

Internal Service Funds

Employee Benefits Fund

2009 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.

2009 EMPLOYEE BENEFITS FUND BALANCE SUMMARY	
Unencumbered Cash Balance (January 1, 2009)	\$ 76,897
Plus Estimated 2009 Receipts	<u>3,081,109</u>
Total Estimated Available Resources	\$ 3,158,006
Less 2009 Recommended Operating Budget	(3,158,006)
Projected Available Balance (December 31, 2009)	<u><u>\$ -</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

2009 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 2009 with a negative unencumbered cash balance of \$145,835, due, in part, to unanticipated increases in postage costs.

2009 PRINT AND MAILROOM SERVICES FUND BALANCE SUMMARY		
Unencumbered Cash Balance (January 1, 2009)	\$	(145,835)
Plus Estimated 2009 Print Services Receipts		262,433
Plus Estimated 2009 Mailroom Services Receipts		1,504,012
Plus Estimated Encumbrance Cancellations		-
Total Estimated Available Resources	\$	1,620,610
Less 2009 Recommended Operating Budget - Print		(260,424)
Less 2009 Recommended Operating Budget - Mailroom		(1,504,012)
Projected Available Balance (December 31, 2009)	\$	(143,826)

**PRINT/ COPY AND MAILROOM SERVICES
REVENUE BY SOURCE AND YEAR
HISTORICAL AND PROJECTED
2006-2009**

REVENUE SUMMARY	2006 Actual	2007 Actual	2008 Estimated	2009 Proposed
Resale Printing	\$ 60,290	\$ 49,466	\$ 64,013	\$ 65,609
Copy Services	100,283	72,668	97,359	97,100
Printing Services	70,315	75,295	99,242	99,724
Transfers/Refunds/Misc.*	-	-	1,500	-
Unencumbered Cash Balance	37,484	-	7,323	(145,835)
Encumbrance Cancellations	8,028	-	9,532	-
Mailroom Services	-	-	1,189,086	1,504,012
TOTAL RESOURCES	\$ 276,400	\$ 197,429	\$ 1,468,055	\$ 1,620,610
PERCENT CHANGE		-28.57%	643.59%	10.39%

NOTE: Mailroom services revenues for 2006 - 2007 are reflected under Department of Technology.

* Refund is from Insurance Trust Fund.

Land Acquisition Fund

2009 Cash Balance Statement

Revenues to the land acquisition fund are comprised of charges to other city divisions for land acquisition services. The 2009 revenue estimate is based on a projection of 3,380 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 2009 with a positive unencumbered cash balance of \$57,148.

2009 LAND ACQUISITION FUND BALANCE SUMMARY	
Unencumbered Cash Balance (January 1, 2009)	102,048
Plus Estimated 2009 Receipts	845,000
Plus Estimated Encumbrance Cancellations	15,000
Total Estimated Available Resources	<u>\$ 962,048</u>
Less 2009 Recommended Operating Budget	(904,900)
Projected Available Balance (December 31, 2009)	<u><u>\$ 57,148</u></u>

Technology Services Fund

2009 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 \$679,835 and end the year with a cash balance of \$829,835. Revenues to the fund consist of charges to other city divisions for technology services, utilizing a rate model which determines applicable rates for various operational functions. In addition, the department procures goods, services, and other computer related equipment on the behalf of city divisions and bills back the cost as a direct charge.

2009 TECHNOLOGY SERVICES FUND BALANCE SUMMARY	
Unencumbered Cash Balance (January 1, 2009)	\$ 679,835
Plus Estimated 2009 Receipts	32,078,569
Plus Estimated Encumbrance Cancellations	<u>150,000</u>
Total Estimated Available Resources	\$ 32,908,404
Less 2009 Recommended Operating Budget	(32,078,569)
Projected Available Balance (December 31, 2009)	<u><u>\$ 829,835</u></u>

Technology Services Fund Pro Forma Operating Statement

The department will continue to use a charge-back methodology to fully recover costs related to information technology services. A primary goal of the department in 2009 is to create an updated rate model which more accurately reflects user charges and services as well as cost recovery. The department will continue to use a time and attendance reporting system for many of its services.

In 2009, the Department of Technology will engage a consultant to facilitate writing 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 charge-back model and recommend possible alternatives to make the model as efficient and equitable as possible.

A pro forma operating statement for the ten-year period beginning in 2009 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.

- The overall effect of inflation for health insurance in 2009 is 10 percent. For personnel costs (exclusive of health insurance), this represents an inflation rate of 2 percent in 2010, 1 percent in 2011 and 3 percent in 2012 and beyond. For most other operating expenses, the inflation rate is 3 percent.

Details related to operations for year 2009 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.

Internal Service Funds

Information Services Division Pro Forma Operating Statement												
	Actual 2007	3rd Quarter Projected 2008	Proposed 2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Operating Revenue:												
Data Center Revenue	\$ 17,006,135	\$ 20,671,421	\$ 25,062,507	\$ 26,383,310	\$ 27,870,129	\$ 27,964,464	\$ 28,983,886	\$ 29,625,522	\$ 30,140,199	\$ 31,709,218	\$ 32,490,843	\$ 33,497,443
Postage Revenue	1,701,882	605,766	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000	900,000
Direct Bill Items	5,160,747	4,243,866	6,066,062	6,296,572	6,535,842	6,784,204	7,042,004	7,309,600	7,587,365	7,875,685	8,174,961	8,485,609
Telephone Services Revenue	-	-	-	-	-	-	-	-	-	-	-	-
Other Revenue	36,372	150,000	50,000	50,500	51,005	51,515	52,030	52,551	53,076	53,607	54,143	54,684
Total Operating Revenue	23,905,136	25,671,053	32,078,569	33,630,382	35,356,977	35,700,183	36,977,921	37,887,672	38,680,640	40,538,510	41,619,947	42,937,737
Worker Comp Refund	-	-	-	-	-	-	-	-	-	-	-	-
Insurance/Postage Refund	-	78,000	-	-	-	-	-	-	-	-	-	-
Encumbrance Cancellations	284,124	1,048,030	150,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Other Revenue	-	-	-	-	-	-	-	-	-	-	-	-
Transfer/Non Billings	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	24,189,260	26,797,083	32,228,569	33,680,382	35,406,977	35,750,183	37,027,921	37,937,672	38,730,640	40,588,510	41,669,947	42,987,737
Beginning Fund Balance	535,471	1,423,596	679,835	829,835	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Total Resources	24,724,731	28,220,679	32,908,404	34,510,217	35,406,977	35,750,183	37,027,921	37,937,672	38,730,640	40,588,510	41,669,947	42,987,737
Operating Expenses												
Personnel	10,449,431	12,375,159	-	-	-	-	-	-	-	-	-	-
Supplies	282,147	756,051	-	-	-	-	-	-	-	-	-	-
Services	4,396,660	5,033,690	-	-	-	-	-	-	-	-	-	-
Other	19,193	-	-	-	-	-	-	-	-	-	-	-
Equipment	104,921	800,799	-	-	-	-	-	-	-	-	-	-
Administration*	-	-	2,177,801	2,260,557	2,346,459	2,435,624	2,528,178	2,624,249	2,723,970	2,827,481	2,934,925	3,046,452
Applications Programming	-	-	2,763,197	2,868,198	2,977,190	3,090,323	3,207,756	3,329,650	3,456,177	3,587,512	3,723,837	3,865,343
Computer Operations	-	-	2,184,305	2,267,309	2,353,466	2,442,898	2,535,728	2,632,086	2,732,105	2,835,925	2,943,690	3,055,550
Security	-	-	820,497	851,676	884,040	917,633	952,503	988,698	1,026,269	1,065,267	1,105,747	1,147,766
Help Desk	-	-	882,116	915,636	950,431	986,547	1,024,036	1,062,949	1,103,341	1,145,268	1,188,788	1,233,962
Desktop Support	-	-	1,515,776	1,573,375	1,633,164	1,695,224	1,759,642	1,826,509	1,895,916	1,967,961	2,042,744	2,120,368
Systems Administration	-	-	1,130,134	1,173,079	1,217,656	1,263,927	1,311,956	1,361,811	1,413,559	1,467,275	1,523,031	1,580,906
Account Management	-	-	543,606	564,263	585,705	607,962	631,064	655,045	679,937	705,774	732,594	760,432
Arlingate Building	-	-	323,750	336,053	348,822	362,078	375,837	390,118	404,943	420,331	436,303	452,883
Project Management	-	-	1,006,347	1,044,588	1,084,283	1,125,485	1,168,254	1,212,647	1,258,728	1,306,560	1,356,209	1,407,745
Contracts(SW/HW/LF)	-	-	3,288,632	3,413,600	3,543,317	3,677,963	3,817,725	3,962,799	4,113,385	4,269,694	4,431,942	4,600,356
Database	-	-	1,034,259	1,073,561	1,114,356	1,156,702	1,200,656	1,246,281	1,293,640	1,342,798	1,393,825	1,446,790
Architecture	-	-	281,842	292,552	303,669	315,208	327,186	339,619	352,525	365,921	379,826	394,259
Telephone Services	-	-	230,283	239,034	248,117	257,545	267,332	277,491	288,035	298,981	310,342	322,135
Network	-	-	1,861,590	1,932,330	2,005,759	2,081,978	2,161,093	2,243,215	2,328,457	2,416,938	2,508,782	2,604,115
Government Television Channel	-	-	522,287	542,134	562,735	584,119	606,315	629,355	653,271	678,095	703,863	730,610
GIS Section	-	-	-	-	-	-	-	-	-	-	-	-
Technology Director's Office	939,379	1,335,407	2,415,687	2,507,483	2,602,767	2,701,673	2,804,336	2,910,901	3,021,515	3,136,333	3,255,513	3,379,223
Direct Bill Items to Other Fund Agencies	5,190,047	4,243,866	6,066,062	6,296,572	6,535,842	6,784,204	7,042,004	7,309,600	7,587,365	7,875,685	8,174,961	8,485,609
Net Change in Encumbrances	-	-	-	-	-	-	-	-	-	-	-	-
27th pay period	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	21,381,778	24,544,972	29,048,171	30,152,001	31,297,778	32,487,093	33,721,603	35,003,024	36,333,138	37,713,798	39,146,922	40,634,505
Existing Debt	1,919,357	2,995,872	2,878,072	2,426,865	2,426,865	1,305,948	1,260,338	786,603	6,318	5,106	4,869	4,869
New Debt	-	-	152,326	1,101,515	1,682,334	1,957,143	2,045,980	2,148,046	2,391,184	2,869,606	2,518,156	2,348,363
Total Expenses	23,301,135	27,540,844	32,078,569	33,680,382	35,406,977	35,750,183	37,027,921	37,937,672	38,730,640	40,588,510	41,669,947	42,987,737
Annual Surplus/Deficit	888,125	(743,762)	150,000	(829,835)	-	-	-	-	-	-	-	-
Ending Fund Balance	\$ 1,423,596	\$ 679,835	\$ 829,835	\$ (0)								

Fleet Management Fund

2009 Cash Balance Statement

The Fleet Management Division recovers its costs by billing user divisions for services provided. The revenue includes rates of \$70 per hour for light vehicles and \$90 per hour for heavy vehicles, 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 2009 with a negative unencumbered cash balance of \$561,096. Fleet is working to reduce this negative balance by examining both the billing rate structure and all future expenditures.

2009 FLEET MANAGEMENT SERVICES FUND BALANCE SUMMARY	
Unencumbered Cash Balance (January 1, 2009)	\$ (673,092)
Plus Estimated 2009 Receipts	33,467,849
Plus Estimated Encumbrance Cancellations	<u>100,000</u>
Total Estimated Available Resources	\$ 32,894,757
Less 2009 Recommended Operating Budget	(33,455,853)
Projected Available Balance (December 31, 2009)	<u><u>\$ (561,096)</u></u>

2009 Revenue Summary

FLEET MANAGEMENT REVENUE BY SOURCE AND YEAR HISTORICAL AND PROJECTED 2006-2009				
REVENUE SUMMARY	2006 Actual	2007 Actual	2008 Estimated	2009 Proposed
Public Safety	\$ 11,180,320	\$ 12,883,626	\$ 15,782,810	\$ 15,604,227
Refuse Collection	6,364,121	7,510,473	6,882,119	6,248,957
Other General Fund	1,427,900	1,656,806	1,632,143	1,639,723
Other Funds	6,923,158	7,416,268	10,056,293	9,928,016
Refunds/Miscellaneous	75,047	99,626	64,313	46,926
Insurance Trust Fund Transfer	-	-	77,000	-
Unencumbered Cash Balance	(884,153)	(489,612)	(1,139,828)	(673,092)
Encumbrance Cancellations	175,801	177,019	181,149	100,000
TOTAL RESOURCES	\$ 25,262,194	\$ 29,254,206	\$ 33,535,999	\$ 32,894,757
PERCENT CHANGE		15.80%	14.64%	-1.91%

Revenue Notes:

- Revenues, excluding the unencumbered cash balance and encumbrance cancellations, will total \$33,467,849 in 2009, a decrease of 2.98 percent from the 2008 projection.

Fleet Management Services Fund Pro Forma Operating Statement

A pro forma operating statement for the ten-year period beginning in 2009 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 expenses assume 2 percent growth in 2010, 1 percent in 2011 and 3 percent in all other years. Health insurance is projected to grow ten percent per year.
- 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 percent increase in revenues in 2010 and 0.9 percent in 2011 as necessary to meet that goal. Revenues in each of the years thereafter are adjusted to maintain a positive balance in the fund.

Internal Service Funds

FLEET MANAGEMENT FUND PRO FORMA OPERATING STATEMENT												
REVENUE SOURCE	Actual 2007	Estimated 2008	Proposed 2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
				4.00%	0.90%	2.80%	3.05%	3.10%	3.10%	3.10%	3.35%	3.30%
MAINTENANCE SERVICE CHARGES												
Public Safety	\$ 12,883,626	\$ 15,782,810	\$ 15,604,227	\$ 16,228,396	\$ 16,374,452	\$ 16,832,936	\$ 17,346,341	\$ 17,884,077	\$ 18,438,484	\$ 19,010,077	\$ 19,646,914	\$ 20,295,263
Refuse Collection	7,510,473	6,882,119	6,248,957	6,498,915	6,557,406	6,741,013	6,946,614	7,161,959	7,383,980	7,612,883	7,867,914	8,127,556
Other General Fund Divisions	1,656,806	1,632,140	1,639,723	1,705,312	1,720,660	1,768,838	1,822,788	1,879,294	1,937,552	1,997,616	2,064,537	2,132,666
Other Funds	7,416,268	10,056,293	9,928,016	10,325,137	10,418,063	10,709,769	11,036,417	11,378,545	11,731,280	12,094,950	12,500,131	12,912,635
State Highway Fuel Tax Refund	55,563	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Revenues	44,063	64,316	46,926	48,334	49,784	51,277	52,816	54,400	56,032	57,713	59,444	61,228
Insurance Refund	-	77,000	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUE	29,566,799	34,494,678	33,467,849	34,806,094	35,120,364	36,103,833	37,204,975	38,358,276	39,547,328	40,773,239	42,138,941	43,529,348
Beginning Fund Balance	(489,612)	(1,139,828)	(673,092)	(561,096)	7,503	16,787	9,600	7,187	12,751	12,919	5,489	3,074
Encumbrance Cancellations	177,019	181,149	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
TOTAL RESOURCES	29,254,206	33,535,999	32,894,757	34,344,998	35,227,867	36,220,620	37,314,575	38,465,463	39,660,079	40,886,158	42,244,429	43,632,422
EXPENDITURES												
Operations and Maintenance												
Personnel Services	6,774,671	7,700,144	7,625,804	7,778,320	7,856,103	8,091,786	8,334,540	8,584,576	8,842,113	9,107,377	9,380,598	9,662,016
Health Insurance	1,282,574	1,369,035	1,449,860	1,594,846	1,754,331	1,929,764	2,122,740	2,335,014	2,568,515	2,825,367	3,107,904	3,418,694
Materials & Supplies	15,891,595	17,451,335	16,639,205	17,138,381	17,652,533	18,182,109	18,727,572	19,289,399	19,868,081	20,464,123	21,078,047	21,710,388
Services	3,722,212	4,077,378	4,251,900	4,379,457	4,510,841	4,646,166	4,785,551	4,929,117	5,076,991	5,229,301	5,386,180	5,547,765
Other Disbursements	5,313	639	-	-	-	-	-	-	-	-	-	-
Capital	84,967	-	90,000	92,700	95,481	98,345	101,296	104,335	107,465	110,689	114,009	117,430
27th Pay Period	-	273,631	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	-
Total Operations & Maintenance	27,761,332	30,872,162	30,056,769	30,983,704	31,869,288	32,948,170	34,071,699	35,242,441	36,463,165	37,736,857	39,066,738	40,456,293
Director's Office	505,460	835,408	907,223	925,367	934,621	962,660	991,540	1,021,286	1,051,924	1,083,482	1,115,987	1,149,466
Debt Service												
Principal	1,004,237	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	1,370,250
Interest	1,123,005	1,121,521	1,071,861	1,008,423	952,371	885,890	829,850	774,685	717,770	650,081	648,381	644,981
Total Debt Service	2,127,242	2,501,521	2,491,861	2,428,423	2,407,171	2,300,190	2,244,150	2,188,985	2,132,070	2,060,331	2,058,631	2,015,231
TOTAL EXPENSES	30,394,034	34,209,091	33,455,853	34,337,495	35,211,080	36,211,020	37,307,388	38,452,712	39,647,160	40,880,670	42,241,355	43,620,990
ENDING FUND BALANCE	\$ (1,139,828)	\$ (673,092)	\$ (561,096)	\$ 7,503	\$ 16,787	\$ 9,600	\$ 7,187	\$ 12,751	\$ 12,919	\$ 5,489	\$ 3,074	\$ 11,431