

# 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	
<b>CEO IT DEVELOPED AN ONLINE CUSTOMER SATISFACTION SURVEY FOR CUSTOMERS TO EVALUATE CEO IT SERVICES.</b> <b>What:</b> The Customer Satisfaction Survey is completed by County agencies and departments every six months. <b>Why:</b> 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

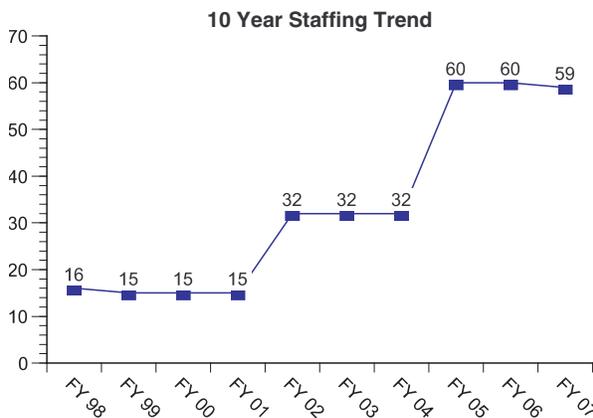


- Implemented SDR project for the Auditor-Controller

**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 Recommended 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.

**Requested Budget Augmentations and Related Performance Results:**

Unit Amount	Description	Performance Plan	BRASS Ser.
<b>Add 4 Limited-Term (2-year) Office Assistants for Countywide Imaging Services</b> 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



**Proposed Budget History:**

Sources and Uses	FY 2004-2005	FY 2005-2006	FY 2005-2006	FY 2006-2007	Change from FY 2005-2006	
	Actual	Budget As of 3/31/06	Projected <sup>(1)</sup> At 6/30/06	Recommended	Projected Amount	Projected Percent
Total Positions	60	60	60	59	(1)	-1.67
Total Revenues	46,002,727	54,623,580	54,390,401	52,805,114	(1,585,287)	-2.91
Total Requirements	42,745,957	54,399,028	51,107,026	52,805,114	1,698,088	3.32
Balance	3,256,770	224,552	3,283,375	0	(3,283,375)	-100.00

(1) Requirements include prior year encumbrance and expenditures. Therefore, the above totals may not match FY 2005-06 projected requirements included in "At a Glance" (Which exclude these).

Columns may not total correctly due to rounding.

Detailed budget by expense category and by activity is presented for agency: Information Technology Internal Service Fund in the Appendix on page A203

**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

Operating Detail		FY 2004-2005	FY 2005-2006	FY 2006-2007	FY 2006-2007
		Actual	Estimate	Proposed Budget	Final Budget
(1)		(2)	(3)	(4)	(5)
<b>OPERATING INCOME</b>					
6620	Rents and Concessions	2,000,000	2,295,026	2,255,000	2,255,000
7330	Communication Services	5,672	5,277	5,000	5,000
7590	Other Charges for Services	42,296,851	42,250,340	47,136,739	47,136,739
<b>Total Operating Income</b>		44,302,523	44,550,643	49,396,739	49,396,739
<b>OPERATING EXPENSES</b>					
Salaries & Benefits					
0100	Salaries and Wages	18,127	0	0	0
0101	Regular Salaries	3,594,752	3,939,818	3,499,916	3,499,916
0102	Extra Help	86,433	87,458	25,000	25,000
0103	Overtime	16,720	12,500	25,000	25,000
0104	Annual Leave Payoffs	39,751	19,238	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	79,615	2,400	2,400
0200	Retirement	526,255	297,079	831,686	831,686
0202	Early Retirement	3,941	3,941	3,941	3,941
0301	Unemployment Insurance	(2,138)	3,184	4,181	4,181
0305	Salary Continuance Insurance	6,313	3,635	6,718	6,718
0306	Health Insurance	373,930	188,848	393,984	393,984
0308	Dental Insurance	11,072	6,537	12,768	12,768
0309	Life Insurance	2,501	1,427	2,688	2,688
0310	Accidental Death and Dismemberment Insurance	440	260	504	504
0319	Other Insurance	29,296	14,675	28,080	28,080
0352	Workers Compensation - General	109,884	130,147	130,147	130,147
0401	Medicare	48,159	27,866	47,263	47,263
<b>Total Salaries &amp; Benefits</b>		4,876,162	4,816,786	5,079,470	5,079,470
Services & Supplies					
0700	Communications	59,596	63,918	0	0
0701	Telephone/Telegraph - Interfund Transfer	2,630,087	2,373,297	1,299,410	1,299,410
0702	Telephone and Telegraph - Other	5,438,430	5,167,363	5,825,000	5,825,000
1000	Household Expense	80,507	66,898	100,000	100,000

## Operation of Internal Service Fund 289 Operational Statement

Operating Detail (1)		FY 2004-2005	FY 2005-2006	FY 2006-2007	FY 2006-2007
		Actual (2)	Estimate (3)	Proposed Budget (4)	Final Budget (5)
1001	Household Expense - Trash	19,054	19,944	0	0
1100	Insurance	30,721	42,434	42,434	42,434
1300	Maintenance - Equipment	714,042	994,450	884,687	884,687
1400	Maintenance - Buildings and Improvements	588,977	286,738	307,000	307,000
1402	Minor Alterations and Improvements	65,415	225,001	439,506	439,506
1600	Memberships	1,632	260	18,109	18,109
1800	Office Expense	802,332	529,580	728,799	728,799
1801	Duplicating Services (RDMD/Reprographics)	7,795	4,210	5,000	5,000
1802	Periodicals and Journals	740	0	7,550	7,550
1803	Postage	231	1,525	1,000	1,000
1806	Printing Costs - Outside Vendors	3,383	118,391	135,200	135,200
1809	Minor Office Equipment to be Controlled	51,742	55,377	91,000	91,000
1900	Professional and Specialized Services	21,952,820	22,720,702	25,151,766	25,151,766
1901	Data Processing Services	10,572,941	11,034,555	14,000,000	14,000,000
1908	Temporary Help	25,259	56,668	0	0
1911	CWCAP Charges	652,476	994,736	994,736	994,736
2000	Publications and Legal Notices	47	145	5,000	5,000
2100	Rents and Leases - Equipment	3,043,844	6,485,430	2,952,548	2,952,548
2200	Rents and Leases - Buildings and Improvements	411,436	404,347	432,000	432,000
2300	Small Tools and Instruments	4,479	1,050	2,500	2,500
2400	Special Departmental Expense	31,138	38,121	70,420	70,420
2405	Optional Benefit Plan	41,250	36,950	42,000	42,000
2600	Transportation and Travel - General	5,362	290,618	0	0
2601	Private Auto Mileage	2,818	1,608	6,015	6,015
2602	Garage Expense	3,591	1,493	0	0
2700	Transportation and Travel - Meetings/ Conferences	11,087	10,309	34,445	34,445
2800	Utilities	17,054	6,647	600,000	600,000
2801	Utilities - Purchased Electricity	470,922	750,388	0	0
2802	Utilities - Purchased Gas	14	3	0	0
2803	Utilities - Purchased Water	23,629	37,402	0	0
2890	Intra-Agency Services & Supplies Billing Offsets	(13,068,125)	(13,258,859)	(14,458,410)	(14,458,410)
Total Services & Supplies		34,696,726	39,561,697	39,717,715	39,717,715
<b>Fixed Assets</b>					
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
<b>Miscellaneous</b>					
5300	Depreciation	2,641,160	2,458,559	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)	Estimate (3)	Proposed Budget (4)	Final Budget (5)
Total Miscellaneous		2,641,160	2,458,559	2,299,529	2,299,529
<b>Total Operating Expenses</b>		42,214,048	46,837,042	50,439,714	50,439,714
<b>Net Operating Income (Loss)*</b>		2,088,475	(2,286,399)	(1,042,975)	(1,042,975)
<b>NON-OPERATING REVENUE</b>					
6610	Interest	209,099	539,832	125,000	125,000
6840	State - Health Administration	0	0	0	0
6970	State - Other	29,769	5,954	0	0
7662	Other Sales - Non-Taxable - Resale	0	0	0	0
7670	Miscellaneous Revenue	42,651	114,002	0	0
7852	Fixed Asset Sales - Non-Taxable - Resale	0	195	0	0
<b>Total Non-Operating Revenue</b>		281,519	659,983	125,000	125,000
<b>NON-OPERATING EXPENSES</b>					
1912	Investment Administrative Fees	8,954	16,776	0	0
3251	Lease Purchase Principal Payment	0	0	1,470,000	1,470,000
3351	Lease Purchase Interest Payment	447,727	895,400	895,400	895,400
5400	Loss or Gain on Disposition of Assets	75,228	1,393,641	0	0
<b>Total Non-Operating Expenses</b>		531,909	2,305,817	2,365,400	2,365,400
<b>Net Non-Operating Income (Loss)</b>		(250,390)	(1,645,834)	(2,240,400)	(2,240,400)
<b>Income (Loss) Before Contributions &amp; Transfers**</b>		1,838,085	(3,932,233)	(3,283,375)	(3,283,375)
<b>FIXED ASSET EXPENDITURES</b>					
4000	Equipment				
	Replacement	0	345,628	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
<b>Total Fixed Asset Expenditures</b>		1,010,925	345,628	3,343,000	3,343,000
<b>STATEMENT OF CHANGES IN NET ASSETS - UNRESTRICTED</b>					
Income (Loss) Before Contributions & Transfers		1,838,085	(3,932,233)	(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)	5,923,006	0	0
Changes to Reserves - Net Assets - Reserved (Inc)/Dec.		0	(964,167)	0	0
Changes to Reserves - Net Assets, Invested in Capital Assets, Net of Related Debt (Inc)/Dec.		797,487	0	0	0

## Operation of Internal Service Fund 289 Operational Statement

Operating Detail (1)	FY 2004-2005	FY 2005-2006	FY 2006-2007	FY 2006-2007
	Actual	Estimate	Proposed Budget	Final Budget
	(2)	(3)	(4)	(5)
Changes to Reserves - Equipment Replacement - (Inc)/Dec.	0	(1,000,000)	0	0
<b>Increase (Decrease) in Net Assets - Unrestricted</b>	2,098,445	26,606	(3,283,375)	(3,283,375)
<b>Net Assets - Unrestricted - Beginning of Year</b>	1,158,324	3,256,769	3,283,375	3,283,375
<b>Net Assets - Unrestricted - End of Year</b>	3,256,769	3,283,375	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.