

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 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

The FY 2006-07 requested budget includes \$567,491 for 20 replacement vehicles plus \$64,626 for four rental vehicles. Vehicles to be replaced are either high mileage law enforcement vehicles or very high mileage non-law enforcement vehicles. Fixed assets also include \$40,000 in roll-forward to complete work (painting, decals, radios, light bars) on FY 2005-06 replacement vehicles.

Fleet has increased the budgeted amount for bulk as well as outside fuel by over \$104,000. 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 replacement fund continues to operate a deficit recovery program as approved by the Board in Administrative Policy 8-103 Fleet Management Program. As part of the recovery program, departments have had to, for upgrades and early vehicle payoffs, transfer funds to Fleet prior to receiving replacement vehicles.

SUMMARY OF RECOMMENDATIONS

This budget is recommended as requested by the department head.

PENDING ISSUES AND POLICY CONSIDERATIONS

Fleet Management staff will meet with affected departments prior to final budget and review all vehicles. After final budget, Fleet will assess if there is a need and if there are funds to propose replacement of other high mileage vehicles. The department will bring forward a second fixed asset request, if appropriate. Departments have been informed that they may have to contribute funds in order to replace a vehicle when the useful life is less than the time necessary to complete the payment schedule.

Fleet will be bringing forward a request for an additional mechanic before the end of the current fiscal year. This mechanic will primarily outfit vehicles with safety equipment, and will relieve the considerable backlog caused by a lack of vendors in the private sector for this type of service.

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 2006 - 2007

STATE CONTROLLER COUNTY BUDGET ACT (1985)	ACTUAL EXP/REV 2004-05	ADJUSTED BUDGET 2005-06	ACTUAL EXP/REV 2005-06	BUDGET REQUESTS 2006-07	CAO RECOMMENDS 2006-07	ADOPTED BY THE BOS 2006-07
DEPT: 940 FLEET MANAGEMENT						
REVENUE FROM MONEY & PROPERTY	\$36,008	\$16,500	\$85,583	\$115,000	\$115,000	\$115,000
CHARGES FOR SERVICES	\$2,427,906	\$2,733,488	\$2,769,212	\$3,131,621	\$3,131,621	\$3,131,621
MISCELLANEOUS REVENUES	\$99,622	\$181,457	\$34,579	\$55,000	\$55,000	\$55,000
OTHR FINANCING SOURCES TRAN IN	\$81,888	\$156,517	\$128,054	\$0	\$0	\$0
OTHER FINANCING SRCS SALE F/A	\$20,072	\$32,685	\$16,994	\$33,500	\$33,500	\$33,500
TOTAL REVENUES*****	\$2,665,496	\$3,120,647	\$3,034,423	\$3,335,121	\$3,335,121	\$3,335,121
SALARIES AND BENEFITS	\$378,046	\$417,634	\$414,084	\$500,863	\$500,863	\$500,863
SERVICES AND SUPPLIES	\$1,138,860	\$1,409,164	\$1,292,353	\$1,681,958	\$1,681,958	\$1,681,958
OTHER CHARGES	\$676,635	\$704,163	\$704,163	\$589,767	\$589,767	\$589,767
APPROP FOR CONTINGENCY	\$0	\$2,024	\$0	\$4,709	\$4,709	\$4,709
TOTAL EXPENSES*****	\$2,193,541	\$2,532,985	\$2,410,600	\$2,777,297	\$2,777,297	\$2,777,297
EXCESS INCOME OVER/UNDER EXP	\$471,955	\$587,662	\$623,823	\$557,824	\$557,824	\$557,824

COUNTY OF SHASTA SCHEDULE 10

STATE OF CALIFORNIA
 OPERATIONS OF INTERNAL SERVICE FUND
 OPERATIONAL STATEMENT FOR THE F/Y 2006 - 2007

STATE CONTROLLER COUNTY BUDGET ACT (1985)	ACTUAL EXP/REV 2004-05	ADJUSTED BUDGET 2005-06	ACTUAL EXP/REV 2005-06	BUDGET REQUESTS 2006-07	CAO RECOMMENDS 2006-07	ADOPTED BY THE BOS 2006-07
DEPT: 940 FLEET MANAGEMENT						
FIXED ASSETS	\$387,822	\$1,211,718	\$996,100	\$666,617	\$666,617	\$666,617
TOTAL EXPENSES*****	\$387,822	\$1,211,718	\$996,100	\$666,617	\$666,617	\$666,617
EXCESS INCOME OVER/UNDER EXP	\$-387,822	\$-1,211,718	\$-996,100	\$-666,617	\$-666,617	\$-666,617

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**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 decreased by \$37,826 over FY 2005-06, due to the retirement of a long term employee and whose allocation will be underfilled until the employee qualifies for promotion. This savings offsets higher costs for Board approved increases and retirement, health and workers compensation rate adjustments. There continue to be increases in most aspects of this budget unit, including medical costs, settlement costs, and attorney fees and other operating costs such as maintenance and utilities.

The workers' compensation reserves continue to be underfunded. Recovery strategies have been implemented. The most recent actuarial study confirms that progress has been achieved by utilizing the strategies in the deficit recovery program. At least for this year, premiums are anticipated to be stable at approximately the same level as FY 2005-06.

In total, the requested budget projects \$11.7 million in revenues and \$10.5 million in appropriations providing approximately \$1.2 million in funds by year end to assist with the reserve issue.

SUMMARY OF RECOMMENDATIONS

The recommendation is as requested by the Department Head.

PENDING ISSUES AND POLICY CONSIDERATIONS

There continues to be a negative impact on the reserves and on the workload due to "Workers' Compensation Reform" legislation. This legislation has not yet been fully implemented, but the requirements are very labor intensive. There have been some savings in medical costs due to utilization review and in permanent disability costs due to apportionment. The department will keep evaluating the trends in the program as the elements of the new law are implemented.

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 2006 - 2007

STATE CONTROLLER COUNTY BUDGET ACT (1985)	ACTUAL EXP/REV 2004-05	ADJUSTED BUDGET 2005-06	ACTUAL EXP/REV 2005-06	BUDGET REQUESTS 2006-07	CAO RECOMMENDS 2006-07	ADOPTED BY THE BOS 2006-07
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DEPT: 950 RISK MANAGEMENT						
REVENUE FROM MONEY & PROPERTY	\$347,497	\$176,330	\$819,611	\$725,743	\$725,743	\$725,743
CHARGES FOR SERVICES	\$10,523,393	\$11,096,599	\$11,029,726	\$10,633,843	\$10,633,843	\$10,633,843
MISCELLANEOUS REVENUES	\$1,253,152	\$237,100	\$1,370,467	\$351,600	\$351,600	\$351,600
OTHR FINANCING SOURCES TRAN IN	\$0	\$500,000	\$500,000	\$0	\$0	\$0
TOTAL REVENUES*****	\$12,124,042	\$12,010,029	\$13,719,803	\$11,711,186	\$11,711,186	\$11,711,186
=====						
SALARIES AND BENEFITS	\$709,286	\$818,099	\$720,996	\$780,273	\$780,273	\$780,273
SERVICES AND SUPPLIES	\$2,417,993	\$3,069,456	\$2,408,939	\$3,079,869	\$3,079,869	\$3,079,869
OTHER CHARGES	\$6,920,141	\$8,416,772	\$2,221,824	\$7,767,102	\$7,767,102	\$7,767,102
INTRAFUND TRANSFERS	\$-896,797	\$-1,241,528	\$-1,049,042	\$-1,147,575	\$-1,147,575	\$-1,147,575
APPROP FOR CONTINGENCY	\$0	\$0	\$0	\$10,831	\$10,831	\$10,831
TOTAL EXPENSES*****	\$9,150,624	\$11,062,799	\$4,302,717	\$10,490,500	\$10,490,500	\$10,490,500
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EXCESS INCOME OVER/UNDER EXP	\$2,973,418	\$947,230	\$9,417,087	\$1,220,686	\$1,220,686	\$1,220,686
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**INFORMATION TECHNOLOGY DEPARTMENT
Fund 203**

Charles Haase

Chief Technology Officer

PROGRAM DESCRIPTION

The Information Technology 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 Technology (I.T.) 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.T. support, then corresponding reductions can be made in this budget.

BUDGET REQUESTS

The total I.T. budget appropriation request for FY 2006-07 is \$8.15 million compared to \$8.6 million for the FY 2005-06 Adjusted Budget. This decrease is primarily due to decreases in Services and Supplies costs as well as Central Services (A87) costs related to residing in the new Shasta County Administration Center. Anticipated charge-backs total approximately \$7.7 million.

SUMMARY OF RECOMMENDATIONS

The CAO 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 2006 - 2007

STATE CONTROLLER COUNTY BUDGET ACT (1985)	ACTUAL REV - EXP 2004-05	ACTUAL BUDGET 2005-06	ACTUAL REV - EXP 2005-06	ESTIMATES REQUESTED 2006-07	CAO RECOMMENDS 2006-07	ADOPTED BY THE B O S 2006-07
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FUND: INFORMATION TECHNOLOGY ADMIN 0203						
REVENUE FROM MONEY & PROPERTY	\$10,816	\$7,972	\$38,420	\$10,582	\$10,582	\$10,582
CHARGES FOR SERVICES	\$5,330,995	\$7,975,073	\$5,587,182	\$7,805,037	\$7,748,884	\$7,748,884
MISCELLANEOUS REVENUES	\$0	\$750	\$0	\$750	\$750	\$750
OTHR FINANCING SOURCES TRAN IN	\$17,172	\$708,109	\$705,925	\$384,990	\$384,990	\$384,990
OTHER FINANCING SRCS SALE F/A	\$849	\$1,500	\$669	\$1,500	\$1,500	\$1,500
CAPITAL CONTRIBUTIONS	\$3,733	\$5,500	\$3,439	\$3,987	\$3,987	\$3,987
TOTAL REVENUES*****	\$5,363,565	\$8,698,904	\$6,335,635	\$8,206,846	\$8,150,693	\$8,150,693
SALARIES AND BENEFITS	\$3,063,362	\$3,515,907	\$3,282,441	\$3,757,796	\$3,757,796	\$3,757,796
SERVICES AND SUPPLIES	\$2,070,108	\$3,859,911	\$1,911,847	\$3,298,526	\$3,298,526	\$3,298,526
OTHER CHARGES	\$310,725	\$933,359	\$933,359	\$710,133	\$710,133	\$710,133
APPROP FOR CONTINGENCY	\$0	\$208,585	\$0	\$281,838	\$281,838	\$281,838
OTHER FINANCING USES	\$0	\$5,655	\$5,655	\$0	\$0	\$0
TOTAL EXPENSES*****	\$5,444,195	\$8,523,417	\$6,133,303	\$8,048,293	\$8,048,293	\$8,048,293
EXCESS INCOME OVER/UNDER EXP	\$-80,631	\$175,487	\$202,332	\$158,553	\$102,400	\$102,400
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COUNTY OF SHASTA SCHEDULE 10

STATE OF CALIFORNIA
 OPERATIONS OF INTERNAL SERVICE FUND
 OPERATIONAL STATEMENT FOR THE F/Y 2006 - 2007

STATE CONTROLLER COUNTY BUDGET ACT (1985)	ACTUAL REV - EXP 2004-05	ACTUAL BUDGET 2005-06	ACTUAL REV - EXP 2005-06	ESTIMATES REQUESTED 2006-07	CAO RECOMMENDS 2006-07	ADOPTED BY THE B O S 2006-07
FUND: INFORMATION TECHNOLOGY ADMIN 0203						
FIXED ASSETS	\$155,627	\$248,356	\$108,430	\$102,400	\$102,400	\$102,400
TOTAL EXPENSES*****	\$155,627	\$248,356	\$108,430	\$102,400	\$102,400	\$102,400
EXCESS INCOME OVER/UNDER EXP	\$-155,627	\$-248,356	\$-108,430	\$-102,400	\$-102,400	\$-102,400

**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 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. If departments choose a reduced level of service, then corresponding reductions can be made in this budget.

BUDGET REQUESTS

The requested FY 2006-07 Proposed Budget reflects increased appropriations in the amount of \$4.9 million from the FY 2005-06 Adjusted Budget of \$4.5 million (9.1 percent). This is primarily due to increases in Salaries & Benefits, Services & Supplies and two new fixed assets: one pick-up truck with lift gate (\$35,000) and one hydraulic tilt truck bed (\$5,000). Correspondingly, projected FY 2006-07 revenues of \$4.9 million are increased (9.4 percent) from the FY 2005-06 Adjusted Budget of \$4.5 million.

The Shasta County Administration Center (SCAC) is completing its first full year of operation and by the end of FY 2005-06, all construction warranties will have expired. Valuable historical data begins in FY 2006-07 when the SCAC resident departments begin experiencing the full annual impact of building maintenance for the 106,000 square foot facility, and the 98,370 square foot SCAC parking structure.

It is estimated that \$250,000 of the \$500,000 budgeted for ADA barrier removal survey projects will be expended in FY 2005-06. Project focus has been on parking, path of travel and entrances. The Redding Veterans Hall, Mental Health Department, Jones Valley Volunteer Fire Company (VFC), Palo Cedro VFC and the Farm Advisor's Office have received ADA project work in FY 2005-06. Design and/or construction still need to be performed in FY 2005-06 at the John Balma Justice Center, Bella Vista VFC, Redding, Anderson and Burney Veterans Halls, Burney Library, Mental Health Department and the Public Safety Building. The ADA Ad-hoc Committee recommends rebudgeting \$250,000 from FY 2005-06 and budgeting an additional \$500,000 for FY 2006-07 for a total of \$750,000 requested in ADA project funds. These projects are part of the County's ADA Transition Plan.

SUMMARY OF RECOMMENDATIONS

The CAO 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 and as amended in the Supplemental Budget.

Increases in Services and Supplies (\$789,690) and Charges for Services (\$774,900), due to various changes in 28 projects, including re-budgeting projects not completed in fiscal year 2005-06.

COUNTY OF SHASTA SCHEDULE 10

STATE OF CALIFORNIA
 OPERATIONS OF INTERNAL SERVICE FUND
 OPERATIONAL STATEMENT FOR THE F/Y 2006 - 2007

STATE CONTROLLER COUNTY BUDGET ACT (1985)	ACTUAL REV - EXP 2004-05	ACTUAL BUDGET 2005-06	ACTUAL REV - EXP 2005-06	ESTIMATES REQUESTED 2006-07	CAO RECOMMENDS 2006-07	ADOPTED BY THE B O S 2006-07
=====						
FUND: FACILITIES MANAGEMENT ADMIN 0204						
REVENUE FROM MONEY & PROPERTY	\$2,506	\$860	\$450	\$-800	\$-800	\$-800
CHARGES FOR SERVICES	\$3,091,187	\$4,520,484	\$3,369,837	\$4,965,595	\$5,740,495	\$5,740,495
MISCELLANEOUS REVENUES	\$1,514	\$0	\$2,367	\$0	\$0	\$0
OTHR FINANCING SOURCES TRAN IN	\$63,997	\$22,517	\$22,517	\$5,434	\$5,434	\$5,434
CAPITAL CONTRIBUTIONS	\$869	\$0	\$0	\$0	\$0	\$0
TOTAL REVENUES*****	\$3,160,072	\$4,543,861	\$3,395,171	\$4,970,229	\$5,745,129	\$5,745,129
SALARIES AND BENEFITS	\$1,969,093	\$2,420,396	\$2,109,359	\$2,658,405	\$2,658,405	\$2,658,405
SERVICES AND SUPPLIES	\$1,047,515	\$1,966,121	\$1,287,911	\$2,154,377	\$2,944,067	\$2,944,067
OTHER CHARGES	\$93,148	\$118,830	\$110,555	\$111,710	\$111,710	\$111,710
APPROP FOR CONTINGENCY	\$0	\$30,730	\$0	\$5,737	\$5,737	\$5,737
OTHER FINANCING USES	\$0	\$20,000	\$12,859	\$0	\$0	\$0
TOTAL EXPENSES*****	\$3,109,756	\$4,556,077	\$3,520,684	\$4,930,229	\$5,719,919	\$5,719,919
EXCESS INCOME OVER/UNDER EXP	\$50,316	\$-12,216	\$-125,513	\$40,000	\$25,210	\$25,210
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COUNTY OF SHASTA SCHEDULE 10

STATE OF CALIFORNIA
 OPERATIONS OF INTERNAL SERVICE FUND
 OPERATIONAL STATEMENT FOR THE F/Y 2006 - 2007

STATE CONTROLLER COUNTY BUDGET ACT (1985)	ACTUAL REV - EXP 2004-05	ACTUAL BUDGET 2005-06	ACTUAL REV - EXP 2005-06	ESTIMATES REQUESTED 2006-07	CAO RECOMMENDS 2006-07	ADOPTED BY THE B O S 2006-07
FUND: FACILITIES MANAGEMENT ADMIN 0204						
FIXED ASSETS	\$0	\$10,804	\$5,871	\$40,000	\$40,000	\$40,000
TOTAL EXPENSES*****	\$0	\$10,804	\$5,871	\$40,000	\$40,000	\$40,000
EXCESS INCOME OVER/UNDER EXP	\$0	\$-10,804	\$-5,871	\$-40,000	\$-40,000	\$-40,000

**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 completion of FY 2005-06 brings the first complete year of occupancy at the Shasta County Administration Center (SCAC). It is projected that the 106,000 square foot SCAC will incur approximately \$316,000 in utility charges by the end of FY 2005-06. Without historical data to rely on, a 15 percent increase in the utility budget is requested for the SCAC. Redding Electric Utility anticipates the cost of electricity to increase four percent beginning January 2007 and Pacific, Gas & Electric anticipates a 50 percent increase in the cost of natural gas during the peak heating season which generally begins in the months of October/November and runs through March/April. The requested budget for the SCAC comprises 22 percent of the overall utility budget.

The requested budget for FY 2006-07 indicates an overall 6.4 percent increase in total expenditures from the FY 2005-06 Adjusted Budget due to increased costs of utilities. There is a corresponding increase in anticipated charges for services for FY 2006-07.

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 and as amended in the Supplemental Budget. Services & Supplies (Utilities) and Charges for Services both increased by \$73,538, due to increased service to the Public Safety Building.

COUNTY OF SHASTA SCHEDULE 10

STATE OF CALIFORNIA
 OPERATIONS OF INTERNAL SERVICE FUND
 OPERATIONAL STATEMENT FOR THE F/Y 2006 - 2007

STATE CONTROLLER COUNTY BUDGET ACT (1985)	ACTUAL REV - EXP 2004-05	ACTUAL BUDGET 2005-06	ACTUAL REV - EXP 2005-06	ESTIMATES REQUESTED 2006-07	CAO RECOMMENDS 2006-07	ADOPTED BY THE B O S 2006-07
=====						
FUND: SHASTA COUNTY UTILITIES ADMIN 0205						
REVENUE FROM MONEY & PROPERTY	\$-2,306	\$0	\$-8,844	\$-3,211	\$-3,211	\$-3,211
CHARGES FOR SERVICES	\$1,284,107	\$1,898,465	\$1,578,855	\$2,022,181	\$2,095,719	\$2,095,719
TOTAL REVENUES*****	\$1,281,802	\$1,898,465	\$1,570,011	\$2,018,970	\$2,092,508	\$2,092,508
SERVICES AND SUPPLIES	\$1,004,678	\$1,617,194	\$1,290,812	\$1,737,698	\$1,811,236	\$1,811,236
OTHER FINANCING USES	\$281,271	\$281,271	\$281,271	\$281,271	\$281,271	\$281,271
TOTAL EXPENSES*****	\$1,285,948	\$1,898,465	\$1,572,083	\$2,018,969	\$2,092,507	\$2,092,507
EXCESS INCOME OVER/UNDER EXP	\$-4,146	\$0	\$-2,072	\$1	\$1	\$1
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