

# **Internal Service Funds**

**SUPPORT SERVICES-FLEET MANAGEMENT DIVISION**  
**Fund 201 Fleet Management, Budget Unit 940**  
**Michelle Schafer, Director, Support Services**

State Controller Schedules  
 County Budget Act  
 January 2010

County of Shasta  
 Operation of Internal Service Fund  
 Fiscal Year 2010-11

Schedule 10

**Department: 940 - FLEET MANAGEMENT**  
**Activity: 000 - N/A**

Operating Detail	2008-09 Actuals	2009-10 Actual <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	2010-11 Recommended	2010-11 Adopted by the Board of Supervisors
1	2	3	4	5
<b>Operating Revenues</b>				
CHARGES FOR SERVICES	\$2,632,415	\$2,429,098	\$2,894,848	\$2,894,848
MISCELLANEOUS REVENUES	\$76,635	\$80,567	\$95,000	\$95,000
<b>Total Operating Revenues:</b>	<b>\$2,709,051</b>	<b>\$2,509,666</b>	<b>\$2,989,848</b>	<b>\$2,989,848</b>
<b>Operating Expenses</b>				
SALARIES AND BENEFITS	\$499,714	\$455,254	\$530,451	\$530,451
SERVICES AND SUPPLIES	\$1,397,582	\$1,254,995	\$1,655,943	\$1,655,943
OTHER CHARGES	\$843,434	\$804,631	\$866,202	\$866,202
INTRAFUND TRANSFERS	(\$90,068)	(\$70,375)	(\$16,015)	(\$16,015)
<b>Total Operating Expenses:</b>	<b>\$2,650,662</b>	<b>\$2,444,506</b>	<b>\$3,036,581</b>	<b>\$3,036,581</b>
<b>Operating Income (Loss)</b>	<b>\$58,389</b>	<b>\$65,159</b>	<b>(\$46,733)</b>	<b>(\$46,733)</b>
<b>Non-Operating Revenues (Expenses)</b>				
OTHER CHARGES	(\$24,642)	(\$24,348)	(\$22,890)	(\$22,890)
REVENUE FROM MONEY & PROPERTY	\$84,257	\$28,449	\$50,000	\$50,000
MISCELLANEOUS REVENUES	\$2,485	\$0	\$5,000	\$5,000
OTHER FINANCING SRCS SALE F/A	\$43,193	\$42,189	\$37,500	\$37,500
<b>Total Non-Operating Revenues (Expenses):</b>	<b>\$105,294</b>	<b>\$46,291</b>	<b>\$69,610</b>	<b>\$69,610</b>
<b>Income Before Capital Contributions and Transfers:</b>	<b>\$163,683</b>	<b>\$111,451</b>	<b>\$22,877</b>	<b>\$22,877</b>
OTHER CHARGES	\$0	(\$55,765)	\$0	\$0
OTHER FINANCING USES	(\$5,513)	(\$126,450)	\$0	\$0
OTHR FINANCING SOURCES TRAN IN	\$13,150	\$49,212	\$0	\$0
CAPITAL CONTRIBUTIONS	\$5,513	\$0	\$0	\$0
<b>Change in Net Assets</b>	<b>\$176,833</b>	<b>(\$21,551)</b>	<b>\$22,877</b>	<b>\$22,877</b>
Net Assets - Beginning Balance	\$6,249,144	\$6,425,978	\$6,404,426	\$6,404,426
Net Assets - Ending Balance	\$6,425,978	\$6,404,426	\$6,427,303	\$6,427,303

**Department: 940 - FLEET MANAGEMENT**  
**Activity: 000 - N/A**

Operating Detail	2008-09 Actuals	2009-10 Actual <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	2010-11 Recommended	2010-11 Adopted by the Board of Supervisors
1	2	3	4	5
<b>Additional Appropriations</b>				
CAP ASSETS-EQUIPMENT	\$709,307	\$474,042	\$768,481	\$768,481
<b>Total Additional Appropriations:</b>	<b>\$709,307</b>	<b>\$474,042</b>	<b>\$768,481</b>	<b>\$768,481</b>
<b>Total Change in Net Assets:</b>	<b>(\$532,473)</b>	<b>(\$493,594)</b>	<b>(\$745,604)</b>	<b>(\$745,604)</b>

**PROGRAM DESCRIPTION**

Fleet Management is an internal service fund responsible for the management of the County’s light vehicle fleet, with the exception of those vehicles assigned to the Public Works Department. Fleet Management pays for all costs for the acquisition, maintenance, and operation of vehicles. Individual departments are charged monthly rates to cover the cost of purchasing and maintaining their vehicles. The program is funded by user fees and requires no direct County General Fund allocation.

The mission of Fleet Management is to “provide Shasta County employees with safe, reliable and economical vehicles by maintaining, replacing and supporting the fleet in a professional, cost effective and responsive manner.”

**BUDGET REQUESTS**

Expenditures for FY 2010-11 are relatively flat compared to the FY 2009-10 Adjusted Budget. Services and Supplies will be reduced by \$102,292, or 5.8 percent as a result of a Public Works proposal to incorporate Facilities Management vehicles into the Public Works fleet operations and oversight as approved by the Board of Supervisors on March 23, 2010. There are 23 replacement vehicles Fixed Assets requested in the FY 2010-11 Proposed Budget. This is just under the four-year average of approximately 25 vehicles per fiscal year.

Revenues for FY 2010-11 are anticipated to decrease by \$332,351, or 9.7 percent as a result of the removal of Facilities Management vehicles from the County fleet, a drop in interest rates on fund balance, and decreased insurance proceeds. Charges for Services to the departments equates to 94% of all total Fleet Management revenue and

is based on the department’s actual activity during the fiscal year.

Expenses are \$745,604 over revenues; the difference will come from fund balance. The Replacement Fund will remain viable at the end of FY 2010-11. The economy has had a significant impact on replacement vehicle costs. The vehicle market is volatile and changing on a weekly basis. This volatility has caused the cost of some classes of vehicles to increase several thousand dollars. Because of this and to not place undue burdens on the departments, Fleet Management has kept the Replacement Fund charges at FY 2009-10 levels. Replacement vehicle purchases will be dealt with on a case-by-case basis. Departments were advised of this during Fleet Management meetings with individual departments.

**SUMMARY OF RECOMMENDATIONS**

The CAO recommended budget is as requested by the department head.

**PENDING ISSUES AND POLICY CONSIDERATIONS**

There are no pending issues or policy considerations at this time.

**DEPARTMENT HEAD CONCURRENCE OR APPEAL**

The department head concurs with this budget as recommended.

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**FINAL BOARD ACTION**

Adopted as presented in the proposed budget.

**SUPPORT SERVICES-RISK MANAGEMENT**  
**Fund 202 Risk Management, Budget Unit 950**  
**Michelle Schafer, Director, Support Services**

State Controller Schedules  
 County Budget Act  
 January 2010

County of Shasta  
 Operation of Internal Service Fund  
 Fiscal Year 2010-11

Schedule 10

**Department: 950 - RISK MANAGEMENT**  
**Activity: 000 - N/A**

Operating Detail	2008-09 Actuals	2009-10		2010-11 Recommended	2010-11 Adopted by the Board of Supervisors
		Actual <input checked="" type="checkbox"/>	Estimated <input type="checkbox"/>		
1	2	3	4	5	
<b>Operating Revenues</b>					
CHARGES FOR SERVICES	\$10,131,168	\$8,784,082	\$6,777,624	\$6,777,624	\$6,777,624
<b>Total Operating Revenues:</b>	\$10,131,168	\$8,784,082	\$6,777,624	\$6,777,624	\$6,777,624
<b>Operating Expenses</b>					
SALARIES AND BENEFITS	\$810,339	\$737,643	\$888,335	\$888,335	\$888,335
SERVICES AND SUPPLIES	\$2,424,041	\$2,441,662	\$2,705,075	\$2,705,075	\$2,705,075
OTHER CHARGES	\$5,937,381	\$5,154,771	\$7,211,410	\$7,211,410	\$7,211,410
INTRAFUND TRANSFERS	(\$1,339,950)	(\$1,139,694)	(\$1,282,463)	(\$1,282,463)	(\$1,282,463)
<b>Total Operating Expenses:</b>	\$7,831,813	\$7,194,383	\$9,522,357	\$9,522,357	\$9,522,357
<b>Operating Income (Loss)</b>	\$2,299,354	\$1,589,698	(\$2,744,733)	(\$2,744,733)	(\$2,744,733)
<b>Non-Operating Revenues (Expenses)</b>					
REVENUE FROM MONEY & PROPERTY	\$583,508	\$232,128	\$400,000	\$400,000	\$400,000
MISCELLANEOUS REVENUES	\$369,189	\$467,364	\$110,000	\$110,000	\$110,000
<b>Total Non-Operating Revenues (Expenses):</b>	\$952,698	\$699,492	\$510,000	\$510,000	\$510,000
<b>Income Before Capital Contributions and Transfers:</b>	\$3,252,053	\$2,289,191	(\$2,234,733)	(\$2,234,733)	(\$2,234,733)
<b>Change in Net Assets</b>	\$3,252,053	\$2,289,191	(\$2,234,733)	(\$2,234,733)	(\$2,234,733)
Net Assets - Beginning Balance	\$8,314,315	\$11,566,368	\$13,855,559	\$13,855,559	\$13,855,559
Net Assets - Ending Balance	\$11,566,368	\$13,855,559	\$11,620,826	\$11,620,826	\$11,620,826

**Department: 950 - RISK MANAGEMENT**  
**Activity: 000 - N/A**

Operating Detail	2008-09 Actuals	2009-10		2010-11 Recommended	2010-11 Adopted by the Board of Supervisors
		Actual <input checked="" type="checkbox"/>	Estimated <input type="checkbox"/>		
1	2	3	4	5	
<b>Additional Appropriations</b>					
<b>Total Additional Appropriations:</b>	\$0	\$0	\$0	\$0	\$0
<b>Total Change in Net Assets:</b>	\$3,252,053	\$2,289,191	(\$2,234,733)	(\$2,234,733)	(\$2,234,733)

**PROGRAM DESCRIPTION**

The Risk Management Division of Support Services is an internal services fund (ISF) that manages the County's insured and self-insured workers' compensation, liability, vision, malpractice, and a variety of other insured programs. The Division's mission is to responsibly safeguard the assets and human resources of the County by providing insurance programs which are equitable, affordable, and delivered in a compassionate, responsive manner to employees and citizens of Shasta County." The program is funded by user fees and requires no direct General Fund support.

**BUDGET REQUESTS**

In FY 2010-11 total expenditures are relatively flat compared to the FY 2009-10 Adjusted Budget. Rates charged to departments are anticipated to decrease by 25 percent compared to FY 2009-10 due to reducing Risk Management's funding level to the 80% confidence level set by the Board of Supervisors in 2007. Overall revenues will decrease by \$2.4 million, or 25 percent. This is a result of decreases in Charges for Services (25 percent) due to the confidence level change and Insurance Loss and Refund revenue (61 percent).

Revenue received will be applied directly to the cost associated with the settlement.

Expenditures exceed revenues by \$2.2 million, which will come from fund balance. The Risk Management fund will remain viable at the end of FY 2010-11.

**SUMMARY OF RECOMMENDATIONS**

The recommendation is as requested by the department head.

**PENDING ISSUES AND POLICY CONSIDERATIONS**

None.

**DEPARTMENT HEAD CONCURRENCE OR APPEAL**

The department head concurs with this budget as recommended.

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**FINAL BOARD ACTION**

Adopted as presented in the proposed budget.

**INFORMATION TECHNOLOGY DEPARTMENT**  
**Fund 203 IT Administration, Budget Unit 925**  
**Charles Haase, Chief Technology Officer**

State Controller Schedules  
 County Budget Act  
 January 2010

County of Shasta  
 Operation of Internal Service Fund  
 Fiscal Year 2010-11

Schedule 10

**Department: 925 - IT ADMINISTRATION**  
**Activity: 000 - N/A**

Operating Detail	2008-09 Actuals	2009-10		2010-11 Recommended	2010-11 Adopted by the Board of Supervisors
		Actual <input checked="" type="checkbox"/>	Estimated <input type="checkbox"/>		
1	2	3	4	5	
<b>Operating Revenues</b>					
CHARGES FOR SERVICES	\$5,381,510	\$5,213,572	\$5,508,373	\$5,508,373	
<b>Total Operating Revenues:</b>	\$5,381,510	\$5,213,572	\$5,508,373	\$5,508,373	
<b>Operating Expenses</b>					
SALARIES AND BENEFITS	\$3,839,350	\$3,675,968	\$3,850,571	\$3,850,571	
SERVICES AND SUPPLIES	\$1,321,473	\$1,088,710	\$1,650,891	\$1,650,891	
OTHER CHARGES	\$1,625,452	\$898,632	\$804,583	\$804,583	
INTRAFUND TRANSFERS	\$0	(\$40)	\$0	\$0	
<b>Total Operating Expenses:</b>	\$6,786,276	\$5,663,271	\$6,306,045	\$6,306,045	
<b>Operating Income (Loss)</b>	(\$1,404,765)	(\$449,699)	(\$797,672)	(\$797,672)	
<b>Non-Operating Revenues (Expenses)</b>					
OTHER CHARGES	(\$3,681)	\$0	(\$2,000)	(\$2,000)	
REVENUE FROM MONEY & PROPERTY	\$22,666	\$9,870	\$20,000	\$20,000	
MISCELLANEOUS REVENUES	\$105,171	\$32	\$0	\$0	
OTHER FINANCING SRCS SALE F/A	\$147	\$0	\$0	\$0	
<b>Total Non-Operating Revenues (Expenses):</b>	\$124,302	\$9,903	\$18,000	\$18,000	
<b>Income Before Capital Contributions and Transfers:</b>	(\$1,280,462)	(\$439,795)	(\$779,672)	(\$779,672)	
OTHR FINANCING SOURCES TRAN IN	\$1,375,174	\$683,144	\$678,562	\$678,562	
CAPITAL CONTRIBUTIONS	\$0	\$2,180	\$0	\$0	
<b>Change in Net Assets</b>	\$94,711	\$245,529	(\$101,110)	(\$101,110)	
Net Assets - Beginning Balance	\$1,486,265	\$1,580,976	\$1,826,505	\$1,826,505	
Net Assets - Ending Balance	\$1,580,976	\$1,826,505	\$1,725,395	\$1,725,395	

**Department: 925 - IT ADMINISTRATION**  
**Activity: 000 - N/A**

Operating Detail	2008-09 Actuals	2009-10		2010-11 Recommended	2010-11 Adopted by the Board of Supervisors
		Actual <input checked="" type="checkbox"/>	Estimated <input type="checkbox"/>		
1	2	3	4	5	
<b>Additional Appropriations</b>					
CAP ASSETS-EQUIPMENT	\$343,517	\$123,122	\$111,500	\$111,500	
<b>Total Additional Appropriations:</b>	\$343,517	\$123,122	\$111,500	\$111,500	
<b>Total Change in Net Assets:</b>	(\$248,806)	\$122,406	(\$212,610)	(\$212,610)	

**PROGRAM DESCRIPTION**

The Information Technology (I.T.) Department is an Internal Service Fund (ISF), which provides computer technology support and direction to County departments including: systems development, programming, Web development, Web-hosting services, GIS services, database support, computer operations, network management, systems maintenance, personal computer support, and telecommunications support, including telephone systems. The I.T. operations fund receives no direct General Fund support. Rather, the operation is financed through charges for service to user departments.

**BUDGET REQUESTS**

Salaries and Benefits are relatively flat for FY 2010-11, though I.T. will watch County department needs during the fiscal year and will respond by making staffing reductions as applicable. IT will realize some savings due to retirement positions being filled at lower steps; however, this is offset by some training needs by new employees. Services and Supplies will be reduced by 10 percent as fewer projects require outside services and departments have to reduce equipment replacement costs.

The total IT budget appropriation request for FY 2010-11 is \$6.4 million compared to \$6.7 million for the FY 2009-10 Adjusted Budget. Anticipated revenues total \$6.2 million, which is down 6.5 percent from the FY 2009-10 Adjusted Budget, with a projected deficit of \$212,610. The deficit will be applied toward reducing the IT department's working capital reserve.

**SUMMARY OF RECOMMENDATIONS**

The CAO recommended budget is as requested by the department head.

**PENDING ISSUES AND POLICY CONSIDERATIONS**

None.

**DEPARTMENT HEAD CONCURRENCE OR APPEAL**

The department head concurs with this budget as recommended.

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**FINAL BOARD ACTION**

Adopted as presented in the proposed budget.

DEPARTMENT OF PUBLIC WORKS-FACILITIES MANAGEMENT  
 Fund 204 Facilities Admin, Budget Unit 955  
 Patrick J. Minturn, Director of Public Works

State Controller Schedules  
 County Budget Act  
 January 2010

County of Shasta  
 Operation of Internal Service Fund  
 Fiscal Year 2010-11

Schedule 10

Department: 955 - FACILITIES ADMIN  
 Activity: 000 - N/A

Operating Detail	2008-09 Actuals	2009-10 Actual <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	2010-11 Recommended	2010-11 Adopted by the Board of Supervisors
1	2	3	4	5
<b>Operating Revenues</b>				
CHARGES FOR SERVICES	\$4,065,045	\$3,562,593	\$3,814,433	\$3,814,433
<b>Total Operating Revenues:</b>	\$4,065,045	\$3,562,593	\$3,814,433	\$3,814,433
<b>Operating Expenses</b>				
SALARIES AND BENEFITS	\$2,449,531	\$2,344,469	\$2,471,093	\$2,471,093
SERVICES AND SUPPLIES	\$1,209,194	\$1,018,889	\$1,152,016	\$1,152,016
OTHER CHARGES	\$198,370	\$233,236	\$219,444	\$219,444
<b>Total Operating Expenses:</b>	\$3,857,096	\$3,596,593	\$3,842,553	\$3,842,553
<b>Operating Income (Loss)</b>	\$207,949	(\$34,002)	(\$28,120)	(\$28,120)
<b>Non-Operating Revenues (Expenses)</b>				
REVENUE FROM MONEY & PROPERTY	\$6,289	\$1,891	\$1,750	\$1,750
MISCELLANEOUS REVENUES	\$60,282	\$7,751	\$0	\$0
<b>Total Non-Operating Revenues (Expenses):</b>	\$66,571	\$9,643	\$1,750	\$1,750
<b>Income Before Capital Contributions and Transfers:</b>	\$274,520	(\$24,359)	(\$26,370)	(\$26,370)
OTHR FINANCING SOURCES TRAN IN	\$19,695	\$146,243	\$26,370	\$26,370
<b>Change in Net Assets</b>	\$294,215	\$121,883	\$0	\$0
Net Assets - Beginning Balance	\$246,620	\$540,836	\$662,720	\$662,720
Net Assets - Ending Balance	\$540,836	\$662,720	\$662,720	\$662,720

Department: 955 - FACILITIES ADMIN  
 Activity: 000 - N/A

Operating Detail	2008-09 Actuals	2009-10 Actual <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	2010-11 Recommended	2010-11 Adopted by the Board of Supervisors
1	2	3	4	5
<b>Additional Appropriations</b>				
CAP ASSETS-EQUIPMENT	\$6,040	\$0	\$0	\$0
<b>Total Additional Appropriations:</b>	\$6,040	\$0	\$0	\$0
<b>Total Change in Net Assets:</b>	\$288,175	\$121,883	\$0	\$0

**PROGRAM DESCRIPTION**

Facilities Management is responsible for maintaining the County’s investment in buildings and grounds. Currently, the department maintains over one million square feet of building space (County owned and leased) and 1.7 million square feet of grounds. Services provided include janitorial, general building maintenance, and grounds maintenance. The Facilities Management division of the Department of Public Works receives no direct General Fund support. Rather, the operation is financed through charges for service to user departments.

**BUDGET REQUESTS**

The FY 2010-11 requested budget includes revenues in the amount of \$3.8 million and expenditures in the amount of \$3.8 million. FY 2010-11 revenues decreased by \$398,712 and expenditures decreased by \$272,262 as compared to the FY 2009-10 adjusted budget. The decrease

is a direct result of the reduction in department project and service requests as well as reductions to controllable overhead.

**SUMMARY OF RECOMMENDATIONS**

The CAO concurs with the requested budget.

**PENDING ISSUES AND POLICY CONSIDERATIONS**

None.

**DEPARTMENT HEAD CONCURRENCE OR APPEAL**

The department head concurs with this budget as recommended.

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**FINAL BOARD ACTION**

Adopted as presented in the proposed budget.

DEPARTMENT OF PUBLIC WORKS-SHASTA COUNTY UTILITIES ADMINISTRATION

Fund 205 Shasta County Utilities Admin  
Patrick J. Minturn, Director of Public Works

State Controller Schedules  
County Budget Act  
January 2010

County of Shasta  
Operation of Internal Service Fund  
Fiscal Year 2010-11

Schedule 10

Department: W18 - SHASTA CNTY UTILITIES ADMIN WF  
Activity: 000 - N/A

Operating Detail	2008-09 Actuals	2009-10 Actual <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	2010-11 Recommended	2010-11 Adopted by the Board of Supervisors
1	2	3	4	5
<b>Operating Revenues</b>				
CHARGES FOR SERVICES	\$1,652,438	\$1,429,670	\$1,897,329	\$1,897,329
<b>Total Operating Revenues:</b>	\$1,652,438	\$1,429,670	\$1,897,329	\$1,897,329
<b>Operating Expenses</b>				
SERVICES AND SUPPLIES	\$1,369,770	\$1,231,547	\$1,613,058	\$1,613,058
<b>Total Operating Expenses:</b>	\$1,369,770	\$1,231,547	\$1,613,058	\$1,613,058
<b>Operating Income (Loss)</b>	\$282,668	\$198,123	\$284,271	\$284,271
<b>Non-Operating Revenues (Expenses)</b>				
REVENUE FROM MONEY & PROPERTY	(\$3,070)	(\$1,293)	(\$3,000)	(\$3,000)
<b>Total Non-Operating Revenues (Expenses):</b>	(\$3,070)	(\$1,293)	(\$3,000)	(\$3,000)
<b>Income Before Captial Contributions and Transfers:</b>	\$279,598	\$196,830	\$281,271	\$281,271
OTHER FINANCING USES	(\$281,270)	(\$281,270)	(\$281,271)	(\$281,271)
<b>Change in Net Assets</b>	(\$1,672)	(\$84,440)	\$0	\$0
Net Assets - Beginning Balance	\$149,932	\$148,259	\$63,819	\$63,819
Net Assets - Ending Balance	\$148,259	\$63,819	\$63,819	\$63,819

Department: W18 - SHASTA CNTY UTILITIES ADMIN WF  
Activity: 000 - N/A

Operating Detail	2008-09 Actuals	2009-10 Actual <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	2010-11 Recommended	2010-11 Adopted by the Board of Supervisors
1	2	3	4	5
<b>Additional Appropriations</b>				
<b>Total Additional Appropriations:</b>	\$0	\$0	\$0	\$0
<b>Total Change in Net Assets:</b>	(\$1,672)	(\$84,440)	\$0	\$0

**PROGRAM DESCRIPTION**

This Internal Service Fund was designed to pay utility charges and the lease payments due on the funds borrowed to install energy efficient lighting and equipment in County buildings. The savings generated by use of more efficient equipment is used to pay the lease costs.

**BUDGET REQUESTS**

The FY 2010-11 requested budget includes revenues and expenditures in the amount of \$1.89 million. This amount is reflective of the utility company's average increase in service cost as well as projected utility costs associated with the newly remodeled County office.

**SUMMARY OF RECOMMENDATIONS**

The CAO concurs with the budget request.

**PENDING ISSUES AND POLICY CONSIDERATIONS**

None

**DEPARTMENT HEAD CONCURRENCE OR APPEAL**

The department head concurs with this budget as recommended.

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**FINAL BOARD ACTION**

Adopted as presented in the proposed budget.