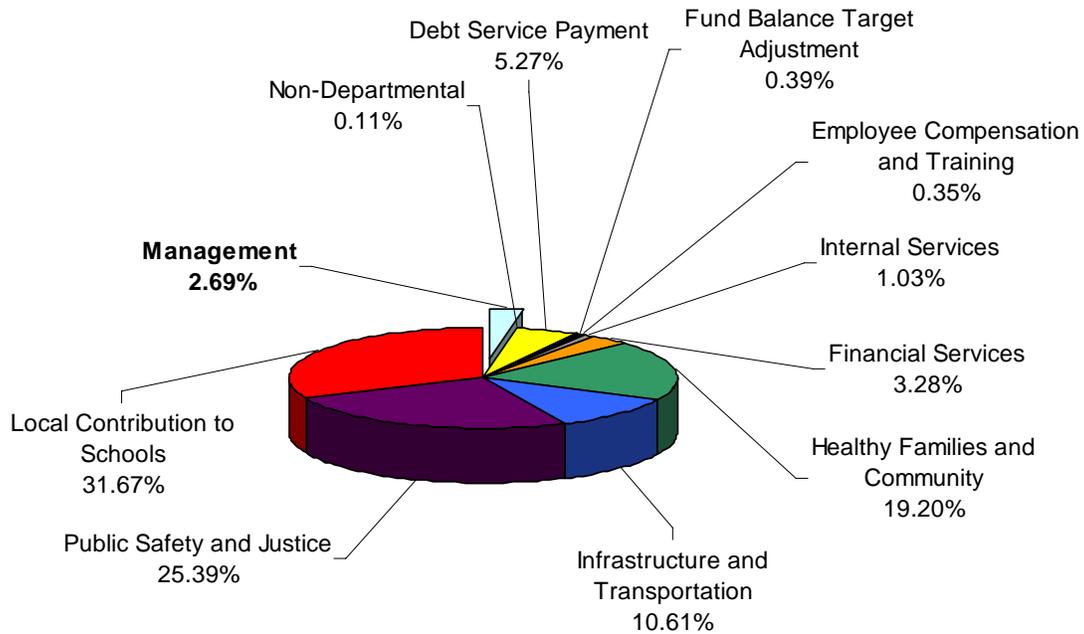
MANAGEMENT



Management Summary

	FY2007-2008 General Fund Actual	FY2008-2009 General Fund Budget	FY2009-2010 General Fund Budget	FY2007-2008 Other Funds Actual	FY2008-2009 Other Funds Budget	FY2009-2010 Other Funds Budget
MANAGEMENT						
Council Priority Initiatives: Unallocated	\$17,087	\$40,004	\$232,444	\$0	\$0	\$0
Mayor and City Council	226,502	251,858	234,561	0	0	0
City Manager's Office/Administration and Communications	1,053,260	1,153,676	1,160,421	0	0	0
City Manager's Office/ Office of Economic Development	585,036	587,766	587,489	0	0	0
City Attorney	704,723	682,491	706,094	0	0	0
General Registrar	364,642	376,192	365,829	0	0	0
Organizational Memberships	114,600	135,857	134,354	0	0	0
MANAGEMENT SUBTOTAL	\$3,065,850	\$3,227,844	\$3,421,192	\$0	\$0	\$0
2009-10 General Fund Budget	\$3,421,192					
2008-09 General Fund Budget	\$3,227,844					
Increase/(Decrease)	\$193,348					
Percentage Change	5.99%					

Management
As a percentage of operating budget



MANAGEMENT

ACCOMPLISHMENTS OF THE PAST YEAR

- ❖ The City Manager's Office received the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award for the FY 2008 – 2009 Adopted Operating and Capital Budget.
- ❖ The City Manager's Office helped the City of Charlottesville to receive the prestigious AAA bond rating from Standard & Poor's Corporation and the Aaa bond rating from Moody's Investor Services.
- ❖ The Office of Economic Development took a lead role in transforming the Charlottesville Community Job Fair into the largest job fair in the region. The April event attracted 70 employers and over 500 attendees.
- ❖ The Office of Economic Development completed a unique CD based resource entitled "How to Start a Business in Charlottesville VA." Over 300 copies of the CD are in circulation and this effort has been recognized with an award by the International Economic Development Council as an outstanding program.
- ❖ The Communications Office brought Channel 10 completely into City Hall allowing the City to have emergency access to broadcast and more control over content. This has also allowed the City to keep the Citizens better informed through "News Briefs" and full coverage of City press conferences, which has enabled the City of Charlottesville to get our full message to the public.
- ❖ The Communications Office carried out several website upgrades that offer enhanced services and functionality, that have led to significant increases in web usage.
- ❖ The Office of the General Registrar significantly exceeded its goal for voter registration with 4,185 new voters being registered in the City of Charlottesville from November 2007 to November 2008.
- ❖ The Office of the General Registrar instituted a new procedure to expedite the absentee voting process, accommodating a record 3,967 in person and by mail absentee voters.

Council Priority Initiatives

City Council Priority Initiatives provides a means for Council to initiate new programs or expand existing programs related to community priorities established by Council. Examples of programs that Council could consider include youth development and engagement opportunities, job development services, workforce development, transit enhancements, pedestrian safety, education programs, diversity initiatives, green city initiatives, infrastructure improvement, housing, sustainability and other programs which help achieve Council's Priorities.

Funding Summary	FY 07-08 Actual	FY 08-09 Budget	FY 09-10 Budget	Increase/ (Decrease)	% Change
Council Priority Initiatives					
Unallocated	\$17,087	\$40,004	\$5,994	(\$34,010)	-85.02%
Reserved - Efficiency Study Initiatives	0	0	60,000	60,000	100.00%
Reserved - SPCA	0	0	39,350	39,350	100.00%
Reserved - QCC Farms!	0	0	15,000	15,000	100.00%
Reserved - Workforce Initiatives					
CRHA Training Access	0	0	50,000	50,000	100.00%
Buford/CHS: Summer Workforce Program	0	0	35,000	35,000	100.00%
Walker/Buford: World of Work Academy	0	0	15,000	15,000	100.00%
CATEC: Transportation for Work Experiences	0	0	9,600	9,600	100.00%
CHS: Medical Sciences Club	<u>0</u>	<u>0</u>	<u>2,500</u>	<u>2,500</u>	<u>100.00%</u>
General Fund Total	\$17,087	\$40,004	\$232,444	\$192,440	481.05%

Notes: The FY 2010 funding that is reserved for the workforce initiatives (\$112,100) is allocated to programs that focus on workforce development.

An amount of \$60,000 is reserved to be used for initiatives coming from the City of Charlottesville's Efficiency Study.

Outside agency funding being held in reserve for the Charlottesville-Albemarle Society for the Prevention of Cruelty to Animals (SPCA) and QCC Farms programs, will be released to those agencies once certain conditions for funding are met including a review of their financial audits and the establishment of a new contract agreement between the City and the SPCA for pound services.

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, changing City Code and passing 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 meetings and 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.

Funding Summary	FY 07-08 Actual	FY 08-09 Budget	FY 09-10 Budget	Increase/ (Decrease)	% Change
Salaries and Benefits	\$152,214	\$172,636	\$175,935	\$3,299	1.91%
Other Expenditures	<u>74,288</u>	<u>79,222</u>	<u>58,626</u>	<u>(20,596)</u>	<u>-26.00%</u>
General Fund Total	\$226,502	\$251,858	\$234,561	(\$17,297)	-6.87%
General Fund FTEs	1.0	1.0	1.0	0.0	

Explanation of Changes: The decrease in Other Expenditures is the result of re-allocating \$15,000 to the Sister City program cost center (see Non-Departmental Activities, pg. 39), as well as eliminating non-mandated advertising costs, an additional savings of \$8,000.

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 website www.charlottesville.org, news and social media outlets, print advertisements, public appearances, and public service announcements. This office also manages and operates Government Access Channel 10, Public Access Channel 13, and Educational Access Channel 14.

In the coming year, the City Manager's Office will place an emphasis on a new approach in citizen involvement and the quality delivery and efficiency of City services. The City Manager's Office will follow the 2025 Vision adopted by City Council by finding appropriate ways to implement and promote programs that follow City Council's clear directive.

Funding Summary	FY 07-08 Actual	FY 08-09 Budget	FY 09-10 Budget	Increase/ (Decrease)	% Change
Salaries and Benefits	\$855,434	\$945,613	\$1,005,274	\$59,661	6.31%
Other Expenditures	<u>197,826</u>	<u>208,063</u>	<u>155,147</u>	<u>(52,916)</u>	<u>-25.43%</u>
General Fund Total	\$1,053,260	\$1,153,676	\$1,160,421	\$6,745	0.58%
General Fund FTEs	8.0	7.0	7.0	0.0	
Other Funded FTEs	1.0	1.0	1.0	0.0	

Explanation of Changes: The net increase in Salaries and Benefits can be attributed to the salary increase provided FY 2009, the elimination of the intern in the City Manager's Office, and the reallocation of budget from Other Expenditures to Salaries and Benefits in the Communications Office, in order to cover the cost of a contracted employee that is now a Long-term Temporary employee. Other Expenditures is also reduced in the areas of Dues and Subscriptions, Education and Training, Advertising, and Professional Services.

This section combines two departmental budgets that net an overall increase of 0.58%. The City Manager's Office budget is decreasing by \$5,112, or -0.61%, and the Office of Communications overall budget is increasing by 3.71%, or \$11,857.

	FY 10 Budget
<u>FY 10 Services</u>	
Administration	\$829,239
Communications	<u>331,182</u>
Total	\$1,160,421

Office of the City Manager/Office of Economic Development

The Office of Economic Development is the City’s primary vehicle for economic development services. Its mission is to serve as a catalyst for public and private initiatives that promote the long-term economic vitality of Charlottesville.

The Economic Development staff works to expand the tax base and to provide quality job opportunities for citizens through new business development, retention/expansion initiatives, and workforce training. The Office also coordinates and administers the functions of the Charlottesville Economic Development Authority (CEDA). The Authority issues revenue bonds and assists with front-end capital for projects.

Funding Summary	FY 07-08 Actual	FY 08-09 Budget	FY 09-10 Budget	Increase/ (Decrease)	% Change
Salaries and Benefits	\$496,440	\$492,933	\$499,492	\$6,559	1.33%
Other Expenditures	<u>88,596</u>	<u>94,833</u>	<u>87,997</u>	<u>(6,836)</u>	<u>-7.21%</u>
General Fund Total	\$585,036	\$587,766	\$587,489	(\$277)	-0.05%
General Fund FTEs	4.0	4.0	4.0	0.0	

Explanation of Changes: The net increase in Salaries and Benefits reflects the full accrual of the 4% salary increase granted in FY 2009, and a decrease in temporary salaries due to the reduction of intern hours. The decrease in Other Expenditures can be attributed to reductions to both General Insurance and phone service charges.

City Attorney

The City Attorney's Office is staffed with four attorneys 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 Economic Development Authority, and Charlottesville Redevelopment and Housing Authority, their managers and employees.

Funding Summary	FY 07-08 Actual	FY 08-09 Budget	FY 09-10 Budget	Increase/ (Decrease)	% Change
Salaries and Benefits	\$615,701	\$618,114	\$640,441	\$22,327	3.61%
Other Expenditures	<u>89,022</u>	<u>64,377</u>	<u>65,653</u>	<u>1,276</u>	<u>1.98%</u>
General Fund Total	\$704,723	\$682,491	\$706,094	\$23,603	3.46%
General Fund FTEs	6.0	6.0	6.0	0.0	

Explanation of Changes: The increase in Salaries and Benefits reflects the full accrual of the 4% salary increase granted in FY 2009. The net increase in Other Expenditures is due to an increase in General Insurance charges and reductions to other areas such as telephone charges, annual dues and computer replacement costs.

General Registrar

The Charlottesville Office of General Registrar 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 Department 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.

Funding Summary	FY 07-08 Actual	FY 08-09 Budget	FY 09-10 Budget	Increase/ (Decrease)	% Change
Salaries and Benefits	\$243,292	\$252,565	\$244,737	(\$7,828)	-3.10%
Other Expenditures	<u>121,350</u>	<u>123,627</u>	<u>121,092</u>	<u>(2,535)</u>	<u>-2.05%</u>
General Fund Total	\$364,642	\$376,192	\$365,829	(\$10,363)	-2.75%
General Fund FTEs	2.5	2.5	2.5	0.0	

Explanation of Changes: The net decrease in Salaries and Benefits is a result of fully realizing the 4% salary increase granted in FY 2009, and correctly budgeting the salary and benefits of a part-time Assistant Registrar who staffs the Department of Motor Vehicles on behalf of the Registrar. Increased costs for General insurance and Geographic information Systems access charges, and a decrease in phone service fees resulted in a net decrease of 2.05% in Other Expenditures.

There are two elections being budgeted in FY 2010: a local and State election in November and a June 2010 primary.

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, which provides planning and technical assistance to member governments through planning on a regional level.

The **Piedmont Workforce Network** responds to business needs for a skilled workforce, works with specific industry sectors to assist with increasing their productivity and competitiveness and aims to position the workforce development system to become part of the economic and community development initiatives for the Region.

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 **Alliance for Innovation** is a non-profit organization who partners with the International City/County Management Association and the University of Arizona, with a membership base of 430 city, town and county governments from 28 states, which provides city and county governments with the tools and information to improve productivity, and save time and money.

The **Virginia First Cities Coalition** is a statewide coalition of 17 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.

Streamwatch collects data and assesses stream conditions to assist watershed management efforts in the Rivanna Basin. Their monitoring is designed to support a "whole watershed" approach.

The **Central Virginia Small Business Development Center** provides management, marketing, planning, operational, and financial and other assistance to existing and pre-venture small and mid-sized businesses in the region.

Funding Summary	FY07-08 Actual	FY08-09 Budget	FY09-10 Budget	Increase/ (Decrease)	% Change
Virginia Municipal League	\$12,596	\$13,447	\$13,447	\$0	0.00%
Chamber of Commerce	1,260	2,500	2,500	0	0.00%
Thomas Jefferson Planning District Commission	46,860	46,860	46,860	0	0.00%
Piedmont Workforce Network	0	0	6,047	6,047	100.00%
Virginia Institute of Government	2,500	2,500	2,500	0	0.00%
Alliance for Innovation	2,500	2,500	2,500	0	0.00%
Virginia First Cities Coalition	17,194	18,000	18,000	0	0.00%
Thomas Jefferson Regional Partnership for Economic Dev.	12,500	12,500	12,500	0	0.00%
Thomas Jefferson Soil and Water Conservation District	1,000	10,000	10,000	0	0.00%
Streamwatch	0	10,000	10,000	0	0.00%
ICMA Performance Measurement Consortium	8,190	7,550	0	(7,550)	-100.00%
Central Virginia Small Business Development Center	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>0</u>	<u>0.00%</u>
General Fund Total Contributions	\$114,600	\$135,857	\$134,354	(\$1,503)	-1.11%



Non Departmental Activities

Non Departmental Activities are multi-purpose appropriations that cannot be assigned to a specific City Department or they span across departmental functions.

Sister City Committee supports the City’s activities to enhance and develop relationships with its Sister Cities: Poggio a Caiano, Italy; Besancon, France; Long Beach, Washington and Plevin, Bulgaria. Funds were re-allocated from the City Council budget to this cost center, accounting for the \$10,000 increase.

Green City Initiatives supports the Citizens Committee on Environmental Sustainability (CCoES). Examples of funding usage include a public education campaign focused on energy efficiency, joining the Streamwatch partnership to gather and analyze stream health data for the City, and sponsoring an environmental conference.

Charlottesville Weed and Seed Network is a federal, state and local grant strategy sponsored by the U.S. Attorney for the Western District of Virginia, designed to help to reduce illicit, open-air drug trafficking (weeding), through coordinated prevention, intervention and treatment opportunities, community policing, and neighborhood restoration (seeding).

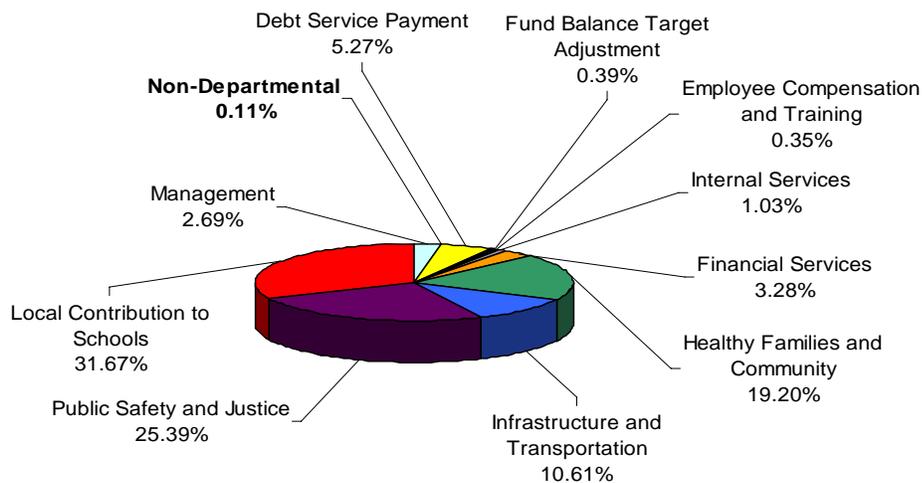
The **Community Dialogue on Race** will engage our residents in an on-going discussion to better understand each other, our backgrounds, our history, our perceptions and how past actions continue to affect life in Charlottesville today.

There is also a small operational budget proposed to support the **P3: Plan, Perform, Perfect** initiative, the City’s performance management and measurement program.

Funding Summary	FY 07-08 Actual	FY 08-09 Budget	FY 09-10 Budget	Increase/ (Decrease)	% Change
Sister City Committee	\$0	\$5,000	\$15,000	\$10,000	200.00%
Green City Initiatives	0	50,000	50,000	0	0.00%
Weed and Seed Administration	0	25,000	25,000	0	0.00%
Community Dialogue on Race	0	0	50,000	50,000	100.00%
P3: Plan, Perform, Perfect	<u>0</u>	<u>0</u>	<u>6,000</u>	<u>6,000</u>	<u>100.00%</u>
General Fund Total	\$0	\$80,000	\$146,000	\$66,000	82.50%

Non-Departmental Activities

As a percentage of operating budget





Debt Service Payment

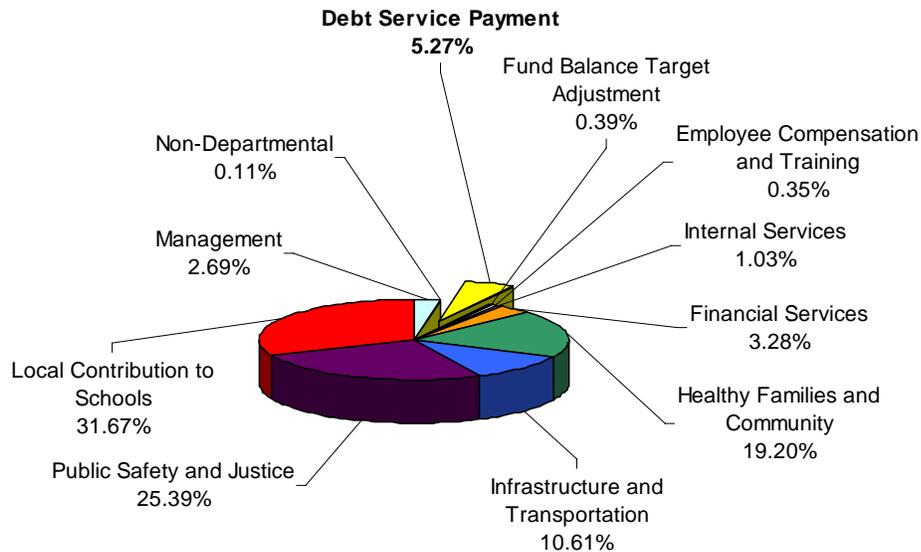
The General Fund contribution to the City’s annual debt service payments on general purpose, school, and literary bonds is shown in this part of the budget. The City has several major, long-term capital needs, such as School and City building maintenance, Fire Station construction, neighborhood improvements, transportation needs, and Parks and Recreation improvements. (See Capital Improvement Program Fund on pg. 91 and Debt Service Fund detail on pg. 97).

Funding Summary	FY 07-08 Actual	FY 08-09 Budget	FY 09-10 Budget	Increase/ (Decrease)	% Change
General Fund Contribution	\$5,708,566	\$5,700,000	\$5,700,000	\$0	0.00%
General Fund Contribution - Fire Apparatus	350,000	350,000	350,000	0	0.00%
General Fund contribution - County					
Fire Service Fee	<u>132,000</u>	<u>100,000</u>	<u>642,000</u>	<u>542,000</u>	<u>542.00%</u>
General Fund Total	\$6,190,566	\$6,150,000	\$6,692,000	\$542,000	8.81%

In addition to the funding shown above, there is **\$1.72 million** in **Meals Tax Revenue** allocated to this fund which appears under the Designated Expenditures portion of the General Fund. A portion of the General Fund contribution, **\$992,000**, is dedicated to payment of debt on already purchased fire apparatus and builds up a fund balance for future purchases. The revenue the City receives from the County for their fire services contract is the main source of funding for this item.

Debt Service Payment

As a percentage of operating budget





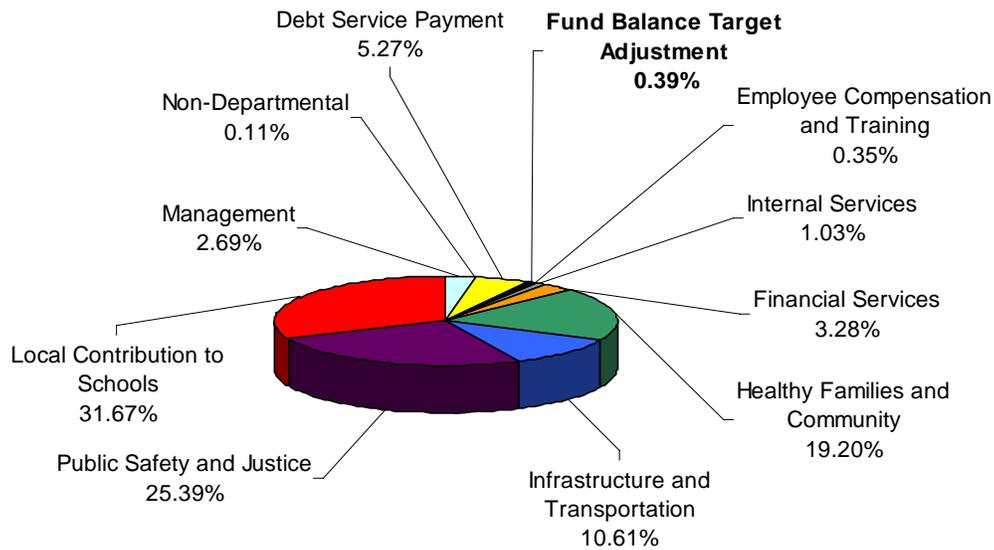
Fund Balance Target Adjustment

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 2005, is adjusted each year to help ensure that the City continues to meet this important financial policy.

Funding Summary	FY 07-08 Actual	FY 08-09 Budget	FY 09-10 Budget	Increase/ (Decrease)	% Change
Fund Balance Target Adjustment	\$0	\$500,000	\$500,000	\$0	0.00%
General Fund Total	\$0	\$500,000	\$500,000	\$0	0.00%

Fund Balance Target Adjustment

As a percentage of operating budget





Employee Compensation and Training

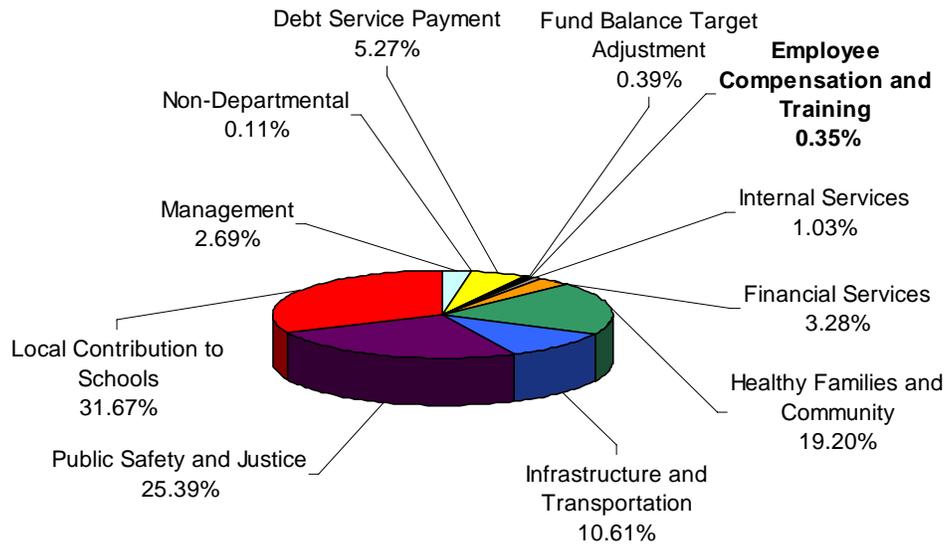
This pool provides funds for citywide employee compensation and training. Some items covered by this funding include the annual salary accrual; unemployment compensation; a corporate training fund, which funds citywide training opportunities; funding for the end of the fiscal year salary accrual; and the employee parking subsidy, which helps to alleviate the parking issues City employees face who work in City Hall and the City Hall Annex.

Due to economic downturns and the increased fiscal strain faced by the City of Charlottesville no across the board salary increases will be provided in FY 2010.

Funding Summary	FY 07-08 Actual	FY 08-09 Budget	FY 09-10 Budget	Increase/ (Decrease)	% Change
Compensation	\$0	\$1,396,960	\$0	(\$1,396,960)	-100.00%
FY 2010 Salary Accrual	0	0	150,000	150,000	100.00%
Citywide Attrition Savings	0	(300,000)	0	300,000	-100.00%
Citywide Market Rate Adjustments	0	350,000	0	(350,000)	-100.00%
Police Department Adjustments	0	25,000	0	(25,000)	-100.00%
Fire Department Adjustments	0	25,000	0	(25,000)	-100.00%
Unemployment Compensation	20,778	60,000	60,000	0	0.00%
Corporate Training Fund	13,181	35,000	35,000	0	0.00%
Miscellaneous Expenses	<u>154,279</u>	<u>200,000</u>	<u>200,000</u>	<u>0</u>	<u>0.00%</u>
General Fund Total	\$188,238	\$1,791,960	\$445,000	(\$1,346,960)	-75.17%

Employee Compensation and Training

As a percentage of operating budget





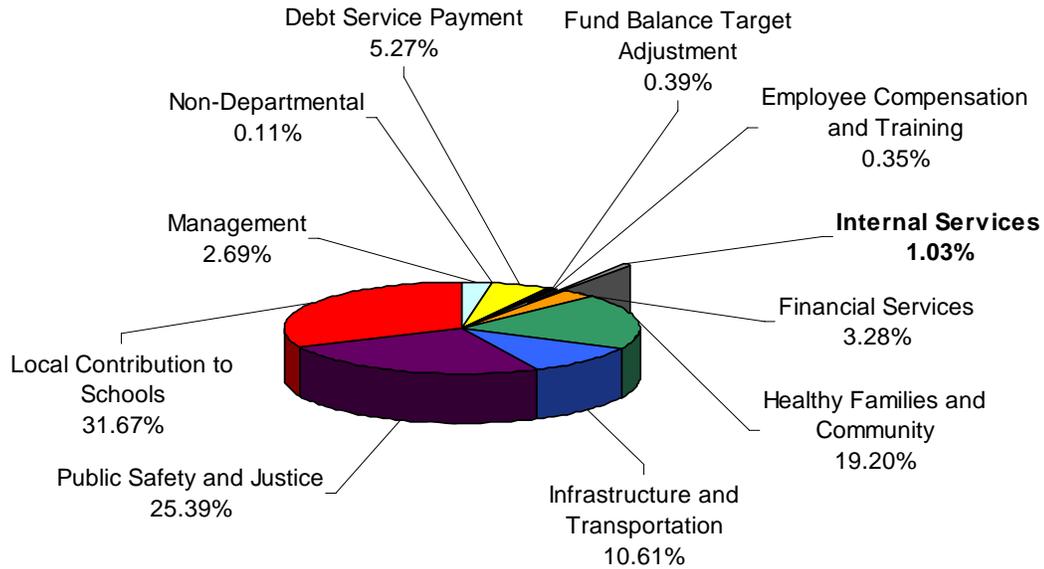


INTERNAL SERVICES

Internal Services Summary

	FY2007-2008 General Fund Actual	FY2008-2009 General Fund Budget	FY2009-2010 General Fund Budget	FY2007-2008 Other Funds Actual	FY2008-2009 Other Funds Budget	FY2009-2010 Other Funds Budget
INTERNAL SERVICES						
Finance Department: Purchasing/Risk Management/Warehouse	\$266,518	\$271,183	\$299,203	\$2,870,612	\$2,474,864	\$2,580,461
Human Resources	873,342	1,034,141	1,005,275	0	0	0
Information Technology	0	0	0	4,589,341	3,917,526	4,522,686
INTERNAL SERVICES SUBTOTAL	\$1,139,860	\$1,305,324	\$1,304,478	\$7,459,954	\$6,392,390	\$7,103,147
2009-10 General Fund Budget	\$1,304,478					
2008-09 General Fund Budget	\$1,305,324					
Increase/(Decrease)	(\$846)					
Percentage Change	-0.06%					

Internal Services
As a percentage of operating budget



INTERNAL SERVICES

ACCOMPLISHMENTS OF THE PAST YEAR

- ❖ The Finance Department's Purchasing division continued the procurement review program which reviews decentralized purchases in order to offer support and guidance on streamlining the process and to continue insuring legal compliance.
- ❖ The Finance Department's Purchasing division continued progress on green procurement action.
- ❖ The Human Resources Department implemented wellness, health risk management, and other cost containment initiatives that helped achieve a 2% increase in medical insurance rates for FY 2008-09 and no increase for FY 2009-10.
- ❖ The Human Resources Department converted Medicare eligible retirees to fully insured MediGap Advantage Plan resulting in cost savings for the retirees and the City while maintaining similar benefits.
- ❖ The Finance Department's Warehouse division established a contract for the sale of surplus property by online auction with GovDeals, which should generate increased revenue for the Warehouse fund.
- ❖ The Finance Department's Warehouse division continued moving to just-in-time inventory reducing the amount of inventory in the Warehouse and providing greater efficiency in the acquisition of goods and materials.
- ❖ Information Technology planned and funded an award winning 2008 Mid-Atlantic "Going Green" infrastructure upgrade project.
- ❖ Information Technology improved business continuity for the City through the installation of a new uninterruptible power supply to the City's data center.
- ❖ The Finance Department's Risk Management division implemented an OSHA-compliant Hazard Communications program in Public Works. More than 172 employees were trained and a web-based chemical ID program implemented.

**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 coordinates 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 07-08 Actual	FY 08-09 Budget	FY 09-10 Budget	Increase/ (Decrease)	% Change
Salaries and Benefits	\$394,386	\$412,428	\$434,022	\$21,594	5.24%
Other Expenditures	<u>2,742,744</u>	<u>2,333,619</u>	<u>2,445,642</u>	<u>112,023</u>	<u>4.80%</u>
Total	\$3,137,130	\$2,746,047	\$2,879,664	\$133,617	4.87%
General Fund Total	\$266,518	\$271,183	\$299,203	\$28,020	10.33%
Non-General Fund Total	<u>2,870,612</u>	<u>2,474,864</u>	<u>2,580,461</u>	<u>105,597</u>	<u>4.27%</u>
Total	\$3,137,130	\$2,746,047	\$2,879,664	\$133,617	4.87%
General Fund FTEs	3.5	3.5	3.5	0.0	
Non-General Fund FTEs	2.5	2.5	2.5	0.0	

Explanation of Changes: Increases in Salaries and Benefits can be attributed to the 4% salary increase granted during FY 2009, and an increase in retirement costs associated with the hiring of a new employee. In Other Expenditures, the increase is due mainly to changes in general insurance premiums and workers compensation rates for the City departments in the Risk Management budget.

FY 10 Services	FY 10 Budget
Purchasing	\$299,203
Risk Management	2,436,990
Warehouse	<u>143,471</u>
Total	\$2,879,664

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 2009-10 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 07-08 Actual	FY 08-09 Budget	FY 09-10 Budget	Increase/ (Decrease)	% Change
Salaries and Benefits	\$580,620	\$682,171	\$671,060	(\$11,111)	-1.63%
Other Expenditures	<u>292,722</u>	<u>351,970</u>	<u>334,215</u>	<u>(17,755)</u>	<u>-5.04%</u>
General Fund Total	\$873,342	\$1,034,141	\$1,005,275	(\$28,866)	-2.79%
General Fund FTEs	8.0	8.0	8.0	0.0	

Explanation of Changes: The net decrease in Salaries and Benefits can be attributed to the 4% salary increase granted during FY 2009 and a reduction in the amount of funding for temporary employees. Within Other Expenditures, general insurance and workers compensation increased, while funding for advertising and funding for education and training was decreased to better reflect historical budget actuals.

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 07-08 Actual	FY 08-09 Budget	FY 09-10 Budget	Increase/ (Decrease)	% Change
Salaries and Benefits	\$1,223,574	\$1,686,262	\$1,653,300	(\$32,962)	-1.95%
Other Expenditures	1,869,834	1,790,662	1,918,823	128,161	7.16%
Technology Capital Investments	1,495,933	440,602	358,563	(82,039)	-18.62%
Transfer to Capital Projects	<u>0</u>	<u>0</u>	<u>592,000</u>	<u>592,000</u>	<u>100.00%</u>
Non-General Fund Total	\$4,589,341	\$3,917,526	\$4,522,686	\$605,160	15.45%
Non-General Fund FTEs	18.00	18.00	18.00	0.0	

Explanation of Changes: The net decrease in Salaries and Benefits can be attributed to a 4% salary increase granted in FY 2009, decreased funding for Interns, and moving funding in the Geographic Information Systems (GIS) Operations budget from Temporary Salaries to professional services in order to hire outside contractors to assist with GIS updates. Other Expenditures is increasing as a result of additional funds for maintenance support contracts and the funding shift in GIS Operations from Temporary Salaries to professional services.

The Technology Capital Investments include funds for replacement of desktop computers and citywide infrastructure and system replacement needs. The increase is due to a one-time transfer from the Information Technology fund balance to the Capital Improvement Fund for the purpose of completing a major citywide technology infrastructure upgrade.

The total budget for City Link is \$1,550,000, 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 server replacement.

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 to the Computer Replacement and the Technology Infrastructure Replacement pools.

FY 10 Services	FY 10 Budget
Information Technology Operations	\$2,013,853
City Link Operations	1,550,000
GIS Operations	38,100
Computer Replacement Pool	140,628
Technology Infrastructure Replacement	188,105
Transfer to Capital Projects	<u>592,000</u>
Total	\$4,522,686



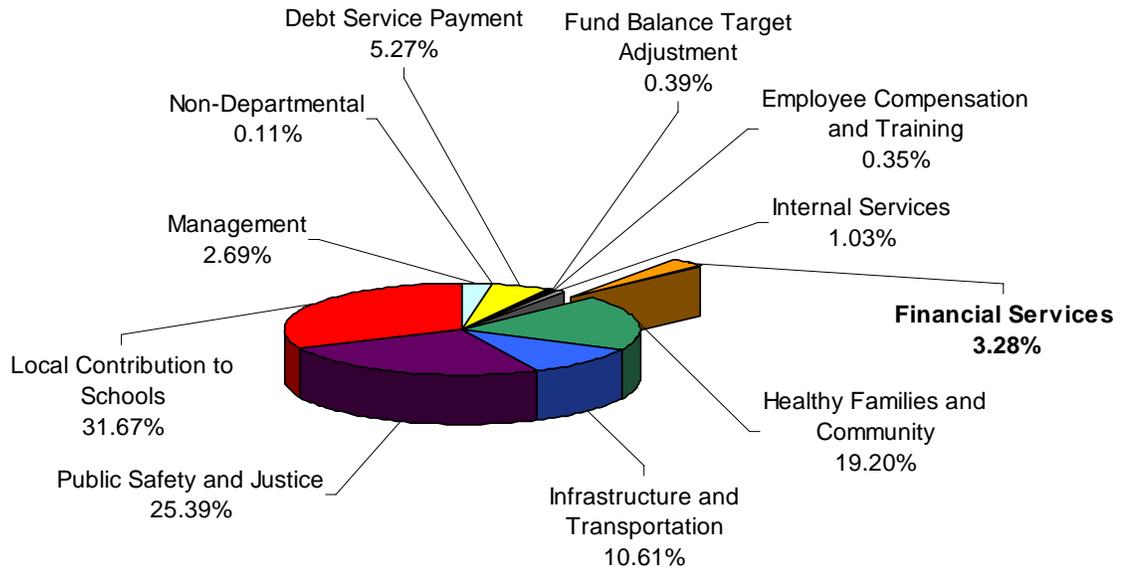


FINANCIAL SERVICES

Financial Services Summary

	FY2007-2008	FY2008-2009	FY2009-2010	FY2007-2008	FY2008-2009	FY2009-2010
	General Fund Actual	General Fund Budget	General Fund Budget	Other Funds Actual	Other Funds Budget	Other Funds Budget
FINANCIAL SERVICES						
Commissioner of the Revenue	\$987,265	\$1,021,431	\$1,043,369	\$0	\$0	\$0
Finance Department: Administrative/Real Estate	1,868,853	1,939,820	1,974,565	900,069	1,494,719	1,478,026
Assessment/Utility Billing Office						
Treasurer	1,154,912	1,134,740	1,150,125	0	0	0
FINANCIAL SERVICES SUBTOTAL	\$4,011,030	\$4,095,991	\$4,168,059	\$900,069	\$1,494,719	\$1,478,026
2009-10 General Fund Budget	\$4,168,059					
2008-09 General Fund Budget	\$4,095,991					
Increase/(Decrease)	\$72,068					
Percentage Change	1.76%					

Financial Services
As a percentage of operating budget



FINANCIAL SERVICES

ACCOMPLISHMENTS OF THE PAST YEAR

- ❖ The Treasurer's Office successfully implemented the installation of new credit card terminals at CSR stations throughout the city, some of which were upgrades to existing terminals already accepting credit cards, with the addition of machines that include the "Telecheck" feature. These features have significantly increased customer convenience, front counter efficiency and reduced the number of returned checks.
- ❖ The Treasurer's Office, in order to better meet citizen trash disposal needs, worked closely with the Department of Public Works to put into service two additional sizes of annual trash decals to now include 50 and 64 gallon decals in addition to the 32 and 96 gallon decals that were being offered.
- ❖ The Real Estate Assessor's Office completed a successful reassessment cycle while revamping the Sales Verification form to better address needs and concerns of the sellers as well as buyers.
- ❖ The Commissioner of Revenue's Office streamlined the audit process for business license and business personal property, and resolved challenges that were a result of the State converting to a new database system.
- ❖ The Commissioner of Revenue's Office sent out over 6,000 tax relief applications.
- ❖ The Utility Billing Office processed 404 Gas Assistance Program (GAP) requests for funds and distributed \$97,253 to gas utility customers; provided 180 water utility customers with rebates for installation of low-flow toilets (302 toilets for \$30,072); provided 58 gas utility customers with thermostat rebates for installing programmable energy saving thermostats (\$5,191).
- ❖ Finance Administration received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the FY 2007 Comprehensive Annual Financial Report (CAFR) for the 28th consecutive award year.
- ❖ Finance Administration helped the City of Charlottesville to receive the prestigious AAA bond rating from Standard & Poor's Corporation and the Aaa bond rating from Moody's Investor Services.

Commissioner of the Revenue

The Commissioner of the Revenue is responsible for the fair, accurate and legal assessment of tangible personal property, and for administering ordinances relating to Personal Property Tax Relief, Public Service Corporation Tax, Bank Stock Tax, Vehicle Daily Rental, Business, Professional and Occupational Licenses, Meals Tax, Transient Lodging Tax, Consumer Utility Tax, Consumption Tax and Short-term Daily Rental Tax. This office is authorized to facilitate dealer compliance with state sales tax laws by assisting with the completion of reports and accepting reports/payments of sales taxes collected. The Commissioner of the Revenue and staff assist those who require help with filing required Virginia Income Tax Returns, assist with refund requests for taxes paid in error for local or state taxes, and assist applicants with affidavits necessary for Real Estate Tax Relief and Rental Relief for the Elderly and Disabled programs. For these services, the City receives reimbursement for a portion of the Commissioner of Revenue’s budget from the Commonwealth of Virginia.

Funding Summary	FY 07-08 Actual	FY 08-09 Budget	FY 09-10 Budget	Increase/ (Decrease)	% Change
Salaries and Benefits	\$800,372	\$808,886	\$835,700	\$26,814	3.31%
Other Expenditures	<u>186,893</u>	<u>212,545</u>	<u>207,669</u>	<u>(4,876)</u>	<u>-2.29%</u>
General Fund Total	\$987,265	\$1,021,431	\$1,043,369	\$21,938	2.15%
General Fund FTEs	13.0	13.0	13.0	0.0	

Explanation of Changes: The increase in Salaries and Benefits are due to the full accrual of the 4% salary increase granted during FY 2009. The net decrease in Other Expenditures can be attributed to increases in General Insurance and Workers Comp Insurance, and decreases in telephone service cost and in GIS access and maintenance fees.

Finance Department
Administrative
Real Estate Assessment
Utility Billing Office

The **Administrative** office of the Finance Department provides comprehensive financial management, accounting, and reporting services; pays all City employees and City bills; provides debt management services; is responsible for implementation of the Living Wage Ordinance; prepares a number of specialized technical reports including the annual utility rate study, official statements and prospectuses for bond issues, the City’s annual reports, the state mandated comparative cost report transmittal forms, and a variety of grant reports.

Real Estate Assessment is responsible for assessing 14,800 parcels in the City annually; maintains assessments for tax purposes at fair market value; and provides various services to homeowners, prospective homebuyers/sellers, realtors, title researchers, attorneys, land surveyors, other City departments, etc. This office is also responsible for the Tax Abatement and Supplemental Assessment Programs.

The **Utility Billing Office** is responsible for maintaining, billing and collecting over \$58 million in utility payments each year for gas, water and sewer service. They also handle requests to stop and start services, answer customer inquiries concerning their accounts and handle all billing maintenance entries necessary to send accurate and timely bills. The office handles over 50,000 customer inquiries annually and administers the Gas Assistance Program, which distributed over \$97,000 in fuel assistance in FY 2008.

Funding Summary	FY 07-08 Actual	FY 08-09 Budget	FY 09-10 Budget	Increase/ (Decrease)	% Change
Salaries and Benefits	\$2,336,629	\$2,506,309	\$2,542,555	\$36,246	1.45%
Other Expenditures	<u>432,292</u>	<u>928,230</u>	<u>910,036</u>	<u>(18,194)</u>	<u>-1.96%</u>
Total	\$2,768,922	\$3,434,539	\$3,452,591	\$18,052	0.53%
General Fund Total	\$1,868,853	\$1,939,820	\$1,974,565	\$34,745	1.79%
Non General Fund Total	<u>900,069</u>	<u>1,494,719</u>	<u>1,478,026</u>	<u>(16,693)</u>	<u>-1.12%</u>
Total	\$2,768,922	\$3,434,539	\$3,452,591	\$18,052	0.53%
General Fund FTEs	20.0	20.0	20.0	0.0	
Non General Fund FTEs	13.0	14.0	14.0	0.0	

Explanation of Changes: The increase in Salaries and Benefits represents the 4% salary increase granted during FY 2009 and a reduction in Temporary Salaries in the Utility Billing Office. Other Expenditures in Finance/Administrative reflects a decrease in the cost of the annual audit, in the Utility Billing Office reflects decreased cost for the rate report consultant contract, decreased cost for the printing of the utility bills, and increased cost for other contractual services paid to the Treasurer’s Office for assistance provide by three Customer Service Representatives.

	FY 10 Budget
FY 10 Services	
Administrative	\$1,236,288
Real Estate Assessment	738,277
Utility Billing Office	<u>1,478,026</u>
Total	\$3,452,591

Treasurer

The Treasurer's Office serves Charlottesville citizens by collecting, investing and ensuring the safekeeping of all City revenues. The office is the citizen's first point of contact for many City services requested of other departments, and as the collection point for all fees and taxes generated by or within the City, including utility bills, personal property, real estate, and state income taxes, vehicle license fees, business licenses, meals tax, trash decals, dog licenses and all other revenues collected by the City. The office is responsible for preparing and mailing personal property and real estate bills semi-annually, for collecting all tax payments, and for aggressively pursuing collection of delinquent revenues.

The Treasurer's Office is responsible for the administration and court process of parking tickets and the zone permit parking system, including the upkeep and maintenance of its applicable computer systems. The Treasurer invests all City reserve operational funds, bond funds and school funds to obtain the highest yield with minimal risk. The Treasurer's Office ensures the safekeeping of City revenues by balancing all cash received on a daily basis and reconciling all bank accounts on a monthly basis. The Treasurer also serves as the fiscal agent for the City Schools and the Charlottesville Albemarle Technical Education Center. The Treasurer also acts as the custodian for the City Retirement Fund, including the management of the individual managers, payments for the Fund's expenses, and preparing monthly reports for the Retirement Commission.

Funding Summary	FY 07-08 Actual	FY 08-09 Budget	FY 09-10 Budget	Increase/ (Decrease)	% Change
Salaries and Benefits	\$783,410	\$839,481	\$853,961	\$14,480	1.72%
Other Expenditures	<u>371,502</u>	<u>295,259</u>	<u>296,164</u>	<u>905</u>	<u>0.31%</u>
General Fund Total	\$1,154,912	\$1,134,740	\$1,150,125	\$15,385	1.36%
General Fund FTEs	13.0	13.0	13.0	0.0	

Explanation of Changes: The increase in Salaries and Benefits can be attributed to the full accrual of a 4% salary increase granted during FY 2009. Within Other Expenditures, increases are the result of additional funding for EGTS maintenance support and the cost of printing cigarette stamps, along with reductions in telephone and General Insurance charges.



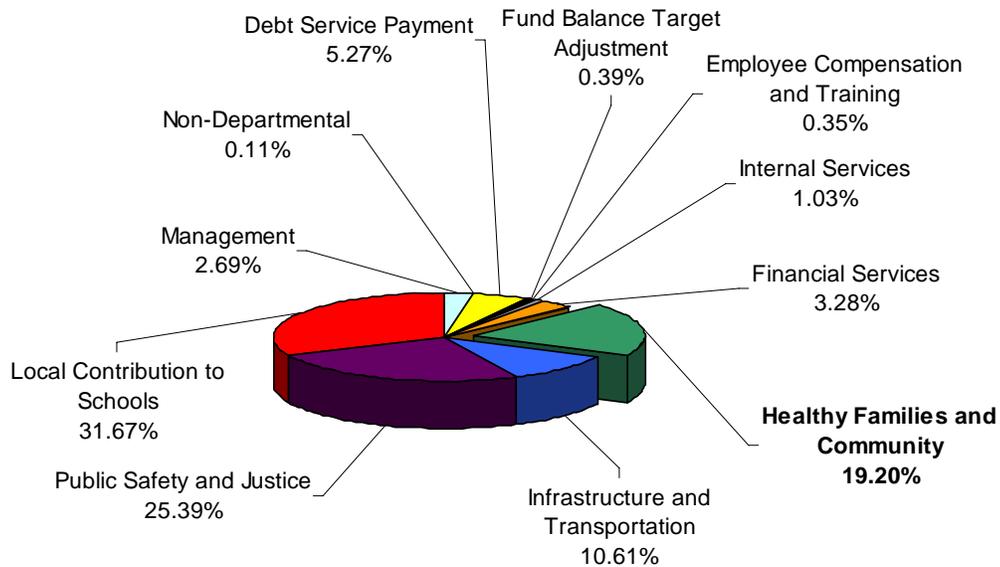
HEALTHY FAMILIES & COMMUNITY



Healthy Families & Community Summary	FY2007-2008	FY2008-2009	FY2009-2010	FY2007-2008	FY2008-2009	FY2009-2010
	General Fund	General Fund	General Fund	Other Funds	Other Funds	Other Funds
	Actual	Budget	Budget	Actual	Budget	Budget
HEALTHY FAMILIES & COMMUNITY						
Charlottesville Albemarle Convention & Visitors Bureau	\$525,021	\$589,109	\$619,143	\$577,130	\$610,820	\$664,927
Comprehensive Services Act	2,360,029	2,400,058	2,950,058	6,764,807	6,782,951	8,539,712
Community Attention	171,192	216,632	238,763	2,112,581	2,266,839	3,485,886
Community Events and Festivals	62,938	101,700	101,700	0	0	0
Contributions to Children, Youth and Family Programs	3,243,526	3,364,543	3,428,336	0	0	0
Contributions to Education and the Arts	1,499,521	1,603,440	1,610,954	0	0	0
Department of Social Services	2,317,429	3,577,677	3,361,806	10,668,280	10,901,529	10,794,457
Housing Programs and Tax Relief	1,423,050	1,565,960	1,481,212	0	0	0
Neighborhood Development Services	2,679,839	2,898,102	2,852,487	0	0	0
Parks and Recreation	7,377,969	7,771,095	7,729,070	1,358,615	1,538,867	1,370,247
HEALTHY FAMILIES & COMMUNITY SUBTOTAL	\$21,660,514	\$24,088,316	\$24,373,529	\$21,481,414	\$22,101,006	\$24,855,229
2009-10 General Fund Budget	\$24,373,529					
2008-09 General Fund Budget	\$24,088,316					
Increase/(Decrease)	\$285,213					
Percentage Change	1.18%					

Healthy Families & Community

As a percentage of operating budget



HEALTHY FAMILIES AND COMMUNITY

ACCOMPLISHMENTS OF THE PAST YEAR

- ❖ The Teens GIVE division of Community Attention coordinated a Summer Youth Employment program for 66 at-risk and low income City residents ages 14 to 18. This program was successfully completed by 60 (91%) of the participants
- ❖ In the Community Attention program, 84.6% of all participants avoided any further adjudicated charges during their enrollment in the program.
- ❖ Teens GIVE program participants completed over 9,200 hours of community service during the past year.
- ❖ The Child Protective Services division of Social Services exceeded federal target outcome for recurrence of maltreatment: no children previously found to have been maltreated had a recurrence in FY 2008 (federal standard for states is 6.1% or less).
- ❖ The Department of Social Services exceeded state and federal performance targets for work participation rate in the Virginia Initiative for Employment not Welfare (VIEW) program by 4%.
- ❖ The Youth Services Division of Parks and Recreation increased the total number of participants in the Summer Camp Program by 4% (23) in FY 2008 with 91% of the children attending free of charge.
- ❖ The Parks and Recreation Departments implemented a recycling program in all parks, centers, and pools, as well as the Mall and UVA corner.
- ❖ In 2008, the Golf Division of Parks and Recreation mentored over 350 youth participants in The First Tee program.
- ❖ Neighborhood Development Services completed the installation of a new permit processing system, which helped expedite plan processing, allowed credit cards to be used to purchase permits and produced better reports for the public.
- ❖ Neighborhood Development Services helped to secure legislation from the State that allows the City to obtain funding for affordable housing from projects that are seeking a zoning action.
- ❖ In FY 2008, the Charlottesville Albemarle Convention and Visitors Bureau booked 3,791 room nights for meetings and conferences.

Charlottesville Albemarle Convention & Visitors Bureau

The Charlottesville Albemarle Convention & Visitors Bureau (CACVB) is a regional program funded by the City, County and the private sector. The CACVB operates a visitor center on the East End of the Downtown Mall. The CACVB is responsible for marketing area tourism assets to leisure travelers, group tours and meeting planners to increase the economic benefits of tourism in the community.

Funding Summary	FY 07-08 Actual	FY 08-09 Budget	FY 09-10 Budget	Increase/ (Decrease)	% Change
Salaries and Benefits	\$529,197	\$639,748	\$587,239	(\$52,509)	-8.21%
Other Expenditures	<u>572,954</u>	<u>560,181</u>	<u>696,831</u>	<u>136,650</u>	<u>24.39%</u>
Total	\$1,102,151	\$1,199,929	\$1,284,070	\$84,141	7.01%
General Fund Total	\$525,021	\$589,109	\$619,143	\$30,034	5.10%
Non General Fund Total	<u>577,130</u>	<u>610,820</u>	<u>664,927</u>	<u>54,107</u>	<u>8.86%</u>
Total	\$1,102,151	\$1,199,929	\$1,284,070	\$84,141	7.01%

Explanation of Changes: The decrease in Salaries and Benefits is due to the reduction of hours for part-time personnel that were assigned to the Route 20 Visitors Center, which closed in FY 2009, resulting in the reorganization of part-time personnel. The net increase in Other Expenditures is the result of reductions in rent and telephone service charges and increases in advertising and marketing expenditures, tourism grants and sponsorships, and the addition of a contingency line item to in order to maintain the financial security of the CACVB.

Per agreements with the County and City, the CACVB receives a contribution from each equal to 25% of actual FY 2008 lodging tax revenues. The agreement is based on the 5% tax rate. (The Lodging Tax rate is 6% but the CACVB receives revenue based on 5%, which was the Lodging Tax rate when the agreement was adopted.)

Comprehensive Services Act

The Comprehensive Services Act (CSA), established in 1992 by the General Assembly, is a state-mandated interagency program that serves children who are in foster care or at risk of going into foster care, have certain special education needs, are involved in the Juvenile Court system and/or have serious emotional or behavioral problems. The latter two groups are not mandated by the State but can be served by CSA. CSA funds and services are administered by local interagency boards.

The CSA created a state pool of funds, previously funded by several different funding streams that went to separate agencies, and established a formula for local matching funds. Prior to July 1, 2008, Charlottesville’s match rate for all services was 30.68%. During the 2008 General Assembly session, legislators changed this formula and subsequently, the match rates changes in three phases. Percentages are applied to the locality’s current match rate percentage. For example, Charlottesville’s regular (“base” or “neutral”) match is 30.68%, so a 50% decrease would result in a rate of 15.34%.

- July 1 2008: rate for “community based services” decreases by 50% (Charlottesville’s rate changed to 15.34%).
- January 1, 2009: rate for “residential services” increases by 15% (after the first \$100,000 of expenditures). Charlottesville’s rate changes to 35.28%.
- July 1, 2009: rate for “residential services” increases by another 10%, to 25% above the base rate (after the first \$200,000 of expenditures). Charlottesville’s rate will then become 38.35%.
- Payments made to foster families will remain neutral and at the current “base” rate.

Funding Summary	FY 07-08	FY 08-09	FY 09-10	Increase/ (Decrease)	% Change
	Actual	Budget	Budget		
General Fund Total	\$2,360,029	\$2,400,058	\$2,950,058	\$550,000	22.92%
Non General Fund Total	<u>6,764,807</u>	<u>6,782,951</u>	<u>8,539,712</u>	<u>1,756,761</u>	<u>25.90%</u>
Total	\$9,124,836	\$9,183,009	\$11,489,770	\$2,306,761	25.12%

Note: The Non General Fund portion of this budget represents the State funded portion of CSA, \$7,621,856, and the City School’s portion, \$917,856.

The large increase in the local General Fund portion of CSA can be attributed to a State reduction in CSA reimbursements and the difficulty of predicting costs due to the above match rate changes since residential placement is very expensive and Charlottesville has a lot of children currently in residential placement. The System of Care model is intended to bring children back into the community, therefore taking advantage of “community based services” and the lowest match rate; but with implementation in its early stages, only time will tell if success is being made at the community level.

Community Attention

Community Attention provides a range of services including residential and community-based components. This agency strives to provide cost effective, user friendly, and clinically sound services in the context of interagency collaboration and active family involvement and responsibility. Community Attention attempts to individualize services for each client as needed, including making referrals to and coordinating with community services outside the agency. The program is primarily funded by the Virginia Juvenile Community Crime Control Act (VJCCCA) and the Comprehensive Services Act (CSA). Referrals may begin with any service component and transition to alternative or supplementary services.

- The Attention Home is a co-ed group home located at 414 4th St. N.E. in Charlottesville serving boys and girls ages 12-18 for both crisis and long-term residential placement. The program provides 24-hour supervision, case management, educational support, recreational activities, specialized topic and life-skill groups, and an option for supplemental services.
- Family Group Homes and Tri Area Foster Families are combining in FY10 to create a system of foster families for boys and girls from birth to 21 in Charlottesville, Albemarle, and surrounding counties with the ability to accept emergency placements and provide long term foster care leading to permanency.
- Teens GIVE is a Service-Learning, Character Education and Life Skills training program placing children ages 9–18 in relationship-based community agencies and volunteer projects. Supervised volunteer activities are supplemented with services that include mentoring, tutoring, character education, case management, counseling, reflection, and recreation activities.
- The Community Supervision Program provides case management, counseling, assessment, diversion, and supervisory services for community-based youth. Services include employment coaching and supervision, coordination of therapeutic services, transportation, and court-directed Electronic Monitoring. Community Attention also offers a series of skill building and life skill training groups for children ages 10-18. Topics include anger management, conflict resolution, job readiness, educational support, other relevant life skills and character education topics for at-risk youth.
- Teens GIVE also coordinates a Youth Internship Program for City of Charlottesville youth ages 14 to 18. The program teaches workplace readiness skills and provides participants with an opportunity to work and be exposed to a variety of job settings. Participants are taught how to effectively work with others in a group and provide additional help to City Departments, non-profits, local businesses, and the City schools.

Funding Summary	FY 07-08 Actual	FY 08-09 Budget	FY 09-10 Budget	Increase/ (Decrease)	% Change
Salaries and Benefits	\$1,621,127	\$1,722,463	\$2,198,887	\$476,424	27.66%
Other Expenditures	<u>662,646</u>	<u>761,008</u>	<u>1,525,762</u>	<u>764,754</u>	<u>100.49%</u>
Total	\$2,283,773	\$2,483,471	\$3,724,649	\$1,241,178	49.98%
General Fund Total	\$171,192	\$216,632	\$238,763	\$22,131	10.22%
Non General Fund Total	<u>2,112,581</u>	<u>2,266,839</u>	<u>3,485,886</u>	<u>1,219,047</u>	<u>53.78%</u>
Total	\$2,283,773	\$2,483,471	\$3,724,649	\$1,241,178	49.98%
Non General Fund FTEs	26.00	26.00	33.00	7.0	

Explanation of Changes: The large increase to the Community Attention budget can be attributed to combining the Tri Area Foster Families (TAFF) program with the Family Group Homes program. The TAFF program was budgeted in Social Services (DSS) prior to FY 2010. The increase in Salaries and Benefits is the result of a 4% salary increase given during FY 2009 and the transfer of 7 FTEs from DSS for the TAFF program. The increase in Other Expenditures is due to additional stipends for new foster parents, a result of adding the TAFF program, and the expansion of the Youth Internship Program, increasing from 60 to 80 youth for FY 2010. The entire General Fund increase will fund an expansion of the Youth Internship program.

Community Events and Festivals

City Council appropriates funds to various **Community Events and Festivals** that contribute to the City’s commitment to arts and culture, economic base, and overall quality of life.

Agency	FY07-08 Actual	FY08-09 Budget	FY09-10 Budget	Increase/ (Decrease)	% Change
Virginia Film Festival	\$15,000	\$15,600	\$15,600	\$0	0.00%
Virginia Festival of the Book	15,000	15,600	15,600	0	0.00%
Jefferson's Thanksgiving Festival	4,900	5,000	5,000	0	0.00%
First Night Virginia	2,500	2,500	2,500	0	0.00%
Historical Society Spirit Walk	5,000	5,000	5,000	0	0.00%
Heritage Repertory Theatre	0	3,500	3,500	0	0.00%
African American Festival (Cash Support)	3,000	3,000	0	(3,000)	-100.00%
African American Festival (In-Kind Support)	0	0	3,000	3,000	100.00%
Juneteenth Celebration	1,500	1,500	1,500	0	0.00%
Festival of the Photograph	0	10,000	10,000	0	0.00%
Dogwood Festival (In-Kind Support)	0	25,000	25,000	0	0.00%
City Supported Events	<u>16,038</u>	<u>15,000</u>	<u>15,000</u>	<u>0</u>	<u>0.00%</u>
General Fund Total Contributions	\$62,938	\$101,700	\$101,700	\$0	0.00%

Explanation of Changes: Recommended contributions to area festivals are shown above. The **African American Festival** no longer receives a direct cash contribution for the City and instead will receive waivers of City fees associated with the festival. **City Supported Events** represents funds for various City supported community events for example, transit service during the 4th of July fireworks event and First Night Virginia. These funds will also be used for unanticipated events that arise during the year.

Contributions to Children, Youth and Family Oriented Programs

The City of Charlottesville provides funding for various agencies which contribute health and social service benefits to the community. Among these, the **Soccer Organization of Charlottesville and Albemarle** and the **Music Resource Center** reach young people through their interests in sports and music to attain higher goals. The **Virginia Extension Service** offers programs in agriculture and natural resources, 4-H, home economics, and community resource development. The **Charlottesville-Albemarle Health Department** and **Blue Ridge Medical Center** provide services for protecting and promoting the health of the public. **Computers 4 Kids** provides computer training for students. **Monticello Area Community Action Agency (MACAA)** is a local anti-poverty agency created to serve low-income persons in Planning District Ten. **Madison House** recruits, trains and places University of Virginia student volunteers in 16 programs serving area residents. **Sexual Assault Resource Agency (SARA)** provides crisis intervention, confidential emotional support, information and referrals to sexual assault victims. **Shelter for Help in Emergency (SHE)** provides services to women and children who are victims/survivors of domestic violence within Planning District Ten. **Region Ten Community Services Board (CSB)** provides mental health and mental retardation services, through the Mohr Center provides substance abuse services. The **Jefferson Area Board for the Aging (JABA)** provides for the planning and coordination of services for the elderly. The **United Way Child Care** provides child care subsidies for children of low-income working parents. **Children, Youth and Family Services** encourages the positive growth and development of children. The **Charlottesville Commission on Children and Families (CCF)** provides oversight, coordination and evaluation of children and youth programs. The **Charlottesville Free Clinic** provides free primary medical and dental care services to the working poor. The **Partnership for Children** is a collaboration of nonprofit agencies that provide services to families with children age 0-6. Its mission is to build a supportive community where all children are nurtured in healthy families and arrive at school ready to learn. The **AIDS/HIV Services Group (ASG)** provides comprehensive support services to persons with AIDS/HIV. The mission of **Abundant Life Ministries** is to bring together members of the Prospect Ave neighborhood and the local Christian community in order to empower residents to flourish in all aspects of life. The **Boys and Girls Club** strives to inspire and enable all young people to realize their full potential as productive, responsible and caring citizens. The **Alliance for Community Choice in Transportation** is dedicated to promoting balanced transportation options through education and leadership. **Jefferson Area CHIP** works to improve the health of children under the age of seven, from low income families, as an investment in the future well-being of children and our community.

Agency	FY07-08 Actual	FY08-09 Budget	FY09-10 Budget	Increase/ (Decrease)	% Change
Soccer Org. of C'Ville/Albemarle	\$9,641	\$10,123	\$10,123	\$0	0.00%
Music Resource Center	46,800	46,800	46,800	0	0.00%
Virginia Extension Service	42,940	43,273	41,406	(1,867)	-4.31%
C'Ville/Albemarle Health Department	496,653	510,524	417,573	(92,951)	-18.21%
Computers 4 Kids	11,130	26,687	20,187	(6,500)	-24.36%
Monticello Area Community Action Agency	274,403	228,286	226,077	(2,209)	-0.97%
Madison House	7,992	8,392	8,392	0	0.00%
Sexual Assault Resource Agency	23,000	23,690	23,690	0	0.00%
Shelter for Help in Emergency	98,822	108,323	108,323	0	0.00%
Region Ten Community Services Board	881,067	959,365	959,365	0	0.00%
Region Ten CSB - Mohr Center	0	0	82,661	82,661	100.00%
Jefferson Area Board for Aging/Mountainside Assisted Living	288,574	296,173	296,173	0	0.00%
United Way Child Care	166,304	172,831	172,831	0	0.00%
Teensight Child Care Scholarships	22,716	0	0	0	0.00%
Children, Youth and Family Services	67,728	71,443	71,443	0	0.00%
Charlottesville Commission on Children and Families	293,810	305,562	304,208	(1,354)	-0.44%
Juvenile Justice Services (CCF)	83,142	87,736	85,648	(2,088)	-2.38%
Free Clinic	15,416	16,187	109,138	92,951	574.23%
Partnership for Children	344,621	363,364	85,046	(278,318)	-76.59%
AIDS/HIV Services Group	12,922	13,310	13,310	0	0.00%
Abundant Life Ministries	23,362	24,530	24,530	0	0.00%
Boys and Girls Club	13,483	13,887	13,887	0	0.00%
Alliance for Community Choice in Transportation	6,500	6,500	6,500	0	0.00%
Blue Ridge Medical - Latino Lay Health Promotion Program	5,000	4,850	0	(4,850)	-100.00%
Thomas Jefferson Youth Football League	7,500	0	0	0	0.00%
Jefferson Area CHIP	<u>0</u>	<u>22,707</u>	<u>301,025</u>	<u>278,318</u>	<u>1225.69%</u>
General Fund Total Contributions	\$3,243,526	\$3,364,543	\$3,428,336	\$63,793	1.90%

Contributions to Education and the Arts

The City of Charlottesville provides funding for organizations to support educational and/or artistic contributions to the community. **Jefferson-Madison Regional Library** serves residents by providing circulation of current material, offering reference and information services and allowing residents to access the Internet. The **Charlottesville Contemporary Center for the Arts** provides a home for three non-profit arts and educational groups: Live Arts, Second Street Gallery and Light House, each dedicated to providing the community with experiences and education in the arts. **Piedmont Virginia Community College** is a two-year, non-residential institution of higher learning that offers occupational-technical, college transfer, continuing adult education and general education programs. The **McGuffey Art Center**, housed in a converted City school, provides studio space to local artists and offers a variety of classes to area residents. The **Charlottesville Municipal Band** is a volunteer organization that performs 15-20 free concerts throughout the year, including a summer concert series on the Downtown Mall. **WVPT** is a noncommercial television station that broadcasts a diverse schedule of informational, cultural, and educational programs. **Piedmont Council for the Arts** is dedicated to promoting, coordinating and serving the arts that enrich the lives of residents and visitors to Charlottesville. The **Virginia Discovery Museum** is a dynamic, educational museum, filled with interactive exhibits for young people and adults, which fosters cooperation and understanding among generations and encourages children and adults to learn together. **The Literacy Volunteers of America Charlottesville/Albemarle** promotes increased literacy for adult learners in the area through the effective use of volunteers, support services to volunteers and learners, and collaboration with others desiring to foster increased literacy. The **Ash Lawn-Highland Summer Festival** offers a cultural opportunity for outdoor theater. The **Historic Preservation Task Force** is a group of interested citizens appointed by the Mayor to promote and help educate the community about the City's historic resources. **Urban Vision** is an educational advancement program directed at children from low income households between the ages of 5 and 14, which encourages the involvement of the parents while bringing educators and principals to the neighborhoods of the students that they teach. The **African American Teaching Fellows'** mission is to recruit, retain, support and develop a cadre of African Americans who are pursuing the necessary academic and licensure requirements to become effective teachers in the local city schools.

Agency	FY07-08 Actual	FY08-09 Budget	FY09-10 Budget	Increase/ (Decrease)	% Change
Jefferson Madison Regional Library	\$1,287,467	\$1,322,513	\$1,355,385	\$32,872	2.49%
C'Ville Contemporary Center for the Arts	31,331	31,958	31,958	0	0.00%
Piedmont Virginia Community College	34,250	34,250	12,150	(22,100)	-64.53%
McGuffey Art Center	17,505	23,499	23,478	(21)	-0.09%
Municipal Band	55,659	72,885	72,885	0	0.00%
WVPT	2,384	2,480	2,480	0	0.00%
WHTJ	2,384	2,480	0	(2,480)	-100.00%
Piedmont Council for the Arts	15,090	21,590	21,590	0	0.00%
Virginia Discovery Museum	5,588	5,812	5,812	0	0.00%
Literacy Volunteers of America	36,050	37,853	37,853	0	0.00%
Ash Lawn-Highland Summer Festival	10,000	10,400	10,400	0	0.00%
Historic Preservation Task Force	1,813	5,000	5,000	0	0.00%
Urban Vision	0	25,220	24,463	(757)	-3.00%
African American Teaching Fellows	<u>0</u>	<u>7,500</u>	<u>7,500</u>	<u>0</u>	<u>0.00%</u>
General Fund Total Contributions	\$1,499,521	\$1,603,440	\$1,610,954	\$7,514	0.47%

Department of Social Services

The Department of Social Services provides state and federal income support, employment, and social work service programs that work to alleviate poverty and other social problems. Programs include Temporary Assistance to Needy Families (TANF), the Virginia Initiative for Employment Not Welfare (VIEW), Medicaid, Food Stamps, Auxiliary Grants, Low-Income Energy Assistance, Refugee Assistance, State and Local Hospitalization, General Relief, Family Access to Medical Insurance Security (FAMIS), Child and Adult Protective Services, Foster Care and Adoption, Child Day Care, Family Services and Adult Services.

Funding Summary	FY 07-08 Actual	FY 08-09 Budget	FY 09-10 Budget	Increase/ (Decrease)	% Change
Salaries and Benefits	\$5,987,736	\$6,827,801	\$6,373,140	(\$454,661)	-6.66%
Other Expenditures	<u>6,997,973</u>	<u>7,651,405</u>	<u>7,783,123</u>	<u>131,718</u>	<u>1.72%</u>
Total	\$12,985,709	\$14,479,206	\$14,156,263	(\$322,943)	-2.23%
General Fund total	\$2,317,429	\$3,577,677	\$3,361,806	(\$215,871)	-6.03%
Non General Fund Total	<u>10,668,280</u>	<u>10,901,529</u>	<u>10,794,457</u>	<u>(107,072)</u>	<u>-0.98%</u>
Total	\$12,985,709	\$14,479,206	\$14,156,263	(\$322,943)	-2.23%
Non General Fund FTE	106.175	104.925	97.375	(7.55)	

Explanation of Changes: The decrease in Salaries and Benefits reflects the reduction of 7.55 FTEs, the majority of which were transferred to the Community Attention budget with the Tri Area Foster Families (TAFF) program. Other Expenditures has increases to several fixed costs, and increases in IV-E Foster Care and Adoption services. These increases along with the removal of the TAFF budget resulted in a net increase in Other Expenditures of 1.72%. IV-E Foster Care and Adoption services require no General Fund match; these services are entirely Federal and State funded.

The net decrease in FTE's for FY 2010 is the result of the FTEs previously budgeted in Social Services for the TAFF program now being moved to the Community Attention budget and the removal of a grant funded position due to the ending of the Virginia Public Guardian grant. These positions are all Non-General funded.

	FY 10 Budget
<u>FY 10 Services</u>	
Administration	\$7,012,636
Direct Assistance	4,811,808
Day Care Purchased Services	1,411,221
Purchased Services	207,242
Grants	<u>713,356</u>
Total	\$14,156,263

Housing Programs and Tax Relief

The **Rent Relief Programs** for the elderly and the disabled are designed to provide relief from the expense of rent to those on fixed incomes. In order to qualify, applicants must meet eligibility requirements established by City ordinance.

The **Tax Relief Programs** for the elderly and disabled provide those qualifying individuals 65 or older, who own their own homes, with real estate tax assistance. Applicants must meet the eligibility requirements established by City ordinance in order to qualify.

The **Charlottesville Housing Affordability Tax Grant Program (CHAP)** targets homeowners, regardless of age, who need and qualify for assistance in paying their real estate taxes during the year. The relief comes in the form of a tax grant on the homeowner’s bill.

The **Albemarle Housing Improvement Program (AHIP)** assists low-income City residents living in substandard housing to make necessary repairs and improvements to their homes as part of the rehabilitation process. AHIP provides counseling on home maintenance, taxes, credit and legal matters to ensure that the improvements made will be long lasting.

Piedmont Housing Alliance (PHA) is a regional organization dedicated to improving the lives of low and moderate-income families and individuals by creating housing and community development opportunities.

The **Charlottesville Community Design Center** leads an interactive public design process for individuals, neighborhoods, and public and private organizations to achieve the highest equitable, sustainable and aesthetic benefits to the community.

Funding Summary	FY07-08 Actual	FY08-09 Budget	FY09-10 Budget	Increase/ (Decrease)	% Change
Rent Relief for the Elderly	\$10,926	\$15,314	\$10,000	(\$5,314)	-34.70%
Rent Relief for the Disabled	75,748	119,424	85,000	(34,424)	-28.83%
Tax Relief for the Elderly	538,776	570,060	534,000	(36,060)	-6.33%
Tax Relief for the Disabled	128,328	84,924	137,000	52,076	61.32%
Charlottesville Housing Affordability Tax Grant Program	414,263	511,026	450,000	(61,026)	-11.94%
Albemarle Housing Improvement Program	91,869	95,546	95,546	0	0.00%
Piedmont Housing Alliance	136,640	142,106	142,106	0	0.00%
Charlottesville Community Design Center	<u>26,500</u>	<u>27,560</u>	<u>27,560</u>	<u>0</u>	<u>0.00%</u>
General Fund Total	\$1,423,050	\$1,565,960	\$1,481,212	(\$84,748)	-5.41%

Explanation of Changes: The reduction in funding for the **Charlottesville Housing Affordability Tax Grant Program** reflects the actual cost of the program based upon participation levels for FY 2009. The grant amounts based on income level and the house value limit will remain the same for FY 2010 (\$525 grant for income less than \$25,000 and \$375 grant for income between \$25,000 and no more than \$50,000, with a house value of up to \$365,000).

This budget does not change the eligibility requirements for the **disabled and elderly tax and rent relief programs** that are set in place by Council: income limit of \$50,000 and no more than \$125,000 in assets. The reduction in the budget simply reflects the actual cost of the program benefits.

Neighborhood Development Services

Functional areas within Neighborhood Development Services include neighborhood planning, zoning enforcement, housing code enforcement, engineering, surveying, GIS and mapping, building permits and inspections, bridge inspections, transportation planning, traffic engineering, traffic calming, stormwater design, sidewalk design, water and wastewater design, contract and specification writing, construction management and inspection, VDOT projects technical liaison, historic preservation, neighborhood preservation, community development, development processes, urban design and site plan review and approvals. Additional duties include overseeing grants and federally funded programs, such as the Community Development Block Grant (CDBG), as well as coordinating staffing for the City Planning Commission, Board of Architectural Review, and various other city boards and task forces.

Funding Summary	FY 07-08 Actual	FY 08-09 Budget	FY 09-10 Budget	Increase/ (Decrease)	% Change
Salaries and Benefits	\$2,218,105	\$2,421,642	\$2,421,124	(\$518)	-0.02%
Other Expenditures	<u>461,734</u>	<u>476,460</u>	<u>431,363</u>	<u>(45,097)</u>	<u>-9.47%</u>
General Fund Total	\$2,679,839	\$2,898,102	\$2,852,487	(\$45,615)	-1.57%
General Fund FTEs	28.0	29.0	29.0	0.0	
Other Funded FTEs	4.5	4.5	4.5	0.0	

Explanation of Changes: The net decrease in Salaries and Benefits is the result of the annualization of the 4% salary increase given during FY 2009 and a decrease in temporary salaries to reflect reduced intern positions (total of four eliminated).

Other Expenditures is decreasing due to reductions in several areas such as books, uniforms and clothing, printing and duplicating, travel, and service contracts.

Parks and Recreation

Recreation is composed of the following units: Administration, Athletics, Aquatics, Therapeutic Programs, Youth Programs, Centers, City Market, Special Programs, and Parks Maintenance. The goal of Recreation is to work as a team to provide a wide variety of quality recreation services to the community.

Parks & Grounds provides services to the citizens of Charlottesville for the management and maintenance of parks, the Downtown Mall, cemeteries, city and school grounds, major thorough-fares, neighborhood rights-of-way, and entryways to neighborhoods. The City also shares an operational cost with Albemarle County for **Darden Towe Park**.

The Golf Fund is fully funded by its own fees and revenue and provides the administration and coordination of all services and maintenance at the 18 hole Meadowcreek Golf Course at Pen Park and the 9 hole McIntire Golf Course.

Funding Summary	FY 07-08 Actual	FY 08-09 Budget	FY 09-10 Budget	Increase/ (Decrease)	% Change
Salaries and Benefits	\$5,631,399	\$5,766,434	\$5,615,575	(\$150,859)	-2.62%
Other Expenditures	<u>3,105,185</u>	<u>3,543,528</u>	<u>3,483,742</u>	<u>(59,786)</u>	<u>-1.69%</u>
Total	\$8,736,584	\$9,309,962	\$9,099,317	(\$210,645)	-2.26%
General Fund Total	\$7,377,969	\$7,771,095	\$7,729,070	(\$42,025)	-0.54%
Non General Fund Total	<u>1,358,615</u>	<u>1,538,867</u>	<u>1,370,247</u>	<u>(168,620)</u>	<u>-10.96%</u>
Total	\$8,736,584	\$9,309,962	\$9,099,317	(\$210,645)	-2.26%
General Fund FTE	66.00	64.50	62.50	(2.0)	
Non General Fund FTE	9.00	9.00	8.00	(1.0)	

Explanation of Changes: The decrease in Salaries and Benefits can be attributed to a reduction of 2 FTEs in the Parks and Recreation General Fund budget and a reduction 1 FTE, temporary salaries, and overtime for the Golf course. The net reduction in Other expenditures is the result of reduced funding for Chemicals and equipment lease payments in the Golf Fund, reduced equipment costs for the First Tee program, reductions to telephone service and HVAC charges and increases in General Insurance and Workers Compensation. The 2 FTE reductions is the result of the following eliminating two vacant positions: a Volunteer Coordinator and a Gardener from the Parks Maintenance budget. A Maintenance Worker III position was eliminated during FY 09 as part of re-organization efforts within the department. The FTE reduction in Golf is the result of the elimination of an Administrative Secretary position.

The new Onesty Family Aquatic Center is currently under construction and will be open during the summer of 2009. This new facility offers a new aquatic experience that will appeal to all ages, including a zero-depth play area, lazy river, slides and a diving board; appealing to all ages.

	FY 10 Budget
FY 10 Services	
Parks and Recreation Administration	\$701,042
Athletics	324,040
Youth Programs	593,190
Aquatics	1,017,139
Therapeutics and Seniors	295,798
Centers and Playgrounds	599,211
Special Programs	194,151
City Market	63,817
Parks Maintenance	3,874,264
Shared Parks Operations (Darden Towe Park)	66,418
Golf Course Operations	<u>1,370,247</u>
Total	\$9,099,317

INFRASTRUCTURE & TRANSPORTATION

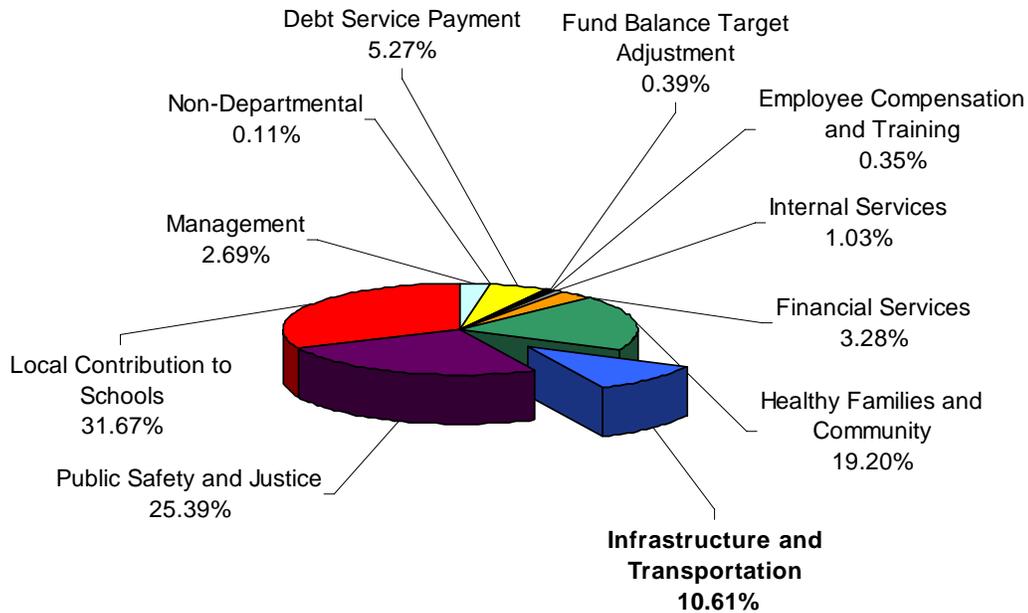


Infrastructure & Transportation Summary

	FY2007-2008 General Fund Actual	FY2008-2009 General Fund Budget	FY2009-2010 General Fund Budget	FY2007-2008 Other Funds Actual	FY2008-2009 Other Funds Budget	FY2009-2010 Other Funds Budget
INFRASTRUCTURE AND TRANSPORTATION						
Public Works: Administration/Facilities Management & Maintenance/HVAC Services	\$2,272,833	\$2,563,155	\$2,487,653	\$372,701	\$393,233	\$431,396
Public Works: Public Service/Fleet	7,913,967	9,145,848	8,504,208	2,656,706	1,065,512	1,041,814
Public Works: Transit/JAUNT	2,345,189	2,757,190	2,476,900	4,538,044	4,584,223	5,504,875
Public Works: Utilities	0	0	0	55,327,859	61,773,038	63,526,522
INFRASTRUCTURE AND TRANSPORTATION SUBTOTAL	\$12,531,989	\$14,466,193	\$13,468,761	\$62,895,311	\$67,816,006	\$70,504,607
2009-10 General Fund Budget	\$13,468,761					
2008-09 General Fund Budget	\$14,466,193					
Increase/(Decrease)	-\$997,432					
Percentage Change	-6.89%					

Infrastructure and Transportation

As a percentage of operating budget



INFRASTRUCTURE AND TRANSPORTATION**ACCOMPLISHMENTS OF THE PAST YEAR**

- ❖ Public Works Administration and Public Service expanded the curbside recycling service for City residents by approximately 19% in FY 2009, resulting in a decrease in trash collection tonnages at the Ivy Landfill.
- ❖ Public Works Facilities Maintenance completed the renovation of the heating, air conditioning and ventilation system of the City Hall Annex. Project resulted in a 52% reduction in energy consumption, saving \$89,885.
- ❖ Public Works Administration improved water conservation education and awareness efforts and restructured City Code ordinances during periods of drought to improve water conservation.
- ❖ Public Works Facilities Maintenance division continued to engage the Charlottesville City Schools to participate in operational energy savings opportunities, via the Environmental Sustainability Program. Building on the success of the previous school year – during which avoided costs totaled \$210,968 – an additional savings of \$286,912 was achieved in the 2007-08 school year
- ❖ The Public Service Division of Public Works milled and overlaid with new asphalt, 9.252 miles of City streets as well as repairing approximately 166 sidewalk hazards.
- ❖ The Fleet Division of Public Works generated in excess of 2,000 work orders for fleet repairs. Vehicle uptime averaged 95%. The national average for government fleet shops is 90%.
- ❖ Public Works Fleet division continued the use of bio-diesel fuel, which reduced green house emissions by burning approximately 150,000 gallons of blended fuels.
- ❖ Charlottesville Transit Service (CTS) FY 2008 passenger boardings increased by more than 12.5% compared to FY 2007. Total passenger boardings were 1,701,813, an increase of nearly 190,000
- ❖ CTS completed the first year of a pre-paid program with the University of Virginia that allows students, faculty, and staff to show their UVA photo ID when boarding and then ride CTS fare-FREE. CTS had total UVA passenger boardings of 209,784.
- ❖ CTS began operation of Sunday service for the FREE Trolley and Route 7. Sunday passenger boardings were 34,532.
- ❖ The Utilities division of Public Works began planning, design and construction to address the aging water/wastewater infrastructure. This accomplishment minimizes sanitary sewer overflows and improves water quality.
- ❖ Third party damage to utilities (gas, water, wastewater) caused by excavation decreased 20% in FY 2008.

Public Works: Administration/Facilities Management & Maintenance/HVAC Services

Public Works Administration is responsible for the planning, organization, direction, and budgetary/financial control of the seven divisions of Public Works. The goal of the division is to foster the safe, reliable, responsive and cost-effective provision of services to both the citizens of Charlottesville and internal customers.

Facilities Management is directly responsible for the planning, procurement and construction of all facility-related capital projects undertaken by the City and the Public Schools. Building on the goal of the Public Works Administration group, the on-going goal of the Facilities Management division is to improve the quality of our service by employing effective management principles and practices, innovative technology, improved communications, teamwork and fiscal responsibility.

Facilities Maintenance provides routine repair and preventive maintenance services to 39 buildings either owned or leased by the City. Custodial Services are also provided to 8 City-owned facilities. The goal of Facilities Maintenance is to provide clean, safe, and pleasing facilities for the enjoyment of Charlottesville’s general citizenry and to protect the City’s over \$70 million infrastructure investment. This service area also provides contracted services to all City School buildings. The budget and narrative for these contracts are on page 84.

HVAC Services provides, maintains, and repairs all heating, ventilation and air conditioning systems and equipment for City operated/owned facilities. This team also performs troubleshooting of electrical, pneumatic, and other mechanical equipment to ensure equipment is operating at optimal performance and provides recommendations for possible energy saving opportunities.

Funding Summary	FY 07-08 Actual	FY 08-09 Budget	FY 09-10 Budget	Increase/ (Decrease)	% Change
Salaries and Benefits	\$1,290,597	\$1,318,966	\$1,393,903	\$74,937	5.68%
Other Expenditures	<u>1,354,937</u>	<u>1,637,422</u>	<u>1,525,146</u>	<u>(112,276)</u>	<u>-6.86%</u>
Total	\$2,645,534	\$2,956,388	\$2,919,049	(\$37,339)	-1.26%
General Fund Total	\$2,272,833	\$2,563,155	\$2,487,653	(\$75,502)	-2.95%
Non General Fund Total	<u>372,701</u>	<u>393,233</u>	<u>431,396</u>	<u>38,163</u>	<u>9.70%</u>
Total	\$2,645,534	\$2,956,388	\$2,919,049	(\$37,339)	-1.26%
General Fund FTEs	13.75	13.75	13.75	0.0	
Non General Fund FTEs	2.50	2.50	2.50	0.0	

Explanation of Changes: The increase in the salary and benefits portion of this budget is attributed to a 4% salary increase granted during FY 2009. Other Expenditures is decreasing mainly due to reductions in utility costs at the Market Street Parking Garage, Hedgerow properties, and at the Jefferson School space occupied by the Building Maintenance division. There are also additional funds for system maintenance and monitoring of the City’s panic button system. This budget also represents the first full year of maintenance for the new Juvenile and Domestic Relations Court building. 55% of this cost is paid by the County and appears as a revenue item in the General Fund.

	FY 10 Budget
FY 10 Services	
Administration / Facilities Management	\$789,079
Facilities Maintenance	1,698,574
HVAC Services	<u>431,396</u>
Total	\$2,919,049

Public Works: Public Service/Fleet Management Operations

Public Service functions consist of Refuse Collection, Streets and Sidewalks, Stormwater Maintenance, and Traffic Operations. Refuse Collection is responsible for administering and monitoring the City's contract with a private firm for collection of domestic refuse/recyclables. Streets and Sidewalks is responsible for maintenance of City streets and sidewalks, City owned parking lots, leaf collection, emergency weather response, and data collection that assures continued annual VDOT maintenance funding. Stormwater Maintenance is responsible for maintenance of stormwater infrastructure. Traffic Operations maintains signs, signals, publicly owned street lighting systems, parking meters, and pavement markings. It also is responsible operationally for the Intelligent Transportation System.

Fleet Management Operations is responsible for repairs to City-owned vehicles and equipment, and for management of the fuel system and the vehicle wash facility.

The City's contribution of **\$750,000** for the environmental remediation of the **Ivy Landfill** is also included, which is a 50% reduction from FY 2009.

Funding Summary	FY 07-08 Actual	FY 08-09 Budget	FY 09-10 Budget	Increase/ (Decrease)	% Change
Salaries and Benefits	\$3,714,819	\$3,808,874	\$3,884,378	\$75,504	1.98%
Operating Expenditures	5,871,216	4,902,486	4,911,644	9,158	0.19%
Ivy Landfill Remediation	<u>984,638</u>	<u>1,500,000</u>	<u>750,000</u>	<u>(750,000)</u>	<u>-50.00%</u>
Total	\$10,570,673	\$10,211,360	\$9,546,022	(\$665,338)	-6.52%
General Fund Total	\$7,913,967	\$9,145,848	\$8,504,208	(\$641,640)	-7.02%
Non General Fund Total	<u>2,656,706</u>	<u>1,065,512</u>	<u>1,041,814</u>	<u>(23,698)</u>	<u>-2.22%</u>
Total	\$10,570,673	\$10,211,360	\$9,546,022	(\$665,338)	-6.52%
General Fund FTEs	51.0	51.0	51.0	0.0	
Non General Fund FTEs	12.0	12.0	12.0	0.0	

Explanation of Changes: The net increase in Salaries and Benefits can be attributed to a 4% salary increase given during FY 2009, and decreases in temporary salaries for leaf and chipping temps. The net decrease in Other Expenditures is due to an increase in the refuse and recycling collection contracts, additional funding for road salt purchases and a decrease in the tipping fee charged to the City as a result of successful recycling efforts. This budget also reflects a reduction in the City's contribution to the Ivy Landfill remediation by \$750,000.

	FY 10 Budget
FY 10 Services	
Administration	\$473,916
Streets and Sidewalk Services	3,287,812
Stormwater Maintenance	444,319
Refuse Collection Services	2,080,146
Ivy Landfill Remediation	750,000
Traffic Operations	729,154
Street Lighting Operations	738,861
Fleet Management Operations	941,383
Fuel and Wash Facility	<u>100,431</u>
Total	\$9,546,022

Public Works: Transit/JAUNT

Charlottesville Transit Service's (CTS) goal is to provide dependable, efficient, convenient, clean, and safe transportation alternatives to the single occupant vehicle for the citizens and visitors of the greater Charlottesville area. Functions include Charlottesville Transit Service, Greyhound Station Operations, and the Downtown Transit Station. Pupil Transportation is also a function of the Transit Division, but the budget and narrative is shown on page 86.

CTS provides fixed-route bus service Monday through Saturday from 6:00 a.m. to midnight throughout Charlottesville and limited service during the day on Sunday. CTS offers free trolley service between Downtown and the University, LINK demand response service Monday through Friday, and fare-free service to those displaying valid photo identification from the University. Based on funding, CTS also provides fixed-route service in the urbanized areas of Albemarle County. In addition to City funds, CTS expenses are covered by federal and state subsidies and passenger fares. In FY 2010, the City's contribution to CTS is **\$1,768,834**.

CTS also operates the **Downtown Transit Station** as part of its overall transit operations. On the Water Street level, this facility provides CTS passengers an indoor-waiting area, public restrooms, and a place for learning more about CTS services. In addition, on the Pedestrian Mall level, the Charlottesville Albemarle Convention and Visitors Bureau (CACVB) occupies office and lobby space to distribute visitor information.

The **Greyhound Intercity Bus Terminal** serves eleven buses daily, seven days a week, with express service to Richmond and service to Atlanta, Dallas, New York City, and points in between.

JAUNT is a regional transit system that carries the general public, agency clients, the elderly, and people with disabilities throughout Central Virginia. The City's FY 2010 contribution to JAUNT is **\$708,066**.

Funding Summary	FY 07-08 Actual	FY 08-09 Budget	FY 09-10 Budget	Increase/ (Decrease)	% Change
Salaries and Benefits	\$3,600,730	\$4,137,854	\$4,064,154	(\$73,700)	-1.78%
Other Expenditures	1,961,855	2,021,763	1,980,695	(41,068)	-2.03%
Transit Bus Replacement	562,054	389,977	1,228,860	838,883	215.11%
Contribution to JAUNT	<u>758,593</u>	<u>791,819</u>	<u>708,066</u>	<u>(83,753)</u>	<u>-10.58%</u>
Total	\$6,883,233	\$7,341,413	\$7,981,775	\$640,362	8.72%
General Fund Total	\$2,345,189	\$2,757,190	\$2,476,900	(\$280,290)	-10.17%
Non General Fund Total	<u>4,538,044</u>	<u>4,584,223</u>	<u>5,504,875</u>	<u>920,652</u>	<u>20.08%</u>
Total	\$6,883,233	\$7,341,413	\$7,981,775	\$640,362	8.72%
Non General Fund FTEs	70.50	81.50	79.75	(1.75)	

Explanation of Changes: The decrease in Salaries and Benefits can be attributed to a reduction of 1.75 FTEs from the Charlottesville Transit Service budget. The reduction of FTEs is a result of reallocating staff between CTS and Pupil Transportation, eliminating a position, as a result of departmental reorganization, which was approved as part of the FY 2009 budget for service expansion, and reducing Intern hours. The net decrease in Other Expenditures is due to increases in fixed costs, along with the reduction in professional services and other contractual services used for a one-time marketing initiative in FY 2009. The General Fund portion of the Transit budget is decreasing due to a reduced contribution to JAUNT and an increase in other revenue (State and Federal) for CTS operations. Funds are included to replace 2 existing Trolleys with new hybrid models and funding for improvements to five bus stops – 84 percent of the cost is covered by federal and state grants, with a 16 percent local match requirement. This match of \$196,618 is included in the Proposed FY 2010 Capital Improvement Program.

	FY 10 Budget
FY 10 Services	
Transit System Operations	\$5,873,661
Greyhound Station Operations	171,188
Transit Bus Replacement	1,228,860
Contribution to JAUNT	<u>708,066</u>
Total	\$7,981,775

Public Works: Gas, Water and Wastewater Utilities

Public Utilities operates and maintains the water, wastewater, and natural gas distribution systems. The goal of the Utilities is to provide authorized service in a safe, reliable, responsive, and cost effective manner.

The Gas, Water and Wastewater budgets are funded by the utility rates and include funding for administration, operations, and maintenance of the three systems as well as funding for infrastructure improvements, technology advances, stormwater, environmental, and debt payments. The billing/collection functions of the City’s utilities are performed by the Finance Department’s Utility Billing Office. The utility budgets are separate from the General Fund and are not supported by taxes. These budgets and the respective rates are considered and adopted by the City Council in May of each year.

	FY 07-08 Actual	FY 08-09 Budget	FY 09-10 Budget	Increase/ (Decrease)	% Change
Salaries and Benefits	\$5,166,079	\$5,937,489	\$5,899,118	(\$38,371)	-0.65%
Other Expenditures	49,289,788	44,682,247	45,712,747	1,030,500	2.31%
Capital Projects	0	8,901,716	9,194,785	293,069	3.29%
Debt Service	<u>871,992</u>	<u>2,251,586</u>	<u>2,719,872</u>	<u>468,286</u>	<u>20.80%</u>
Non General Fund Total	\$55,327,859	\$61,773,038	\$63,526,522	\$1,753,484	2.84%
Non General Fund FTEs	90.0	93.0	93.0	0.0	

Explanation of Changes: The net increase in Other Expenditures is due to increases in fixed costs; an increase for payment in lieu of taxes paid to the General Fund and debt service payments; and the removal of funding for the centralized customer service initiative.

The Utilities budgets also include a \$293,069 increase to Capital Projects to address issues associated with the aging water and wastewater infrastructure throughout the City.

Included in this budget are authorized contributions to City Link: \$1.35 million from the Gas Fund and smaller contributions from the Water and Wastewater Funds.

The Utility budgets are reviewed and approved by Council during the Utility Rate Study which occurs in May and June of each year. At that time the Utility operations budget, including any new programmatic requests, and the Utility capital improvement program budget are reviewed and may be amended.

	FY 10 Budget
FY 10 Services	
Gas Operations	\$35,020,277
Wastewater Operations	13,312,705
Water Operations	12,473,668
Utilities Debt Service	<u>2,719,872</u>
Total	\$63,526,522

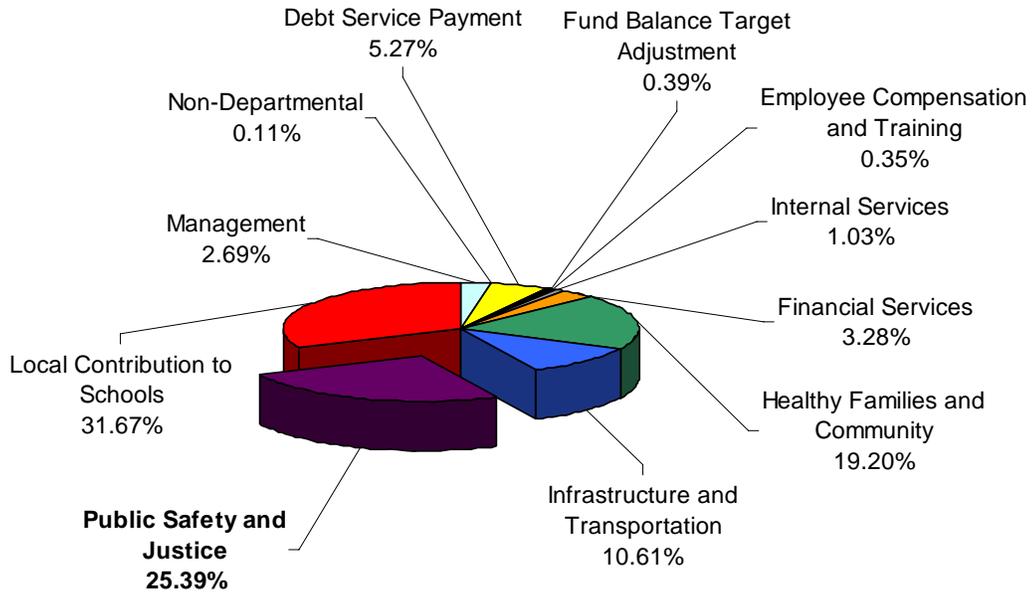
PUBLIC SAFETY & JUSTICE



Public Safety and Justice Summary	FY2007-2008	FY2008-2009	FY2009-2010	FY2007-2008	FY2008-2009	FY2009-2010
	General Fund Actual	General Fund Budget	General Fund Budget	Other Funds Actual	Other Funds Budget	Other Funds Budget
PUBLIC SAFETY AND JUSTICE						
City Sheriff	\$973,321	\$983,708	\$1,013,107	\$0	\$0	\$0
Commonwealth's Attorney	769,741	954,057	973,550	0	0	0
Contributions to Programs Supporting Public Safety & Justice Programs	6,823,907	6,660,601	6,908,399	0	0	0
Courts and Other Support Services	956,272	995,648	1,067,589	0	0	0
Fire Department Operations	9,242,507	9,196,297	8,732,814	0	0	0
Police Department	13,470,373	13,097,675	13,548,701	0	0	0
PUBLIC SAFETY AND JUSTICE SUBTOTAL	\$32,236,121	\$31,887,986	\$32,244,160	\$0	\$0	\$0
2009-10 General Fund Budget	\$32,244,160					
2008-09 General Fund Budget	\$31,887,986					
Increase/(Decrease)	\$356,174					
Percentage Change	1.12%					

Public Safety and Justice

As a percentage of operating budget



PUBLIC SAFETY AND JUSTICE

ACCOMPLISHMENTS OF THE PAST YEAR

- ❖ The Circuit Court Clerks Office completed the transfer of over 40 years of public records to a new electronic database.
- ❖ The City Sheriff's Office served over 20,000 papers during calendar year 2008.
- ❖ The Police Department infused community policing throughout the organization, and better utilized tools to identify crime trends, prevention awareness, and implementation of strategies to address crime, which resulting in no increase in Part 1 crime, including burglary and breaking and entering, and an 11% reduction in violent crime.
- ❖ The Police Department participated in various regional task forces, such as SOVA ICAC (Southern Virginia Internet Crimes Against Children), CAGE (Charlottesville Area Gang Enforcement Team), and JABU (Jefferson Area Burglary Unit), increasing the ability to solve crime and leading to a reduced crime rate.
- ❖ The Fire Department continued its smoke detector installation program in order to continue reaching towards the goal of having a working smoke detector within every residence in the City of Charlottesville. The Fire department installed 132 smoke detectors in FY 2007, 167 were installed in FY 2008, with projected FY 2009 installations of 150 units.
- ❖ Property loss due to fires compared to assessed value has remained below 0.050%. The data collected through entries in the Fire Incident Reporting System shows actual percentages of 0.004% for 2005, 0.034% for 2006, 0.046% for 2007 and estimated at 0.048% for 2008.

City Sheriff

The Sheriff's Office is responsible for providing security at the Circuit Court and General District Court to all employees, jurors, witnesses, inmates, and visitors. The office must comply with mandates stated in the Virginia State Code for court security, civil process, and transportation of prisoners and patients pursuant to governor's warrants and court orders from the civil/chancery side of the courts' docket. Additionally, the office summons both grand and petit jurors, responds to questions, and manages their court schedule.

Funding Summary	FY 07-08 Actual	FY 08-09 Budget	FY 09-10 Budget	Increase/ (Decrease)	% Change
Salaries and Benefits	\$796,364	\$795,319	\$826,746	\$31,427	3.95%
Other Expenditures	<u>176,957</u>	<u>188,389</u>	<u>186,361</u>	<u>(2,028)</u>	<u>-1.08%</u>
General Fund Total	\$973,321	\$983,708	\$1,013,107	\$29,399	2.99%
General Fund FTEs	11.0	11.0	11.0	0.0	

Explanation of Changes: This budget reflects a 4% salary increase granted during FY 2009, decreases in fixed costs, an increase in Professional Services to cover the cost of burials for unclaimed individuals and additional funds for fuel.

Commonwealth’s Attorney

The Office of the Commonwealth’s Attorney prosecutes criminal cases in Charlottesville’s Circuit, General District, and Juvenile and Domestic Relations courts. The office provides on-going legal advice and guidance not only to the Charlottesville Police Department concerning investigations and matters of law enforcement policy, but also to other City of Charlottesville departments that have law enforcement responsibilities. While maintaining appropriate constitutional independence, the Commonwealth’s Attorney and staff collaborate with community and governmental agencies in the furtherance of public safety, the well-being of crime victims, and the health of Charlottesville as a community.

Funding Summary	FY 07-08 Actual	FY 08-09 Budget	FY 09-10 Budget	Increase/ (Decrease)	% Change
Salaries and Benefits	\$703,908	\$889,684	\$907,653	\$17,969	2.02%
Other Expenditures	<u>65,833</u>	<u>64,373</u>	<u>65,897</u>	<u>1,524</u>	<u>2.37%</u>
General Fund Total	\$769,741	\$954,057	\$973,550	\$19,493	2.04%
General Fund FTEs	10.0	10.0	10.0	0.0	
Grant Funded FTEs	3.5	3.5	3.5	0.0	

Explanation of Changes: Salaries and Benefits are increasing as a result of the 4% salary increase granted in FY 2009. The net increase in Other Expenditures is due to reductions in telephone service costs and an increase in General Insurance.

Contributions to Programs Promoting Public Safety and Justice

The **Piedmont Court Appointed Special Advocates** is a nonprofit agency that trains and supervises volunteers to serve as court advocates for abused and neglected children in Charlottesville and Albemarle County and to promote the best interests of the child.

The Legal Aid Society confronts the causes and effects of poverty through the creation and development of comprehensive responses to the problems of the poor using innovative legal advocacy, community legal education, and client involvement.

The **Albemarle/Charlottesville/Nelson Regional Jail** houses prisoners from the City of Charlottesville, Albemarle County, Nelson County and, when space is available, from state and federal facilities. Costs not reimbursed by the State are divided between the City and Counties based upon actual usage.

The **Blue Ridge Juvenile Detention Home** allows youth to be closer to their homes and families in Charlottesville, and have access to a full range of pre- and post-disposition services.

The **911/Emergency Communications Center** is responsible for processing all 911 calls made in the area, the dispatching of police officers, fire, and emergency medical services. Emergency services functions related to local disaster preparedness and response are coordinated through the Center.

Offender Aid and Restoration assists individuals when arrested, imprisoned or released from incarceration to gain and retain self-respecting, self-sustaining and crime-free lifestyles.

The **Charlottesville-Albemarle Society for the Prevention of Cruelty to Animals (SPCA)** serves as the City pound, provides care and shelter for stray animals, promotes animal welfare, adoptions and educates the public about animal care.

Agency	FY07-08 Actual	FY08-09 Budget	FY09-10 Budget	Increase/ (Decrease)	% Change
Piedmont Court Appointed Special Advocates	\$8,500	\$8,925	\$8,925	\$0	0.00%
Legal Aid Society	55,561	57,966	57,966	0	0.00%
Regional Jail	3,627,117	3,803,749	3,927,391	123,642	3.25%
Blue Ridge Juvenile Detention	1,134,272	848,341	931,911	83,570	9.85%
Emergency Communications Center	1,740,206	1,672,072	1,705,008	32,936	1.97%
Offender Aid and Restoration	223,325	230,548	230,548	0	0.00%
Society for the Prevention of Cruelty to Animals	<u>34,926</u>	<u>39,000</u>	<u>46,650</u>	<u>7,650</u>	<u>19.62%</u>
General Fund Total Contributions	\$6,823,907	\$6,660,601	\$6,908,399	\$247,798	3.72%

Courts and Other Support Services

The City of Charlottesville is served by several courts. The **General District Court** enforces criminal laws of the Commonwealth of Virginia and handles civil disputes within the Court's jurisdiction. The **Circuit Court** is the court of record and has sole jurisdiction in criminal felony cases and civil cases involving large sums, and final jurisdiction in all civil and criminal cases. The Clerk of the Circuit Court is responsible for recording documents pertaining to the transfer of title to land, the probate of wills, the collection of the state and city recordation fees associated with the recordation, and the indexing of those documents. Judgments rendered in this court, as well as in other courts within and outside the state and in federal court, are docketed in this office. This court also hears appeals of State administrative cases. The **Juvenile & Domestic Relations Court** handles violations of the law committed by and against juveniles. It is also responsible for trying family and other domestic-related cases. The **Court Services Unit** serves the Juvenile & Domestic Relations Court by facilitating the rehabilitation or treatment of those who come before the court and whose functions include intake or case review, investigation of case background information, probation supervision, after-care supervision of juveniles recently released from state institutional care, and domestic care of juveniles being held in detention or shelter care homes. The **Office of the Magistrate** is usually a person's first contact with the judicial process. This office issues arrest warrants and determines admittance to bail or commitment to detention of accused parties. The Magistrate also serves as conservator of the peace.

Funding Summary	FY 07-08 Actual	FY 08-09 Budget	FY 09-10 Budget	Increase/ (Decrease)	% Change
Salaries and Benefits	\$601,159	\$587,648	\$607,556	\$19,908	3.39%
Other Expenditures	<u>355,113</u>	<u>408,000</u>	<u>460,033</u>	<u>52,033</u>	<u>12.75%</u>
General Fund Total	\$956,272	\$995,648	\$1,067,589	\$71,941	7.23%
General Fund FTEs	11.0	11.0	11.0	0.0	

Explanation of Changes: The increase in Salaries and Benefits can be attributed to 4% salary increases granted during FY 2009. Other Expenditures are increasing mainly due to contractual cost associated with the operation of the new Juvenile and Domestic Relations Court, such as custodial and telephone service. There are also several one-time expenses related to the new Juvenile and Domestic Relations court building, including the purchase of new furniture and office equipment.

	FY 10 Budget
FY 10 Services	
Clerk of Circuit Court	\$641,024
Circuit Court Judge	92,223
General District Court	29,307
Juvenile and Domestic Relations Court/Court Services Unit	295,435
Magistrate	<u>9,600</u>
Total	\$1,067,589

Fire Department Operations

The Fire Department consists of five divisions: Administration, Fire Fighting, Fire Prevention, Maintenance, and Training and Technology. Administration seeks input from members of the Department, other City departments, and citizens to develop and coordinate the Fire Department's mission. Fire Fighting responds to over 6,200 requests for fire suppression and emergency medical service annually. Fire Prevention is responsible for enforcement of the Fire Prevention Code, plans review, fire investigations, and public fire education. Training and Technology provides administrative, technical, communication and training support for the Department's programs.

The Fire Department was accredited in 2001, and again in 2007, through the Commission on Fire Accreditation International. This makes it one of only 121 such fire departments around the world. The Department is one of six ISO Class 2 departments in Virginia, and is one of only two accredited ISO Class 2's in the state. It is currently working on gaining an ISO 1 classification.

Funding Summary	FY 07-08 Actual	FY 08-09 Budget	FY 09-10 Budget	Increase/ (Decrease)	% Change
Salaries and Benefits	\$7,295,211	\$7,803,293	\$7,543,908	(\$259,385)	-3.32%
Other Expenditures	<u>1,947,296</u>	<u>1,393,004</u>	<u>1,188,906</u>	<u>(204,098)</u>	<u>-14.65%</u>
General Fund Total	\$9,242,507	\$9,196,297	\$8,732,814	(\$463,483)	-5.04%
General Fund FTEs	98.0	96.0	89.0	(7.0)	

Explanation of Changes: The net decrease in Salaries and Benefits is a result of the 4% salary increase granted during FY 2009 and the elimination of the 7 FTEs previously included in the EMS Operations budget. These positions, 6 Medics and one Administrative Assistant, were created but never filled.

Besides the increases in fixed costs, the net decrease in Other Expenditures can be attributed to the elimination of a proposal for a City administered EMS/Ambulance service, that was first proposed as part of the FY 2008 budget.

In addition, there are funds for the replacement of the Ivy Road/Fontaine Area Station in the **FY 2010 Capital Improvement Program**, totaling **\$1,200,000**.

FY 10 Services	FY 10 Budget
Administration	\$427,188
Fire Fighting	7,863,090
Fire Prevention	218,278
Personnel Support	131,004
Department Maintenance	78,864
Volunteer Fire Department	<u>14,390</u>
Total	\$8,732,814

Police Department

The Police Department's mission is to improve the quality of life of citizens living, working or visiting within the City. The Police Department is committed to providing the citizens of the City of Charlottesville with a modern and professional department, which protects life and property; preserves law and order; enforces criminal, traffic, and regulatory laws; and, provides essential public safety services to our community. The Charlottesville Police Department is equally committed to the infusion of community policing throughout the community. The Police Department's philosophy of community policing requires common trust and embraces citizen partnerships. It focuses on arresting problems in neighborhoods, reducing crime and the fear of crime, solving on-going problems rather than treating the symptoms that plague communities, and improving the quality of life for our citizens. The Police Department provides comprehensive law enforcement and consists of a Patrol Bureau, General Investigations Bureau, Neighborhood Services Bureau, Administrative Services Bureau, Forensic Unit, Traffic Unit, as well as SWAT and Crisis Negotiation teams. This department is also responsible for the administration and operational control of the multi-jurisdictional Jefferson Area Drug Enforcement (JADE) task force. In cooperation with federal, state, and other local law enforcement agencies, the detectives and supervisors of JADE are effectively reducing the flow of drugs and guns into our community.

Funding Summary	FY 07-08 Actual	FY 08-09 Budget	FY 09-10 Budget	Increase/ (Decrease)	% Change
Salaries and Benefits	\$10,969,927	\$10,926,173	\$11,238,280	\$312,107	2.86%
Other Expenditures	<u>2,500,446</u>	<u>2,171,502</u>	<u>2,310,421</u>	<u>138,919</u>	<u>6.40%</u>
General Fund Total	\$13,470,373	\$13,097,675	\$13,548,701	\$451,026	3.44%
General Fund FTEs	146.43	146.43	146.43	0.0	

Explanation of Changes: Salaries and Benefits reflects a 4% salary adjustment granted during FY 2009 and corresponding increases in overtime and benefits. Other Expenditures are increasing as a result of fixed costs, mainly in the areas of General Insurance, Workers Compensation, and the cost of fuel for the Police Department fleet.

SCHOOL OPERATIONS



School Operations

High quality education is provided for approximately 4,045 students (actual enrollment for the 2008-2009 school year) in grades K-12 in seven elementary schools, one middle school and one high school under the direction of the Charlottesville School Board. Education programs for adults are also offered through evening classes at Charlottesville High School, the Adult Basic Education Learning Center and the Charlottesville-Albemarle Technical Education Center.

The course offerings in the system include special programs such as: learning disability, programs for the emotionally disturbed, an enrichment program for gifted and exceptional students, an alternative program for school drop-outs, vocational and technical education, and homebound instruction. The system also provides counseling services in health, guidance, and psychological and social programs. The school budget is formulated by the School Board. The budget is formally presented to City Council in March and is appropriated with the City's Operating Budget in April.

Approximately 31% of the City's debt service payment from the general fund is for school projects. There is **\$2.5 million** in the Proposed FY 2010 Capital Improvement Program dedicated to the schools capital projects (pg. 91).

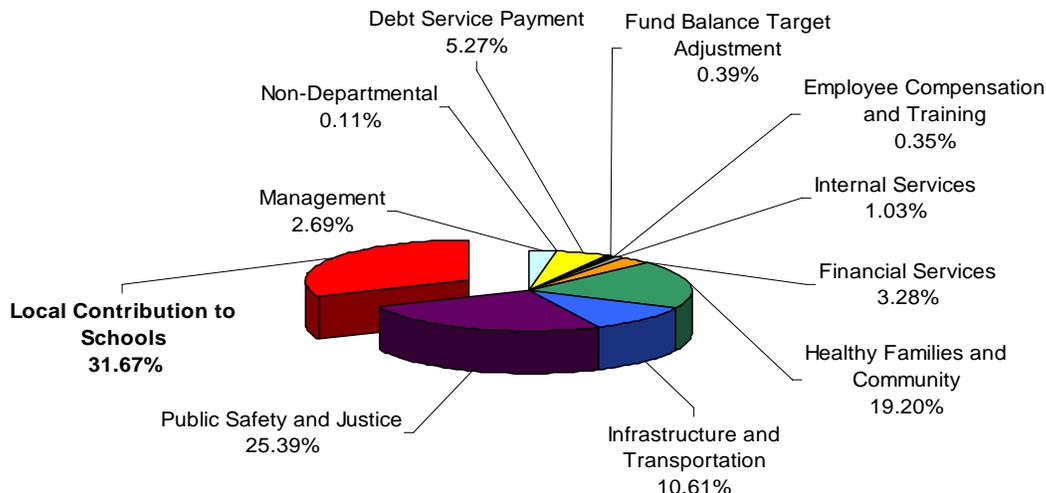
The table below represents the entire school operational budget for FY 2010, for both the Schools General and Non General Funds.

Funding Summary

	FY 07-08 Actual	FY 08-09 Budget	FY 09-10 Budget	Increase/ (Decrease)	% Change
Local Contribution	\$39,101,809	\$39,781,531	\$40,209,612	\$428,081	1.08%
State Funds	20,004,679	21,345,370	19,370,872	(1,974,498)	-9.25%
Federal Funds	5,607,783	5,884,389	5,886,851	2,462	0.04%
Misc. Funds	2,917,631	2,782,784	2,834,398	51,614	1.85%
Total	\$67,631,902	\$69,794,074	\$68,301,733	(\$1,492,341)	-2.14%
Schools General Fund Total	\$55,463,372	\$56,396,227	\$54,893,155	(\$1,503,072)	-2.67%
Schools Non General Fund Total	12,168,530	13,397,847	13,408,578	10,731	0.08%
Total	\$67,631,902	\$69,794,074	\$68,301,733	(\$1,492,341)	-2.14%

Local Contribution to Schools

As a percentage of operating budget



City/School Contracted Services

Reflected below are the cost of services and personnel to meet common objectives in the areas of school building maintenance and energy efficiencies, and pupil transportation.

School Building Maintenance/Energy Management/HVAC Services - Established via a 1997 Building and Grounds Maintenance Agreement, Schools Maintenance, a Public Works division, provides routine repair and preventive maintenance services to 9 Charlottesville Public School campuses and the Central Administration. Those services include Electrical, Mechanical, Plumbing, Carpentry, Roofing and Painting. A variety of "Small Capital Projects" are executed by Schools Maintenance and by Public Works Facilities Management. Regulatory compliance is assured for all building, public safety and accessibility codes and mandates. Utilities for each facility are carefully monitored by staff, and paid from a separate budget. The goal of the division is to provide safe, secure, functional and aesthetically pleasing facilities for Charlottesville Public Schools students and staff.

Pupil Transportation - Pupil Transportation is a section of the Transit Division of Public Works. Pupil Transportation provides student transportation services to and from the City schools and several alternative education sites, activity bus service, and field trip service under contract to the Charlottesville City Schools. The Pupil Transportation fleet consists of 40 school buses. To maintain a safe and reliable fleet, school buses are replaced after ten years. Six school buses in the fleet are equipped with wheelchair lifts to service children with special needs.

Funding Summary	FY 07-08 Actual	FY 08-09 Budget	FY 09-10 Budget	Increase/ (Decrease)	% Change
Salaries and Benefits	\$2,333,487	\$2,462,225	\$2,356,055	(\$106,170)	-4.31%
Other Expenditures	<u>3,281,273</u>	<u>3,460,069</u>	<u>3,257,003</u>	<u>(203,066)</u>	<u>-5.87%</u>
General Fund Total	\$5,614,760	\$5,922,294	\$5,613,058	(\$309,236)	-5.22%
School Funded FTEs	46.0	46.0	42.5	(3.5)	

Explanation of Changes: Decrease in Salaries and Benefits can be attributed to the reduction of 3.5 FTEs in the Pupil Transportation budget. The decrease in Other Expenditures is mainly due to a reduction in utility costs resulting from energy efficiency measures that have been put into place, resulting in savings of approximately \$161,000, and a reduction of the school bus fleet by four.

The School funded portion of school building maintenance, HVAC and energy maintenance is \$3,279,371. The remainder of this budget is funded by billed services to other City departments and agencies.

The School funded portion of pupil transportation is \$2,129,863. The remainder of this budget is funded through billed services for private charter services, approximately \$202,000 in projected revenue. The reduction of FTE's is a result of the re-organization of the after school bus activity scheduled and only one driver serving Ivy Creek rather than two.

FY 10 Services	FY 10 Budget
Pupil Transportation	\$2,332,687
School Building Maintenance	<u>3,280,371</u>
Total	\$5,613,058

CAPITAL IMPROVEMENT PROGRAM



Capital Improvement Program Fund

The Capital Improvement Program Fund (CIP) provides funding for streets, public buildings, land and other capital assets, which generally have a useful life of 5 years or more and cost more than \$50,000. City Council, in their Adopted Budget Guidelines, has set a policy to allocate an amount no less than 3% of the General Fund operating budget for capital improvements.

The annual capital budget is part of the City's multi-year Capital Improvements Plan (CIP), which is designed to coordinate the planning, financing, and construction of capital projects. As part of the capital improvement process, it has been recognized that funding needs to be set aside for the maintenance of City facilities. Separate funding is adopted in the General Fund budget for smaller maintenance projects in the Facilities Repair Fund.

There are several factors that must be taken into consideration during the development of the capital budget. Charlottesville's public facilities are aging, there is no significant growth in population, and the set boundaries of the City make capital budgeting an important part of the annual budget process. For these reasons, the City must respond to the capital needs of the community with investments aimed at revitalizing and maintaining the existing facilities and infrastructure of the City.

The City's CIP process is designed to coordinate and align capital projects with City priorities and strategies. As departments are preparing their CIP requests, they are asked to score their new and modified projects based upon a set of eight weighted criteria. These criteria not only help the department think about the type of requests they are submitting, but serve as a key factor when the CIP Budget Development Committee begins to discuss the projects as a whole, since in general requests far outweigh available funding.

CIP submissions are received by the Budget Office, which organizes and prepares the submissions for review. The CIP Staff Ranking Committee then reviews, and if necessary re-ranks the requested projects. The CIP Staff Ranking Committee consists of staff members from Neighborhood Development Services, Public Works, Budget, Parks and Recreation, Public Safety, a member of the Planning Commission, and one member from a non-CIP requesting department, which for this year's process was the Department of Social Services. The CIP is forwarded to the Budget Development Committee, which reviews all projects and their criteria scoring, and develops a recommendation that is fiscally sound and reflects the overall priorities of the City and its needs. The CIP Budget Development Committee consists of the City Manager, COO/CFO, Finance Director, the Director of Budget and Performance Management, and one member of the Planning Commission.

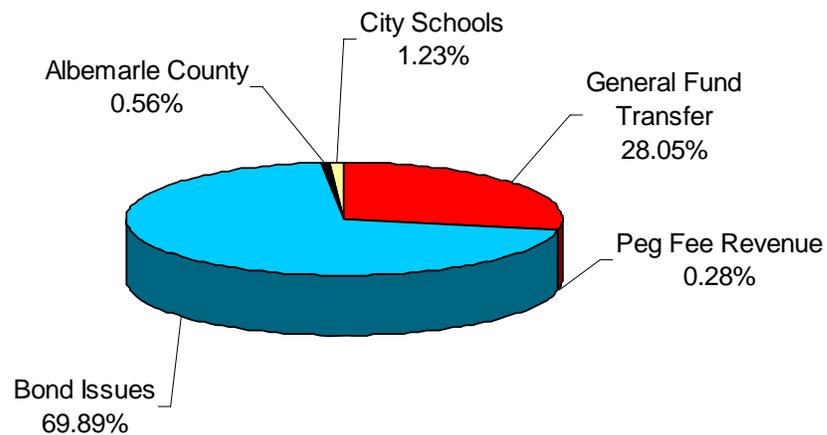
The final proposal from the Budget Development Committee is then presented to the Planning Commission. Following Planning Commission consideration and approval, the annual budget and revised five-year CIP are forwarded to the City Manager and then to City Council for inclusion in the annual budget.

FY 2010 Capital Improvement Program Revenues and Expenditures

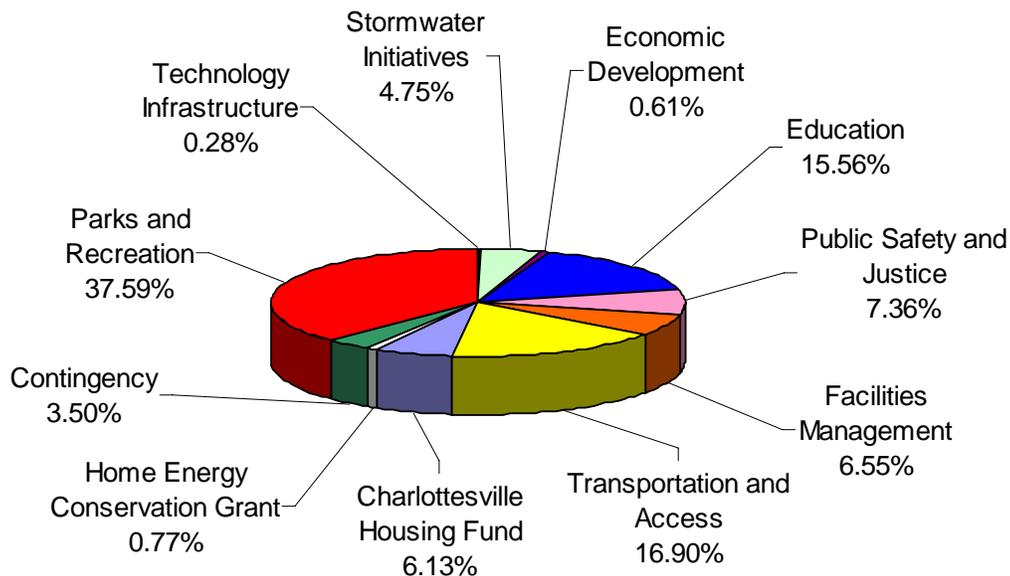
Given the need for capital projects that exists in the community, the **FY 2010-2014** Capital Improvement Program recommends the use of approximately **\$49.7 million** in long-term debt to finance a portion of the **\$74.3 million** multi-year program. The balance will be funded with transfers of funds from the General Fund, through the revenue sharing agreement with Albemarle County, and with contributions from Albemarle County and the Charlottesville City Schools.

The Capital Improvement Program for **FY 2009-2010** contains projects totaling **\$15.7 million**, as well as a capital projects contingency account totaling **\$571,152**, for a total capital improvement program budget equaling **\$16.3 million**.

Revenues



Expenditures



Description of Capital Projects**Bondable Projects****Education**

In FY 2010, the City of Charlottesville allocates \$2.33 million to the City schools for various large and small capital improvements. Some of the projects covered by this sum include: System wide ADA improvements; Johnson exterior and façade repairs; Buford and Walker restroom renovations; and CHS Parking lot resurfacing. This funding also provides for the schools HVAC replacement plan.

Facilities Capital Projects

Facilities Capital Projects has been allocated \$1.04 million. This funding covers the annual facilities lump sum projects that funds improvements and repairs to various City owned facilities. These include the replacement of various air handlers and HVAC components; window replacements and repairs; fire alarm and fire sprinkler repairs; and any other repairs deemed to be necessary in order to preserve the City's properties.

Public Safety and Justice

In FY 2010, \$1.2 million has been allocated for Public Safety and Justice capital improvement projects. The entire funding allocation for FY 2010 will be used for the final design and initial construction phases of the Ivy Road/Fontaine Area Fire Station replacement project. In both FY 2011 and FY 2012, \$4.0 million has been projected to fund the final phases of construction. In FY 2009 \$3.5 million was originally programmed for this project. This funding was not used but was instead reprogrammed to better reflect the construction schedule which was pushed out to future fiscal years.

Transportation and Access

For FY 2010, a total of \$1.07 million is allocated to Transportation and Access for two separate capital improvement projects: Street Reconstruction throughout the City which is allocated \$975,229; and \$100,000 is allocated for the undergrounding of utilities.

Parks and Recreation

For FY 2010 the Parks and Recreation Department is allocated \$5.7 million. The entire funding allocation for Parks and Recreation is for the replacement of the Smith Pool facility. This project began in FY 2009 and is expected to be completed near the end of FY 2010.

Non-Bondable Projects

Education

Funding of \$200,000 is allocated to carry out the Charlottesville City Schools small capital improvement program. This funding is offset 100% through a contribution from the schools specifically for this program.

Economic Development

The Department of Economic Development is allocated \$100,000 for the purpose of carrying out economic development initiatives. These funds are to be used to assist in long-term strategic improvements, to grow and expand the City's tax base, and for workforce development.

Facilities Capital Projects

In FY 2010, \$30,747 has been allocated to Facilities Management for the CATEC general facility maintenance projects.

Transportation and Access

Transportation and Access receives \$196,618 in grant match funds for CTS Transit bus replacement; \$200,000 for sidewalk repair; \$150,000 for citywide traffic improvements and \$100,000 for the intelligent transportation system; \$300,000 for State bridge and highway priorities; \$100,000 for Citywide ADA improvements to sidewalks and curbs throughout the City; and \$50,000 to be used as the required matching funds for the Jefferson Park Avenue (JPA) Bridge Repair; \$450,000 for McIntire Road Extended matching funds; \$110,000 for the match for the Meadowcreek Parkway Interchange project; and \$25,000 for improvements to the bicycle infrastructure throughout the City. Total funding for this area is \$1.68 million.

Parks and Recreation

The Parks and Recreation Department is allocated an additional \$431,090 for non-bondable projects, which include: \$100,000 for improvements to City and School playgrounds; \$75,000 for Trails and Greenway development; \$156,090 for urban tree preservation and planting; and \$100,000 for the future acquisition of parkland within the City of Charlottesville.

Stormwater Initiatives

Stormwater initiatives are allocated funds totaling \$775,000. These projects include \$175,000 for Neighborhood Drainage projects and \$600,000 for Citywide Stormwater Initiatives in order to begin major improvements to the City's Stormwater infrastructure. The City has an aging stormwater infrastructure (consisting of over 50 miles of pipes) and currently over 7 miles of this system has been identified as being in need of immediate repair or replacement based on deterioration of the pipes. This funding will be reevaluated annually with the Capital Improvement Budget with the long term goal to shift this to a self supporting utility.

Technology Infrastructure

Technology Infrastructure projects are allocated \$45,000. The Communications Technology Account/Public Access Television project will allow the City to continue upgrading and improving its cable network services and programming to the citizens by providing technology equipment and maintenance of that equipment to the Public Access Offices at CATEC and to Channel 10 located in City Hall. This item is offset by PEG Fees paid to the City.

Other General Government Commitments

The Charlottesville Housing Fund, whose mission is to meet the housing challenges facing our residents by dedicating, consolidating and expanding financial support for the preservation and production of affordable housing in our community. This program is allocated \$1.0 million. Also allocated is \$125,000 for the Home Energy Conservation Grant Program, which would fund energy conservation measures for residential owner-occupied housing.

Operational Impacts

In the FY 2010 Capital Improvement Program (CIP), six projects were identified as significant nonroutine capital expenditures. For the purposes of this analysis, significant non-routine capital expenditures are those projects which will cost more than \$250,000, are not routine maintenance, such as street and sidewalk reconstruction or facilities maintenance, and are not yearly recurring projects. The operational impacts of these projects are discussed below.

Operational Impacts of Projects

<u>Project</u>	<u>FY10 CIP Cost</u>	<u>Operational Impacts</u>	<u>Operational Increases/Savings</u>
Ivy Rd/Fontaine Area Fire Station Replacement	\$ 1,200,000	Increased utility costs, possible increased equipment costs, no increase in personnel costs	No operational increases until construction is complete - estimated FY 2012. Once complete, increased utility cost of approximately \$4.41 per square foot.
Charlottesville High School Improvements	\$ 800,000	Decreased maintenance and utility costs, no increase in personnel costs.	Energy and maintenance savings will be realized in the City Schools budget and will not affect City Operational budget.
Smith Pool	\$ 5,700,000	Decreased maintenance and utility costs, no increase in personnel, possible increase ability to generate revenue	The closure of Smith Pool for part of FY 2009, will result in approximately \$200,000 in savings for the City. Amounts of future operational increases/savings will be unknown until the new Smith Pool facility is operational.
McIntire Road Extended - City Match	\$ 450,000	Increased road maintenance cost upon completion of project.	No operational increases for FY 2010, but will incur road maintenance costs (milling and paving, snow removal, drainage, etc.) of approximately \$11,828 per lane mile after the road is completed.
Stormwater Initiatives	\$ 600,000	Increased personnel and maintenance supply cost; decreased maintenance costs.	Project is an increase in funding to existing operations. Increased personnel and supply costs will be covered by additional CIP funding.
Charlottesville Housing Fund	\$ 1,000,000	Increased personnel costs associated with the administration of the program.	Approximately 286 staff hours per year are required to administer this program.

FY 2010-2014 Capital Improvement Program

	<u>Adopted FY10</u>	<u>Projected FY11</u>	<u>Projected FY12</u>	<u>Projected FY13</u>	<u>Projected FY14</u>	<u>5 Year Total</u>
Revenues						
Transfer from General Fund	4,575,000	4,693,500	4,815,555	4,441,545	4,571,041	23,096,641
Contribution from Albemarle County (Levy Building)	0	212,500	0	0	0	212,500
Contribution from Albemarle County (CATEC)	91,000	37,500	12,500	0	0	141,000
Contribution from Schools (Small Cap Program)	200,000	200,000	200,000	200,000	200,000	1,000,000
PEG Fee Revenue	45,000	45,000	45,000	45,000	45,000	225,000
CY 2010 Bond Issue	11,398,522	0	0	0	0	11,398,522
CY 2011 Bond Issue	0	10,446,794	0	0	0	10,446,794
CY 2012 Bond Issue	0	0	12,571,214	0	0	12,571,214
CY 2013 Bond Issue	0	0	0	8,635,433	0	8,635,433
CY 2014 Bond Issue	0	0	0	0	6,650,745	6,650,745
TOTAL AVAILABLE REVENUES	\$16,309,522	\$15,635,294	\$17,644,269	\$13,321,978	\$11,466,786	\$74,377,849
Expenditures						
BONDABLE PROJECTS						
EDUCATION						
<u>Project</u>	<u>Adopted FY10</u>	<u>Projected FY11</u>	<u>Projected FY12</u>	<u>Projected FY13</u>	<u>Projected FY14</u>	<u>5 Year Total</u>
Lump Sum to Schools (City Contribution)	1,037,343	1,068,463	1,100,517	1,133,533	1,167,539	5,507,395
Charlottesville High School Improvements	800,000	0	0	0	0	800,000
City Schools HVAC Replacement Plan	500,000	750,000	1,000,000	1,000,000	1,000,000	4,250,000
Charlottesville High School Football Bleachers	0	0	1,200,000	0	0	1,200,000
SUBTOTAL	\$2,337,343	\$1,818,463	\$3,300,517	\$2,133,533	\$2,167,539	\$11,757,395
FACILITIES CAPITAL PROJECTS						
<u>Project</u>	<u>Adopted FY10</u>	<u>Projected FY11</u>	<u>Projected FY12</u>	<u>Projected FY13</u>	<u>Projected FY14</u>	<u>5 Year Total</u>
Lump Sum to Facilities Capital Projects	1,037,343	1,068,463	1,100,517	1,133,533	1,167,539	5,507,395
Levy HVAC Component Replacements	0	425,000	0	0	0	425,000
Central Library Renovations	0	0	0	0	490,000	490,000
SUBTOTAL	\$1,037,343	\$1,493,463	\$1,100,517	\$1,133,533	\$1,657,539	\$6,422,395
PUBLIC SAFETY AND JUSTICE						
<u>Project</u>	<u>Adopted FY10</u>	<u>Projected FY11</u>	<u>Projected FY12</u>	<u>Projected FY13</u>	<u>Projected FY14</u>	<u>5 Year Total</u>
Bypass Fire Station Renovation	0	0	0	2,150,000	2,000,000	4,150,000
Ivy Road/Fontaine Area Fire Station Replacement/Access Road	1,200,000	4,000,000	4,000,000	0	0	9,200,000
SUBTOTAL	\$1,200,000	\$4,000,000	\$4,000,000	\$2,150,000	\$2,000,000	\$13,350,000
TRANSPORTATION AND ACCESS						
<u>Project</u>	<u>Adopted FY10</u>	<u>Projected FY11</u>	<u>Projected FY12</u>	<u>Projected FY13</u>	<u>Projected FY14</u>	<u>5 Year Total</u>
Undergrounding Utilities	100,000	100,000	100,000	100,000	0	400,000
New Sidewalks	0	250,000	257,500	262,225	273,182	1,042,907
West Main Streetscape	0	350,000	350,000	350,000	0	1,050,000
Street Reconstruction	975,229	1,004,558	1,034,694	1,065,735	1,097,707	5,177,923
Old Lynchburg Road	0	500,000	1,000,000	1,500,000	0	3,000,000
VDOT Revenue Sharing Program (McIntire Road)	0	1,000,000	0	0	0	1,000,000
SUBTOTAL	\$1,075,229	\$3,204,558	\$2,742,194	\$3,277,960	\$1,370,889	\$11,670,830
PARKS AND RECREATION						
<u>Project</u>	<u>Adopted FY10</u>	<u>Projected FY11</u>	<u>Projected FY12</u>	<u>Projected FY13</u>	<u>Projected FY14</u>	<u>5 Year Total</u>
Washington Park Bathhouse	0	75,000	500,000	0	0	575,000
Smith Pool	5,700,000	0	0	0	0	5,700,000
Rives Park Renovations	0	0	500,000	0	0	500,000
Azalea Park Renovations	0	0	250,000	250,000	0	500,000
McIntire Park - Master Plan Implementation	0	0	100,000	200,000	300,000	600,000
SUBTOTAL	\$5,700,000	\$75,000	\$1,350,000	\$450,000	\$300,000	\$7,875,000
SUBTOTAL BONDABLE PROJECTS	\$11,349,915	\$10,591,484	\$12,493,228	\$9,145,026	\$7,495,967	\$51,075,620

FY 2010-2014 Capital Improvement Program

NONBONDABLE PROJECTS

EDUCATION	Adopted	Projected	Projected	Projected	Projected	5 Year
<u>Project</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>Total</u>
School Small Capital Improvements Program	200,000	200,000	200,000	200,000	200,000	1,000,000
SUBTOTAL	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$1,000,000
ECONOMIC DEVELOPMENT	Adopted	Projected	Projected	Projected	Projected	5 Year
<u>Project</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>Total</u>
Economic Development (Strategic) Initiatives	100,000	103,000	106,090	109,273	112,551	530,914
SUBTOTAL	\$100,000	\$103,000	\$106,090	\$109,273	\$112,551	\$530,914
FACILITIES CAPITAL PROJECTS	Adopted	Projected	Projected	Projected	Projected	5 Year
<u>Project</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>Total</u>
CATEC - General Facility Maintenance	30,747	31,669	32,619	33,598	34,606	163,239
SUBTOTAL	\$30,747	\$31,669	\$32,619	\$33,598	\$34,606	\$163,239
TRANSPORTATION & ACCESS	Adopted	Projected	Projected	Projected	Projected	5 Year
<u>Project</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>Total</u>
Sidewalk Repair	200,000	206,000	212,180	218,545	225,101	1,061,826
State Bridge and Highway Inspections	300,000	300,000	300,000	300,000	300,000	1,500,000
McIntire Road Extended (City Match)	450,000	0	0	0	0	450,000
Meadowcreek Parkway Interchange (City Match)	110,000	0	0	0	0	110,000
JPA Bridge (City Match)	50,000	50,000	0	0	0	100,000
CTS Transit Bus Replacement Match	196,618	316,729	434,121	615,408	478,617	2,041,493
Intelligent Transportation System	100,000	100,000	100,000	100,000	100,000	500,000
Citywide Traffic Improvements	150,000	150,000	150,000	150,000	150,000	750,000
Citywide ADA Improvements - Sidewalks and Curbs	100,000	100,000	100,000	100,000	100,000	500,000
Bicycle Infrastructure	25,000	0	0	0	0	25,000
SUBTOTAL	\$1,681,618	\$1,222,729	\$1,296,301	\$1,483,953	\$1,353,718	\$7,038,319
PARKS & RECREATION	Adopted	Projected	Projected	Projected	Projected	5 Year
<u>Project</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>Total</u>
Parks and Schools Playground Renovations	100,000	103,000	106,090	109,273	112,551	530,914
Trails and Greenway Development	75,000	77,250	79,568	81,955	84,414	398,187
Urban Tree Preservation and Planting	156,090	109,273	112,551	115,927	119,405	613,246
Parkland Acquisition	100,000	0	0	0	0	100,000
SUBTOTAL	\$431,090	\$289,523	\$298,209	\$307,155	\$316,370	\$1,642,347
STORMWATER INITIATIVES	Adopted	Projected	Projected	Projected	Projected	5 Year
<u>Project</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>Total</u>
Neighborhood Drainage Projects	175,000	175,000	175,000	175,000	175,000	875,000
Citywide Stormwater Initiatives	600,000	600,000	600,000	100,000	100,000	2,000,000
SUBTOTAL	\$775,000	\$775,000	\$775,000	\$275,000	\$275,000	\$2,875,000
TECHNOLOGY INFRASTRUCTURE	Adopted	Projected	Projected	Projected	Projected	5 Year
<u>Project</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>Total</u>
Communications Technology Account/Public Access	45,000	45,000	45,000	45,000	45,000	225,000
SUBTOTAL	\$45,000	\$45,000	\$45,000	\$45,000	\$45,000	\$225,000
OTHER GOVERNMENTAL COMMITMENTS	Adopted	Projected	Projected	Projected	Projected	5 Year
<u>Project</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>Total</u>
YMCA Pool (City Share)	0	625,000	500,000	0	0	1,125,000
Charlottesville Housing Fund	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	5,000,000
Home Energy Conservation Grant Program	125,000	125,000	125,000	125,000	125,000	625,000
SUBTOTAL	\$1,125,000	\$1,750,000	\$1,625,000	\$1,125,000	\$1,125,000	\$6,750,000
SUBTOTAL NONBONDABLE PROJECTS	\$4,388,455	\$4,416,921	\$4,378,219	\$3,578,979	\$3,462,245	\$20,224,819
Capital Improvement Program Contingency	\$571,152	\$626,889	\$772,822	\$597,973	\$508,574	\$3,077,410
TOTAL PROJECT EXPENDITURES	\$16,309,522	\$15,635,294	\$17,644,269	\$13,321,978	\$11,466,786	\$74,377,849



OTHER NON GENERAL FUNDS



Equipment Replacement Fund

The City's fleet consists of 685 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 and a scheduled replacement program. It has three major objectives:

1. To objectively evaluate equipment purchases from an economic perspective (maintenance 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>	<u>FY 08-09*</u> <u>Budget</u>	<u>FY 09-10</u> <u>Budget</u>
Beginning Fund Balance	\$2,108,842	\$2,108,842
<u>Revenues</u>		
Transfer from General Fund	<u>1,897,985</u>	<u>1,524,101</u>
Total Revenues	\$1,897,985	\$1,524,101
<u>Expenditures</u>		
Vehicle/Equipment Replacement	<u>1,897,985</u>	<u>788,000</u>
Total Expenditures	\$1,897,985	\$ 788,000
Net Gain/(Loss)	0	736,101
Ending Fund Balance	\$2,108,842	\$2,844,943

* Revised FY 2009 Budget.

Note: There are several vehicles/pieces of equipment, under \$50,000, being purchased in FY 2010, including sedans, vans, pickup trucks and a roller. Where possible, hybrids are being purchased, in most cases to replace a sedan. Vans and pickup trucks are being replaced with flex fuel vehicles. For equipment \$50,000 and more, there is a pool of funds budgeted under Designated Expenditures, totaling **\$211,826**, for the replacement of a bucket truck, several small dump trucks and a backhoe. Any remaining funds will be reserved for future purchases of replacement vehicles and equipment.

All of the vehicles and pieces of equipment recommended for replacement during FY 2010 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.

Facilities Repair Fund

The Facilities Repair Fund provides funding to preserve the City's investment of over \$83M in non-school facilities, which have annual maintenance requirements. A schedule of routine preventive maintenance/repair and minor facility rehabilitation maintains an acceptable level of facility condition and reduces the need for future, more expensive replacement. The budget proposes a plan of action to limit major expenses or major inconveniences in the near future. 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 taxpayer's investment in the City's facilities remains the best defense against the enormous cost of total construction/renovation of the City's aging, but still very valuable, public facilities.

<u>Fund Detail</u>	<u>FY 08-09 Budget*</u>	<u>FY 09-10 Budget</u>
Beginning Fund Balance	\$282,800	\$10,124
<u>Revenues</u>		
Transfer from General Fund	550,000	550,000
County Reimbursement	<u>40,819</u>	<u>0</u>
Total Revenues	\$590,819	\$550,000
<u>Expenditures</u>		
Facilities Repair	613,495	287,000
Parks and Recreation Allocation	<u>250,000</u>	<u>250,000</u>
Total Expenditures	\$863,495	\$537,000
Net Gain/(Loss)	(272,676)	13,000
Ending Fund Balance	\$10,124	\$23,124

* Revised FY 2009 Budget.

Note: Projects that will occur during FY 2010 include the following: ADA improvements at various locations (doors/hardware and restroom upgrades), restroom upgrades and other repairs/maintenance at Community Attention facilities, concrete repair/maintenance at the Market St. Parking Garage, fire safety upgrades in all City buildings, re-sealing of asphalt and striping parking lot at the Health Department, upgrade of exterior doors and hardware at McGuffey Art Center, and repair of a retaining wall at the Transit Yard at 4th St.

Maintenance and improvements to Parks and Recreation facilities include: repairs at Carver, Tonsler, Key, Washington and Belmont, fencing maintenance/repairs at all sites, sump pump cover replacement at Crow Pool and a contribution to the Smith Aquatic Center project.

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. City employees who work at least twenty hours per week for a minimum of thirty-six weeks per year are enrolled in the plan, although they 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 pension plan.

The Retirement Fund is a trust fund supported by contributions paid by the City. No employee contributions are made. The City's rate of contribution into the fund for FY 2009-2010 is 25.13% for general government and 34.04% of public safety employees' salaries.

The Charlottesville Pension Plan is administered by a 9-member commission, which consists of one City Council member, the City Manager, department heads specified by the City Code, three employee-at-large members, and a City retiree.

<u>Fund Detail</u>	<u>FY 08-09 Budget *</u>	<u>FY 09-10 Budget</u>
Beginning Fund Balance	\$86,234,645	\$87,559,601
<u>Revenues</u>		
Investment Income	1,800,000	1,800,000
Contributions from All Funds	9,914,895	10,349,103
Contributions from plan members		472,000
Total Revenues	11,714,895	12,621,103
<u>Expenditures</u>		
Payments to Retirees	7,677,383	7,942,838
Life Insurance payment to benefit retirees	125,000	125,000
	60,000	60,000
Human Resource shared expenses	81,461	82,547
City Attorney Fees	6,215	6,429
Investment Counsel Fees	385,000	375,000
Actuarial Study and Services	40,000	50,000
Health care costs	1,800,000	2,272,000
Disability insurance	125,000	136,000
Life insurance	51,000	54,000
City Link Recurring Costs	31,380	31,460
Miscellaneous	<u>7,500</u>	<u>7,500</u>
Total Expenditures	\$10,389,939	\$11,142,774
Net Gain/(Loss)	\$1,324,956	\$1,478,329
Balance	\$87,559,601	\$89,037,930

* Revised FY 2009 Budget.

Risk Management Fund

The City maintains a Risk Management Fund to account for all insurance revenues and expenditures. Premium costs are allocated to the various operating funds and accounts (for example, General Fund operating departments, such as Police, Fire, Public Works, etc.), 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. Establish an exposure-free work and service environment in which City personnel, as well as members of the public, can enjoy safety and security in the course of their daily pursuits.
6. Centralize and coordinate all costs associated with the City's risk management program.
7. 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 coverages.

<u>Fund Detail</u>	<u>FY 08-09 Budget*</u>	<u>FY 09-10 Budget</u>
Beginning Fund Balance	\$457,388	\$266,209
<u>Revenues</u>		
Charges for services	2,182,368	2,436,600
Total Revenues	\$2,182,368	\$2,436,600
<u>Expenditures</u>		
Insurance premium cost	1,081,586	1,133,783
Workers compensation claim payments and reserves	1,086,282	1,094,910
Administrative costs	205,679	208,296
Total Expenditures	\$2,373,547	\$2,436,990
Net Gain/(Loss)	(191,179)	(390)
Ending Fund Balance	\$266,209	\$265,819

* Revised FY 2009 Budget

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

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, 2008) is indicated by four key financial indicators: net bonded debt of \$49,846,598, a ratio of debt to assessed value of 0.96%, net bonded debt per capita of \$1,223, and a ratio of Debt Service to total General Fund expenditures of 5.36%. 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 & Poors. Both Moody's and Standard & Poors confirmed this AAA bond rating in June 2008.

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 2008, the legal debt limit was \$518,195,490. The City's current general obligation indebtedness is \$73,675,998, which includes debt being repaid by the City's utility funds. The City also has a financial policy of maintaining a debt service to general fund operating expenditure ratio of 8% or less, as adopted by Council with the budget guidelines (page 9).

<u>Fund Detail</u>	<u>FY08 - 09 Budget*</u>	<u>FY09 - 10 Budget</u>		
Beginning Fund Balance	\$ 7,927,132	\$ 9,031,137		
Revenues				
General Fund Transfer	6,050,000	6,050,000		
CEDA-SNL Loan	150,000	0		
Meals Tax Revenue	1,675,000	1,725,000		
Fire Department Transfer	20,000	20,000		
Police Department Transfer - ERF	141,751	70,876		
County Fire Service Fees	100,000	642,000		
City Link Loan - Transfer from City Link	408,482	408,482		
Total revenues	\$ 8,545,233	\$ 8,916,358		
Expenditures	FY08 - 09	FY09 - 10	FY09 - 10	FY09 - 10
Bonds-	Total	Total	Principal	Interest
1996	0	0		
1998	598,163	0		
2000	339,188	323,625	300,000	23,625
2001	203,194	197,994	130,000	67,994
2003	1,711,681	1,634,131	1,350,000	284,131
2004	1,499,858	1,473,558	876,667	596,892
2006	1,087,500	1,062,500	625,000	437,500
2008	1,180,378	1,842,206	1,310,000	532,206
2009 (\$20,237,000)	0	2,023,700	1,011,850	1,011,850
Subtotal	\$ 6,619,962	\$ 8,557,715	\$ 5,603,517	\$ 2,954,198
Literary Loans-				
Greenbrier	7,869	7,544	6,500	1,044
Johnson	13,518	13,036	9,656	3,380
Burnley-Moran	15,025	14,507	10,362	4,145
Subtotal	\$ 36,412	\$ 35,087	\$ 26,518	\$ 8,569
Lease-purchase agreements	0	0		
CityLink Loan from Utilities	408,482	408,482	379,364	29,118
Fire Truck (2007)	100,025	100,026	90,155	9,871
Fire Brush Truck (2007)	34,596	34,596	30,693	3,903
Police Cars	141,750	70,876	68,150	2,726
Fire Truck (2009)	0	190,635	0	0
Administrative Costs	100,000	100,000	0	0
Subtotal	\$ 784,853	\$ 904,615	\$ 568,362	\$ 45,618
Total Expenditures	\$ 7,441,228	\$ 9,497,417		
Net Gain/(Loss)	1,104,005	(581,059)		
Ending Fund Balance	\$ 9,031,137	\$ 8,450,079		

* Revised FY 2009 Budget

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. This means that the City is responsible for paying all claims and expenses generated by the program 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. One goal for the Fund is to maintain a minimum fund balance as a reserve to cover claims cost if they exceed the projected amount. For **FY 2010**, employees will see no increase in health care premiums, co-pays or deductibles.

<u>Fund Detail</u>	<u>FY 08-09 Budget *</u>	<u>FY 09 -10 Budget</u>
Revenues		
Cost center contributions (including JMRL)	4,593,989	5,435,801
Employee/Retiree HC payroll deductions	2,302,607	2,300,000
Retirement fund contribution	1,827,408	1,800,000
Agencies and individuals	1,142,964	1,109,548
Employee and retiree payments for Physical Fitness Clubs	190,133	190,000
Flexible spending account forfeitures	4,312	3,000
Total Revenues	\$10,061,413	\$10,838,349
Expenditures		
<u>Medical expenses</u>		
Southern Health claims and administration	8,448,249	9,293,074
HMO - Health reimbursement	70,970	78,067
Delta Dental	623,847	686,232
Total medical and dental expenses	9,143,066	10,057,373
<u>Other expenses</u>		
Salary and benefits (Temporary staffing)	36,037	15,000
City contribution for Fitness Program	402,259	391,288
Employee Assistance Program	19,360	18,832
Health care consultants (Wachovia)	39,325	38,253
Health screening	60,000	60,000
Flu shots	14,080	13,696
On-site nurse program	7,626	7,418
Wellness program operating expenses & supplies	7,787	7,575
Wellness Initiatives	2,762	2,687
Medical insurance opt-out payment	36,264	35,275
Flex-Ben (Flexible and COBRA administration)	25,755	25,053
Human Resources staff	101,561	87,998
City Link recurring cost	37,048	31,520
Telephone charges	228	221
Total other expenses	790,092	734,816
Total Expenditures	\$9,933,158	\$10,792,189
Net Gain/(Loss)	128,255	46,160
Fund Balance - Prior Year	\$ 3,240,660	\$ 3,368,915
Fund Balance - Current Year	\$ 3,368,915	\$ 3,415,075

* Revised FY 2009 Budget

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.

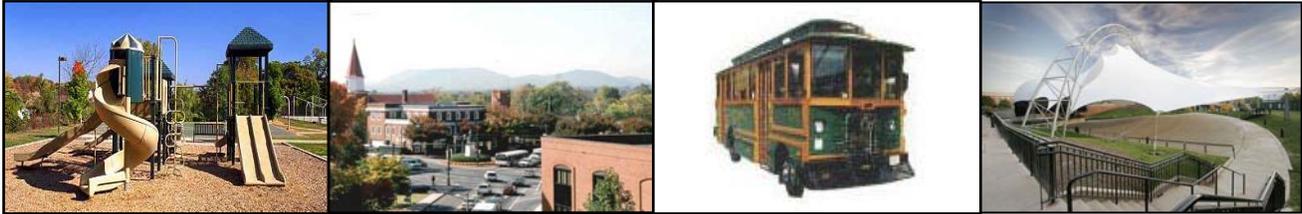
<u>Fund Detail</u>	<u>FY08 - 09</u> <u>Budget</u>	<u>FY09 - 10</u> <u>Budget</u>
Beginning Fund Balance	(\$21,093)	(\$21,093)
 <u>Revenues</u>		
Phone Fees	331,776	261,176
Postage Revenue	<u>73,957</u>	<u>73,500</u>
Total Revenues	\$405,733	\$334,676
 <u>Expenditures</u>		
Salaries	42,121	36,164
Telephone Services	192,763	153,812
Service Contracts	67,000	63,100
Postage Expenditures	55,000	55,000
Other Expenditures	<u>48,849</u>	<u>26,600</u>
Total Expenditures	\$405,733	\$334,676
 Net Gain/(Loss)	 0	 0
Ending Fund Balance	(\$21,093)	(\$21,093)



SUPPLEMENTAL INFORMATION



City Profile



Date of Incorporation	1888
Form of Government	Council-Manager
Current Population Estimate (2007 Census Estimate)	41,228
Land Area (square miles)	10.4
Population Density (population/square mile)	3,964
University Students Residing within City (2008)	9,000
Unemployment Rate (December 2008)	4.2%
Total Real Estate Property Values (2008)	\$5,296,136,508
Taxable Sales (2007)	\$895,967,000
Median Household Income (2005 Census Estimate)	\$33,041
Building Permits (2008)	2,333
City School Students (2008-09 School Year)	4,045
Miles of Streets	156
Number of Acres of Parks and Playgrounds	987
Number of Libraries	3
Number of Streetlights	5,960
Public Utilities (number of customers)	
Gas	18,064
Water	13,978
Sewer	13,814
Number of Registered Voters	23,506
Bond Rating (General Obligation Bonds)	Moody's Investor Services Aaa Standard & Poor's Corporation AAA
Number of Employees (FTE's):	
City	914
Schools	786

Sources:

City of Charlottesville Comprehensive Annual Financial Report for the fiscal year ending June 30, 2008 Virginia Employment Commission - Labor Market Statistics; Weldon C. Cooper Center for Public Service; University of Virginia.

City Profile

“A World Class City”

BACKGROUND

The City of Charlottesville encompasses 10.4 square miles and has a population of 41,228. Its rich history began with the town’s establishment in 1762, and it was named for Queen Charlotte, wife of King George III of England. Charlottesville was incorporated as a city in 1888.



Centrally situated in the foothills of the Blue Ridge Mountains just 120 miles from the nation’s capital, Washington, D.C., and 70 miles from the state capital, Richmond, Charlottesville and surrounding Albemarle County is an area rich with culture and deeply rooted in history. However, Charlottesville may best be known as the home of Thomas Jefferson and his mountaintop estate Monticello, as well as the University of Virginia, founded by Jefferson and consistently ranked one of the top public universities in the nation. Both Monticello and the University of Virginia are listed on the World Heritage Foundation list of prized cultural or natural assets, making them two of the area’s top attractions.

NATIONAL RANKINGS & AWARDS

The City has built a reputation as one of the best places to live in the United States. In 2004, Charlottesville was chosen as the best place to live in America by Frommer’s Cities Ranked and Rated. Other national rankings include **“Best Small City in the South”** (Money Magazine), #3 **“The Best Small Cities”** (Men’s Journal), one of **“Top Ten Places to Raise a Family”** (Reader’s Digest), **“One of the Best Small Places for Business and Career”** (Forbes/Milken Institute), **“Best Tennis Town”** (Tennis Magazine), **“#2 Healthiest Place to Live in America”** (Kiplinger’s Personal Finance), one of **“Seven Dream Towns that Have it All”** (Outside Magazine), **“Most Energetic City in the Country”** (USA Weekend), **“Best Retirement City for Golfers”** (Golf Digest), and the list goes on and on.



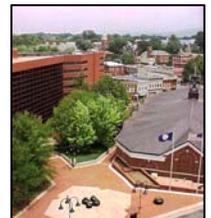
CITY GOVERNMENT

The City operates under the Council/Manager form of government with legislative powers vested in a 5 member Council elected at-large for four-year, staggered terms. The Mayor and Vice-Mayor are elected from within the Council for two-year terms. Administrative and executive duties are performed by the Council-appointed City Manager. There are approximately 931 City full-time equivalent employees.



BUSINESS

With its small-town charm and historical setting, Charlottesville attracts new business each year. Charlottesville provides a strategic location for many major high-tech employers, including the largest employer, the University of Virginia, where there are approximately 11,000 University employees, 7,000 hospital employees, and 20,000 students. Other major employers in the area include Albemarle County, Martha Jefferson Hospital, Wal-Mart, State Farm Insurance, and Northrup Grumman-Sperry Marine. The grape business is currently the fastest growing agricultural industry in the region and local wines and vineyards have been nationally recognized ever since Jefferson earned the title “Father of American Wine.” All of this has resulted in the City’s unemployment rate being consistently one of the lowest in the nation, averaging around 4% for 2008.



Top Ten Employers in the City of Charlottesville:¹

- | | | |
|-----------------------------------|------------------------------|----------------------------|
| 1) UVA Medical Center | 2) Martha Jefferson Hospital | 3) City of Charlottesville |
| 4) Charlottesville City Schools | 5) Aramark Campus | 6) Region Ten CSB |
| 7) Pharmaceutical Research Assoc. | 8) U.S. Postal Service | 9) SNL Security LP |
| 10) Matthew Bender & Co. | | |

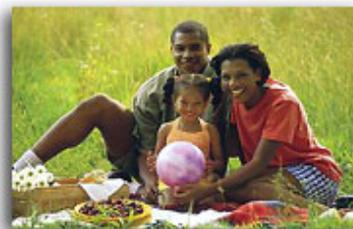
¹ Source: Adapted from the Virginia Employment Commission Labor Market Information for the City of Charlottesville (First Quarter 2008).

What People Are Saying...

Folks that have lived here for a long time are aware of our City's benefits and the high quality of life in our "World Class" City. Here is also what some other well-known sources are saying about life here in Charlottesville:



- **Frommer's Cities Ranked and Rated** – Charlottesville Ranked Best Place to Live in America! (2004)
- **Men's Journal** — #3 Best Small City to Live (2004)
- # 1 Municipal Website – National Association of Government Webmaster & City County Communications Management Association (2006)
- **Farmers Insurance Survey** – One of the Safest Mid-sized Cities in America (2008)
- **Money Magazine** — Best Places to Live (1999 & 2000)
- **Outside Magazine** — One of the Best Places to be Found, also one of Seven Dream Towns That Have it All
- **Kiplinger's Personal Finance** — #2 Healthiest Place to Live in America
- **Reader's Digest** — Top Ten Places in the Country to Raise a Family (#7 out of 50)
- **American Health** — Top Ten Healthiest Cities for Women (#6)
- **Golf Digest** — Best Retirement City for Golfers (#1)
- **Tennis Magazine** — Best Tennis Town (#1)

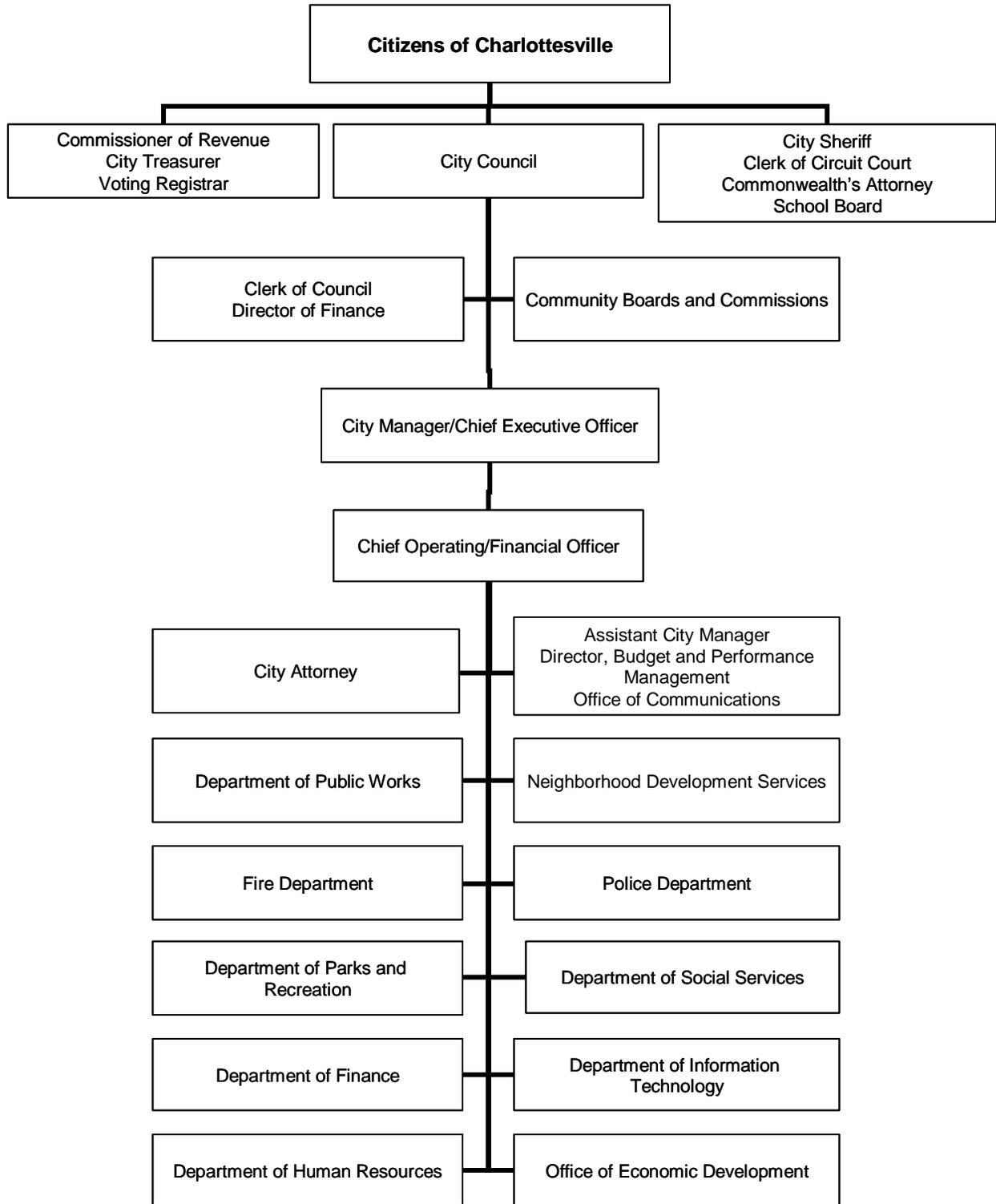


- **Americas Best Places to Retire 2007** – Best College Towns (#5), Best Four-Season Towns (#3)
- **Department of Transportation** – Best Workplace for Commuters
- **Southern Business & Development** - #1 Really Cool Small Southern Markets
- **Business 2.0 Magazine** — Fastest Growing Business Markets with a population under 1 million (#2)
- **E-Podunk.com** — Best Small College Town (#1)



- **Life Magazine** – The Best New Place to Drink Wine
- **National Trust for Historic Preservation** – Distinctive Dozen Destinations
- **Arts and Entertainment Television** — One of the Best Places to Live in America (#6)
- **Black Enterprises Magazine** – Best Places to Retire 2008 (#2)
- **Modern Maturity Magazine** — Most Alive Places to Live (#2 College Town)
- **Forbes/Milken Institute** — Best Small Places for Business and Career 2008 (#11)
- **Expansion Magazine** — Best Metro Areas for Overall Quality of Public Schools 2004 (#3)

City Organizational Chart



City Wide Staffing (Full Time Equivalent)

<u>Department/Cost Center</u>	<u>FY 07-08</u>	<u>FY 08-09</u>	<u>FY 09-10</u>	<u>General Fund Change</u>	<u>Non General Funds Change</u>	<u>Explanation of Changes</u>
Management						
Mayor/Council	1.00	1.00	1.00	0.00	0.00	
City Manager's Office/Administration and Office of Communications	9.00	8.00	8.00	0.00	0.00	
Office of Economic Development	4.00	4.00	4.00	0.00	0.00	
City Attorney	6.00	6.00	6.00	0.00	0.00	
Voting Registrar	2.50	2.50	2.50	0.00	0.00	
Total	22.50	21.50	21.50	0.00	0.00	
Internal Services						
Finance Department: Purchasing/Risk Management/Warehouse	6.00	6.00	6.00	0.00	0.00	
Human Resources	8.00	8.00	8.00	0.00	0.00	
Information Technology	18.00	18.00	18.00	0.00	0.00	
Total	32.00	32.00	32.00	0.00	0.00	
Financial Services						
Commissioner of Revenue	13.00	13.00	13.00	0.00	0.00	
Finance Department: Management/Real Estate Assessment/Utility Billing Office	33.00	34.00	34.00	0.00	0.00	
Treasurer	13.00	13.00	13.00	0.00	0.00	
Total	59.00	60.00	60.00	0.00	0.00	
Healthy Families & Community						
Community Attention	26.00	26.00	33.00	0.00	7.00	The increase in FTE's is the result of the TAFF program being transferred from the Department of Social Services to Community Attention. There is a corresponding reduction in FTE's under the Department of Social Services.
Commission on Children and Families/Juvenile Justice Services	1.00	1.00	1.00	0.00	0.00	
Department of Social Services	106.175	104.925	97.375	0.00	(7.55)	This reduction is the result of the following: 1) elimination of funding for the Virginia Public Guardian Grant and the position being supported by it, and; 2) transferring the TAFF program to Community Attention, which also transferred the positions.
Neighborhood Development Services	31.00	32.00	32.00	0.00	0.00	
Weed and Seed Coordinator (Grant Funded)	0.50	0.50	0.50	0.00	0.00	

Department/Cost Center	FY 07-08	FY 08-09	FY 09-10	General Fund	Non General	Explanation of Changes
				Change	Funds Change	
CDBG/HOME Grant Coordinator (Grant Funded)	1.00	1.00	1.00	0.00	0.00	
Parks and Recreation: Parks Maintenance	40.00	39.00	37.00	(2.00)	0.00	There are two vacant positions eliminated as part of this budget: a Volunteer Coordinator and a Gardener . A Maintenance Worker III position was eliminated during FY 09 . All of these position eliminations are the result of a department re-organization efforts.
Parks and Recreation: Recreation	26.00	25.50	25.50	0.00	0.00	During FY 09, .5 of an FTE position was eliminated as a result of department reorganization efforts.
Parks and Recreation: Golf Courses	9.00	9.00	8.00	0.00	(1.00)	The reduction in one FTE is the result of eliminating a vacant Administrative Secretary position.
Total	240.675	238.925	235.375	(2.00)	(1.55)	
Infrastructure/Transportation						
Public Works: Administration, Facilities Management and Maintenance	16.25	16.25	16.25	0.00	0.00	
Public Works: School Building Maintenance	14.00	14.00	14.00	0.00	0.00	
Public Works: Fleet Management	12.00	12.00	12.00	0.00	0.00	
Public Works: Public Service	51.00	51.00	51.00	0.00	0.00	
Public Works: CTS/Greyhound Operations	70.50	81.50	79.75	0.00	(1.75)	The reduction in FTE's can be attributed to the elimination of a Transit Bus Operator that was approved as part of the FY 2009 service expansion, but is no longer needed due to departmental reorganization; and a reduction of .75 FTE hours for 2 interns.
Public Works: Pupil Transportation	32.00	32.00	28.50	0.00	(3.50)	The reduction of FTE's is a result of the re-organization of the after school bus activity schedule and only one driver serving Ivy Creek rather than two.
Public Works: Utilities	90.00	93.00	93.00	0.00	0.00	
Total	285.75	299.75	294.50	0.00	(5.25)	
Public Safety & Justice						
City Sheriff	11.00	11.00	11.00	0.00	0.00	
Commonwealth's Attorney	13.50	13.50	13.50	0.00	0.00	
Courts and Other Support Service	11.00	11.00	11.00	0.00	0.00	
Fire Department: EMS and Ambulance Services	9.00	7.00	0.00	(7.00)	0.00	This reduction in FTE's reflects the complete elimination of a proposed City administered EMS/Ambulance Service. While the positions were created as part of the FY 08 budget, they were never filled.
Fire Department: Operations	89.00	89.00	89.00	0.00	0.00	
Police Department	146.43	146.43	146.43	0.00	0.00	
Total	279.93	277.93	270.93	(7.00)	0.00	
City-Wide Total						
	919.86	930.11	914.31	(9.00)	(6.80)	

Note: Full Time Equivalent (FTE) refers to the number of hours an employee works. For example, a regular FTE works 40 hours per week and is counted as one FTE. A part time employee that works only 20 hours per week is counted as .5 FTE. The position totals in this budget only include **full or part time regular positions**, and NOT temporary or seasonal employees due to the turnover rate of those categories, and the fact that the numbers of these employees can vary greatly in any given year. The exception is CTS/Greyhound who regularly employs temporary and relief drivers and whose numbers remain steady during the year.



GLOSSARY

Glossary

Adopted Budget	The budget as formally approved by City Council for the upcoming fiscal year.
Ad Valorem Tax	A direct tax calculated according to value of property. Ad valorem tax is normally the one substantial tax that may be raised or lowered by a local governing body without the sanction of superior levels of government (although statutory restrictions such as tax rate limitations may exist on the exercise of this right).
Appropriation	Legal authorization of funds approved by City Council for budget revenues and expenditures.
Assessed Value	Dollar value assigned to property, as determined by an Assessor, for the purposes of assessing taxes.
Balanced Budget	When a government's total revenues (money that it receives from taxes, fees, intergovernmental sources, etc.) equals its total expenditures (spending) in a fiscal year. The State Code of Virginia requires that all local governments adopt balanced budgets.
Budget	Plan of financial operation for the City. Includes estimated income (revenues) and expenses (expenditures) matched with various municipal services.
Capital Improvement	A plan for future capital expenditures which identifies each Program (CIP) capital project, its anticipated start and completion, and the cost per year.
Commitment - Item	A budgetary account representing a specific object of expenditure. The 400000 account codes represent the revenue commitment items and the 500000 account codes represent the expenditure commitment items. Examples include commitment item 510010 – Full-time salaries, commitment item 520010 – Office Supplies, and commitment item 520901 – Computer Software.
Debt Service	Payment of principal and interest related to the City's long-term borrowing, according to a predetermined payment schedule.
Enterprise Fund	A separate fund used to account for operations that are financed and operated in a manner similar to private business enterprises where it is the intent that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. For the City of Charlottesville, the water, sewer, and gas funds comprise the enterprise funds.
Expenditures	The cost of goods delivered or services rendered by the City.
Fiscal Year (FY)	A twelve-month period during which the annual operating budget applies. In the City of Charlottesville, the fiscal year is July 1 through June 30.

Full Time Equivalent (FTE)	A means to determine the number of employees in the organization as measured by number of hours worked – 1 FTE = 40 hours per week, 0.5 FTE = 20 hours per week, etc.
Fund	An accounting term to describe the City's major financial accounts: general fund, utilities, and capital improvements fund.
Fund Balance	The accumulated revenues and other financing sources over expenditures and other uses.
Fund Balance Target	An account created to help ensure that the City continues to meet the Adjustment following financial policy: the City will maintain an unappropriated fund balance in the General Fund equal to 12% of the City's operating budget.
General Fund	A fund used to account for all revenue and expenditures applicable to general operations of City departments and other agencies, not properly accounted for in another fund.
Intergovernmental Revenue	Revenue collected by one government and distributed in the form of grants, shared revenues, or payments in lieu of taxes.
Internal Service Fund	Funds which account for those activities supplied by one department to another on a cost-reimbursement basis. Fleet Maintenance, Risk Management and Information Technology are internal service funds.
Modified Accrual	Governmental accounting method where revenue is recognized when it becomes available and measurable and expenditures are typically recognized in the period in which the liability is incurred, with some exceptions. Most governmental funds follow the modified accrual method.
Operating Budget	A financial plan that represents proposed expenditures for a given period and estimates of revenue to finance them. Excludes expenditures for capital assets, such as capital improvements, equipment replacement, and facility repair.
Other Expenses	A category of recurring expenses other than salaries and capital equipment costs that are required for a department to function. Examples include office supplies, data processing charges, education and training, and contractual services.
Salaries and Benefits Expenses	A category of expenditures consisting primarily of the salaries, wages, and fringe benefits of the employees.
Proposed Budget	The budget formally submitted by the City Manager to the City Council for its consideration.
Revenue	The yield from various sources of income, such as taxes and permits, that the City collects and receives into the treasury for public use.

Revenue Sharing	The process by which one unit of government levies revenue and shares it with another unit of government. In this case, Albemarle County shares some of its revenue with the City of Charlottesville.
Transfers to Other Funds	An allocation of appropriations used to reimburse a fund for expenses it incurred on behalf of the transferring fund or to record the transfer of revenue from one fund to assist in funding the operation of another. In the recipient fund, a matching amount is reflected in estimated revenues under the title of "Transfer From Other Funds".
User-Fee	Payment of a fee for direct receipt of a public service by the party benefiting from the service.

Acronyms

ADA	Americans with Disabilities Act – is a wide-ranging civil rights law that prohibits, under certain circumstances, discrimination based on disability.
CARS	Charlottesville-Albemarle Rescue Squad – is a volunteer organization that provides primary rescue and emergency medical transport service to the City of Charlottesville, the University of Virginia and half of Albemarle County.
CATEC	Charlottesville Albemarle Technical Education Center – is a jointly owned and operated facility of Charlottesville City and Albemarle County that provides technical education to high school students and adults.
CHS	Charlottesville High School – is the high school operated by the City of Charlottesville School System.
CTS	Charlottesville Transit Service – provides fixed-route bus service Monday through Saturday from 6:00 a.m. to midnight throughout Charlottesville, and Sundays from 7:45 a.m. to 5:30 p.m.
EGTS	Enhanced Governmental Tax System – the Personal Property and Real Estate tax system used by the Commissioner of Revenue and Treasurer's Offices to assess personal property and to bill both personal property and real estate taxes.
GFOA	Government Finance Officers Association – is a professional organization that enhances and promotes the professional management of governments for the public benefit by identifying and developing financial policies and practices and promoting them through education, training and leadership.
GAAP	Generally Accepted Accounting Principals – is the standard framework of guidelines for financial accounting. It includes the standards, conventions, and rules accountants follow in recording and summarizing transactions, and in the preparation of financial statements.

- HVAC Heat Ventilation and Air Conditioning – for the City of Charlottesville the HVAC operation, a division of Public Works, provides, maintains, and repairs all heating, ventilation and air conditioning systems and equipment for City operated/owned facilities.
- JADE Jefferson Area Drug Enforcement – is a regional narcotics task force made up of officers from the Charlottesville Police Department, Albemarle County Police Department, University of Virginia Police Department, Virginia State Police and agents of the Federal Drug Enforcement Administration.
- PPTRA Personal Property Tax Relief Act – The Personal Property Tax Relief Act of 1998 provides tax relief for passenger cars, motorcycles, and pickup or panel trucks having a registered gross weight of less than 7,501 pounds, owned by an individual and used less than 50% for business purposes. PPTRA revenue is received by the City from the State.
- UVA University of Virginia – is a public university, located mainly within the City limits, that was founded by Thomas Jefferson in 1819.
- VDOT Virginia Department of Transportation – State agency responsible for building, maintaining, and operating the State’s roads, bridges, and tunnels.



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