

289 - INFORMATION TECHNOLOGY INTERNAL SERVICE FUND

Operational Summary

Description:

The mission of the Information Technology Internal Service Fund (ISF) is to provide efficient and effective Information Technology Services to County Agencies and Departments to enable departments and agencies to accomplish their business objectives.

Strategic Goals:

- The goals for the Information Technology ISF for FY 2006-2007 are to: 1) Align technology with business needs; 2) Prioritize business-driven IT plans and funding; 3) Establish and develop information sharing opportunities; 4) Develop a technology architecture, standards and guidelines; 5) Improve and streamline IT processes; 7) Review IT contracts to determine effectiveness and appropriateness.

Key Outcome Indicators:

Performance Measure	2005 Business Plan	2006 Business Plan	How are we doing?
	Results	Target	
CEO IT DEVELOPED AN ONLINE CUSTOMER SATISFACTION SURVEY FOR CUSTOMERS TO EVALUATE CEO IT SERVICES. What: The Customer Satisfaction Survey is completed by County agencies and departments every six months. Why: CEO IT is evaluated to determine whether or not they have performed satisfactorily.	The performance objectives as measured by the customer satisfaction survey were exceeded.	CEO IT will again be evaluated using the Customer Satisfaction Survey.	CEO IT has met or exceeded all performance objectives.

FY 2005-06 Key Project Accomplishments:

- Developed and presented two quarterly Countywide IT project reports
- Initiated a strategic overview to provide direction for future IT projects
- Developed a plan for IT governance for the County of Orange
- Supported Development of a Countywide IT Project Office
- Created a short term business continuity site at the County Data Center
- Continued effective defense of the County networks by preventing loss of data, corruption, and improving anti virus services.
- Replaced IBM mainframe platform and software at a savings of \$2,000,000 over a three year period
- Created a professional contract and purchasing IT team

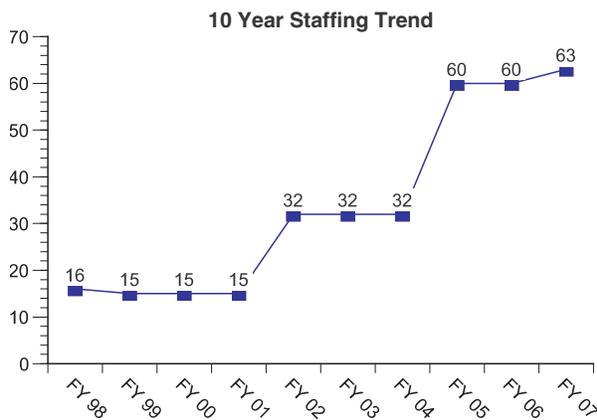


■ Implemented SDR project for the Auditor-Controller

Telephone ISF - The Information Technology ISF supports a wide range of data and telecommunications activities. The ISF operates the County Data Center, the County Enterprise Network, and the County Telephone System (OCTNET). Telephone services provided include voice mail, cabling, and repair and maintenance of telephone systems. Data services include mainframe processing, applications programming, laser printing, imaging, WEB services, Help Desk services, and telecommunications services. Network Services include connectivity to the internet and the data warehouse as well as maintenance of servers. Day to day operations are contracted out to Affiliated Computer Services (ACS) and their subcontractor AT & T.

office assistant position in the imaging group. The total requested positions for FY 2006-2007 is 63. The increased cost will be offset by the deletion of eight extra help positions that were funded during Fiscal Year 2005-2006.

Ten Year Staffing Trend:



Ten Year Staffing Trend Highlights:

- In Fiscal Year 2005-2006, there are 60 employees in the Information Technology ISF. CEO Information Technology is requesting the addition of four limited term office assistant positions and the deletion of one permanent

Budget Summary

Plan for Support of the County's Strategic Priorities:

The Information Technology ISF provides support for Countywide IT procurement, IT Project management, and Countywide IT Business continuity and disaster recovery coordination. CEO IT supports upgrades of existing applications and installation of new applications for Countywide or multi-agency systems such as CAPS and ATS, support of ebusiness, upgrade of County Internet Web sites, utilization of Onbase ERMI (document imaging), upgrade of the County telephone system (OCTNET) and increased network security. CEO IT has initiated measures such as a review of telephone and data circuits to reduce costs.

Changes Included in the Base Budget:

CEO IT budget requests continue to support key technology infrastructures such as the County Telephone System, the mainframe CPU, and the enterprise network. There are no significant program support changes in the FY 2006-2007 budget.

Approved Budget Augmentations and Related Performance Results:

Unit Amount	Description	Performance Plan	BRASS Ser.
Add 4 Limited-Term (2-year) Office Assistants for Countywide Imaging Services Amount:\$ 156,960	Staff to provide imaging services to County agencies/departments; scanning for online record keeping	Provide quality scanning/imagine service to County agencies/departments for online records retention	5297



Final Budget History:

Sources and Uses	FY 2004-2005	FY 2005-2006	FY 2005-2006	FY 2006-2007	Change from FY 2005-2006	
	Actual Exp/Rev	Budget As of 6/30/06	Actual Exp/Rev ⁽¹⁾ As of 6/30/06	Final Budget	Actual Amount	Percent
Total Positions	60	60	60	63	3	5.00
Total Revenues	47,161,051	54,623,580	53,493,493	52,962,074	2,894,622	5.78
Total Requirements	42,745,957	54,399,028	45,019,312	52,962,074	7,942,763	17.64
Balance	4,415,094	224,552	8,474,181	0	(5,048,141)	-100.00

(1) Amounts include prior year expenditure and exclude current year encumbrance. Therefore, the totals listed above may not match Total FY 2005-06 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: Information Technology Internal Service Fund in the Appendix on page A211

Highlights of Key Trends:

- CEO IT will continue to support the current IBM platform and recommend changes to future hosting of large applications such as CAPS and ATS; begin implementation of Voice Over Internet Protocol as part of voice ser-

vices; provide server consolidation and redundancy for efficiency, cost savings and continued network reliability; continue to strengthen network security; enhance the programming test environment; and refresh and upgrade the network backbone.



289 - Information Technology Internal Service Fund

Operation of Internal Service Fund 289 Operational Statement for the Fiscal Year 2006-2007

Operating Detail (1)		FY 2004-2005	FY 2005-2006	FY 2006-2007	FY 2006-2007
		Actual (2)	Actual (3)	Proposed Budget (4)	Final Budget (5)
OPERATING INCOME					
6620	Rents and Concessions	2,000,000	2,231,411	2,255,000	2,255,000
7330	Communication Services	5,672	5,773	5,000	5,000
7590	Other Charges for Services	42,296,851	42,419,904	47,136,739	47,293,699
Total Operating Income		44,302,523	44,657,088	49,396,739	49,553,699
OPERATING EXPENSES					
Salaries & Benefits					
0100	Salaries and Wages	18,127	(6,040)	0	0
0101	Regular Salaries	3,594,752	3,487,659	3,499,916	3,612,172
0102	Extra Help	86,433	65,962	25,000	25,000
0103	Overtime	16,720	18,342	25,000	25,000
0104	Annual Leave Payoffs	39,751	40,008	40,000	40,000
0105	Vacation Payoff	1,634	0	0	0
0106	Sick Leave Payoff	1,973	0	0	0
0110	Performance Incentive Pay	5,578	558	25,194	25,194
0111	Other Pay	1,541	79,708	2,400	2,400
0200	Retirement	526,255	575,244	831,686	856,382
0202	Early Retirement	3,941	3,941	3,941	3,941
0301	Unemployment Insurance	(2,138)	5,550	4,181	4,333
0305	Salary Continuance Insurance	6,313	6,593	6,718	6,718
0306	Health Insurance	373,930	343,798	393,984	409,728
0308	Dental Insurance	11,072	11,986	12,768	12,768
0309	Life Insurance	2,501	2,568	2,688	2,688
0310	Accidental Death and Dismemberment Insurance	440	468	504	504
0319	Other Insurance	29,296	25,345	28,080	30,576
0352	Workers Compensation - General	109,884	130,152	130,147	130,147
0401	Medicare	48,159	48,450	47,263	48,879
Total Salaries & Benefits		4,876,162	4,840,292	5,079,470	5,236,430
Services & Supplies					
0700	Communications	59,596	31,550	0	0
0701	Telephone/Telegraph - Interfund Transfer	2,630,087	2,539,343	1,299,410	1,299,410
0702	Telephone and Telegraph - Other	5,438,430	5,037,305	5,825,000	5,825,000
0900	Food	0	724	0	0
1000	Household Expense	80,507	75,472	100,000	100,000
1001	Household Expense - Trash	19,054	21,958	0	0

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Operating Detail (1)		FY 2004-2005	FY 2005-2006	FY 2006-2007	FY 2006-2007
		Actual (2)	Actual (3)	Proposed Budget (4)	Final Budget (5)
1100	Insurance	30,721	39,229	42,434	42,434
1300	Maintenance - Equipment	714,042	717,487	884,687	884,687
1400	Maintenance - Buildings and Improvements	588,977	458,231	307,000	307,000
1402	Minor Alterations and Improvements	65,415	185,139	439,506	439,506
1600	Memberships	1,632	985	18,109	18,109
1800	Office Expense	802,332	466,578	728,799	728,799
1801	Duplicating Services (RDMD/Reprographics)	7,795	5,219	5,000	5,000
1802	Periodicals and Journals	740	750	7,550	7,550
1803	Postage	231	1,825	1,000	1,000
1806	Printing Costs - Outside Vendors	3,383	48,791	135,200	135,200
1809	Minor Office Equipment to be Controlled	51,742	33,038	91,000	91,000
1900	Professional and Specialized Services	21,952,820	24,887,782	25,151,766	25,151,766
1901	Data Processing Services	10,572,941	10,647,631	14,000,000	14,000,000
1908	Temporary Help	25,259	8,169	0	0
1911	CWCAP Charges	652,476	1,022,205	994,736	994,736
2000	Publications and Legal Notices	47	145	5,000	5,000
2100	Rents and Leases - Equipment	3,043,844	2,142,435	2,952,548	2,952,548
2200	Rents and Leases - Buildings and Improvements	411,436	592,172	432,000	432,000
2300	Small Tools and Instruments	4,479	858	2,500	2,500
2400	Special Departmental Expense	31,138	41,239	70,420	70,420
2405	Optional Benefit Plan	41,250	40,750	42,000	42,000
2600	Transportation and Travel - General	5,362	7,913	0	0
2601	Private Auto Mileage	2,818	2,663	6,015	6,015
2602	Garage Expense	3,591	2,253	0	0
2700	Transportation and Travel - Meetings/ Conferences	11,087	8,530	34,445	34,445
2800	Utilities	17,054	12,659	600,000	600,000
2801	Utilities - Purchased Electricity	470,922	587,043	0	0
2802	Utilities - Purchased Gas	14	13	0	0
2803	Utilities - Purchased Water	23,629	28,328	0	0
2890	Intra-Agency Services & Supplies Billing Offsets	(13,068,125)	(13,303,323)	(14,458,410)	(14,458,410)
	Total Services & Supplies	34,696,726	36,393,089	39,717,715	39,717,715
Fixed Assets					
4000	Equipment	0	0	3,043,000	3,043,000
4200	Buildings and Improvements	0	0	300,000	300,000
	Total Fixed Assets	0	0	3,343,000	3,343,000
Miscellaneous					
5300	Depreciation	2,641,160	2,721,528	2,299,529	2,299,529
	Total Miscellaneous	2,641,160	2,721,528	2,299,529	2,299,529

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Operating Detail (1)		FY 2004-2005	FY 2005-2006	FY 2006-2007	FY 2006-2007
		Actual (2)	Actual (3)	Proposed Budget (4)	Final Budget (5)
Total Operating Expenses		42,214,048	43,954,909	50,439,714	50,596,674
Net Operating Income (Loss)*		2,088,475	702,179	(1,042,975)	(1,042,975)
NON-OPERATING REVENUE					
6610	Interest	209,099	628,442	125,000	125,000
6970	State - Other	29,769	20,418	0	0
7670	Miscellaneous Revenue	42,651	127,412	0	0
Total Non-Operating Revenue		281,519	776,272	125,000	125,000
NON-OPERATING EXPENSES					
1912	Investment Administrative Fees	8,954	15,443	0	0
3251	Lease Purchase Principal Payment	0	0	1,470,000	1,470,000
3351	Lease Purchase Interest Payment	447,727	64,462	895,400	895,400
5400	Loss or Gain on Disposition of Assets	75,228	984,501	0	0
Total Non-Operating Expenses		531,909	1,064,406	2,365,400	2,365,400
Net Non-Operating Income (Loss)		(250,390)	(288,134)	(2,240,400)	(2,240,400)
Income (Loss) Before Contributions & Transfers**		1,838,085	414,050	(3,283,375)	(3,283,375)
FIXED ASSET EXPENDITURES					
4000	Equipment				
	Replacement	0	1,094,935	3,043,000	3,043,000
	Additional & Excess Replacement Cost Over Depreciatin	1,010,925	0	0	0
4200	Buildings and Improvements				
	P605 Data Center Expansion	0	0	300,000	300,000
Total Fixed Asset Expenditures		1,010,925	1,094,935	3,343,000	3,343,000
STATEMENT OF CHANGES IN NET ASSETS - UNRESTRICTED					
Income (Loss) Before Contributions & Transfers		1,838,085	414,050	(3,283,375)	(3,283,375)
7805	Capital Contributions	32,984	0	0	0
7810	Interfund Transfers In - from Fund 100	2,400,000	0	0	0
	Changes to Reserves - Encumbrance - (Inc)/Dec.	(2,970,111)	3,426,040	0	0
	Changes to Reserves - Net Assets, Invested in Capital Assets, Net of Related Debt (Inc)/Dec.	797,487	1,377,322	0	0
Increase (Decrease) in Net Assets - Unrestricted		2,098,445	5,217,412	(3,283,375)	(3,283,375)
Net Assets - Unrestricted - Beginning of Year		1,158,324	3,256,769	3,283,375	3,283,375
Net Assets - Unrestricted - End of Year		3,256,769	8,474,181	0	0

*Note - Net Operating Loss is overstated in the 2006-07 Proposed and Approved Budget columns due to budgeted fixed asset expenditures that will be capitalized at year-end.

**Note - Loss Before Contributions and Transfers is overstated in the 2006-07 Proposed and Approved Budget columns due to budgeted fixed asset expenditures that will be capitalized at year-end.