

**Internal Service
Funds**

**SUPPORT SERVICES
FLEET MANAGEMENT DIVISION
Fund 201 (BU 940)**

Joann Davis

Director, Support Services

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 mission of Fleet Management is to provide professional, competitive, and responsive vehicle maintenance and replacement services to assure that employees of Shasta County have safe, reliable, and economical transportation.

The program is funded by user fees and requires no direct County General Fund allocation.

BUDGET REQUESTS

The FY 2003-2004 requested budget includes \$445,644 for twelve Sheriff's department vehicles and three other General Fund vehicles. Fleet has not anticipated any expansion in the preparation of this budget or in setting the rate structure.

Fuel costs took a spectacular jump going into the last half of FY 2002-2003. We expect the trend to continue because the cost of reformulated gas has not hit the market yet. Fleet has increased the budgeted amount for bulk as well as outside fuel. The direct billing of fuel to departments has resulted in increased reconciliation efforts by staff, and methods to charge back these services appropriately continue to be developed.

The county vehicle damage claims continue to rise. We expect to be fully compensated for those expenditures by the departments who pay a modest deductible and for the balance, which is paid by Risk Management. Fleet has increased the budgeted amount to \$95,687 based on the most recent trend of expected accident costs.

The rate structure and status of the replacement fund is still in transition based on recommendations by the Auditor-Controller. It is anticipated that significant progress will be made on this transition with the addition of a staff accountant that was hired by Support Services and is currently focusing all attention on these and related issues.

SUMMARY OF RECOMMENDATIONS

This budget is recommended as requested by the department head.

PENDING ISSUES AND POLICY CONSIDERATIONS

The issue of the "Replacement Fund" fund balance available is yet to be resolved. The department is working closely with the Auditor-Controller to reach consensus.

DEPARTMENT HEAD CONCURRENCE OR APPEAL

The department head concurs with this budget as recommended.

FINAL BOARD ACTION

Adopted as presented in the Proposed Budget and as amended in the Supplemental Budget. Appropriations are increased \$79,250 for additional service and equipment expense related to fifteen new vehicles purchased in FY 2002-2003. There is sufficient fund balance available to offset the increased appropriation.

COUNTY OF SHASTA SCHEDULE 10
STATE OF CALIFORNIA
OPERATIONS OF INTERNAL SERVICE FUND
OPERATIONAL STATEMENT FOR THE F/Y 2003 – 2004

	ACTUAL EXP/REV 2001-2002	ADJUSTED BUDGET 2002-2003	ACTUAL EXP/REV 2002-2003	BUDGET REQUESTS 2003-2004	CAO RECOMMENDS 2003-2004	ADOPTED BY THE BOS 2003-2004
STATE CONTROLLER						
COUNTY BUDGET ACT (1985)						
DEPT: 940 FLEET MANAGEMENT						
REVENUE FROM MONEY & PROPERTY	\$2,486	\$30,000	\$21,019	\$16,540	\$16,540	\$16,540
CHARGES FOR SERVICES	\$1,687,821	\$2,067,999	\$1,938,431	\$2,239,245	\$2,239,245	\$2,239,245
MISCELLANEOUS REVENUES	\$77,880	\$158,980	\$82,371	\$119,010	\$119,010	\$119,010
OTHR FINANCING SOURCES TRAN IN	\$82,551	\$78,019	\$75,835	\$0	\$0	\$0
OTHER FINANCING SRCS SALE F/A	\$51,325	\$0	\$15,889	\$26,700	\$26,700	\$26,700
CAPITAL CONTRIBUTIONS	\$0	\$0	\$31,307	\$0	\$0	\$0
TOTAL REVENUES*****	\$1,902,064	\$2,334,998	\$2,164,852	\$2,401,495	\$2,401,495	\$2,401,495
SALARIES AND BENEFITS	\$230,503	\$299,548	\$268,152	\$352,440	\$352,440	\$352,440
SERVICES AND SUPPLIES	\$837,431	\$1,027,281	\$968,236	\$1,101,668	\$1,101,668	\$1,101,668
OTHER CHARGES	\$573,083	\$709,998	\$709,998	\$714,683	\$714,683	\$714,683
TOTAL EXPENSES*****	\$1,641,016	\$2,036,827	\$1,946,385	\$2,168,791	\$2,168,791	\$2,168,791
EXCESS INCOME OVER/UNDER EXP	\$261,048	\$298,171	\$218,467	\$232,704	\$232,704	\$232,704
FIXED ASSETS	\$679,532	\$636,077	\$427,824	\$445,644	\$524,894	\$524,894
TOTAL EXPENSES*****	\$679,532	\$636,077	\$427,824	\$445,644	\$524,894	\$524,894
EXCESS INCOME OVER/UNDER EXP	(\$679,532)	(\$636,077)	(\$427,823)	(\$445,644)	(\$524,894)	(\$524,894)

**SUPPORT SERVICES
RISK MANAGEMENT
Fund 202 (BU 950)**

Joann Davis

Director, Support Services

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 "responsively 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 County general fund support.

BUDGET REQUESTS

Salaries and Benefits have increased over FY 2002-2003 due to Board approved increases and promotions to alternatively staffed positions. The department is requesting \$27,000 for Extra Help to assist with the growing workload.

All aspects of this program have increased. The increases are in response to the current insurance market across the entire country, and California in particular. There continues to be increases to medical costs, settlement costs, and attorney fees. The most significant increase is due to the workers' compensation program.

As submitted, the expense over revenue is \$1.4 million. This matter was identified and discussed during budget negotiations. The FY 2002-2003 "charges for service" were inadvertently rolled over to FY 2003-2004 in error thus creating an operational deficit.

SUMMARY OF RECOMMENDATIONS

The recommendation is as requested by the Department Head with the addition of \$1,831,782 in revenue. This revenue is for "charges for service" that was incorrectly entered into the request for the Risk Management budget. The correct estimates were given to the user departments, and the Risk Management budget was created with the \$1.8 million included in the base appropriations.

Nearly all-operational revenue is derived from charges to user departments. Total requested revenue for FY 2003-2004 is nearly \$9.7 million, up from \$7.9 million for FY 2002-2003. All County departments participate in the Risk Management program and, therefore, pay a proportionate share of the expense.

PENDING ISSUES AND POLICY CONSIDERATIONS

None.

DEPARTMENT HEAD CONCURRENCE OR APPEAL

The department head concurs with this budget as recommended.

FINAL BOARD ACTION

Adopted as presented in the Proposed Budget.

COUNTY OF SHASTA SCHEDULE 10
 STATE OF CALIFORNIA
 OPERATIONS OF INTERNAL SERVICE FUND
 OPERATIONAL STATEMENT FOR THE F/Y 2003 - 2004

	ACTUAL EXP/REV 2001-2002	ADJUSTED BUDGET 2002-2003	ACTUAL EXP/REV 2002-2003	BUDGET REQUESTS 2003-2004	CAO RECOMMENDS 2003-2004	ADOPTED BY THE BOS 2003-2004
STATE CONTROLLER						
COUNTY BUDGET ACT (1985)						
DEPT: 950 RISK MANAGEMENT						
REVENUE FROM MONEY & PROPERTY	\$266,716	\$455,073	\$203,658	\$417,673	\$417,673	\$417,673
CHARGES FOR SERVICES	\$6,615,441	\$7,267,330	\$7,390,980	\$7,267,330	\$9,085,212	\$9,085,212
MISCELLANEOUS REVENUES	\$125,082	\$181,000	\$295,520	\$175,954	\$189,854	\$189,854
TOTAL REVENUES*****	\$7,007,239	\$7,903,403	\$7,890,158	\$7,860,957	\$9,692,739	\$9,692,739
SALARIES AND BENEFITS	\$446,177	\$521,172	\$521,172	\$579,091	\$579,091	\$579,091
SERVICES AND SUPPLIES	\$1,209,914	\$2,368,032	\$2,368,032	\$2,708,399	\$2,708,399	\$2,708,399
OTHER CHARGES	\$6,074,895	\$8,681,319	\$8,681,319	\$6,766,942	\$6,766,942	\$6,766,942
INTRAFUND TRANSFERS	\$0	(\$705,302)	(\$705,302)	(\$760,950)	(\$760,950)	(\$760,950)
TOTAL EXPENSES*****	\$7,730,986	\$10,865,221	\$10,865,221	\$9,293,482	\$9,293,482	\$9,293,482
EXCESS INCOME OVER/UNDER EXP	(\$723,746)	(\$2,961,818)	(\$2,975,063)	(\$1,432,525)	\$399,257	\$399,257
FIXED ASSETS	\$6,365	\$2,500	\$2,309	\$0	\$0	\$0
TOTAL EXPENSES*****	\$6,365	\$2,500	\$2,309	\$0	\$0	\$0
EXCESS INCOME OVER/UNDER EXP	(\$6,365)	(\$2,500)	(\$2,309)	\$0	\$0	\$0

**INFORMATION SYSTEMS DEPARTMENT
Fund 203**

Charles Haase

Chief Technology Officer

PROGRAM DESCRIPTION

The Information Systems Department is an Internal Service Fund (ISF), which provides computer technology support and direction to County departments including: systems development, programming, operations, network management, systems maintenance, personal computer support, and telecommunication support. The Information Systems (I.S.) operations fund receives no direct General Fund support. Rather, the operation is financed through charges for service to user departments. If departments choose a reduced level of I.S. support, then corresponding reductions can be made in this budget.

BUDGET REQUESTS

The total I.S. budget appropriation request for FY 2003-2004 is \$7.36 million compared to \$7.95 million for the FY 2002-2003 Adjusted Budget. Anticipated charge-backs total approximately \$6.74 million. The Department's current fund balance of \$1.4 million will absorb the deficit of approximately \$624,465 for FY 2003-2004.

SUMMARY OF RECOMMENDATIONS

To meet State Controller requirements, the Department has worked diligently this past year with the Auditor-Controller's Office in changing the methodology for calculating I.S. rates charged to the departments using I.S. services. The new rate structure is based on cost centers (24 total) and requires intensive administrative support for tracking actual activity. Additionally, at the end of the Fiscal Year, the Department will be required to reconcile rates proposed, or estimated, at the beginning of the Fiscal Year with actual costs at the end of the Fiscal Year. Any changes from the proposed rates to actual costs at year end, will affect the next Fiscal Year's proposed I.S. rates, and so on. The new cost centers, rate structures and budget methodology have been approved by the Auditor-Controller's Office and State Controller. In order to be able to meet the additional administrative demands this new budget methodology requires, it is recommended that one full-time Stock Clerk be added to the Department. This new position will perform the inventory and stock work being done by current I.S. staff. Then current I.S. staff, who have been involved in the creation of the new rate structure, will perform the work necessary to monitor, adjust and maintain this new I.S. rate structure.

PENDING ISSUES AND POLICY CONSIDERATIONS

None.

DEPARTMENT HEAD CONCURRENCE OR APPEAL

The department head concurs with this budget as recommended.

FINAL BOARD ACTION

Adopted as presented in the Proposed Budget and as amended in the Supplemental Budget. Due to an increase in health insurance coverage this budget was amended to reflect an increase of \$31,404. Additionally, due to an employee transfer to the Sheriff's Office, appropriated funds for salary (\$50,844), overtime (\$508), OASDI (\$3,928), PERS \$3,427), health insurance (\$5,251), unemployment insurance (\$257), Worker's Compensation Exposure and Experience (\$1,743), and liability insurance (\$213) were reduced by a total of \$34,767.

COUNTY OF SHASTA SCHEDULE 10
STATE OF CALIFORNIA
OPERATIONS OF INTERNAL SERVICE FUND
OPERATIONAL STATEMENT FOR THE F/Y 2003 - 2004

STATE CONTROLLER	ACTUAL EXP/REV	ACTUAL BUDGET	ACTUAL EXP/REV	BUDGET REQUESTS	CAO RECOMMENDS	ADOPTED BY TH B O S
COUNTY BUDGET ACT (1985)	2001-2002	2002-2003	2002-2003	2003-2004	2003-2004	2003-2004
FUND: INFORMATION SYSTEMS ADMIN 0203						
REVENUE FROM MONEY & PROPERTY	\$37,316	\$33,500	\$14,842	\$39,150	\$39,150	\$39,150
CHARGES FOR SERVICES	\$5,718,766	\$7,271,086	\$5,388,458	\$6,698,000	\$6,663,233	\$6,663,233
OTHR FINANCING SOURCES TRAN IN	\$0	\$43,863	\$34,216	\$0	\$0	\$0
OTHER FINANCING SRCS SALE F/A	\$1,524	\$2,000	\$291	\$2,000	\$2,000	\$2,000
CAPITAL CONTRIBUTIONS	\$0	\$0	\$2,532	\$0	\$0	\$0
TOTAL REVENUES*****	\$5,757,606	\$7,350,449	\$5,440,338	\$6,739,150	\$6,704,383	\$6,704,383
SALARIES AND BENEFITS	\$2,995,811	\$3,001,064	\$2,843,762	\$3,211,451	\$3,176,897	\$3,176,897
SERVICES AND SUPPLIES	\$3,078,784	\$4,237,540	\$2,406,456	\$3,456,064	\$3,455,851	\$3,455,851
OTHER CHARGES	\$239,386	\$288,459	\$255,467	\$318,100	\$318,100	\$318,100
APPROP FOR CONTINGENCY	\$0	\$200,000	\$0	\$200,000	\$200,000	\$200,000
OTHER FINANCING USES	\$52,593	\$0	\$0	\$0	\$0	\$0
TOTAL EXPENSES*****	\$6,366,574	\$7,727,063	\$5,505,686	\$7,185,615	\$7,150,848	\$7,150,848
EXCESS INCOME OVER/UNDER EXP	(\$608,968)	(\$376,614)	(\$65,347)	(\$446,465)	(\$446,465)	(\$446,465)
FIXED ASSETS	\$120,324	\$259,177	\$189,897	\$178,000	\$178,000	\$178,000
TOTAL EXPENSES*****	\$120,324	\$259,177	\$189,897	\$178,000	\$178,000	\$178,000
EXCESS INCOME OVER/UNDER EXP	(\$120,324)	(\$259,177)	(\$189,897)	(\$178,000)	(\$178,000)	(\$178,000)

...Org Key Object	Type of Change	# of Pos	FTE	Class Title	Number of Pay Periods	Amount
00203 011000	BASE SALARIES & BENEFITS					2,284,311
00203 011000	ADD	1	1.00	STOCK CLERK	18	20,092
	Account Total		011000			2,304,403
00203 018100	BASE SALARIES & BENEFITS					186,065
00203 018100	ADD	1	1.00	STOCK CLERK	18	1,537
	Account Total		018100			187,602
00203 018201	BASE SALARIES & BENEFITS					92,106
	Account Total		018201			92,106
00203 018300	BASE SALARIES & BENEFITS					321,336
00203 018300	ADD	1	1.00	STOCK CLERK	18	3,899
	Account Total		018300			325,235
00203 018400	BASE SALARIES & BENEFITS					12,225
00203 018400	ADD	1	1.00	STOCK CLERK	18	100
	Account Total		018400			12,325
00203 018500	BASE SALARIES & BENEFITS					40,180
00203 018500	ADD	1	1.00	STOCK CLERK	18	297
	Account Total		018500			40,477

**DEPARTMENT OF PUBLIC WORKS
FACILITIES MANAGEMENT DIVISION
Fund 204**

Patrick J. Minturn

Director of Public Works

PROGRAM DESCRIPTION

Facilities Management is responsible for maintaining the County's investment in buildings and grounds. Currently, the department maintains 860,000 square feet of building space and 10.5 acres 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. If departments choose a reduced level of service, then corresponding reductions can be made in this budget.

BUDGET REQUESTS

The requested FY 2003-2004 Proposed Budget reflects decreased appropriations in the amount of \$2,900,106, from the FY 2002-2003 Adjusted Budget of \$3,344,497 (13.3 percent). This is primarily due to the suspension of a plan to expand office and shop space for the Facilities Management division in FY 2003-2004. Correspondingly, projected FY 2003-2004 revenues of \$2,900,106 are down nominally (4.7 percent) from the FY 2002-2003 Adjusted Budget of \$3,044,497.

The County has continued to increase staff-occupied office space for which custodial services are provided by the Facilities Management division. Custodian services will be provided in 653,000 square feet of space for FY 2003-2004, up from 571,000 square feet in FY 2002-2003, a 14 percent increase. Additionally, office space will continue to increase in FY 2004-2005 with the construction of the new Shasta County Administration Center and the expansion of the Public Health Laboratory.

SUMMARY OF RECOMMENDATIONS

Due to the increasing amount of office space the County is occupying, the Department has requested three new Custodian II positions for FY 2003-2004. Acknowledging the Division's need for additional staff as well as current budgetary constraints on user departments, the CAO recommends two new positions.

PENDING ISSUES AND POLICY CONSIDERATIONS

None.

DEPARTMENT HEAD CONCURRENCE OR APPEAL

The department head concurs with this budget as recommended.

FINAL BOARD ACTION

Adopted as presented in the Proposed Budget and as amended in the Supplemental Budget. This budget was amended to include an increase of \$19,573 due to an increase in health insurance coverage.

COUNTY OF SHASTA SCHEDULE 10

STATE OF CALIFORNIA OPERATIONS OF INTERNAL SERVICE FUND OPERATIONAL STATEMENT FOR THE F/Y 2003 - 2004

STATE CONTROLLER	ACTUAL EXP/REV	ACTUAL BUDGET	ACTUAL EXP/REV	BUDGET REQUESTS	CAO RECOMMENDS	ADOPTED BY TH B O S
COUNTY BUDGET ACT (1985)	2001-2002	2002-2003	2002-2003	2003-2004	2003-2004	2003-2004
FUND: FACILITIES MANAGEMENT ADMIN 0204						
REVENUE FROM MONEY & PROPERTY	(\$12,299)	\$200	(\$1,322)	(\$1,800)	(\$1,800)	(\$1,800)
CHARGES FOR SERVICES	\$2,555,553	\$2,948,278	\$2,918,002	\$2,922,942	\$2,921,479	\$2,921,479
MISCELLANEOUS REVENUES	\$2,725	\$0	\$935	\$0	\$0	\$0
OTHR FINANCING SOURCES TRAN IN	\$0	\$96,019	\$0	\$0	\$0	\$0
TOTAL REVENUES*****	\$2,545,979	\$3,044,497	\$2,917,614	\$2,921,142	\$2,919,679	\$2,919,679
SALARIES AND BENEFITS	\$1,417,413	\$1,617,065	\$1,480,197	\$1,809,490	\$1,808,098	\$1,808,098
SERVICES AND SUPPLIES	\$1,111,990	\$1,258,990	\$1,250,170	\$1,019,994	\$1,019,923	\$1,019,923
OTHER CHARGES	\$68,910	\$72,423	\$65,258	\$91,658	\$91,658	\$91,658
TOTAL EXPENSES*****	\$2,598,313	\$2,948,478	\$2,795,626	\$2,921,142	\$2,919,679	\$2,919,679
EXCESS INCOME OVER/UNDER EXP	(\$52,334)	\$96,019	\$121,989	\$0	\$0	\$0
FIXED ASSETS	\$0	\$396,019	\$0	\$0	\$0	\$0
TOTAL EXPENSES*****	\$0	\$396,019	\$0	\$0	\$0	\$0
EXCESS INCOME OVER/UNDER EXP	\$0	(\$396,019)	\$0	\$0	\$0	\$0

**DEPARTMENT OF PUBLIC WORKS
SHASTA COUNTY UTILITIES ADMINISTRATION
Fund 205**

Patrick J. Minturn

Director of Public Works

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 requested budget for FY 2003-2004 indicates a slight increase in total expenses from the Adjusted Budget for FY 2002-2003 due to anticipated increased costs of utilities. There is a corresponding increase in anticipated charges for services for FY 2003-2004.

SUMMARY OF RECOMMENDATIONS

The recommended budget is identical to the requested budget.

PENDING ISSUES AND POLICY CONSIDERATIONS

None

DEPARTMENT HEAD CONCURRENCE OR APPEAL

The department head concurs with this budget as recommended.

FINAL BOARD ACTION

Adopted as presented in the Proposed Budget.

COUNTY OF SHASTA SCHEDULE 10

STATE OF CALIFORNIA
 OPERATIONS OF INTERNAL SERVICE FUND
 OPERATIONAL STATEMENT FOR THE F/Y 2003 - 2004

STATE CONTROLLER	ACTUAL EXP/REV	ACTUAL BUDGET	ACTUAL EXP/REV	BUDGET REQUESTS	CAO RECOMMENDS	ADOPTED BY TH B O S
COUNTY BUDGET ACT (1985)	2001-2002	2002-2003	2002-2003	2003-2004	2003-2004	2003-2004
FUND: SHASTA COUNTY UTILITIES ADMIN 0205						
REVENUE FROM MONEY & PROPERTY	\$726	\$0	(\$629)	(\$1,000)	(\$1,000)	(\$1,000)
CHARGES FOR SERVICES	\$1,236,746	\$1,308,548	\$1,164,517	\$1,244,211	\$1,244,211	\$1,244,211
TOTAL REVENUES*****	\$1,237,471	\$1,308,548	\$1,163,888	\$1,243,211	\$1,243,211	\$1,243,211
SERVICES AND SUPPLIES	\$951,425	\$1,027,277	\$872,052	\$962,940	\$962,940	\$962,940
OTHER FINANCING USES	\$281,271	\$281,271	\$281,271	\$281,271	\$281,271	\$281,271
TOTAL EXPENSES*****	\$1,232,696	\$1,308,548	\$1,153,322	\$1,244,211	\$1,244,211	\$1,244,211
EXCESS INCOME OVER/UNDER EXP	\$4,775	\$0	\$10,565	(\$1,000)	(\$1,000)	(\$1,000)

