

Internal Service Funds

Employee Benefits Fund

2008 Cash Balance Statement

In 1993, the employee benefits fund was established. A portion of this fund is dedicated to the administration of the risk management section of the Department of Human Resources. This 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.

2008 EMPLOYEE BENEFITS FUND BALANCE SUMMARY	
Unencumbered Cash Balance (January 1, 2008)	\$ -
Plus Estimated 2008 Receipts	2,576,982
Total Estimated Available Resources	\$ 2,576,982
Less 2008 Recommended Operating Budget	(2,654,970)
Projected Available Balance (December 31, 2008)	<u><u>\$ (77,988)</u></u>

Revenue 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.
- Revenues and expenditures associated with the payment of claims are not represented in this section.

Print and Mailroom Services Fund

2008 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. The mailroom will be transferred from the Department of Technology to the Department of Finance and Management in 2008, and the revenues and expenditures will be accounted for in this fund as well. Charges for the mailroom, including postage charges, will be billed back to user agencies. The fund is projected to begin 2008 with an unencumbered cash balance of \$30,061 and end the year with a balance of \$14,263.

2008 PRINT AND MAILROOM SERVICES FUND BALANCE SUMMARY	
Unencumbered Cash Balance (January 1, 2008)	\$ 30,061
Plus Estimated 2008 Print Services Receipts	245,000
Plus Estimated 2008 Mailroom Services Receipts	1,127,935
Plus Estimated Encumbrance Cancellations	2,000
Total Estimated Available Resources	<u>\$ 1,404,996</u>
Less 2008 Recommended Operating Budget - Print	(262,798)
Less 2008 Recommended Operating Budget - Mailroom	(1,127,935)
Projected Available Balance (December 31, 2008)	<u><u>\$ 14,263</u></u>

PRINT/ COPY AND MAILROOM SERVICES REVENUE BY SOURCE AND YEAR HISTORICAL AND PROJECTED 2005-2008				
REVENUE SUMMARY	2005 Actual	2006 Actual	2007 Estimated	2008 Proposed
Resale Printing	\$ 40,864	\$ 60,290	\$ 48,000	\$ 60,500
Copy Services	90,292	100,283	89,000	105,500
Printing Services	83,941	70,315	70,000	79,000
Transfers/Refunds/Misc.	35,524	-	-	-
Unencumbered Cash Balance	(19,127)	37,484	44,213	30,061
Encumbrance Cancellations	18,836	8,028	2,518	2,000
Mailroom Services	-	-	-	1,127,935
TOTAL RESOURCES	<u>\$ 250,330</u>	<u>\$ 276,400</u>	<u>\$ 253,731</u>	<u>\$ 1,404,996</u>
PERCENT CHANGE		10.41%	-8.20%	453.73%
NOTE: Mailroom services revenues for 2005 - 2007 are reflected under Department of Technology.				

Land Acquisition Fund

2008 Cash Balance Statement

Revenues to the land acquisition fund are comprised of charges to other city divisions for land acquisition services. The 2008 revenue estimate is based on a projection of 3,300 hours of services billed at a rate of \$250 per hour. The division reviews its rate periodically and increases it when necessary to fully recover costs. The land acquisition fund is projected to end 2008 with a positive unencumbered cash balance of \$33,189.

2008 LAND ACQUISITION FUND BALANCE SUMMARY	
Unencumbered Cash Balance (January 1, 2008)	\$ 57,332
Plus Estimated 2008 Receipts	825,000
Plus Estimated Encumbrance Cancellations	<u>15,000</u>
Total Estimated Available Resources	\$ 897,332
Less 2008 Recommended Operating Budget	(864,143)
Projected Available Balance (December 31, 2008)	<u><u>\$ 33,189</u></u>

Technology Services Fund

2008 Cash Balance Statement

The technology services fund is projected to begin and end the year with a cash balance of \$1,347,974. Revenues to the fund consist of charges to other city divisions for technology services utilizing a rate model to determine the applicable rate for various operational functions. In addition to this, the Technology Department procures goods, services, and other computer related equipment on the behalf of other city divisions and bills back the cost as a direct charge (pass-through cost).

2008 TECHNOLOGY SERVICES FUND BALANCE SUMMARY	
Unencumbered Cash Balance (January 1, 2008)	\$ 1,347,974
Plus Estimated 2008 Receipts	29,069,694
Plus Estimated Encumbrance Cancellations	<u>-</u>
Total Estimated Available Resources	\$ 30,417,668
Less 2008 Recommended Operating Budget	(29,069,694)
Projected Available Balance (December 31, 2008)	<u><u>\$ 1,347,974</u></u>

Technology Services Fund Pro Forma Operating Statement

In order to fully recover the costs of information technology services in 2008, the Department of Technology will continue to use a charge-back methodology utilizing a rate model that was implemented in 2004. In conjunction with the model for cost recovery, the Department of Technology will continue to use a time and attendance reporting system for many of its services.

In 2008, the Department of Technology will engage a consultant who will facilitate the writing of an information technology strategic plan that will provide a framework and direction for the city's information technology function. This will include a review of the current chargeback model and recommend possible alternatives to facilitate the efficient chargeback of information technology costs to all city agencies.

A pro forma operating statement for the ten-year period beginning in 2008 follows this section. It represents the Technology Director's Office and the Division of Information Services' revenues and expenditures for that period. The major assumptions included are as follows:

- The Department of Technology, Information Services Division's internal service fund incurs debt service for capital expenditures such as terminal replacement, system migration, network expansion, the city's Oracle site license, enterprise-wide network management software, data center renovations, hardware

upgrades and mass storage, software upgrades, telephony upgrades, and other projects.

- Operating expenditures for 2008 and beyond are inflated at a blended rate of 3.8 percent per year, representing the overall effect of inflation of 12 percent for health insurance, 4 percent for personnel costs (exclusive of health insurance), and 3 percent for most other operating expenses.

Details related to operations for year 2008 and beyond are as follows:

Administration

Directs the business office activities to provide leadership, administrative and fiscal support to other functional areas of ISD.

Applications Programming

Includes funding for enterprise licenses for Oracle software maintenance and support and Microsoft server licensing. Supplies development, design, maintenance and enhancements to computer programs and systems.

Productions Service

Provides continuous operation and maintenance of the city's computer systems, related peripheral equipment, data communications systems and post report printing operations. Includes maintenance and support of city mainframe equipment, lease of and maintenance on high-volume printers and Unix software licensing and maintenance.

Help Desk

Centralized help desk offers first level, technical assistance to user agencies, citywide.

Desktop Support

Deploys and maintains the city's desktop computer systems in a manner that ensures high availability to city employees.

Systems Administration

Includes funding for enterprise system management, NT and Unix system administration, account maintenance and hardware and software upgrades. Systems administration budget includes Windows NT support.

Security

Provides enterprise security management through infrastructure security and intrusion detection. Security budget includes security maintenance and anti-virus software.

311 Support

Maintain systems and applications for the city's 311 call center.

Telephone Services

Coordinates telephone services, training and consulting for all city agencies.

GIS Section

Includes funding for contract project management, software maintenance, and in-house staff.

Metronet

Includes funding for operations and maintenance of the citywide fiber optic network. The metronet budget includes support for equipment maintenance, consulting expertise and in-house staff.

Data Center

Cost of operations including utilities, security and maintenance on the UPS and generator systems.

Account Management

Includes funding for information technology account management personnel and services to customer agencies. Account managers provide customer-specific business process expertise to city agencies.

Web Support

Maintain and support citywide internet and intranet web applications. Provide internet web site links for citizens and citywide departments.

Government Television Channel

Coordinates contracts for video programming services. Prepare scripts and provide editing services for production programs.

Interconnect

Design, oversight and installation of the city-owned fiber optic cabling plant. Provide preventive maintenance and repair of outside fiber optic.

Information Services Division Pro Forma Operating Statement												
	Actual 2006	3rd Quarter Projected 2007	Proposed 2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Operating Revenue:												
Data Center Revenue	\$ 14,497,276	\$ 17,813,734	\$ 23,917,350	\$ 24,071,298	\$ 26,544,265	\$ 27,738,984	\$ 27,517,945	\$ 28,612,728	\$ 29,607,548	\$ 30,308,810	\$ 31,338,646	\$ 31,858,514
Postage Revenue	1,497,992	1,715,747	-	-	-	-	-	-	-	-	-	-
Direct Bill Items	3,945,395	7,282,885	5,137,700	5,332,933	5,535,584	5,745,936	5,964,282	6,190,925	6,426,180	6,670,374	6,923,849	7,186,955
Telephone Services Revenue	-	-	-	-	-	-	-	-	-	-	-	-
Other Revenue	40,279	14,499	14,644	14,790	14,938	15,088	15,239	15,391	15,545	15,700	15,857	16,016
Total Operating Revenue	19,980,942	26,826,865	29,069,694	29,419,021	32,094,787	33,500,008	33,497,465	34,819,044	36,049,272	36,994,885	38,278,352	39,061,485
Worker Comp Refund	-	-	-	-	-	-	-	-	-	-	-	-
Insurance/Postage Refund	-	-	-	-	-	-	-	-	-	-	-	-
Encumbrance Cancellations	162,392	176,154	-	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Other Revenue	-	-	-	-	-	-	-	-	-	-	-	-
Transfer/Non Billings	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	20,143,333	27,003,019	29,069,694	29,469,021	32,144,787	33,550,008	33,547,465	34,869,044	36,099,272	37,044,885	38,328,352	39,111,485
Beginning Fund Balance	2,409,011	535,471	1,347,974	1,347,974	-	-	-	-	-	-	-	-
Total Resources	22,552,344	27,538,490	30,417,668	30,816,995	32,144,787	33,550,008	33,547,465	34,869,044	36,099,272	37,044,885	38,328,352	39,111,485
Operating Expenses												
Personnel	9,703,232	10,634,761	-	-	-	-	-	-	-	-	-	-
Supplies	363,479	352,847	-	-	-	-	-	-	-	-	-	-
Services	4,806,412	4,448,781	-	-	-	-	-	-	-	-	-	-
Other	2,200	-	-	-	-	-	-	-	-	-	-	-
<u>Equipment</u>	<u>526,583</u>	<u>184,872</u>	-	-	-	-	-	-	-	-	-	-
Administration*	-	-	2,539,412	2,635,910	2,736,074	2,840,045	2,947,967	3,059,989	3,176,269	3,296,967	3,422,252	3,552,297
Applications Programming	-	-	3,632,082	3,770,101	3,913,365	4,062,073	4,216,432	4,376,656	4,542,969	4,715,602	4,894,795	5,080,797
Computer Operations	-	-	2,407,232	2,498,707	2,593,658	2,692,217	2,794,521	2,900,713	3,010,940	3,125,355	3,244,119	3,367,396
Security	-	-	260,933	270,848	281,141	291,824	302,913	314,424	326,372	338,774	351,648	365,010
Help Desk	-	-	673,130	698,709	725,260	752,820	781,427	811,121	841,944	873,938	907,147	941,619
Desktop Support	-	-	2,803,669	2,910,208	3,020,796	3,135,587	3,254,739	3,378,419	3,506,799	3,640,057	3,778,379	3,921,958
Systems Administration	-	-	1,480,150	1,536,396	1,594,779	1,655,380	1,718,285	1,783,580	1,851,356	1,921,707	1,994,732	2,070,532
Account Management	-	-	585,369	607,613	630,702	654,669	679,546	705,369	732,173	759,996	788,876	818,853
Arlingate Building	-	-	466,250	483,968	502,358	521,448	541,263	561,831	583,180	605,341	628,344	652,221
Web Support	-	-	932,083	967,502	1,004,267	1,042,429	1,082,042	1,123,159	1,165,839	1,210,141	1,256,127	1,303,859
311 Support	-	-	116,849	121,289	125,898	130,682	135,648	140,803	146,153	151,707	157,472	163,456
Metronet	-	-	1,201,539	1,247,197	1,294,591	1,343,785	1,394,849	1,447,854	1,502,872	1,559,981	1,619,260	1,680,792
Mailroom Services	-	-	-	-	-	-	-	-	-	-	-	-
Telephone Services	-	-	147,431	153,033	158,849	164,885	171,151	177,654	184,405	191,412	198,686	206,236
Interconnect	-	-	790,816	820,867	852,060	884,438	918,047	952,933	989,144	1,026,732	1,065,747	1,106,246
Government Television Channel	-	-	743,876	772,143	801,485	831,941	863,555	896,370	930,432	965,788	1,002,488	1,040,583
GIS Section	-	-	675,357	701,021	727,659	755,310	784,012	813,805	844,729	876,829	910,148	944,734
Technology Director's Office	918,029	906,502	1,445,418	1,500,344	1,557,357	1,616,537	1,677,965	1,741,728	1,807,913	1,876,614	1,947,925	2,021,946
Direct Bill Items to Other Fund Agencies	3,961,519	7,282,885	5,137,700	5,332,933	5,535,584	5,745,936	5,964,282	6,190,925	6,426,180	6,670,374	6,923,849	7,186,955
Net Change in Encumbrances	-	-	-	-	-	-	-	-	-	-	-	-
27th pay period	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	20,281,454	23,810,648	26,039,296	27,028,789	28,055,883	29,122,007	30,228,643	31,377,331	32,569,670	33,807,317	35,091,995	36,425,491
Existing Debt	1,735,418	2,114,818	2,752,398	2,613,581	2,565,529	2,575,001	1,305,948	1,260,338	786,603	6,318	5,106	4,869
New Debt	-	265,050	278,000	1,174,625	1,523,375	1,853,000	2,012,875	2,231,375	2,743,000	3,231,250	3,231,250	2,681,125
Total Expenses	22,016,873	26,190,516	29,069,694	30,816,995	32,144,787	33,550,008	33,547,465	34,869,044	36,099,272	37,044,885	38,328,352	39,111,485
Annual Surplus/Deficit	(1,873,540)	812,503	-	(1,347,974)	-	-	-	-	-	-	-	-
Ending Fund Balance	\$ 535,471	\$ 1,347,974	\$ 1,347,974	\$ -								

Fleet Management Fund

2008 Cash Balance Statement

The Fleet Management Division recovers its costs by billing user divisions for services provided. The revenue includes a \$69 per hour labor rate, a 22 percent mark-up on parts, a 5 percent mark-up on commercial services and credit card fuel purchases, and a fuel overhead rate of \$.24 per gallon for bulk fuel.

The fleet management services fund is projected to end 2008 with a negative unencumbered cash balance of \$996,506. Fleet is working to reduce this negative balance by examining both the billing rate structure and all future expenditures.

2008 FLEET MANAGEMENT SERVICES FUND BALANCE SUMMARY	
Unencumbered Cash Balance (January 1, 2008)	\$ (1,272,534)
Plus Estimated 2008 Receipts	29,860,477
Plus Estimated Encumbrance Cancellations	<u>100,000</u>
Total Estimated Available Resources	\$ 28,687,943
Less 2008 Recommended Operating Budget	(29,684,449)
Projected Available Balance (December 31, 2008)	<u>\$ (996,506)</u>

2008 Revenue Summary

FLEET MANAGEMENT				
REVENUE BY SOURCE AND YEAR				
HISTORICAL AND PROJECTED				
2005-2008				
REVENUE SUMMARY	2005 Actual	2006 Actual	2007 Estimated	2008 Proposed
Public Safety	\$ 9,866,490	\$ 11,180,320	\$ 12,398,741	\$ 13,140,313
Refuse Collection	5,511,749	6,364,121	7,225,358	5,575,746
Other General Fund	1,239,099	1,427,900	1,652,937	1,685,907
Other Funds	5,695,296	6,923,158	7,086,271	9,373,511
Refunds/Miscellaneous	287,956	75,047	47,440	85,000
Unencumbered Cash Balance	(121,409)	(884,153)	(489,612)	(1,272,534)
Encumbrance Cancellations	85,407	175,801	177,020	100,000
TOTAL RESOURCES	\$ 22,564,588	\$ 25,262,194	\$ 28,098,155	\$ 28,687,943
PERCENT CHANGE		11.96%	11.23%	2.10%

Revenue Notes:

- Revenues, excluding the unencumbered cash balance and encumbrance cancellations, will total \$29,860,477 in 2008, an increase of 5.1 percent over the 2007 projection.

Fleet Management Services Fund Pro Forma Operating Statement

A pro forma operating statement for the ten-year period beginning in 2008 is presented on the following pages. It represents the Division of Fleet Management's projected revenues and expenditures for that period, given certain assumptions. This document is essential in planning recovery rate percentage increases or decreases and for maintaining an acceptable end of year balance. The major assumptions included in this pro forma are as follows:

- Operations and maintenance expenses, excluding personnel, pro rata and health insurance, are inflated at three percent per annum. Personnel costs will grow at 4 percent, while health insurance costs will grow by 12 percent annually.
- Debt service principal and interest have been broken out separately. The debt service principal and interest payments represent reimbursement to the special income tax fund for the retirement of bonds issued to design and construct the division's new facility.
- The recovery rates in the pro forma are adjusted as necessary in order for the division to maintain positive year-end unencumbered cash balances. This pro forma indicates a 4.8 percent increase in revenues in 2009 and no increase in 2010 as necessary to meet that goal. Revenues in each of the years thereafter are adjusted to maintain a positive balance in the fund.

FLEET MANAGEMENT FUND PRO FORMA OPERATING STATEMENT												
REVENUE SOURCE	Actual 2006	Estimated 2007	Proposed 2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
				4.80%		3.35%	3.35%	3.45%	3.55%	3.60%	3.65%	3.90%
MAINTENANCE SERVICE CHARGES												
Public Safety	\$ 11,180,320	\$ 12,398,741	\$ 13,140,313	\$ 13,771,048	\$ 13,771,048	\$ 14,232,378	\$ 14,709,163	\$ 15,216,629	\$ 15,756,819	\$ 16,324,065	\$ 16,919,893	\$ 17,579,769
Refuse Collection	6,364,121	7,225,358	5,575,746	5,843,382	5,843,382	6,039,135	6,241,446	6,456,776	6,685,992	6,926,687	7,179,511	7,459,512
Other General Fund Divisions	1,427,900	1,652,937	1,685,907	1,766,831	1,766,831	1,826,019	1,887,191	1,952,299	2,021,606	2,094,384	2,170,829	2,255,491
Other Funds	6,923,158	7,086,271	9,373,511	9,823,440	9,823,440	10,152,525	10,492,634	10,854,630	11,239,970	11,644,608	12,069,637	12,540,353
State Highway Fuel Tax Refund	36,885	27,763	60,000	61,800	63,654	65,564	67,531	69,556	71,643	73,792	76,006	78,286
Miscellaneous Revenues	38,162	19,677	25,000	25,750	26,523	27,318	28,138	28,982	29,851	30,747	31,669	32,619
Insurance Refund												
Bond Proceeds												
TOTAL REVENUE	25,970,546	28,410,747	29,860,477	31,292,250	31,294,876	32,342,939	33,426,103	34,578,873	35,805,881	37,094,283	38,447,545	39,946,030
Beginning Fund Balance	(884,153)	(489,612)	(1,272,534)	(996,506)	7,897	22,475	2,142	12,729	13,885	15,544	12,571	11,032
Encumbrance Cancellations	175,801	177,020	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
TOTAL RESOURCES	25,262,194	28,098,155	28,687,943	30,395,744	31,402,774	32,465,414	33,528,244	34,691,602	35,919,766	37,209,827	38,560,116	40,057,062
EXPENDITURES												
Operations and Maintenance												
Personnel Services	6,513,734	6,857,441	7,426,270	7,723,321	8,032,254	8,353,544	8,687,686	9,035,193	9,396,601	9,772,465	10,163,363	10,569,898
Health Insurance	1,154,694	1,214,004	1,377,341	1,542,622	1,727,737	1,935,065	2,167,273	2,427,345	2,718,627	3,044,862	3,410,246	3,819,475
Materials & Supplies	13,256,674	14,749,804	13,248,290	13,645,739	14,055,111	14,476,764	14,911,067	15,358,399	15,819,151	16,293,726	16,782,537	17,286,014
Services	3,453,971	3,773,273	3,878,800	3,995,164	4,115,019	4,238,469	4,365,624	4,496,592	4,631,490	4,770,435	4,913,548	5,060,954
Other Disbursements	44,688	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Capital	69,925	84,967	-	-	-	-	-	-	-	-	-	-
27th Pay Period	-	-	287,004	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	-
Total Operations & Maintenance	24,493,686	26,684,489	26,222,705	26,911,845	27,935,120	29,008,842	30,136,649	31,322,530	32,570,869	33,886,487	35,274,694	36,741,341
Director's Office	456,073	506,009	958,390	987,142	1,016,756	1,047,259	1,078,676	1,111,037	1,144,368	1,178,699	1,214,060	1,250,482
Debt Service												
Principal	30,000	1,030,000	1,380,000	1,420,000	1,420,000	1,454,800	1,414,300	1,414,300	1,414,300	1,414,300	1,410,250	1,410,250
Interest	772,047	1,150,191	1,123,354	1,068,860	1,008,423	952,371	885,890	829,850	774,685	717,770	650,081	648,381
Total Debt Service	802,047	2,180,191	2,503,354	2,488,860	2,428,423	2,407,171	2,300,190	2,244,150	2,188,985	2,132,070	2,060,331	2,058,631
TOTAL EXPENSES	25,751,806	29,370,689	29,684,449	30,387,847	31,380,299	32,463,272	33,515,515	34,677,716	35,904,222	37,197,256	38,549,085	40,050,453
ENDING FUND BALANCE	\$ (489,612)	\$ (1,272,534)	\$ (996,506)	\$ 7,897	\$ 22,475	\$ 2,142	\$ 12,729	\$ 13,885	\$ 15,544	\$ 12,571	\$ 11,032	\$ 6,609

