

289 - INFORMATION TECHNOLOGY INTERNAL SERVICE FUND

Operational Summary

Description:

CEO Information Technology takes a leadership role to enable County Departments and Agencies to achieve their business goals and to support the County's Mission of providing outstanding, cost-effective regional public services.

At a Glance:

Total FY 2006-2007 Projected Expend + Encumb:	52,863,166
Total Recommended FY 2007-2008	60,983,608
Percent of County General Fund:	N/A
Total Employees:	62.00

Strategic Goals:

- The goals for the Information Technology ISF for FY 2007-2008 are to: 1) Sponsor the development of a business-goals driven Information Technology Strategy and Portfolio of IT initiatives; 2) Establish Enterprise Architecture and Standards; 3) Lead IT Policy formulation; 4) Establish a "Federated" Governance framework and organizational structure; 5) Design and implement "Shared Services" Enterprise Applications, Information Repositories, and Technology Platforms; 7) Support agency specific applications and platforms; 8) Plan for and ensure availability of sufficient IT resources; 9) Lead continuous improvement; 10) Plan IT Business Continuity.

Key Outcome Indicators:

Performance Measure	2006 Business Plan	2007 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 Survey is a review of CEO/IT Data and Telephone Services by its customers. Why: CEO/IT must meet its targets to enable County Agencies to meet their business goals.	The 2005-2006 survey results are in process.	CEO/IT will be rated using the Customer Satisfaction Survey and will target a score that will exceed performance objectives.	CEO/IT has met or exceeded all objectives.
REDUCTION IN COSTS OF SERVICE DELIVERY What: The rate charged to clients using the mainframe. Why: Reflects the ability to provide cost effective services clients.	New Measure	Reduce mainframe processing charges by at least 30 percent.	The 2007-2008 proposed rates for the mainframe have been reduced by 31 percent.
COMPLETE PROJECTS WITHIN BUDGET AND ON SCHEDULE What: A measure of our organizations ability to deliver projects on time and within budget. Why: Clients are given a measure of our ability to meet timelines and budgets.	New measure	Establish a baseline to measure completion of projects, set targets and commence measurement.	CEO-IT is providing quarterly reports to the Board on project status including budget and schedule. Recently acquired portfolio management tools will provide for easier tracking and more sophisticated metrics.
IMPROVED ONLINE SERVICE DELIVERY TO THE CITIZENS OF ORANGE COUNTY What: Modernization of the existing County website to improve our clients experience. Why: Constituents are increasingly dependent on online access to services.	New measure	Deploy a citizen and 'life event' centric web portal which is the portal of choice for government services.	CEO-IT is completing the acquisition process for tools to support this initiative and preparing a project for deployment.

FY 2006-07 Key Project Accomplishments:

- Upgrade of Countywide Network to support increased technology usage of existing and future solutions.
- Upgrade of Voice Network to replace obsolete equipment and prevent failure.
- Support of IT Strategic Initiatives implementation which enable Countywide services, such as Public eGovernment.
- Upgrade of Network hardware and software to support new and upgraded applications and increased security.
- Review and resizing of mainframe support to prepare for applications moving to new environment and lower overall total cost of ownership to the County.
- Reorganization to properly align with technology activities with business needs.

Telephone ISF - The Information Technology Internal Service Fund supports a wide range of data and telecommunications activities. The ISF operates the World Class County of Orange Data Center, the County Enterprise Network, and the County Telephone System. Telephone services provided include voice mail, cabling, and repair and maintenance of telephone systems. Data services include mainframe and PC Server processing, Enterprise Applications programming, laser printing, imaging, WEB services, Help Desk services, and telecommunications data services. Network and Server Services include connectivity to the internet, data warehouse as well as maintenance and provisioning of servers. Day to day operations are contracted out to Affiliated Computer Services (ACS) and their subcontractor AT&T in coordination with County extended staffing model.

Ten Year Staffing Trend Highlights:

- CEO IT positions have been realigned to meet the business needs of the organization. The total number of staff remains the same as during Fiscal Year 2006-2007.

Ten Year Staffing Trend:



Budget Summary

Plan for Support of the County's Strategic Priorities:

CEO Information Technology is supporting County Departments and Agencies by offering enterprise solutions, enterprise infrastructure, project management and knowledge area experts to County departments for their IT projects.

CEO IT will also implement Countywide initiatives that will increase access to government functions for residents, business owners, employees and others who will benefit from improved service delivery.

Changes Included in the Recommended Base Budget:

The major change is an increase to the cost of the contract with Affiliated Computer Services, Inc. (ACS), for Programming Services. The increased cost is due to additional support requested by County Departments for two major projects, the upgrade of the County Accounting and Personnel System and rewriting the Assessment Tax System.



Requested Budget Augmentations and Related Performance Results:

Unit Amount	Description	Performance Plan	BRASS Ser.
Add 1 Administrative Manager II Position for Business Continuity Planning Amount:\$ 96,685	This position will provide Countywide Business Continuity and Disaster Recovery planning.	Implementation of successful Business Recovery and Disaster Recovery Plans.	2658

Proposed Budget History:

Sources and Uses	FY 2005-2006	FY 2006-2007	FY 2006-2007	FY 2007-2008	Change from FY 2006-2007	
	Actual	Budget As of 3/31/07	Projected ⁽¹⁾ At 6/30/07	Recommended	Projected Amount	Percent
Total Positions	60	61	61	62	1	1.64
Total Revenues	53,493,492	58,074,260	58,326,344	60,983,608	2,657,264	4.56
Total Requirements	45,019,311	58,074,260	54,288,470	60,983,608	6,695,138	12.33
Balance	8,474,181	0	4,037,874	0	(4,037,874)	-100.00

(1) Requirements include prior year encumbrance and expenditures. Therefore, the above totals may not match FY 2006-07 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 A699

Highlights of Key Trends:

- Movement of applications from a mainframe to network environment
- Consolidation and redundancy of network servers
- Refresh network backbone to support growth of network transmissions
- Increase security and redundancy for network servers

289 - Information Technology Internal Service Fund

Operation of Internal Service Fund 289 Operational Statement for the Fiscal Year 2007-2008

Operating Detail (1)		FY 2005-2006	FY 2006-2007	FY 2007-2008	FY 2007-2008
		Actual (2)	Estimate (3)	Proposed Budget (4)	Final Budget (5)
OPERATING INCOME					
6620	Rents and Concessions	2,231,411	2,254,460	2,255,000	2,255,000
7330	Communication Services	5,773	5,260	5,000	5,000
7590	Other Charges for Services	42,419,904	44,231,916	52,032,870	52,032,870
Total Operating Income		44,657,088	46,491,636	54,292,870	54,292,870
OPERATING EXPENSES					
Salaries & Benefits					
0100	Salaries and Wages	(6,040)	0	0	0
0101	Regular Salaries	3,487,659	3,630,085	3,676,776	3,676,776
0102	Extra Help	65,962	0	25,000	25,000
0103	Overtime	18,342	21,380	25,000	25,000
0104	Annual Leave Payoffs	40,008	21,403	40,000	40,000
0110	Performance Incentive Pay	558	468	12,969	12,969
0111	Other Pay	79,708	215	3,228	3,228
0200	Retirement	575,244	843,894	896,754	896,754
0202	Early Retirement	3,941	3,941	3,941	3,941
0204	County Paid Executive Deferred Compensation Plan	0	87	4,252	4,252
0301	Unemployment Insurance	5,550	4,257	4,370	4,370
0305	Salary Continuance Insurance	6,593	6,718	7,780	7,780
0306	Health Insurance	343,798	401,856	408,228	408,228
0308	Dental Insurance	11,986	12,768	13,860	13,860
0309	Life Insurance	2,568	2,688	2,880	2,880
0310	Accidental Death and Dismemberment Insurance	468	504	540	540
0319	Other Insurance	25,345	29,328	28,704	28,704
0352	Workers Compensation - General	130,152	130,147	83,072	83,072
0401	Medicare	48,450	48,071	49,618	49,618
Total Salaries & Benefits		4,840,292	5,157,810	5,286,972	5,286,972
Services & Supplies					
0700	Communications	31,550	0	0	0
0701	Telephone/Telegraph - Interfund Transfer	2,539,343	2,649,161	1,848,810	1,848,810
0702	Telephone and Telegraph - Other	5,037,305	3,797,491	5,780,400	5,780,400
0900	Food	724	371	0	0
1000	Household Expense	75,472	84,875	100,000	100,000
1001	Household Expense - Trash	21,958	20,965	0	0

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Operating Detail		FY 2005-2006	FY 2006-2007	FY 2007-2008	FY 2007-2008
(1)		Actual	Estimate	Proposed Budget	Final Budget
		(2)	(3)	(4)	(5)
1100	Insurance	39,229	42,434	62,015	62,015
1300	Maintenance - Equipment	717,487	948,532	1,024,285	1,024,285
1400	Maintenance - Buildings and Improvements	458,231	295,256	250,000	250,000
1402	Minor Alterations and Improvements	185,139	301,576	431,006	431,006
1600	Memberships	985	150	8,903	8,903
1800	Office Expense	466,578	509,729	724,430	724,430
1801	Duplicating Services (RDMD/Reprographics)	5,219	9,936	5,000	5,000
1802	Periodicals and Journals	750	300	9,300	9,300
1803	Postage	1,825	414	1,000	1,000
1806	Printing Costs - Outside Vendors	48,791	126,109	137,700	137,700
1809	Minor Office Equipment to be Controlled	33,038	112,207	143,000	143,000
1900	Professional and Specialized Services	24,887,782	24,493,095	30,937,935	30,937,935
1901	Data Processing Services	10,647,631	11,639,419	14,000,000	14,000,000
1908	Temporary Help	8,169	0	160,000	160,000
1911	CWCAP Charges	1,022,205	994,736	1,148,000	1,148,000
2000	Publications and Legal Notices	145	0	5,000	5,000
2100	Rents and Leases - Equipment	2,142,435	4,447,595	3,487,766	3,487,766
2200	Rents and Leases - Buildings and Improvements	592,172	784,599	692,000	692,000
2300	Small Tools and Instruments	858	1,296	2,500	2,500
2400	Special Departmental Expense	41,239	19,880	49,840	49,840
2405	Optional Benefit Plan	40,750	42,899	56,556	56,556
2600	Transportation and Travel - General	7,913	19,038	3,500	3,500
2601	Private Auto Mileage	2,663	3,261	2,515	2,515
2602	Garage Expense	2,253	1,151	0	0
2603	Executive Car Allowance	0	0	750	750
2700	Transportation and Travel - Meetings/ Conferences	8,530	8,233	29,300	29,300
2800	Utilities	12,659	13,007	630,000	630,000
2801	Utilities - Purchased Electricity	587,043	919,137	0	0
2802	Utilities - Purchased Gas	13	49	0	0
2803	Utilities - Purchased Water	28,328	29,087	0	0
2890	Intra-Agency Services & Supplies Billing Offsets	(13,303,323)	(12,121,567)	(14,453,410)	(14,453,410)
Total Services & Supplies		36,393,089	40,194,421	47,278,101	47,278,101
Fixed Assets					
4000	Equipment	0	0	4,290,000	4,290,000
4200	Buildings and Improvements	0	0	310,000	310,000
Total Fixed Assets		0	0	4,600,000	4,600,000
Miscellaneous					
5300	Depreciation	2,721,528	2,299,529	2,120,535	2,120,535

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Operating Detail		FY 2005-2006	FY 2006-2007	FY 2007-2008	FY 2007-2008
(1)		Actual	Estimate	Proposed Budget	Final Budget
		(2)	(3)	(4)	(5)
Total Miscellaneous		2,721,528	2,299,529	2,120,535	2,120,535
Total Operating Expenses		43,954,909	47,651,760	59,285,608	59,285,608
Total Operating Income (Loss)*		702,179	(1,160,124)	(4,992,738)	(4,992,738)
NON-OPERATING REVENUE					
6610	Interest	628,442	809,622	500,000	500,000
6970	State - Other	20,418	53,939	0	0
7670	Miscellaneous Revenue	127,412	0	0	0
Total Non-Operating Revenue		776,272	863,561	500,000	500,000
NON-OPERATING EXPENSES					
1912	Investment Administrative Fees	15,443	18,072	10,000	10,000
3251	Lease Purchase Principal Payment	0	0	1,590,000	1,590,000
3351	Lease Purchase Interest Payment	64,462	65,618	98,000	98,000
5400	Loss or Gain on Disposition of Assets	984,501	1,362,216	0	0
Total Non-Operating Expenses		1,064,406	1,445,906	1,698,000	1,698,000
Net Non-Operating Income (Loss)		(288,134)	(582,345)	(1,198,000)	(1,198,000)
Income (Loss) Before Contributions & Transfers **		414,050	(1,742,469)	(6,190,738)	(6,190,738)
FIXED ASSET EXPENDITURES					
4000	Equipment - Replacement	1,094,935	(19,034)	4,290,000	4,290,000
4200	Buildings and Improvements				
	P630 Replace Data Center Fire Panel	0	0	50,000	50,000
	P631 Data Center Infrastruc Upgrade	0	0	260,000	260,000
Total Buildings and Improvements		0	0	310,000	310,000
Total Fixed Asset Expenditures		1,094,935	(19,034)	4,600,000	4,600,000
STATEMENT OF CHANGES IN NET ASSETS - UNRESTRICTED					
Income (Loss) Before Contributions & Transfers		414,050	(1,742,469)	(6,190,738)	(6,190,738)
Changes to Reserves - Encumbrance - (Inc)/Dec.		3,426,040	2,496,966	0	0
Changes to Reserves - Net Assets - Reserved (Inc)/Dec.		0	(5,190,806)	2,152,866	2,152,866
Changes to Reserves - Net Assets, Invested in Capital Assets, Net of Related Debt (Inc)/Dec.		1,377,322	0	0	0
Increase (Decrease) in Net Assets - Unrestricted		5,217,412	(4,436,309)	(4,037,872)	(4,037,872)
Net Assets - Unrestricted - Beginning of Year		3,256,769	8,474,181	4,037,872	4,037,872
Net Assets - Unrestricted - End of Year		8,474,181	4,037,872	0	0

*Note - Net Operating Loss is overstated in the FY 2007-08 Proposed and Final 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 FY 2007-08 Proposed and Final Budget columns due to budgeted fixed asset expenditures that will be capitalized at year-end.