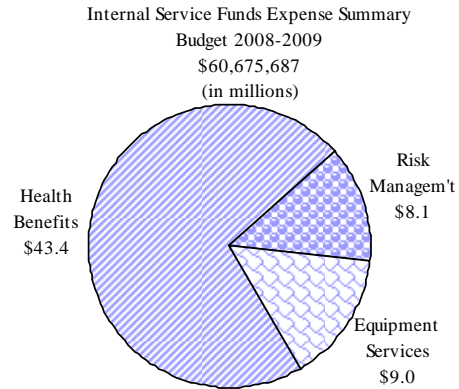
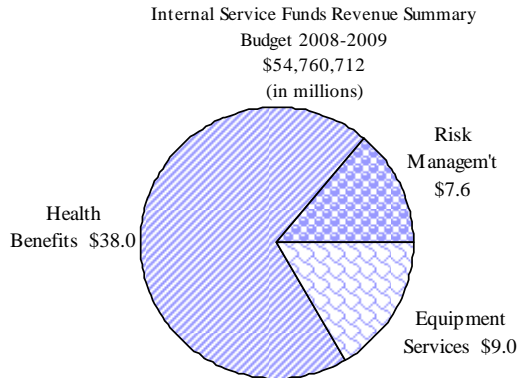


INTERNAL SERVICE FUNDS

Description The Internal Service Funds account for the financing of goods and services provided by programs or activities on a cost reimbursement basis. The Internal Service Funds include the Risk Management Fund, the Health Benefits Fund and the Equipment Services Fund.

Revenue and Expenditure Summaries – Internal Service Funds



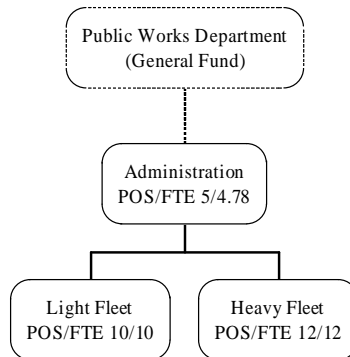
Revenue Summary – Internal Service Funds

	2005-2006 Actual	2006-2007 Actual	2007-2008 Estimate to Complete	2008-2009 Adopted Budget	\$ Change from Prior Year	% Change from Prior Year
Enterprise Fund Revenue						
Equipment Services	9,245,140	8,909,361	8,950,158	9,063,722	113,564	5.41%
Health Benefits	30,464,510	35,176,984	34,071,498	38,087,000	4,015,502	-13.78%
Risk Management	7,747,105	7,683,910	7,424,080	7,609,990	185,910	7.68%
Total	47,456,755	51,770,255	50,445,736	54,760,712	4,314,976	-8.12%

Expenditure Summary – Internal Service Funds

	2005-2006 Actual	2006-2007 Actual	2007-2008 Estimate to Complete	2008-2009 Adopted Budget	\$ Change from Prior Year	% Change from Prior Year
Enterprise Fund Expenditure						
Equipment Services	7,830,239	8,240,835	8,632,596	9,060,832	428,236	-1.62%
Health Benefits	29,506,567	31,231,189	35,726,136	43,460,246	7,734,110	-7.05%
Risk Management	3,792,707	5,563,736	8,085,134	8,154,609	69,475	-0.37%
Total	41,129,513	45,035,760	52,443,866	60,675,687	8,231,821	-5.21%

EQUIPMENT SERVICES FUND



Total Positions/Full Time Equivalents 27 /26.78

Mission The mission of the Equipment Services Division is to provide cost effective, safe, reliable vehicles and equipment to County departments to meet their transportation and specialized heavy equipment needs.

Description This Internal Service Fund was created to track revenues received and expenditures made for the purchase, maintenance, repair, and replacement of fleet vehicles and specialized heavy equipment used by Washoe County departments. Under the management of the Equipment Services Division of the Department of Public Works, the County maintains two shops at the Longley Lane Complex, and provides shop services in Incline Village, at the Sheriff's Complex and in Gerlach.

Programs and Fiscal Year 2008-2009 Budgeted Costs

Department Total \$ 9,060,832

Revenues Summary	2005-2006 Actual	2006-2007 Actual	2007-2008 Adopted Budget	2007-2008 Estimate to Complete	2008-2009 Adopted Budget	\$ Change From 07/08 Adopted to 08/09 Adopted
Charges for Services	7,886,001	7,908,542	8,203,740	8,367,791	8,717,222	513,482
Miscellaneous	0	5,762	0	4,987	1,500	1,500
Investment Earnings	334,508	369,095	287,000	481,494	345,000	58,000
Capital Contributions In	834,631	329,168	0	95,886	0	0
Transfers In	190,000	296,794	0	0	0	0
Total	9,245,140	8,909,361	8,490,740	8,950,158	9,063,722	572,982

Expenditures Summary	2005-2006 Actual	2006-2007 Actual	2007-2008 Adopted Budget	2007-2008 Estimate to Complete	2008-2009 Adopted Budget	\$ Change From 07/08 Adopted to 08/09 Adopted
Salaries and Wages	1,374,585	1,361,215	1,514,132	1,448,156	1,481,840	-32,292
Employee Benefits	471,135	479,671	567,802	555,654	570,685	2,883
Services and Supplies	3,821,255	3,573,001	4,226,372	4,068,570	4,496,307	269,935
Depreciation	2,163,264	2,375,323	2,466,257	2,560,216	2,512,000	45,743
Interest Expense	0	0	0	0	0	0
Transfers	0	451,625	0	0	0	0
Total	7,830,239	8,240,835	8,774,563	8,632,596	9,060,832	286,269

Long Term Goals

- Reduce overall fleet size by optimizing equipment utilization while being responsive to user needs for expanding services.
- Maintain an accurate billing structure with periodic rate modifications consistent with operational costs for Equipment Services.
- Achieve compliance with state/federal clean emission standards and use of burning fuels that produce fewer tailpipe emissions.
- Expand the use of hybrid gasoline/electric vehicles.
- Establish a motor pool in downtown Reno to provide as an alternative to permanent assignment of vehicles to county departments in the area.
- Encourage participation in training and development programs that provide career enrichment for employees.

Goals for Fiscal Year 2008-2009

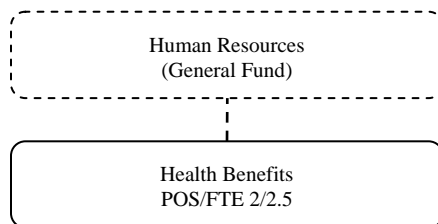
- Establish a motor pool to serve the needs of user departments in the Downtown Center resulting in a reduction of permanently assigned vehicles necessary to satisfy client needs for intermittent transportation at that location.
- Increase consumption of 5-20% blended biodiesel fuel as an alternative to regular low sulfur diesel in diesel motorized equipment.
- Complete expansion of light vehicle equipment shop facility enhancing service level productivity and reducing unscheduled repair orders.
- Encourage use of taxi service as an alternative means of meeting local transportation needs.
- Expand service levels to include Senior Services vehicles/equipment

Accomplishments for Fiscal Year 2007-2008

- Achieved timely reporting of billing costs and utilization criteria to user departments.
- Achieved timely reporting and fiscal accountability for risk management insurance billings.
- Increased consumption of 5-20% blended biodiesel fuel as an alternative to clear, low sulfur diesel in County diesel equipment.
- Completed installation of new automotive lift in light equipment shop service bay and increased staffing in response to demand for additional automotive technicians to repair/maintain county vehicles.
- Promoted fuel conservation by improved measurement methods.
- Expand services levels to incorporate maintenance/repair of fire services agencies (Sierra Fire Protection District and Washoe Fire).
- Completed final phase-out of natural gas (CNG) vehicles in County fleet in response to unstable fueling infrastructure.

Department Objective	Measure	FY 05-06 Actual	FY 06-07 Actual	FY 07-08 Estimate	FY 08-09 Projected
Manage vehicle fleet.	# of additional vehicles purchased	15	10	10	4
	# of additional heavy equipment units purchased	2	8	2	0
	Avg annual miles for (general) fleet vehicles <1-ton	10,822	9,742	9,500	10,000
	Avg annual miles for (law enforcement) fleet vehicles <1-ton	17,030	13,820	13,650	15,000
	# of hybrid vehicles purchased	7	6	9	5
Perform equipment Maintenance services as required.	# vehicle PM services performed	1,492	2,087	2,000	2,300
	# of ESD repair orders	7,869	7,032	7,250	7,000
	Light Equipment	3,918	2,483	3,465	3,000
	Heavy Equipment	3,951	3,785	3,785	4,000
	Avg cost of repair order				
	Light Equipment	\$314	\$276	\$285	\$290
	Heavy Equipment	\$483	\$317	\$320	\$335
Promote conservation and increased use of alternative fuels.	# of total gallons consumed	324,160	742,284	755,000	675,000
	% biodiesel	8.25%	9.8%	14.0%	10%
	% increase in biodiesel use	4.43%	18.7%	42.8%	40%

HEALTH BENEFITS FUND



Total Positions/Full Time Equivalents 2/2.5

Mission The mission of the Health Benefits Division is to provide access to comprehensive health care services for Washoe County employees, retirees, and their eligible dependents in an efficient, and cost effective manner.

Description The Health Benefits Fund was established pursuant to NRS 287.010 to provide health benefits for County employees, dependents and retirees through a self-funded health plan and contractual health insurance plans. The Fund includes medical, dental, prescription drug, vision and life insurance. Health Benefits is a division of the Human Resources Department.

Programs and Fiscal Year 2008-2009 Budgeted Costs

Department Total \$ 43,460,246

Revenue Summary	2005-2006 Actual	2006-2007 Actual	2007-2008 Adopted Budget	2007-2008 Estimate to Complete	2008-2009 Adopted Budget	\$ Change From 07/08 Adopted to 08/09 Adopted
Charges for Services	26,643,430	30,486,621	34,446,000	33,050,498	34,182,000	-264,000
Investment Earnings	149,514	539,899	220,000	525,000	320,000	100,000
Transfers In	3,671,566	4,150,464	4,851,000	496,000	3,585,000	-1,266,000
Total	30,464,510	35,176,984	39,517,000	34,071,498	38,087,000	-1,430,000

Expenditures Summary	2005-2006 Actual	2006-2007 Actual	2007-2008 Adopted Budget	2007-2008 Estimate to Complete	2008-2009 Adopted Budget	\$ Change From 07/08 Adopted to 08/09 Adopted
Salaries and Wages	126,386	136,796	121,104	120,569	161,869	40,765
Employee Benefits	39,499	41,487	44,834	44,749	60,083	15,249
Services and Supplies	29,340,682	31,052,906	38,269,368	35,560,818	39,458,294	1,188,926
Transfers	0	0	0	0	3,780,000	3,780,000
Total	29,506,567	31,231,189	38,435,306	35,726,136	43,460,246	5,024,940

Long Term Goals

- Provide County employees, dependents and retirees with high quality health benefits programs at the lowest possible cost.
- Provide employees access to educational materials and programs for health management.

Goals for Fiscal Year 2008-2009

- Present new optional health benefit program for consideration by Board of County Commissioners and the Insurance Negotiating Committee.
- Expand utilization of generic drugs to achieve prescription drug cost savings.
- Participate in Nevada Health Care Coalition programs for data collection and disease management.

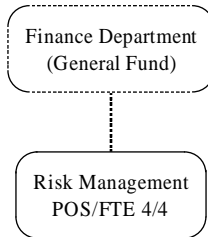
Accomplishments for Fiscal Year 2007-2008

- Began collecting first year Medicare Subsidy (Part D) payments. Approximately \$280,000 for first 6 months.

Department Objective	Measure	FY 05-06 Actual	FY 06-07 Actual	FY 07-08 Estimate	FY 08-09 Projected
Communicate County benefit programs to new employees through the New Employee Orientation in cooperation with Human Resources.	# of orientation meetings held	12	12	8	6
	# of employees attending	306	265	170	150
Communicate County benefit programs, alternatives and changes to employees through annual Open Enrollment meetings.	# of meetings held	4	4	4	4
	# of employees attending	57	44	50	50
Provide Comprehensive Health Care to County employees – Counts shown for employees by average month with distribution percentage.	Employees				
	Self-funded Medical Plan	1,543	1,524	1,498	1,554
	HMO	<u>1,243</u>	<u>1,392</u>	<u>1,520</u>	<u>1,602</u>
	Total	2,785	2,916	3,018	3,156
	Percentage				
	Self-funded Medical Plan				
Provide Comprehensive Health Care to County retirees – Counts shown for retirees by average month with distribution percentage.	HMO	55%	51%	50%	49%
	Total	45%	49%	50%	51%
	Retirees				
	Self-funded Medical Plan	653	706	732	789
	HMO	<u>183</u>	<u>210</u>	<u>233</u>	<u>250</u>
	Total	836	916	965	1,039
Provide Comprehensive Health Care to County employees & retirees – Costs for provided program for fiscal year.	Percentage				
	Self-funded Medical Plan				
	HMO	78%	77%	76%	76%
	Total	22%	23%	24%	24%
	Fixed Expenses*	\$11,780,589	\$13,406,977	\$16,809,000	\$18,154,500
	Claims	\$16,222,712	\$16,368,677	\$20,611,000	\$19,953,000
	Runoff claims	<u>\$1,035,542</u>	<u>\$1,069,320</u>	<u>\$1,720,000</u>	<u>\$1,720,000</u>
	Total	\$29,232,872	\$30,844,974	\$39,140,000	39,827,500

*Fixed expenses include premiums paid for insured products (HMO, Life, Stoploss insurance) and administrative fees (claims administrator, Preferred Provider agencies, broker) and the State's PEBP (Public Employer's Benefit Plan) for prior County employees who have retired and have coverage through the State's insurance plan – such payment is required by NRS.

RISK MANAGEMENT FUND



Total Positions/Full Time Equivalents 4/4

Mission The mission of the Risk Management Division is to protect the County from financial loss due to risks inherent in county operations by taking measures to eliminate or reduce such risks and/or by administering coverage for exposure to liabilities associated with risks.

Description The Risk Management Division self-administers all claims against the County for bodily injury and property damage liability; investigates and settles all claims involving damage to County property; monitors and settles all complaints resulting in litigation against the County; administers the County's self-insured workers' compensation program; provides safety inspections of all County facilities and safety training for employees; and reviews all contracts to insure that the County has been properly indemnified for actions of the contractor that may result in injury. Risk Management is a division of the Finance Department.

Programs and Fiscal Year 2008-2009 Budgeted Costs

Department Total \$ 8,154,609

	2005-2006	2006-2007	2007-2008	2007-2008	2008-2009	\$ Change
Revenues Summary	Actual	Actual	Adopted Budget	Estimate to Complete	Adopted Budget	From 07/08 Adopted to 08/09 Adopted
Charges for Services	7,302,474	6,323,949	6,464,780	6,464,780	7,199,340	734,560
Miscellaneous	60,584	307,401	30,000	39,300	30,000	0
Investment Earnings	384,047	1,052,560	400,000	920,000	380,650	-19,350
Federal Grant	0	0	0	0	0	0
Transfers In	0	0	0	0	0	0
Total	7,747,105	7,683,910	6,894,780	7,424,080	7,609,990	715,210

	2005-2006	2006-2007	2007-2008	2007-2008	2008-2009	\$ Change
Expenditures Summary	Actual	Actual	Adopted Budget	Estimate to Complete	Adopted Budget	From 07/08 Adopted to 08/09 Adopted
Salaries and Wages	284,331	304,494	318,640	314,472	321,408	2,768
Employee Benefits	82,870	90,482	99,549	96,521	94,668	-4,881
Services and Supplies	3,425,506	5,168,760	7,697,281	7,674,141	7,738,533	41,252
Total	3,792,707	5,563,736	8,115,470	8,085,134	8,154,609	39,139

Long Term Goals

- Develop and implement a program in conjunction with the Purchasing Department to collect, maintain and monitor insurance policies, certificates, bonds and other financial instruments filed by contractors and vendors doing business with the County.
- Develop and implement new safety training programs for County employees to help reduce workplace injuries and accidents.

Goals for Fiscal Year 2008-2009

- Implement a new comprehensive claims data program to include property, automobile, general liability, and summons and complaints.
- Develop and implement comprehensive claim reporting forms for the property and liability program.
- Develop and Implement a separate insurance program for the Flood Program.

Accomplishments for Fiscal Year 2007-2008

- Developed and implemented a new Material Safety Data Sheets (MSDS) Data Base, including a training program for its use.
- Presented Disaster Preparedness for Families and Highway Watch programs to County employees.
- Completed the Automatic External Defibrillator (AED) upgrade county-wide.
- Expanded public officials bond program to include Justices of the Peace.

Department Objective	Measure	FY 05-06 Actual	FY 06-07 Actual	FY 07-08 Estimate	FY 08-09 Projected
Reduce liability exposure in County contracts by assuring the inclusion of indemnification clauses that protect the County from accidents, negligence, errors, and omissions attributable to vendors.	# of contracts/agreements reviewed	548	641	600	600
	% of contracts modified	10.4%	16%	15%	15%
Secure insurance coverage to protect the County from losses from causes attributable to the County.	# of insurance policies purchased	13	11	13	13
	Premium paid	\$843,491	\$780,430	\$815,386	\$875,000
Administer liability claims and property damage claims.	# of claims filed	273	178	175	185
	# of claims denied	22	20	25	30
Recover funds due the County for damages to County equipment or injuries to County employees.	# of subrogation claims handled	60	50	42	50
	% of successful subrogations	38%	80%	80%	80%
	Amount collected	\$31,195	\$59,726	\$50,000	\$55,000
Reduce potential workplace hazards.	# of safety inspections conducted.	8	68	80	80
	# of work hazards corrected	55	67	50	50

Department Objective	Measure	FY 05-06 Actual	FY 06-07 Actual	FY 07-08 Estimate	FY 08-09 Projected
Control employee on-duty driving accidents through Driver's Training for new employees and employees who drive on County time.	# new employees trained	60	110	50	100
	# of current employees trained	350	256	300	300
	# of vehicle accidents	210	162	190	200
	Accidents/100,00 miles driven	3.75	2.7	3.2	3.2