Internal Service Funds

THE CITY OF COLUMBUS

Employee Benefits Fund

The employee benefits fund was established in 1993 and represents funds intended for the administration of benefit programs for city employees, as well as funds for property and boiler insurance for city facilities. These operations are managed in the Human Resources Department and the Finance and Management Department, respectively.

2020 Cash Balance Statement

A portion of the Employee Benefits Fund is dedicated to the administration of the risk management section of the Department of Human Resources. The fund's primary source of revenue is the monthly insurance premium paid by each division for all participating employees of the city's insurance program.

2020 Employee Benefits Fund Balance Summary		
Unencumbered Cash Balance (January 1, 2020)	$	-
Plus Estimated 2019 Receipts		6,203,836
Total Estimated Available Resources	$	6,203,836
Less 2020 Recommended Operating Budget - Human Resources		(5,808,836)
Less 2020 Recommended Operating Budget - Finance		(395,000)
Projected Available Balance (December 31, 2020)	**$**	**-**

Notes:

- The figures cited above reflect only the revenues and expenditures associated with administration of the risk management section of the Department of Human Resources and include the payments for the property and boiler insurance for city facilities.
- The fund is expected to begin and end the year with a zero balance.
- Revenues and expenditures associated with the payment of claims are not represented in this section.

Print and Mailroom Services Fund

The print and mail services fund was established in 2008 and is managed by the Finance and Management Department. The fund represents a consolidation of print and mail functions provided to all city departments. Operational costs associated with both the print center and mailroom are supported by billing user agencies. The fund provides an accounting of the city's print, resale, and copy center transactions as well as mailroom activity.

2020 Cash Balance Statement

The print and copy center operates as an internal service fund, with costs supported by billing user agencies for print and copy services provided. Mailroom services, transferred from the Department of Technology to the Department of Finance and Management in 2008, are included in this fund as well. Revenues and expenditures for both the print center and the mailroom are accounted for in this fund. Charges for the mailroom, including postage charges, are billed back to user agencies. The fund is projected to begin 2020 with an unencumbered cash balance of $157,599 and end the year at $169,599. Significant improvements in billing procedures, office space, and equipment have been implemented over the past several years, and the resulting benefits continue to be reflected in both operations. Overall, more departments are requesting print and mail services, rather than outsourced jobs, thus creating more revenue.

2020 Print and Mailroom Services Fund
Balance Summary

Unencumbered Cash Balance (January 1, 2020)	$	157,599
Plus Estimated 2020 Print Services Receipts		653,691
Plus Estimated 2020 Mailroom Services Receipts		1,288,210
Plus Estimated Encumbrance Cancellations		12,000
Total Estimated Available Resources	$	2,111,500
Less 2020 Recommended Operating Budget - Print		(653,691)
Less 2020 Recommended Operating Budget - Mailroom		(1,288,210)
Projected Available Balance (December 31, 2020)	**$**	**169,599**

2020 Revenue Summary

2020 Print and Mailroom Services Fund
Revenue by Source and Year
Historical and Projected

Revenue Summary	2017 Actual	2018 Actual	2019 Estimated	2020 Proposed
Print Services	$ 495,361	$ 626,608	$ 552,214	$ 653,691
Mailroom Services	1,190,075	1,228,383	1,151,574	1,288,210
Encumbrance Cancellations	25,339	78,048	-	12,000
Unencumbered Cash Balance	256,068	498,852	330,928	157,599
Total Resources	**$ 1,966,843**	**$ 2,431,891**	**$ 2,034,716**	**$ 2,111,500**
Percent Change		**23.64%**	**-16.33%**	**3.77%**

Land Acquisition Fund

The City Attorney's Real Estate division is responsible for the acquisition of real property interests needed by city departments. Revenues to the land acquisition fund are comprised of charges to other city departments for these services, which often include title and appraisal preparation and review, legal document and instrument preparation and review, negotiations, and closings.

2020 Cash Balance Statement

The beginning year unencumbered cash balance in this fund is projected at $536,967. The 2020 revenue estimate is equal to a projection of 3,120 hours of services billed at a rate of $300 per hour. The division reviews its rate periodically and increases it when necessary to fully recover costs. With a proposed budget of $1,234,584, the anticipated fund balance by year end is $238,383.

2020 Land Acquisition Fund Balance Summary		
Unencumbered Cash Balance (January 1, 2020)	$	536,967
Plus Estimated 2020 Receipts		936,000
Plus Estimated Encumbrance Cancellations		-
Total Estimated Available Resources	$	1,472,967
Less 2020 Recommended Operating Budget		(1,234,584)
Projected Available Balance (December 31, 2020)	**$**	**238,383**

Technology Services Fund

The technology services fund is an internal service fund that supports the operations of the Department of Technology. The fund receives revenue from other city departments both directly, wherein the department pays certain technology costs on behalf of other departments and charges on a dollar-for-dollar basis, and indirectly, wherein the department charges departments based on their allocated utilization of technology services, such as application maintenance, email and messaging services, and project management.

2020 Cash Balance Statement

The technology services fund is managed by the Department of Technology and is projected to begin the year with an unencumbered cash balance of $702,905 and end the year with $171,389. Revenues to the fund consist of charges to other city divisions for technology services, utilizing a cost recovery model to determine applicable rates for various operational functions. In addition, the department procures goods, services, and other computer related equipment on behalf of city divisions and bills back the cost as a direct charge. The department also receives revenue from outside sources, such as Franklin County and Columbus City Schools, for services provided.

2020 Technology Services Fund Balance Summary		
Unencumbered Cash Balance (January 1, 2020)	$	702,905
Plus Estimated 2020 Receipts		43,184,752
Plus Estimated Encumbrance Cancellations		150,000
Total Estimated Available Resources	$	44,037,657
Less 2020 Recommended Operating Budget		(43,866,268)
Projected Available Balance (December 31, 2020)	**$**	**171,389**

Pro Forma Operating Statement

The department will continue to use a charge-back methodology to fully recover costs related to information technology services. In 2009, a cost recovery model was completed which more accurately reflects user charges and services as well as cost recovery. The department continues to use a time and attendance reporting system for many of its services. A pro forma operating statement for the ten-year period follows this section and represents the Director's Office and the Information Services Division (ISD) revenues and expenditures for that period. The major assumptions are as follows:

- Personnel expenses, supplies, maintenance, and capital expenses are inflated at two percent per year. Insurance costs are projected to grow by five percent annually in 2021 and beyond.
- The Information Services Division incurs debt service for capital expenditures such as terminal replacement, system migration, network expansion, the city's Oracle site license and enterprise-wide network management software, data center renovations, hardware upgrades, and mass storage, software upgrades, telephony upgrades, and other projects.
- Recovery rates in the pro forma are adjusted as necessary to allow the division to maintain positive year-end unencumbered cash balances. This pro forma indicates an approximate 18.5 percent increase in revenues in 2020 over 2019 projections, as necessary, to meet that goal. Revenues in each of the years thereafter are adjusted to maintain a positive balance in the fund.

INFORMATION SERVICES DIVISION
PRO FORMA OPERATING STATEMENT

	Actual 2018	Estimated 2019	Proposed 2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
REVENUES BY SOURCE												
Other Fund-Direct Charge	$ 2,565,723	$ 5,604,054	$ 6,295,692	$ 6,563,259	$ 6,760,157	$ 6,929,161	$ 7,379,556	$ 7,416,454	$ 7,787,277	$ 7,842,900	$ 7,865,149	$ 8,140,429
Other Fund-Indirect Charge	12,633,982	13,634,092	16,579,585	17,284,217	17,802,744	18,247,812	19,433,920	19,531,090	20,507,644	20,654,128	20,712,721	21,437,666
General Fund-Direct Charge	1,462,187	1,665,609	1,700,000	1,772,250	1,825,418	1,871,053	1,992,671	2,002,635	2,102,766	2,117,786	2,123,794	2,198,127
General Fund-Indirect Charge	15,838,043	15,118,711	18,560,570	19,349,394	19,929,876	20,428,123	21,755,951	21,864,731	22,957,967	23,121,953	23,187,547	23,999,111
Outside Source Revenue	426,663	434,598	48,905	50,983	52,513	53,826	57,324	57,611	60,492	60,924	61,097	63,235
TOTAL REVENUE	**32,926,598**	**36,457,065**	**43,184,752**	**45,020,104**	**46,370,707**	**47,529,975**	**50,619,423**	**50,872,520**	**53,416,146**	**53,797,690**	**53,950,308**	**55,838,568**
Encumbrance Cancellations	990,351	250,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Beginning Fund Balance	3,176,213	3,116,946	702,905	171,389	117,599	111,591	105,012	134,737	190,971	116,474	178,898	165,421
TOTAL RESOURCES	**37,093,162**	**39,824,010**	**44,037,657**	**45,341,493**	**46,638,306**	**47,791,566**	**50,874,435**	**51,157,257**	**53,757,117**	**54,064,165**	**54,279,205**	**56,153,989**
EXPENDITURES												
Operating - Admin & ISD												
Personnel Services	15,209,876	16,056,227	17,869,454	18,226,843	18,591,380	18,963,208	19,342,472	19,729,321	20,123,908	20,123,908	20,526,386	20,936,913
27th pay period	-	-	678,400	-	-	-	-	-	-	-	-	-
Health Insurance	3,147,920	2,982,135	2,940,006	3,087,006	3,241,357	3,403,424	3,573,596	3,752,275	3,939,889	3,939,889	4,136,884	4,343,728
Materials & Supplies	588,208	1,372,504	1,518,554	1,548,925	1,579,904	1,611,502	1,643,732	1,676,606	1,710,138	1,710,138	1,744,341	1,779,228
Services	10,473,914	14,304,304	16,483,076	16,812,738	17,148,992	17,491,972	19,341,812	19,728,648	20,123,221	20,123,221	20,525,685	20,936,199
Fleet	42,798	11,763	48,953	49,932	50,931	51,949	52,988	54,048	55,129	55,129	56,232	57,356
Other	-	1,200	5,200	5,304	5,410	5,518	5,629	5,741	5,856	5,856	5,973	6,093
Capital Outlay	38,580	130,085	172,749	176,204	179,728	183,323	186,989	190,729	194,543	194,543	198,434	202,403
Total Operating Expenses	**29,501,296**	**34,858,218**	**39,716,392**	**39,906,952**	**40,797,701**	**41,710,896**	**44,147,217**	**45,137,369**	**46,152,684**	**46,152,684**	**47,193,935**	**48,261,920**
Debt Service - Principal	4,120,000	3,830,000	4,040,000	4,315,000	4,610,000	4,710,000	5,145,000	4,165,000	5,675,000	5,840,000	5,045,000	5,707,000
Debt Service - Interest	354,920	432,886	109,876	1,001,942	1,119,014	1,265,658	1,447,481	1,663,918	1,812,958	1,892,582	1,874,850	1,949,850
Total Debt Service Expenses	**4,474,920**	**4,262,886**	**4,149,876**	**5,316,942**	**5,729,014**	**5,975,658**	**6,592,481**	**5,828,918**	**7,487,958**	**7,732,582**	**6,919,850**	**7,656,850**
TOTAL EXPENSES	**33,976,216**	**39,121,105**	**43,866,268**	**45,223,894**	**46,526,715**	**47,686,554**	**50,739,698**	**50,966,287**	**53,640,642**	**53,885,267**	**54,113,785**	**55,918,770**
ENDING FUND BALANCE	**$ 3,116,946**	**$ 702,905**	**$ 171,389**	**$ 117,599**	**$ 111,591**	**$ 105,012**	**$ 134,737**	**$ 190,971**	**$ 116,474**	**$ 178,898**	**$ 165,421**	**$ 235,219**

Fleet Management Fund

The fleet management services fund is an internal services fund that supports the operations of the Fleet Management Division within the Department of Finance and Management. The fund derives revenue through charges to city agencies for labor and maintenance on city-owned vehicles and equipment, gasoline, diesel, and compressed natural gas distribution, as well as surcharges on parts acquired for maintenance and repair of assets.

2020 Cash Balance Statement

The Fleet Management Division recovers its costs by billing user agencies for services provided. The revenue includes rates of $75 per hour for light vehicles and $95 per hour for heavy vehicles, a 35 percent markup on parts, a 5 percent markup on commercial services and credit card fuel purchases, and a fuel overhead rate of $0.25 per gallon for bulk fuel.

The fleet management services fund is projected to start the year with a negative unencumbered cash balance of $3,800,509 and will end 2020 with a negative unencumbered cash balance of $2,560,226.

2020 Fleet Management Fund Balance Summary		
Unencumbered Cash Balance (January 1, 2020)	$	(3,800,509)
Plus Estimated 2020 Receipts		40,979,382
Plus Estimated Encumbrance Cancellations		400,000
Total Estimated Available Resources	$	37,578,873
Less 2020 Recommended Operating Budget		(40,139,099)
Projected Available Balance (December 31, 2020)	**$**	**(2,560,226)**

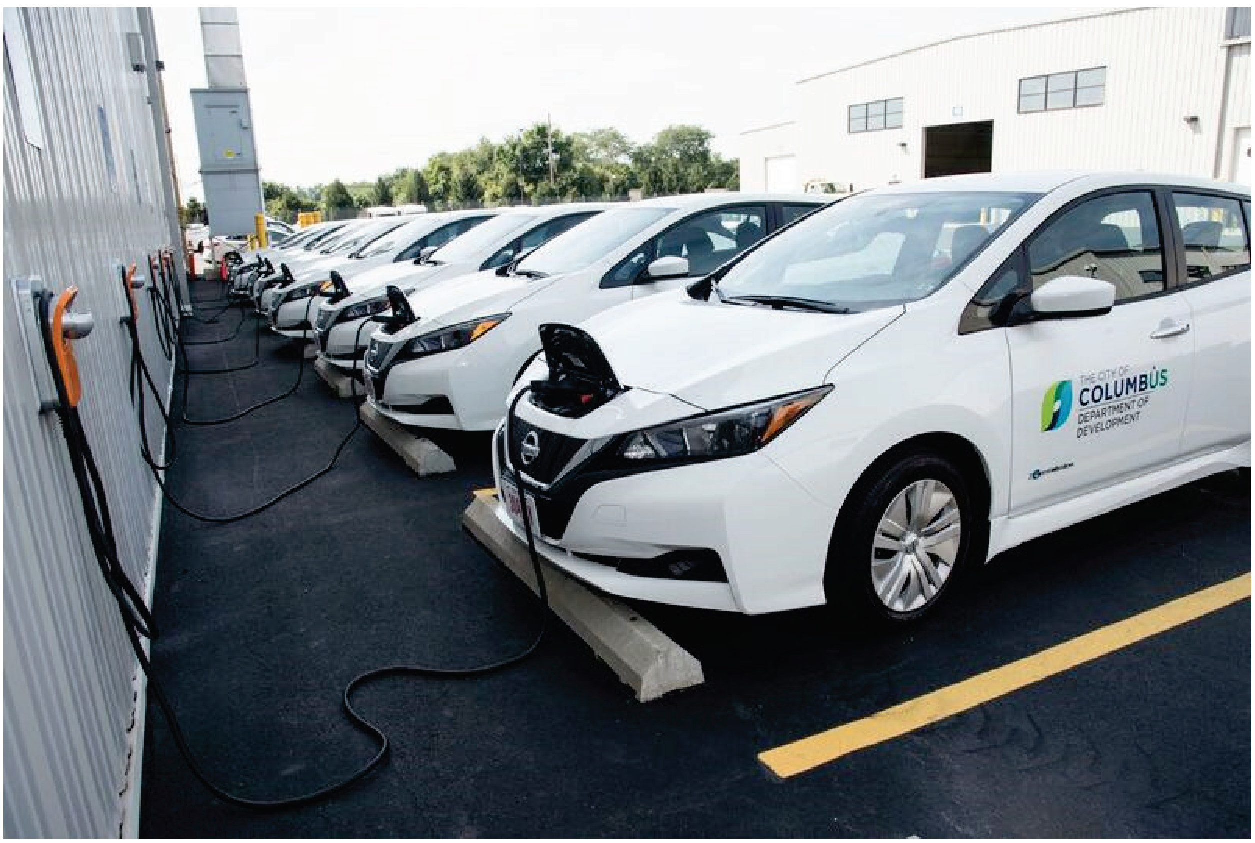
2020 Revenue Summary

2020 Fleet Management Fund Revenue by Source and Year Historical and Projected	2017	2018	2019	2020
Revenue Summary	**Actual**	**Actual**	**Estimated**	**Proposed**
Public Safety	$ 13,304,334	$ 15,415,297	$ 16,619,569	$ 17,578,607
Refuse Collection	7,723,367	7,918,309	7,435,825	9,233,118
Other General Fund	319,155	394,485	2,010,057	2,417,535
Other Funds	8,953,436	9,881,598	9,122,378	10,810,822
Refunds/Miscellaneous	1,258,332	1,695,851	930,000	939,300
Encumbrance Cancellations	1,028,471	2,414,386	750,000	400,000
Unencumbered Cash Balance	(1,012,445)	(2,990,875)	(2,329,142)	(3,800,509)
Total Resources	**$ 31,574,651**	**$ 34,729,051**	**$ 34,538,687**	**$ 37,578,873**
Percent Change		**9.99%**	**-0.55%**	**8.80%**

Pro Forma Operating Statement

A ten-year pro forma operating statement is presented on the following page. It represents the Division of Fleet Management's projected revenues and expenditures for that period, given certain assumptions. The pro forma is essential in planning recovery rate percentage increases or decreases, and for maintaining an acceptable year-end balance. The major assumptions included in this pro forma are as follows:

- Personnel expenses, materials and supplies, services, and other expenses are inflated at two percent per year.
- Insurance costs are projected to grow by five percent annually in 2021 and beyond.
- Debt service principal and interest have been broken out separately.
- Recovery rates in the pro forma are adjusted as necessary to allow the division to maintain positive year-end unencumbered cash balances.



FLEET MANAGEMENT FUND
PRO FORMA OPERATING STATEMENT

	Actual 2018	Estimated 2019	Proposed 2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
REVENUE SOURCE												
MAINTENANCE SERVICE CHARGES												
Public Safety	$ 15,415,297	$ 16,619,569	$ 17,578,607	$ 17,754,393	$ 17,931,937	$ 18,111,256	$ 18,292,369	$ 18,475,293	$ 18,660,046	$ 18,846,646	$ 19,035,112	$ 19,225,464
Refuse Collection	7,918,309	7,435,825	9,233,118	9,325,449	9,418,704	9,512,891	9,608,020	9,704,100	9,801,141	9,899,152	9,998,144	10,098,125
Other General Fund Divisions	394,485	2,010,057	2,417,535	2,441,710	2,466,127	2,490,789	2,515,697	2,540,854	2,566,262	2,591,925	2,617,844	2,644,022
Other Funds	9,881,598	9,122,378	10,810,822	10,918,930	11,028,120	11,138,401	11,249,785	11,362,283	11,475,905	11,590,664	11,706,571	11,823,637
Miscellaneous Revenues	1,695,851	930,000	939,300	948,693	958,180	967,762	977,439	987,214	997,086	1,007,057	1,017,127	1,027,299
TOTAL REVENUE	**35,305,540**	**36,117,829**	**40,979,382**	**41,389,176**	**41,803,068**	**42,221,098**	**42,643,309**	**43,069,742**	**43,500,440**	**43,935,444**	**44,374,799**	**44,818,547**
Beginning Fund Balance	(2,990,875)	(2,329,142)	(3,800,509)	(2,560,226)	(1,150,253)	(81,348)	605,255	916,363	1,563,478	2,382,061	4,621,887	6,699,167
Encumbrance Cancellations	2,414,386	750,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
TOTAL RESOURCES	**34,729,051**	**34,538,687**	**37,578,873**	**39,228,950**	**41,052,815**	**42,539,750**	**43,648,564**	**44,386,106**	**45,463,918**	**46,717,505**	**49,396,686**	**51,917,713**
EXPENDITURES												
Operations and Maintenance												
Personnel Services	9,283,256	9,024,380	9,821,611	10,018,043	10,218,404	10,422,772	10,631,228	10,843,852	11,060,729	11,281,944	11,507,583	11,737,734
27th Pay Period	-	-	352,162	-	-	-	-	-	-	-	-	-
Health Insurance	2,747,049	2,604,961	2,369,783	2,488,272	2,612,686	2,743,320	2,880,486	3,024,510	3,175,736	3,334,523	3,501,249	3,676,311
Materials & Supplies	14,820,981	16,087,549	16,827,146	17,163,689	17,506,963	17,857,102	18,214,244	18,578,529	18,950,099	19,329,101	19,715,683	20,109,997
Services	4,171,766	4,511,203	5,012,829	5,113,086	5,215,347	5,319,654	5,426,047	5,534,568	5,645,260	5,758,165	5,873,328	5,990,795
Capital	19,631	19,000	25,000	25,500	26,010	26,530	27,061	27,602	28,154	28,717	29,291	29,877
Other	-	1,400	1,500	1,530	1,561	1,592	1,624	1,656	1,689	1,723	1,757	1,793
Total Operations & Maintenance	**31,042,683**	**32,248,493**	**34,410,031**	**34,810,120**	**35,580,970**	**36,370,970**	**37,180,689**	**38,010,718**	**38,861,667**	**39,734,173**	**40,628,892**	**41,546,507**
Director's Office	800,818	890,315	976,963	991,617	1,006,492	1,021,589	1,036,913	1,052,467	1,068,254	1,084,277	1,100,542	1,117,050
Debt Service												
Principal	4,080,000	4,177,000	3,860,000	3,770,000	3,815,000	3,905,000	3,985,000	3,325,000	2,800,000	980,000	670,000	600,000
Interest	1,134,692	1,023,388	892,105	807,465	731,701	636,936	529,598	434,443	351,937	297,168	298,085	313,200
Total Debt Service	**5,214,692**	**5,200,388**	**4,752,105**	**4,577,465**	**4,546,701**	**4,541,936**	**4,514,598**	**3,759,443**	**3,151,937**	**1,277,168**	**968,085**	**913,200**
TOTAL EXPENSES	**37,058,193**	**38,339,196**	**40,139,099**	**40,379,202**	**41,134,163**	**41,934,495**	**42,732,201**	**42,822,627**	**43,081,858**	**42,095,618**	**42,697,519**	**43,576,757**
ENDING FUND BALANCE	**$ (2,329,142)**	**$ (3,800,509)**	**$ (2,560,226)**	**$ (1,150,253)**	**$ (81,348)**	**$ 605,255**	**$ 916,363**	**$ 1,563,478**	**$ 2,382,061**	**$ 4,621,887**	**$ 6,699,167**	**$ 8,340,956**

Construction Inspection Fund

On April 1, 2009, the Department of Public Service ceased all expenditure and revenue activity in the development services fund and established two new funds: the private construction inspection fund and the internal service construction inspection fund. The construction inspection fund captures the accounting activity associated with the construction administration and inspection services of the Department of Public Service's Division of Design and Construction. This division provides these services for roadway, bridge, water, sanitary and storm sewer, electric power, and signal infrastructure for the City of Columbus.

2020 Cash Balance Statement

The Construction Inspection Fund and the Private Inspection Fund share employees within the Design & Construction Division of Public Service based on need and the number of projects sold. The employees or their respective supervisors record their hours into the DPS Billing system for either a private, Ohio Department of Transportation (ODOT), or Capital Improvement Program (CIP) project. These hours are then billed out to the respective owners on a bi-weekly basis.

The revenue estimates are historically based on the prior 12-month period of total billable hours per employee between private and public jobs. The hours are compiled by the employee for the twelve month period by private, ODOT, or CIP projects due to different billing rates. Once the compilation of hours is complete, the revenue estimate is calculated using the hours worked times the appropriate billing rate for each project type and attributed to either the private inspection fund or the construction inspection fund. The construction inspection fund will begin the year with an estimated balance of $5,146,813. Revenues for 2020 are budgeted at $11,325,947 and encumbrance cancellations of $75,000 are expected. With a proposed budget of $11,844,223, the fund is projected to end the year with an unencumbered cash balance of $4,703,537.

2020 Construction Inspection Fund

Balance Summary

Unencumbered Cash Balance (January 1, 2020)	$	5,146,813
Plus Estimated 2020 Receipts		11,325,947
Plus Estimated Encumbrance Cancellations		75,000
Total Estimated Available Resources	$	16,547,760
Less 2019 Recommended Operating Budget		(11,844,223)
Projected Available Balance (December 31, 2020)	**$**	**4,703,537**