

# INTERNAL SERVICE FUNDS

## 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.

### 2018 Cash Balance Statement

The employee benefits fund was established in 1993. A portion of this 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.

<b>2018 Employee Benefits Fund</b>	
<b>Balance Summary</b>	
Unencumbered Cash Balance (January 1, 2018)	\$ -
Plus Estimated 2018 Receipts	5,291,780
Total Estimated Available Resources	<u>\$ 5,291,780</u>
Less 2018 Recommended Operating Budget - Administration	(4,896,780)
Less 2018 Recommended Operating Budget - Property Boiler Insurance	(395,000)
Projected Available Balance (December 31, 2018)	<u>\$ -</u>

#### 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.

### 2018 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 2018 with an unencumbered cash balance of \$274,157. The fund is expected to end 2018 with a positive unencumbered cash balance of \$385,459. Significant improvements in billing procedures, office space, and equipment have been implemented 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.

<b>2018 Print and Mailroom Services Fund</b>	
<b>Balance Summary</b>	
Unencumbered Cash Balance (January 1, 2018)	\$ 274,157
Plus Estimated 2018 Print Services Receipts	610,448
Plus Estimated 2018 Mailroom Services Receipts	1,265,460
Plus Estimated Encumbrance Cancellations	12,000
Total Estimated Available Resources	<u>\$ 2,162,065</u>
Less 2018 Recommended Operating Budget - Print	(510,646)
Less 2018 Recommended Operating Budget - Mailroom	(1,265,960)
Projected Available Balance (December 31, 2018)	<u><b>\$ 385,459</b></u>

### 2018 Revenue Summary

<b>2018 Print and Mailroom Services Fund</b>				
<b>Revenue by Source and Year</b>				
<b>Historical and Projected</b>				
<b>Revenue Summary</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
	<b>Actual</b>	<b>Actual</b>	<b>Estimated</b>	<b>Proposed</b>
Print Services	\$ 262,709	\$ 500,001	\$ 487,818	\$ 610,448
Mailroom Services	1,261,790	1,307,527	1,276,881	1,265,460
Encumbrance Cancellations	36,267	15,189	12,000	12,000
Unencumbered Cash Balance	(89,974)	21,943	256,068	274,157
<b>Total Resources</b>	<u><b>\$ 1,470,792</b></u>	<u><b>\$ 1,844,660</b></u>	<u><b>\$ 2,032,767</b></u>	<u><b>\$ 2,162,065</b></u>
Percent Change		25.42%	10.20%	6.36%

## Land Acquisition Fund

The City Attorney's Real Estate division engages in land acquisition activities on behalf of the city. Revenues to the land acquisition fund are comprised of charges to other city divisions for these services.

### 2018 Cash Balance Statement

The beginning year unencumbered cash balance in this fund is projected to be \$463,733. The 2018 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 \$1,116,111, the anticipated fund balance by year end is \$283,622.

<b>2018 Land Acquisition Fund</b>	
<b>Balance Summary</b>	
Unencumbered Cash Balance (January 1, 2018)	\$ 463,733
Plus Estimated 2018 Receipts	936,000
Plus Estimated Encumbrance Cancellations	-
Total Estimated Available Resources	<u>\$ 1,399,733</u>
Less 2018 Recommended Operating Budget	(1,116,111)
Projected Available Balance (December 31, 2018)	<u><u>\$ 283,622</u></u>

## 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.

### 2018 Cash Balance Statement

The technology services fund is housed in the Department of Technology and is projected to begin the year with an unencumbered cash balance of \$510,772 and end the year with \$106,760. Revenues to the fund consist of charges to other city divisions for technology services, utilizing an updated rate 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, the Franklin Park Conservatory, and the Martin Luther King facility, for services provided.

<b>2018 Technology Services Fund</b>	
<b>Balance Summary</b>	
Unencumbered Cash Balance (January 1, 2018)	\$ 510,772
Plus Estimated 2018 Receipts	37,960,690
Plus Estimated Encumbrance Cancellations	<u>150,000</u>
Total Estimated Available Resources	\$ 38,621,462
Less 2018 Recommended Operating Budget	(38,514,702)
Projected Available Balance (December 31, 2018)	<b><u>\$ 106,760</u></b>

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## 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, an updated rate 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 seven percent annually in 2018 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 fifteen percent increase in revenues in 2018 over 2017, as necessary, to meet that goal. Revenues in each of the years thereafter are adjusted to maintain a positive balance in the fund.
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## Internal Service Funds

### INFORMATION SERVICES DIVISION PRO FORMA OPERATING STATEMENT

	Actual 2016	Estimated 2017	Proposed 2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
<b>REVENUES BY SOURCE</b>												
Other Fund-Direct Charge	2,158,792	1,576,424	3,986,746	4,305,686	4,305,686	4,434,856	4,556,815	4,682,127	4,857,707	4,930,573	4,979,878	5,129,275
Other Fund-Indirect Charge	12,866,026	16,618,335	15,198,885	16,414,796	16,414,796	16,907,240	17,372,189	17,849,924	18,519,296	18,797,085	18,985,056	19,554,608
General Fund-Direct Charge	1,408,409	3,407,744	1,700,000	1,836,000	1,836,000	1,891,080	1,943,085	1,996,520	2,071,389	2,102,460	2,123,484	2,187,189
General Fund-Indirect Charge	16,593,996	11,348,278	17,043,941	18,407,456	18,407,456	18,959,680	19,481,071	20,016,801	20,767,431	21,078,942	21,289,732	21,928,423
Outside Source Revenue	73,811	61,655	31,118	33,607	33,607	34,615	35,567	36,545	37,916	38,485	38,870	40,036
<b>Total Revenue</b>	<b>33,101,034</b>	<b>33,012,436</b>	<b>37,960,690</b>	<b>40,997,545</b>	<b>40,997,545</b>	<b>42,227,471</b>	<b>43,388,727</b>	<b>44,581,917</b>	<b>46,253,739</b>	<b>46,947,545</b>	<b>47,417,020</b>	<b>48,839,531</b>
Encumbrance Cancellations	147,316	722,784	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Beginning Fund Balance	293,893	1,493,324	510,772	106,760	154,259	200,951	361,134	514,861	766,778	1,026,922	1,429,645	1,860,815
<b>TOTAL RESOURCES</b>	<b>33,542,243</b>	<b>35,228,544</b>	<b>38,621,462</b>	<b>41,254,305</b>	<b>41,301,804</b>	<b>42,578,422</b>	<b>43,899,861</b>	<b>45,246,778</b>	<b>47,170,517</b>	<b>48,124,467</b>	<b>48,996,665</b>	<b>50,850,346</b>
<b>EXPENDITURES</b>												
<b>Operating- Admin &amp; ISD</b>												
Personnel Services	13,894,745	14,230,544	16,758,300	17,093,466	17,435,335	17,784,042	18,139,723	18,502,517	18,872,568	19,250,019	19,635,019	20,027,720
Health Insurance	2,638,545	2,894,691	3,469,736	3,712,618	3,972,501	4,250,576	4,548,116	4,866,484	5,207,138	5,571,638	5,961,652	6,378,968
Materials & Supplies	1,515,809	1,059,340	1,473,960	1,503,439	1,533,508	1,564,178	1,595,462	1,627,371	1,659,918	1,693,117	1,726,979	1,761,519
Services	9,538,340	11,431,695	11,818,553	12,054,924	12,296,023	12,541,943	12,792,782	13,048,637	13,309,610	13,575,802	13,847,318	14,124,265
Fleet	39,554	38,993	-	-	-	-	-	-	-	-	-	-
Other	-	-	5,200	5,304	5,410	5,518	5,629	5,741	5,856	5,973	6,093	6,214
Capital Outlay	14,207	148,820	242,321	247,167	252,111	257,153	262,296	267,542	272,893	278,351	283,918	289,596
<b>Total Operating Expenses</b>	<b>27,641,201</b>	<b>29,804,083</b>	<b>33,768,069</b>	<b>34,616,918</b>	<b>35,494,887</b>	<b>36,403,410</b>	<b>37,344,007</b>	<b>38,318,293</b>	<b>39,327,983</b>	<b>40,374,900</b>	<b>41,460,980</b>	<b>42,588,282</b>
Debt Service - Principal	3,870,000	4,260,000	4,120,000	5,545,000	4,555,000	4,625,000	4,720,000	4,850,000	5,293,000	4,785,000	4,132,000	4,224,000
Debt Service - Interest	537,718	653,688	626,632	938,128	1,050,966	1,188,878	1,320,993	1,311,707	1,522,612	1,534,922	1,542,870	1,584,900
<b>Total Debt Service Expenses</b>	<b>4,407,718</b>	<b>4,913,688</b>	<b>4,746,632</b>	<b>6,483,128</b>	<b>5,605,966</b>	<b>5,813,878</b>	<b>6,040,993</b>	<b>6,161,707</b>	<b>6,815,612</b>	<b>6,319,922</b>	<b>5,674,870</b>	<b>5,808,900</b>
<b>TOTAL EXPENSES</b>	<b>32,048,918</b>	<b>34,717,772</b>	<b>38,514,702</b>	<b>41,100,046</b>	<b>41,100,853</b>	<b>42,217,288</b>	<b>43,385,000</b>	<b>44,480,000</b>	<b>46,143,595</b>	<b>46,694,822</b>	<b>47,135,850</b>	<b>48,397,182</b>
<b>ENDING FUND BALANCE</b>	<b>1,493,324</b>	<b>510,772</b>	<b>106,760</b>	<b>154,259</b>	<b>200,951</b>	<b>361,134</b>	<b>514,861</b>	<b>766,778</b>	<b>1,026,922</b>	<b>1,429,645</b>	<b>1,860,815</b>	<b>2,453,164</b>
<b>Assumptions:</b>												
Expenditures increase 2% for personnel expenses, materials & supplies, services, and capital expenses; insurance costs increase at 7%.												
Revenues increase at a minimum variable rate from 2019-2027 to maintain fund solvency.												

## 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.

### 2018 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 \$417,269 and will end 2018 with an unencumbered cash balance of \$1,304,957.

<b>2018 Fleet Management Fund Balance Summary</b>	
Unencumbered Cash Balance (January 1, 2018)	\$ (417,269)
Plus Estimated 2018 Receipts	39,867,521
Plus Estimated Encumbrance Cancellations	400,000
Total Estimated Available Resources	\$ 39,850,252
Less 2018 Recommended Operating Budget	(38,545,295)
Projected Available Balance (December 31, 2018)	<b>\$ 1,304,957</b>

### 2018 Revenue Summary

<b>2018 Fleet Management Fund Revenue by Source and Year Historical and Projected</b>				
<b>Revenue Summary</b>	<b>2015 Actual</b>	<b>2016 Actual</b>	<b>2017 Estimated</b>	<b>2018 Proposed</b>
Public Safety	\$ 13,780,573	\$ 13,231,713	\$ 14,857,370	\$ 16,805,314
Refuse Collection	7,552,732	7,403,375	8,721,627	9,866,203
Other General Fund	227,817	258,533	1,225,563	2,274,967
Other Funds	9,160,139	8,994,519	8,283,721	10,171,037
Refunds/Miscellaneous	980,633	863,963	785,486	750,000
Encumbrance Cancellations	402,839	24,759	500,000	400,000
Unencumbered Cash Balance	318,482	(46,499)	(1,012,445)	(417,269)
<b>Total Resources</b>	<b>\$ 32,423,214</b>	<b>\$ 30,730,363</b>	<b>\$ 33,361,322</b>	<b>\$ 39,850,252</b>
Percent Change		-5.22%	8.56%	19.45%

## **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, supplies, maintenance, and other expenses are inflated at two percent per year.
  - Insurance costs are projected to grow by seven percent annually in 2019 and beyond; however, projections include offsets due to incremental increases in employee shares.
  - Debt service principal and interest have been broken out separately. A portion of the debt service principal and interest payments represent reimbursement to the special income tax fund for the retirement of bonds issued for the design of the city's second compressed natural gas fueling station.
  - Recovery rates in the pro forma are adjusted as necessary to allow the division to maintain positive year-end unencumbered cash balances.
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**FLEET MANAGEMENT FUND  
PRO FORMA OPERATING STATEMENT**

	Actual 2016	Estimated 2017	Proposed 2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
<b>REVENUE SOURCE</b>												
MAINTENANCE SERVICE CHARGES												
Public Safety	13,231,713	14,857,370	16,805,314	16,847,327	17,521,220	17,915,448	18,094,602	18,456,494	18,825,624	19,249,201	19,682,308	20,075,954
Refuse Collection	7,403,375	8,721,627	9,866,203	9,890,869	10,286,503	10,517,950	10,623,129	10,835,592	11,052,303	11,300,980	11,555,252	11,786,357
Other General Fund Divisions	258,533	785,486	2,274,967	2,280,654	2,371,881	2,425,248	2,449,500	2,498,490	2,548,460	2,605,801	2,664,431	2,717,720
Other Funds	8,994,519	8,283,721	10,171,037	10,196,465	10,604,323	10,842,920	10,951,350	11,170,377	11,393,784	11,650,144	11,912,273	12,150,518
Miscellaneous Revenues	863,963	1,225,563	750,000	772,500	795,675	819,545	844,132	869,456	886,845	906,799	927,202	945,746
<b>TOTAL REVENUE</b>	<b>30,752,103</b>	<b>33,873,767</b>	<b>39,867,521</b>	<b>39,987,815</b>	<b>41,579,602</b>	<b>42,521,111</b>	<b>42,962,713</b>	<b>43,830,409</b>	<b>44,707,017</b>	<b>45,712,925</b>	<b>46,741,465</b>	<b>47,676,295</b>
Beginning Fund Balance	(46,499)	(1,012,445)	(417,269)	1,304,957	2,300,439	4,042,898	5,901,294	7,656,659	9,479,992	11,254,619	13,094,136	15,028,355
Encumbrance Cancellations	24,759	500,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
<b>TOTAL RESOURCES</b>	<b>30,730,363</b>	<b>33,361,322</b>	<b>39,850,252</b>	<b>41,692,772</b>	<b>44,280,041</b>	<b>46,964,009</b>	<b>49,264,007</b>	<b>51,887,067</b>	<b>54,587,008</b>	<b>57,367,543</b>	<b>60,235,601</b>	<b>63,104,650</b>
EXPENDITURES												
Operations and Maintenance												
Personnel Services	8,063,882	8,630,604	9,012,816	9,193,072	9,376,934	9,564,472	9,755,762	9,950,877	10,149,895	10,352,893	10,559,950	10,771,149
Health Insurance	2,294,504	2,553,590	2,696,358	2,885,103	3,087,060	3,303,154	3,534,375	3,781,782	4,046,506	4,329,762	4,632,845	4,957,144
Materials & Supplies	12,377,916	12,254,234	16,573,768	16,905,243	17,243,348	17,588,215	17,939,979	18,298,779	18,664,755	19,038,050	19,418,811	19,807,187
Services	3,940,655	4,272,462	4,262,214	4,347,458	4,434,407	4,523,096	4,613,558	4,705,829	4,799,945	4,895,944	4,993,863	5,093,740
Capital	-	60,566	25,000	25,500	26,010	26,530	27,061	27,602	28,154	28,717	29,291	29,877
<b>Total Operations &amp; Maintenance</b>	<b>26,676,957</b>	<b>27,771,456</b>	<b>32,570,156</b>	<b>33,356,377</b>	<b>34,167,760</b>	<b>35,005,468</b>	<b>35,870,735</b>	<b>36,764,868</b>	<b>37,689,255</b>	<b>38,645,365</b>	<b>39,634,761</b>	<b>40,659,098</b>
Director's Office	694,121	815,360	796,791	808,743	820,874	833,187	845,685	858,370	871,246	884,314	897,579	911,043
Debt Service												
Principal	3,216,000	3,986,000	4,080,000	3,986,000	4,080,000	4,107,000	3,870,000	3,860,000	3,945,000	4,035,000	4,115,000	3,455,000
Interest	1,155,730	1,205,775	1,098,348	1,241,213	1,168,510	1,117,060	1,020,928	923,837	826,889	708,728	559,906	439,936
<b>Total Debt Service</b>	<b>4,371,730</b>	<b>5,191,775</b>	<b>5,178,348</b>	<b>5,227,213</b>	<b>5,248,510</b>	<b>5,224,060</b>	<b>4,890,928</b>	<b>4,783,837</b>	<b>4,771,889</b>	<b>4,743,728</b>	<b>4,674,906</b>	<b>3,894,936</b>
<b>TOTAL EXPENSES</b>	<b>31,742,808</b>	<b>33,778,591</b>	<b>38,545,295</b>	<b>39,392,333</b>	<b>40,237,144</b>	<b>41,062,715</b>	<b>41,607,348</b>	<b>42,407,076</b>	<b>43,332,390</b>	<b>44,273,408</b>	<b>45,207,246</b>	<b>45,465,077</b>
<b>ENDING FUND BALANCE</b>	<b>(1,012,445)</b>	<b>(417,269)</b>	<b>1,304,957</b>	<b>2,300,439</b>	<b>4,042,898</b>	<b>5,901,294</b>	<b>7,656,659</b>	<b>9,479,992</b>	<b>11,254,619</b>	<b>13,094,136</b>	<b>15,028,355</b>	<b>17,639,573</b>
<b>Assumptions:</b>												
<b>Expenditures increase 2% for personnel expenses, materials &amp; supplies, services, other disbursements, and capital; insurance costs increases at 7%.</b>												
<b>Revenues increase at a minimum variable rate from 2019-2027 to maintain fund solvency.</b>												

## 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.

### 2018 Cash Balance Statement

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 internal service construction inspection fund captures the accounting activity associated with the construction administration and inspection services of the Division of Design and Construction. This agency provides these services for roadway, bridge, water, sanitary and storm sewer, electric power, and signal infrastructure for the City of Columbus. The fund will begin the year with a balance of \$1,201,677. Revenues for 2018 are budgeted at \$7,395,855 and encumbrance cancellations of \$30,000 are expected. With a proposed budget of \$7,414,110, the fund is projected to end the year with an unencumbered cash balance of \$1,213,422.

<b>2018 Construction Inspection Fund</b>	
<b>Balance Summary</b>	
Unencumbered Cash Balance (January 1, 2018)	\$ 1,201,677
Plus Estimated 2018 Receipts	7,395,855
Plus Estimated Encumbrance Cancellations	30,000
Total Estimated Available Resources	<u>\$ 8,627,532</u>
Less 2018 Recommended Operating Budget	(7,414,110)
Projected Available Balance (December 31, 2018)	<u><b>\$ 1,213,422</b></u>

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