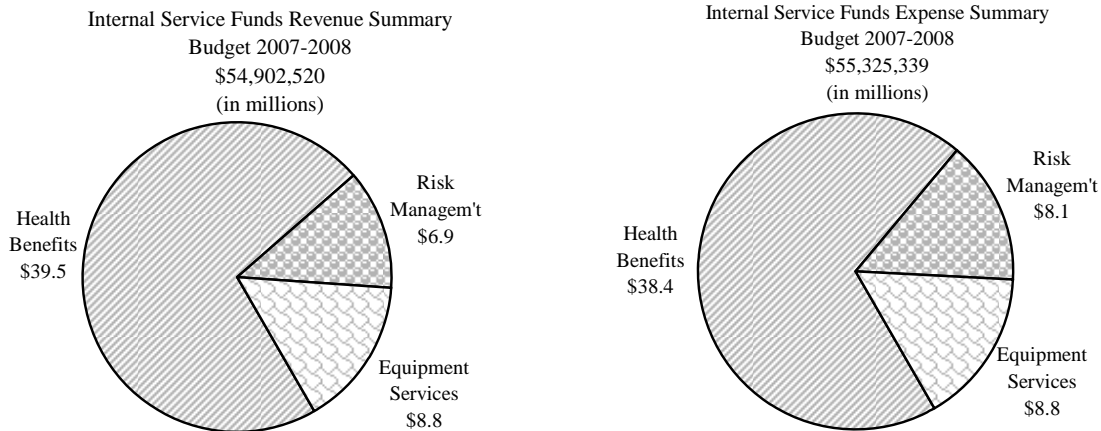


INTERNAL SERVICE FUNDS

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



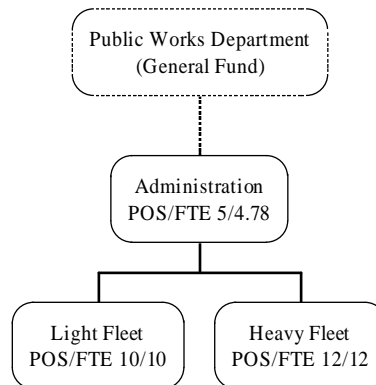
Revenue Summary – Internal Service Funds

Enterprise Fund Revenue	2004-2005 Actual	2005-2006 Actual	2006-2007 Estimate to Complete	2007-2008 Final Budget	\$ Change from Prior Year	% of All Revenues FY 2007-2008
Equipment Services	7,375,391	9,245,140	8,607,024	8,490,740	-116,284	15.47%
Health Benefits	27,566,112	30,464,510	35,439,833	39,517,000	4,077,167	71.98%
Risk Management	7,389,942	7,747,105	7,004,187	6,894,780	-109,407	12.56%
Total	42,331,445	47,456,755	51,051,044	54,902,520	3,851,476	100.00%

Expenditure Summary – Internal Service Funds

Enterprise Fund Expenditure	2004-2005 Actual	2005-2006 Actual	2006-2007 Estimate to Complete	2007-2008 Final Budget	\$ Change from Prior Year	% of All Expenditures FY 2007- 2008
Equipment Services	7,210,201	7,830,239	8,125,689	8,774,563	648,874	15.86%
Health Benefits	26,215,899	29,506,567	32,866,874	38,435,306	5,568,432	69.47%
Risk Management	6,918,460	3,792,707	8,012,779	8,115,470	102,691	14.67%
Total	40,344,560	41,129,513	49,005,342	55,325,339	6,319,997	100.00%

EQUIPMENT SERVICES FUND



Total Positions/Full Time Equivalents 27 /26.78

Mission The mission of the Equipment Services Division is to preserve the functionality and useful life of the County's rolling stock and other fuel powered equipment.

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 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 2007-2008 Budgeted Costs

Department Total \$ 8,378,120

Revenues Summary	2004-2005 Actual	2005-2006 Actual	2006-2007 Adopted Budget	2006-2007 Estimate to Complete	2007-2008 Final Budget	\$ Change From 06/07 Adopted to 07/08 Final
Charges for Services	6,717,292	7,886,001	7,720,839	7,746,903	8,203,740	482,901
Investment Earnings	351,348	334,508	135,000	343,848	287,000	152,000
Capital Contributions In	16,751	834,631	110,000	246,273	0	-110,000
Transfers In	290,000	190,000	270,000	270,000	0	-270,000
Total	7,375,391	9,245,140	8,235,839	8,607,024	8,490,740	254,901

Expenditures Summary	2004-2005 Actual	2005-2006 Actual	2006-2007 Adopted Budget	2006-2007 Estimate to Complete	2007-2008 Final Budget	\$ Change From 06/07 Adopted to 07/08 Final
Salaries and Wages	1,307,769	1,374,585	1,519,663	1,413,469	1,514,132	-5,531
Employee Benefits	450,351	471,135	530,063	486,102	567,802	37,739
Services and Supplies	3,275,421	3,821,255	3,898,394	3,885,089	4,226,372	327,978
Depreciation	2,176,660	2,163,264	2,430,000	2,341,029	2,466,257	36,257
Interest Expense	0	0	0	0	0	0
Transfers	0	0	0	0	0	0
Total	7,210,201	7,830,239	8,378,120	8,125,689	8,774,563	396,443

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 2007-2008

- Provide timely reporting of billing costs and utilization criteria to user departments.
- Implement an electronic billing system interface to provide timely and accurate billing statements.
- Phase out use of natural gas (CNG) vehicles in County fleet in response to unstable fueling infrastructure.
- Increase consumption of 5-20% blended biodiesel fuel as an alternative to clear, low sulfur diesel in County diesel equipment.
- Complete expansion of light equipment vehicle shop facility and increase staffing in response to the continued addition of light vehicles authorized.
- Promote fuel conservation by improved measurement methods.

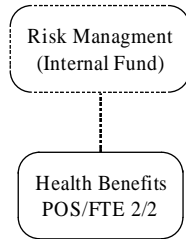
Accomplishments for Fiscal Year 2006-2007

- Increased hybrid vehicle fleet to 21 with the purchase of eight hybrid vehicles as replacements for depreciated vehicles.
- Successfully tested and implemented installation of updated emergency response equipment in Sheriff patrol vehicles including new low profile LED light bars and Data911 docking stations.
- Purchased three high capacity sewer vacuum/flusher trucks increasing the County’s service level ability during potential periods of flooding to a total water holding capacity of 4,500 gallons from 1,500 gallons and containment capacity from 15 yards to 36 yards of material.
- Maintained shop costs at \$ 60.00 per hour for heavy diesel repairs and \$ 58.00 per hour for light equipment.

Department Objective	Measure	FY 04-05 Actual	FY 05-06 Actual	FY 06-07 Actual	FY 07-08 Projected
Manage vehicle fleet.	# of additional vehicles purchased	13	15	10	10
	# of additional heavy equipment units purchased	4	2	8	2
	Avg annual miles for (general) fleet vehicles <1-ton	8,123	10,822	9,742	9,500
	Avg annual miles for (law enforcement) fleet vehicles <1-ton	11,722	17,030	13,820	13,650
	# of hybrid vehicles purchased	6	7	6	9

Department Objective	Measure	FY 04-05 Actual	FY 05-06 Actual	FY 06-07 Actual	FY 07-08 Projected
Perform equipment Maintenance services as required.	# vehicle PM services performed	1,755	1,492	2,087	2,000
	# of ESD repair orders	9,230	7,869	7,032	7,250
	Light Equipment	4,432	3,918	2,483	3,465
	Heavy Equipment	4,798	3,951	3,785	3,785
	Avg cost of repair order				
	Light Equipment	\$259	\$314	\$276	\$285
Heavy Equipment	\$463	\$483	\$317	\$320	
Promote conservation and increased use of alternative fuels.	# of total gallons consumed	302,465	324,160	742,284	755,000
	% biodiesel	7.9%	8.25%	9.8%	14.0%
	% increase in biodiesel use	Base Year	4.43%	18.7%	42.8%

HEALTH BENEFITS FUND



Total Positions/Full Time Equivalents 2/2

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 Finance Department.

Programs and Fiscal Year 2007-2008 Budgeted Costs

Department Total \$ 38,435,306

Revenue Summary	2004-2005 Actual	2005-2006 Actual	2006-2007 Adopted Budget	2006-2007 Estimate to Complete	2007-2008 Final Budget	\$ Change From 06/07 Adopted to 07/08 Final
Charges for Services	24,498,719	26,643,430	30,866,000	30,838,469	34,446,000	3,580,000
Investment Earnings	254,709	149,514	70,000	400,000	220,000	150,000
Transfers In	2,812,684	3,671,566	4,368,364	4,201,364	4,851,000	482,636
Total	27,566,112	30,464,510	35,304,364	35,439,833	39,517,000	4,212,636

Expenditures Summary	2004-2005 Actual	2005-2006 Actual	2006-2007 Adopted Budget	2006-2007 Estimate to Complete	2007-2008 Final Budget	\$ Change From 06/07 Adopted to 07/08 Final
Salaries and Wages	123,965	126,386	131,273	155,472	121,104	-10,169
Employee Benefits	40,049	39,499	41,667	41,508	44,834	3,167
Services and Supplies	26,051,885	29,340,682	33,722,174	32,669,894	38,269,368	4,547,194
Total	26,215,899	29,506,567	33,895,114	32,866,874	38,435,306	4,540,192

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 2007-2008

- Re-establish the Health Benefits page on the Washoe County intranet site.
- Participate as an active member in the Health Data Cooperative established by the Nevada Health Care Coalition.

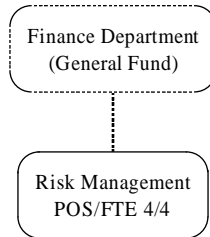
Accomplishments for Fiscal Year 2006-2007

- Implemented a disease management program for enrollees on the self-funded plan who have diabetes, in conjunction with our pharmacy benefit manager and the Nevada Health Care Coalition.
- Application approved for reimbursement from Medicare for a portion of the prescription costs incurred by the County for retirees with Medicare who are on the self-funded plan.
- Participated in Health Data Warehouse project with the Nevada Health Care Coalition.

Department Objective	Measure	FY 04-05 Actual	FY 05-06 Actual	FY 06-07 Estimate	FY 07-08 Projected
Communicate County benefit programs to new employees through the New Employee Orientation in cooperation with Human Resources.	# of orientation meetings held	12	12	12	12
	# of employees attending	270	306	380	360
Communicate County benefit programs, alternatives and changes to employees through annual Open Enrollment meetings.	# of meetings held	4	4	4	4
	# of employees attending	101	57	70	80
Provide Comprehensive Health Care to County employees – Counts shown for employees by average month with distribution percentage.	Employees				
	Self-funded Medical Plan	1,564	1,543	1,535	1,566
	HMO	1,125	<u>1,243</u>	<u>1,408</u>	<u>1,562</u>
	Total	2,689	2,785	2,943	3,128
	Percentage				
	Self-funded Medical Plan	58%	55%	52%	50%
Provide Comprehensive Health Care to County retirees – Counts shown for retirees by average month with distribution percentage.	Retirees				
	Self-funded Medical Plan	600	653	699	753
	HMO	166	<u>183</u>	<u>206</u>	<u>225</u>
	Total	766	836	905	978
	Percentage				
	Self-funded Medical Plan	78%	78%	77%	77%
Provide Comprehensive Health Care to County employees & retirees – Costs for provided program for fiscal year.	Fixed Expenses*	\$9,770,749	\$11,780,589	\$13,369,000	\$16,809,000
	Claims	\$14,391,742	\$16,222,712	\$18,603,000	\$20,611,000
	Runoff claims	\$1,619,841	<u>\$1,035,542</u>	<u>\$1,720,000</u>	<u>\$1,720,000</u>
	Total	\$25,782,332	\$29,232,872	\$33,692,000	\$39,140,000

*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 2007-2008 Budgeted Costs

Department Total \$ 8,115,470

	2004-2005	2005-2006	2006-2007	2006-2007	2007-2008	\$ Change
Revenues Summary	Actual	Actual	Adopted Budget	Estimate to Complete	Final Budget	From 06/07 Adopted to 07/08 Final
Charges for Services	3,926,464	7,302,474	6,359,187	6,359,187	6,464,780	105,593
Miscellaneous	29,250	60,584	30,000	30,000	30,000	0
Investment Earnings	398,098	384,047	200,000	615,000	400,000	200,000
Federal Grant	136,130	0	0	0	0	0
Transfers In	2,900,000	0	0	0	0	0
Total	7,389,942	7,747,105	6,589,187	7,004,187	6,894,780	305,593

	2004-2005	2005-2006	2006-2007	2006-2007	2007-2008	\$ Change
Expenditures Summary	Actual	Actual	Adopted Budget	Estimate to Complete	Final Budget	From 06/07 Adopted to 07/08 Final
Salaries and Wages	278,765	284,331	293,393	304,442	318,640	25,247
Employee Benefits	85,034	82,870	87,832	90,534	99,549	11,717
Services and Supplies	6,554,661	3,425,506	7,416,043	7,617,803	7,697,281	281,238
Total	6,918,460	3,792,707	7,797,268	8,012,779	8,115,470	318,202

Note: The \$900,000 reduction in *Charges for Services* from FY2006 to the FY2007 budget is the result of an actuarial study that reduced the County's future liability for worker's compensation claims.

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 2007-2008

- Develop a training program for use of the MSDS Data Base.
- Present Disaster Preparedness for Families and Highway Watch programs to County employees.
- Complete the AED upgrade county-wide.
- Develop and implement comprehensive claim reporting forms for the property and liability program.

Accomplishments for Fiscal Year 2006-2007

- Implemented actuarially sound, experience based rating plans to allocate workers' compensation and property/liability losses to County departments through the budget process.
- Implemented the 10 hour OSHA Training Class and commenced training of appropriate County personnel.
- Developed and implemented, in conjunction with the City of Reno, evacuation procedures and training for the Mills Lane Justice Center.
- Completed the Material Safety Data Sheet (MSDS) data base.

Department Objective	Measure	FY 04-05 Actual	FY 05-06 Actual	FY 06-07 Estimate	FY 07-08 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	445	548	612	600
	% of contracts modified	N/A	10.4%	16%	15%
Secure insurance coverage to protect the County from losses from causes attributable to the County.	# of insurance policies purchased	11	13	13	13
	Premium paid	\$865,411	\$843,491	\$1,007,897	\$1,180,000
Administer liability claims and property damage claims.	# of claims filed	207	273	295	300
	# of claims denied	75	22	27	30
Recover funds due the County for damages to County equipment or injuries to County employees.	# of subrogation claims handled	56	60	65	68
	% of successful subrogations	77%	38%	60%	63%
	Amount collected	\$48,766	\$31,195	\$40,000	\$42,000
Reduce potential workplace hazards.	# of safety inspections conducted.	85	8	80	80
	# of work hazards corrected	55	55	55	50

Department Objective	Measure	FY 04-05 Actual	FY 05-06 Actual	FY 06-07 Estimate	FY 07-08 Projected
Control employee on-duty driving accidents through Driver's Training for new employees and employees who drive on County time.	# new employees trained	63	60	60	75
	# of current employees trained	390	350	350	300
	# of vehicle accidents	235	210	180	195
	Accidents/100,00 miles driven	4.60	3.75	3.05	3.25