

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.

2019 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.

2019 Employee Benefits Fund	
Balance Summary	
Unencumbered Cash Balance (January 1, 2019)	\$ -
Plus Estimated 2019 Receipts	5,400,733
Total Estimated Available Resources	\$ 5,400,733
Less 2019 Recommended Operating Budget - Human Resources	(5,005,733)
Less 2019 Recommended Operating Budget - Finance	(395,000)
Projected Available Balance (December 31, 2019)	<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.

2019 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 2019 with an unencumbered cash balance of \$211,427. The fund is expected to end 2019 with a positive unencumbered cash balance of \$223,427. 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.

2019 Print and Mailroom Services Fund	
Balance Summary	
Unencumbered Cash Balance (January 1, 2019)	\$ 211,427
Plus Estimated 2019 Print Services Receipts	641,118
Plus Estimated 2019 Mailroom Services Receipts	1,266,725
Plus Estimated Encumbrance Cancellations	12,000
Total Estimated Available Resources	<u>\$ 2,131,270</u>
Less 2019 Recommended Operating Budget - Print	(641,118)
Less 2019 Recommended Operating Budget - Mailroom	(1,266,725)
Projected Available Balance (December 31, 2019)	<u><u>\$ 223,427</u></u>

2019 Revenue Summary

2019 Print and Mailroom Services Fund				
Revenue by Source and Year				
Historical and Projected				
Revenue Summary	2016	2017	2018	2019
	Actual	Actual	Estimated	Proposed
Print Services	\$ 500,001	\$ 495,361	\$ 573,895	\$ 641,118
Mailroom Services	1,307,527	1,190,075	1,173,637	1,266,725
Encumbrance Cancellations	15,189	25,339	12,000	12,000
Unencumbered Cash Balance	21,943	256,068	231,858	211,427
Total Resources	<u>\$ 1,844,660</u>	<u>\$ 1,966,843</u>	<u>\$ 1,991,390</u>	<u>\$ 2,131,270</u>
Percent Change		6.62%	1.25%	7.02%

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 includes title and appraisal preparation and review, legal document and instrument preparation and review, negotiations, and closings.

2019 Cash Balance Statement

The beginning year unencumbered cash balance in this fund is projected at \$458,704. The 2019 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 \$1,115,512, the anticipated fund balance by year end is \$279,192.

2019 Land Acquisition Fund	
Balance Summary	
Unencumbered Cash Balance (January 1, 2019)	\$ 458,704
Plus Estimated 2019 Receipts	936,000
Plus Estimated Encumbrance Cancellations	-
Total Estimated Available Resources	\$ 1,394,704
Less 2019 Recommended Operating Budget	(1,115,512)
Projected Available Balance (December 31, 2019)	\$ 279,192

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.

2019 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 \$559,190 and end the year with \$533,896. 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.

2019 Technology Services Fund	
Balance Summary	
Unencumbered Cash Balance (January 1, 2019)	\$ 559,190
Plus Estimated 2019 Receipts	40,101,934
Plus Estimated Encumbrance Cancellations	150,000
Total Estimated Available Resources	\$ 40,811,124
Less 2019 Recommended Operating Budget	(40,277,228)
Projected Available Balance (December 31, 2019)	\$ 533,896

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 2020 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 23 percent increase in revenues in 2019 over 2018, 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 2017	Estimated 2018	Proposed 2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
REVENUES BY SOURCE												
Other Fund-Direct Charge	3,239,901	2,624,373	5,763,806	6,051,996	6,233,556	6,389,395	6,517,183	6,680,113	6,780,314	6,882,019	7,054,069	7,230,421
Other Fund-Indirect Charge	11,524,978	12,649,673	15,547,006	16,324,356	16,814,087	17,234,439	17,579,128	18,018,606	18,288,885	18,563,219	19,027,299	19,502,981
General Fund-Direct Charge	1,397,239	1,593,390	1,700,000	1,785,000	1,838,550	1,884,514	1,922,204	1,970,259	1,999,813	2,029,810	2,080,555	2,132,569
General Fund-Indirect Charge	17,008,165	15,795,731	16,997,210	17,847,071	18,382,483	18,842,045	19,218,886	19,699,358	19,994,848	20,294,771	20,802,140	21,322,194
Outside Source Revenue	369,503	53,180	93,912	98,608	101,566	104,105	106,187	108,842	110,474	112,131	114,935	117,808
Total Revenue	33,539,786	32,716,347	40,101,934	42,107,031	43,370,242	44,454,498	45,343,588	46,477,177	47,174,335	47,881,950	49,078,999	50,305,974
Encumbrance Cancellations	1,439,929	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Beginning Fund Balance	1,493,324	3,176,213	559,190	533,896	302,576	891,953	1,498,772	1,862,995	1,790,278	2,843,161	2,205,655	1,722,461
TOTAL RESOURCES	36,473,038	36,042,560	40,811,124	42,790,927	43,822,818	45,496,451	46,992,359	48,490,172	49,114,613	50,875,111	51,434,653	52,178,434
EXPENDITURES												
Operating- Admin & ISD												
Personnel Services	14,021,329	15,571,557	17,268,093	17,613,455	17,965,724	18,325,038	18,691,539	19,065,370	19,446,677	19,835,611	20,232,323	20,636,970
27th pay period	-	-	-	677,441	-	-	-	-	-	-	-	-
Health Insurance	2,863,925	3,197,990	3,253,871	3,416,565	3,587,393	3,766,762	3,955,101	4,152,856	4,360,498	4,578,523	4,807,449	5,047,822
Materials & Supplies	987,082	695,118	1,547,274	1,578,219	1,609,784	1,641,980	1,674,819	1,708,316	1,742,482	1,777,331	1,812,878	1,849,136
Services	10,399,800	11,136,255	13,719,209	13,993,593	14,273,465	14,558,934	14,850,113	15,147,115	15,450,058	15,759,059	16,074,240	16,395,725
Fleet	40,916	42,798	47,875	48,833	49,809	50,805	51,821	52,858	53,915	54,993	56,093	57,215
Other	5,000	5,200	5,200	5,304	5,410	5,518	5,629	5,741	5,856	5,973	6,093	6,214
Capital Outlay	81,592	87,820	172,820	176,276	179,802	183,398	187,066	190,807	194,623	198,516	202,486	206,536
Total Operating Expenses	28,399,644	30,736,737	36,014,342	37,509,686	37,671,387	38,532,436	39,416,088	40,323,063	41,254,110	42,210,007	43,191,563	44,199,617
Debt Service - Principal	4,260,000	4,120,000	3,830,000	4,035,000	4,170,000	4,233,000	4,330,000	4,778,000	3,303,000	4,737,000	4,759,000	5,435,000
Debt Service - Interest	637,181	626,632	432,886	943,666	1,089,478	1,232,243	1,383,277	1,598,832	1,714,342	1,722,450	1,761,630	1,760,190
Total Debt Service Expenses	4,897,181	4,746,632	4,262,886	4,978,666	5,259,478	5,465,243	5,713,277	6,376,832	5,017,342	6,459,450	6,520,630	7,195,190
TOTAL EXPENSES	33,296,825	35,483,370	40,277,228	42,488,351	42,930,865	43,997,679	45,129,364	46,699,894	46,271,452	48,669,457	49,712,193	51,394,807
ENDING FUND BALANCE	3,176,213	559,190	533,896	302,576	891,953	1,498,772	1,862,995	1,790,278	2,843,161	2,205,655	1,722,461	783,627
Assumptions:												
Expenditures increase 2% for personnel expenses, materials & supplies, services, and capital expenses; insurance costs increase at 5%.												
Revenues increase at minimum variable rates from 2020-2028 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.

2019 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 \$4,560,752 and will end 2019 with a negative unencumbered cash balance of \$4,297,403.

2019 Fleet Management Fund	
Balance Summary	
Unencumbered Cash Balance (January 1, 2019)	\$ (4,560,752)
Plus Estimated 2019 Receipts	39,158,289
Plus Estimated Encumbrance Cancellations	400,000
Total Estimated Available Resources	\$ 34,997,537
Less 2019 Recommended Operating Budget	(39,294,940)
Projected Available Balance (December 31, 2019)	\$ (4,297,403)

2019 Revenue Summary

2019 Fleet Management Fund				
Revenue by Source and Year				
Historical and Projected				
Revenue Summary	2016	2017	2018	2019
	Actual	Actual	Estimated	Proposed
Public Safety	\$ 13,231,713	\$ 13,304,334	\$ 15,528,561	\$ 17,583,136
Refuse Collection	7,403,375	7,723,367	7,722,658	9,127,970
Other General Fund	258,533	319,155	736,131	1,516,028
Other Funds	8,994,519	8,953,436	8,185,372	10,181,155
Refunds/Miscellaneous	863,963	1,258,332	1,475,973	750,000
Encumbrance Cancellations	24,759	1,028,471	360,000	400,000
Unencumbered Cash Balance	(46,499)	(1,012,445)	(2,990,875)	(4,560,752)
Total Resources	\$ 30,730,363	\$ 31,574,651	\$ 31,017,820	\$ 34,997,537
Percent Change		2.75%	-1.76%	12.83%

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 2020 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 2017	Estimated 2018	Proposed 2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
REVENUE SOURCE												
MAINTENANCE SERVICE CHARGES												
Public Safety	13,304,334	15,528,561	17,583,136	17,627,094	18,332,178	18,744,652	18,932,098	19,310,740	19,696,955	20,140,136	20,593,289	21,005,155
Refuse Collection	7,723,367	7,722,658	9,127,970	9,150,790	9,516,822	9,730,950	9,828,260	10,024,825	10,225,321	10,455,391	10,690,637	10,904,450
Other General Fund Divisions	319,155	736,131	1,516,028	1,519,818	1,580,611	1,616,175	1,632,336	1,664,983	1,698,283	1,736,494	1,775,565	1,811,076
Other Funds	8,953,436	8,185,372	10,181,155	10,206,608	10,614,872	10,853,707	10,962,244	11,181,489	11,405,119	11,661,734	11,924,123	12,162,605
Miscellaneous Revenues	1,258,332	1,475,973	750,000	772,500	795,675	819,545	844,132	869,456	886,845	906,799	927,202	945,746
TOTAL REVENUE	31,558,625	33,648,695	39,158,289	39,276,810	40,840,157	41,765,028	42,199,069	43,051,492	43,912,522	44,900,554	45,910,816	46,829,032
Beginning Fund Balance	(1,012,445)	(2,990,875)	(4,560,752)	(4,297,403)	(4,539,302)	(3,480,073)	(2,183,851)	(1,150,433)	34,703	2,080,861	4,939,557	9,871,705
Encumbrance Cancellations	1,028,471	360,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
TOTAL RESOURCES	31,574,651	31,017,820	34,997,537	35,379,407	36,700,855	38,684,955	40,415,218	42,301,059	44,347,225	47,381,414	51,250,373	57,100,738
EXPENDITURES												
Operations and Maintenance												
Personnel Services	8,440,491	9,267,821	9,558,385	9,749,553	9,944,544	10,143,435	10,346,303	10,553,229	10,764,294	10,979,580	11,199,171	11,423,155
27th Pay Period	-	-	-	305,453	-	-	-	-	-	-	-	-
Health Insurance	2,716,808	2,710,073	2,963,187	3,111,346	3,266,914	3,430,259	3,601,772	3,781,861	3,970,954	4,169,502	4,377,977	4,596,876
Materials & Supplies	13,158,162	13,759,196	16,441,111	16,769,933	17,105,332	17,447,439	17,796,387	18,152,315	18,515,361	18,885,669	19,263,382	19,648,650
Services	4,161,792	3,814,300	4,268,257	4,353,622	4,440,695	4,529,508	4,620,099	4,712,501	4,806,751	4,902,886	5,000,943	5,100,962
Capital	60,566	25,000	25,000	25,500	26,010	26,530	27,061	27,602	28,154	28,717	29,291	29,877
Other	-	-	1,000	1,020	1,040	1,061	1,082	1,104	1,126	1,149	1,172	1,195
Total Operations & Maintenance	28,537,819	29,576,390	33,256,940	34,316,427	34,784,534	35,578,232	36,392,705	37,228,612	38,086,640	38,967,502	39,871,937	40,800,715
Director's Office	835,500	787,490	837,612	850,176	862,929	875,873	889,011	902,346	915,881	929,619	943,564	957,717
Debt Service												
Principal	3,986,000	4,080,000	4,177,000	3,860,000	3,770,000	3,775,000	3,785,000	3,785,000	3,045,000	2,440,000	540,000	150,000
Interest	1,206,207	1,134,692	1,023,388	892,105	763,465	639,701	498,936	350,398	218,843	104,737	23,168	2,085
Total Debt Service	5,192,207	5,214,692	5,200,388	4,752,105	4,533,465	4,414,701	4,283,936	4,135,398	3,263,843	2,544,737	563,168	152,085
TOTAL EXPENSES	34,565,526	35,578,572	39,294,940	39,918,709	40,180,928	40,868,806	41,565,651	42,266,356	42,266,364	42,441,857	41,378,668	41,910,517
ENDING FUND BALANCE	(2,990,875)	(4,560,752)	(4,297,403)	(4,539,302)	(3,480,073)	(2,183,851)	(1,150,433)	34,703	2,080,861	4,939,557	9,871,705	15,190,221
Assumptions:												
Expenditures increase 2% for personnel expenses, materials & supplies, services, other disbursements, and capital; insurance costs increases at 5%.												
Revenues increase at a minimum variable rate from 2020-2028 to maintain fund solvency.												

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.

2019 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 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 a balance of \$2,936,786. Revenues for 2019 are budgeted at \$8,219,705 and encumbrance cancellations of \$30,000 are expected. With a proposed budget of \$9,314,057, the fund is projected to end the year with an unencumbered cash balance of \$1,872,434.

2019 Construction Inspection Fund	
Balance Summary	
Unencumbered Cash Balance (January 1, 2019)	\$ 2,936,786
Plus Estimated 2019 Receipts	8,219,705
Plus Estimated Encumbrance Cancellations	30,000
Total Estimated Available Resources	\$ 11,186,491
Less 2019 Recommended Operating Budget	(9,314,057)
Projected Available Balance (December 31, 2019)	\$ 1,872,434
