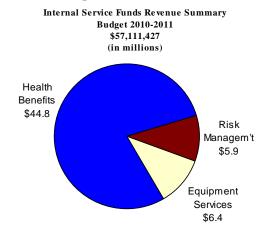
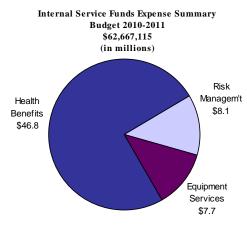
# **INTERNAL SERVICE FUNDS**

### **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





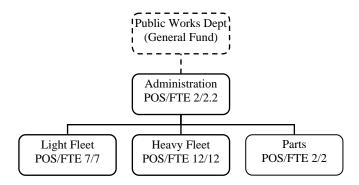
# **Operating Revenue Trend – Internal Service Funds**

Internal Funds Operating Revenue	Equip	oment Services Fund	Н	ealth Benefits Fund	Risl	k Management Fund
FY04/05 Actual	\$	6,717,292	\$	24,498,719	\$	3,955,714
FY05/06 Actual	\$	7,886,001	\$	26,643,430	\$	7,363,058
FY06/07 Actual	\$	7,914,304	\$	30,486,621	\$	6,631,350
FY07/08 Actual	\$	8,018,749	\$	32,541,375	\$	6,707,872
FY08/09 Actual	\$	8,202,009	\$	32,035,011	\$	7,660,392
FY09/10 Estimate	\$	6,838,289	\$	35,296,402	\$	6,082,034
FY10/11 Budget	\$	6,414,553	\$	44,819,000	\$	5,877,874

# **Operating Expenditure Trend – Internal Service Funds**

Internal Funds Operating Expenses	Equipmen Fu		He	alth Benefits Fund	Risk	Management Fund
FY04/05 Actual	\$ 7	,210,201	\$	26,215,899	\$	6,918,460
FY05/06 Actual	\$ 7	,830,239	\$	29,506,567	\$	3,792,707
FY06/07 Actual	\$ 7	,789,210	\$	31,231,189	\$	5,563,736
FY07/08 Actual	\$ 8	,882,574	\$	35,542,566	\$	3,303,380
FY08/09 Actual	\$ 7	,845,486	\$	38,545,010	\$	2,299,552
FY09/10 Estimate	\$ 7	,727,882	\$	43,593,162	\$	3,839,648
FY10/11 Budget	\$ 7	,700,317	\$	46,845,756	\$	8,121,042

# **EQUIPMENT SERVICES FUND**



## **Total Funded Positions/Full Time Equivalents 23/23.20**

Mission

The mission of the Equipment Services Division is to provide safe and reliable vehicles and equipment to County departments to meet their transportation and specialized heavy equipment needs at the lowest life cycle costs.

**Description** 

The Equipment Services Division maintains light vehicle and heavy vehicle shops at the Longley Lane Complex in Reno, and has satellite shop facilities in Incline Village and Gerlach, and at the Parr Blvd. Sheriff's Complex. ESD is operated as an internal service fund to track revenues and expenditures for the purchase, maintenance, repair, and replacement of fleet vehicles and specialized heavy equipment. ESD bills user departments for operation and capital replacement of vehicles.

### **Programs and Fiscal Year 2010-2011 Budgeted Operating Costs**

Department Total

\$ 7,700,317

## **Statement of Cash Flow Trend Analysis**

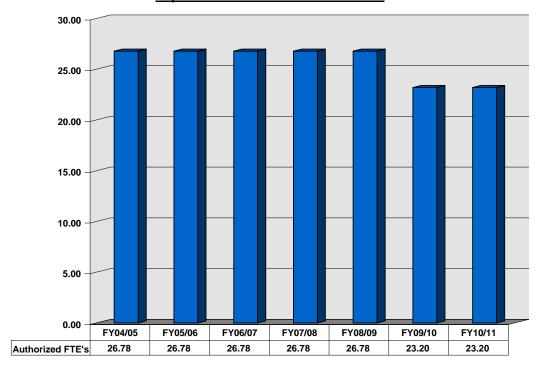
Statement of Cash Flow Trend Analysis	Cash from Operating Activities	Cash from NonCapital Activities	Cash from Capital Activities	Cash from Investing Activities	Ne	et Change in Cash	Beginning Ish Balance July 1	Ending Cash Balance June 30
FY04/05 Actual	\$ 1,341,668	\$ 290,000	\$ (2,451,573)	\$ (315,302)	\$	(1,135,207)	\$ 3,742,662	\$ 2,607,455
FY05/06 Actual	\$ 2,392,423	\$ 190,000	\$ (2,056,849)	\$ 356,344	\$	881,918	\$ 2,607,455	\$ 3,489,373
FY06/07 Actual	\$ 3,083,956	\$ 296,794	\$ (1,763,392)	\$ (207,212)	\$	1,410,146	\$ 3,489,373	\$ 4,899,519
FY07/08 Actual	\$ 1,853,953	\$ -	\$ (1,206,864)	\$ (286,036)	\$	361,053	\$ 4,899,519	\$ 5,260,572
FY08/09 Actual	\$ 2,471,501	\$ -	\$ (1,057,495)	\$ (230,323)	\$	1,183,683	\$ 5,260,572	\$ 6,444,255
FY09/10 Estimate	\$ 1,498,892	\$ -	\$ (1,347,384)	\$ -	\$	151,508	\$ 6,444,255	\$ 6,595,763
FY10/11 Budget	\$ 1,112,236	\$ (2,500,000)	\$ (1,500,000)	\$ -	\$	(2,887,764)	\$ 6,595,763	\$ 3,707,999

Revenue, Expenses, and Net Income Trend Analysis

Revenue,										
Expenses & Net			Non	Operating						
Income	Operating	Operating	R	evenues		Capital				
Trend Analysis	Revenue	Expenses	(E	xpenses)	Co	ntributions	T	ransfers	Ne	et Income
FY04/05 Actual	\$6,717,292	\$7,210,201	\$	351,348	\$	16,751	\$	290,000	\$	165,190
FY05/06 Actual	\$7,886,001	\$7,830,239	\$	334,508	\$	834,631	\$	190,000	\$	1,414,901
FY06/07 Actual	\$7,914,304	\$7,789,210	\$	369,095	\$	329,168	\$	(154,831)	\$	668,526
FY07/08 Actual	\$8,018,749	\$8,882,574	\$	586,109	\$	178,113	\$	203,222	\$	103,619
FY08/09 Actual	\$8,202,009	\$7,845,486	\$	258,326	\$	21,691	\$	22,233	\$	658,773
FY09/10 Estimate	\$ 6,838,289	\$7,727,882	\$	261,216	\$	-	\$	-	\$	(628,377)
FY10/11 Budget	\$ 6,414,553	\$7,700,317	\$	231,900	\$	-	\$(	2,500,000)	\$(:	3,553,864)

Sources: Comprehensive Annual Financial Report(s) Fiscal Years 2005 thru 2009; Washoe County Final Budget Fiscal Year Ended June 30, 2011.

#### **Department Trend of Authorized FTE's**



Note: Authorized full-time equivalent positions (FTE's) are positions approved by the Board of County Commissioners. Due to budget reductions in previous years an authorized FTE may not have been funded. Beginning FY10/11, the Board of County Commissioners directed that an authorized FTE is a funded FTE, and all unfunded FTE's were eliminated. Therefore the comparison to prior years may be skewed.

### **Long Term Goals**

- Maximize technology and modern business processes to effectively track all shop tasks and benchmarking data, and provide enhanced reporting capabilities of unit costs, costs per mile, replacement scheduling, and all other necessary parameters to support a professionally managed operation.
- Encourage participation in training and development programs that provide enhanced skills and career enrichment for employees.
- Maintain a robust vehicle reduction strategy to "right size" the fleet.

Promote practices to assure highest value and lowest life cycle costs such as use of hybrid vehicles, motor pools
versus assigned vehicles, sensible use of employee vehicles with mileage reimbursement, minimum miles per
year standards for assigned vehicles, and sensible service life standards commensurate with modern vehicles.

## **Goals for Fiscal Year 2010-2011**

- Enhance billing practices including automatic bill production and accurate analysis of the revenue to expense
  ratio on a cost center basis. Requires direct SAP link for monthly billing journal entries to reduce errors and
  personnel time.
- Maintain Automotive Service Excellence Blue Seal Certifications through continued testing by mechanics.
- Improve vehicle replacement decision process using automated replacement scoring methodology.
- Updated policies and procedures manual, including revised service life criteria, use of automated replacement scoring method, and formation of fleet advisory committee.
- Recycle approximately 40 light vehicles to departments in lieu of purchasing new vehicles.

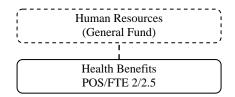
#### Accomplishments for Fiscal Year 2009-2010

- Implemented automated billing system ensuring timely and accurate billing to user departments.
- Implemented reporting enhancements to fleet management system to ensure that user departments have the valuable information necessary to make responsible decisions regarding deployment and use of assigned vehicles and equipment.
- Achieved an overall fleet reduction of 50 light vehicles, 25 pieces of heavy equipment, and a motor pool
  reduction of 7 vehicles. All heavy equipment sold or returned, except where held for parts, and light vehicles
  redeployed in lieu of purchasing new equipment.
- Achieved ASE Blue Seal Certification for all ESD repair locations.
- In conjunction with the Sheriff's department, entered into a two year pilot program for the lease of 20 unmarked vehicles to test cost efficacy of process.
- Entered into an inter-local agreement providing shared maintenance services between Washoe County, the Cities of Reno and Sparks and the Washoe County School District fleet operations.

Department Objective	Measure	FY 07-08 Actual	FY 08-09 Actual	FY 09-10 Estimate	FY 10-11 Projected
Manage vehicle fleet	Total Light Fleet – General		355	285	280
	Total Light Fleet – Sheriff		163	127	125
Promote Fleet Reduction	Used units redeployed in fleet	4	11	10	20
	Units disposed	72	49	62	40
	Units remaining in service beyond service life	37	31	135	100
	Avg annual miles for general fleet vehicles	9,198	8,880	7,352	7,000
	Avg annual miles for sheriff fleet vehicles	15,048	14,838	17,072	17,000

Department Objective	Measure	FY 07-08 Actual	FY 08-09 Actual	FY 09-10 Estimate	FY 10-11 Projected
Perform Preventive Maintenance (PM) on schedule	Work Orders performed Light Equipment Heavy Equipment  PM Services Performed Light Equipment Heavy Equipment PM to WO Ratio	6,559 3,012 3,547 2,530 1,461 1,069 38.57%	8,109 3,831 4,278 2,749 1,532 1,217 33,90%	8,412 4,010 4,402 2,646 1,574 1,072 31.46%	8,500 4,200 4,300 2,700 1,600 1,100
Promote fuel conservation and use of biodiesel	Hybrid vehicles owned  Total cost fuel consumed  Gallons consumed:	21 \$2,133,018	21 \$1,546,275	21 \$1,461,936	\$1,563,500
	Gasoline Diesel  % biodiesel	407,125 271,060 17.75%	365,957 246,987 17.00%	363,248 220,686 21.5%	370,000 220,000 25%

# **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.

Statutory Authority: NRS 287 Programs for Public Employees; Consolidated Omnibus Budget Reconciliation Act

(COBRA); US Department of Labor; Washoe County Code Chapter 5 - Administration and

Personnel.

## **Programs and Fiscal Year 2010-2011 Budgeted Operating Costs**

Department Total \$ 46,845,756

## **Statement of Cash Flow Trend Analysis**

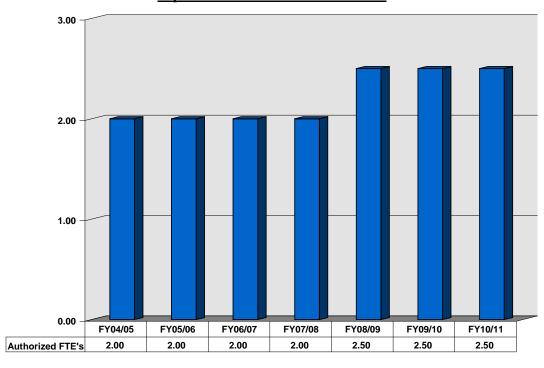
Statement of Cash	Cash from	Cash from	Cash from	Cash from		Beginning	Ending Cash
Flow	Operating	NonCapital	Capital	Investing	Net Change in	Cash Balance	Balance
Trend Analysis	Activities	Activities	Activities	Activities	Cash	July 1	June 30
FY04/05 Actual	\$ (1,376,515)	\$ 2,812,684	\$ -	\$ 254,703	\$ 1,690,872	\$ 5,610,431	\$ 7,301,303
FY05/06 Actual	\$ (1,802,812)	\$ 3,671,566	\$ -	\$ 137,830	\$ 2,006,584	\$ 7,301,303	\$ 9,307,887
FY06/07 Actual	\$ (1,113,381)	\$ 4,150,464	\$ -	\$ 510,883	\$ 3,547,966	\$ 9,307,887	\$ 12,855,853
FY07/08 Actual	\$ (2,420,837)	\$ 295,026	\$ -	\$ 716,303	\$ (1,409,508)	\$ 12,855,853	\$ 11,446,345
FY08/09 Actual	\$ (5,837,731)	\$ 3,648,026	\$ -	\$ 365,511	\$ (1,824,194)	\$ 11,446,345	\$ 9,622,151
FY09/10 Estimate	\$ (8,296,760)	\$ 5,285,964	\$ -	\$ 134,800	\$ (2,875,996)	\$ 9,622,151	\$ 6,746,155
FY10/11 Budget	\$ (2,026,756)	\$ 200,000	\$ -	\$ 184,000	\$ (1,642,756)	\$ 6,746,155	\$ 5,103,399

Revenue, Expenses, and Net Income Trend Analysis

Revenue,						
<b>Expenses &amp; Net</b>			NonOperating			
Income	Operating	Operating	Revenues	Capital		
Trend Analysis	Revenue	Expenses	(Expenses)	Contributions	Transfers	Net Income
FY04/05 Actual	\$24,498,719	\$ 26,215,899	\$ 254,709	\$ -	\$ 2,812,684	\$ 1,350,213
FY05/06 Actual	\$26,643,430	\$ 29,506,567	\$ 149,514	\$ -	\$3,671,566	\$ 957,943
FY06/07 Actual	\$30,486,621	\$ 31,231,189	\$ 645,837	\$ -	\$4,150,464	\$ 4,051,733
FY07/08 Actual	\$32,541,375	\$ 35,542,566	\$ 930,488	\$ -	\$ -	\$ (2,070,703)
FY08/09 Actual	\$32,035,011	\$ 38,545,010	\$ 351,448	\$ -	\$3,585,000	\$ (2,573,551)
FY09/10 Estimate	\$35,296,402	\$ 43,593,162	\$ 335,764	\$ -	\$5,085,000	\$ (2,875,996)
FY10/11 Budget	\$44,819,000	\$ 46,845,756	\$ 384,000	\$ -	\$ -	\$ (1,642,756)

Sources: Comprehensive Annual Financial Report(s) Fiscal Years 2005 thru 2009; Washoe County Final Budget Fiscal Year Ended June 30, 2011.

### **Department Trend of Authorized FTE's**



Note: Authorized full-time equivalent positions (FTE's) are positions approved by the Board of County Commissioners. Due to budget reductions in previous years an authorized FTE may not have been funded. Beginning FY10/11, the Board of County Commissioners directed that an authorized FTE is a funded FTE, and all unfunded FTE's were eliminated. Therefore the comparison to prior years may be skewed.

## **Long Term Goals**

- Strategic healthcare cost management and delivery.
- Evaluate new healthcare programs that promote health and manage expenses.

### **Goals for Fiscal Year 2010-2011**

- Increase use of technology to enhance productivity, improve efficiency through accurate data acquisition and information transfer.
- Help employees better manage their health and reduce their personal healthcare costs through ongoing training and education.

## **Accomplishments for Fiscal Year 2009-2010**

- Implemented changes in COBRA administration mandated by ARRA in 2009.
- In partnership with Technology Services assisted with the execution of a health information data transfer system through secure enhanced technologies resulting in business transaction process improvement.
- Completely restructured the health benefits fund center hierarchy to more efficiently and effectively monitor and track claims by utilizing our existing SAP data base rather than manual tracking through Excel.

Department Objective	Measure	FY 07-08 Actual	FY 08-09 Actual	FY 09-10 Estimate	FY 10-11 Projected
Communicate county benefit programs, alternatives and changes to employees through annual Open Enrollment meetings.	# of meetings held # of employees attending	42	2 24	1 40	30
Provide comprehensive health care to county employees - Counts are for employees by average month with distribution percentage.	Employees: Self-funded Medical Plan HMO Total Percentage: Self-funded Medical Plan HMO	1,476 1,502 2,978 50%	1,315 1,510 2,825 47% 53%	1,267 1,525 2,792 45% 55%	1,300 1,500 2,800 46% 54%
Provide comprehensive health care to county retirees – Counts shown for retirees by average month with distribution percentage.	Retirees: Self-funded Medical Plan HMO Total Percentage: Self-funded Medical Plan HMO	726 235 961 75% 25%	829 291 1,120 74% 26%	847 298 1,145 74% 26%	847 298 1,145 74% 26%
Provide comprehensive health care to county employees and retirees. Costs for provided programs for fiscal year.	Fixed expenses (incl. HMO cost) Claims Runoff claims Total:	\$15,478,731 \$18,151,960 \$836,510 \$30,844,974	\$17,540,111 \$19,621,479 \$1,383,420 \$38,545,010	\$24,000,000 \$20,000,000 \$1,800,000 \$45,800,000	\$28,800,000 \$24,000,000 \$2,160,000 \$54,960,000

# RISK MANAGEMENT FUND



#### **Total Funded 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 2010-2011 Budgeted Operating Costs

Department Total

\$ 8,121,042

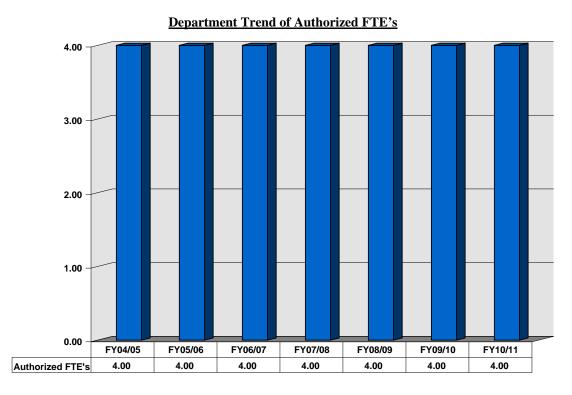
### **Statement of Cash Flow Trend Analysis**

Statement of Cash	Cash from	Cash from	Cash from	Cash from		<b>Beginning Cash</b>	<b>Ending Cash</b>
Flow	Operating	NonCapital	Capital	Investing	Net Change in	Balance	Balance
Trend Analysis	Activities	Activities	Activities	Activities	Cash	July 1	June 30
FY04/05 Actual	\$ 172,987	\$ 3,036,130	\$ -	\$ 378,872	\$ 3,587,989	\$ 12,890,076	\$ 16,478,065
FY05/06 Actual	\$ 3,041,521	\$ -	\$ -	\$ 351,699	\$ 3,393,220	\$ 16,478,065	\$ 19,871,285
FY06/07 Actual	\$ 1,551,263	\$ -	\$ -	\$ 1,019,001	\$ 2,570,264	\$ 19,871,285	\$ 22,441,549
FY07/08 Actual	\$ 1,923,192	\$ -	\$ -	\$ 1,192,139	\$ 3,115,331	\$ 22,441,549	\$ 25,556,880
FY08/09 Actual	\$ 3,167,599	\$ -	\$ -	\$ 1,079,622	\$ 4,247,221	\$ 25,556,880	\$ 29,804,101
FY09/10 Estimate	\$ 2,242,386	\$ -	\$ -	\$ 565,650	\$ 2,808,036	\$ 29,804,101	\$ 32,612,137
FY10/11 Budget	\$ (2,243,168)	\$ (11,500,000)	\$ -	\$ 380,650	\$ (13,362,518)	\$ 32,612,137	\$ 19,249,619

Revenue, Expenses, and Net Income Trend Analysis

Revenue,						
Expenses & Net			NonOperating			
Income	Operating	Operating	Revenues	Capital		
Trend Analysis	Revenue	Expenses	(Expenses)	Contributions	Transfers	Net Income
FY04/05 Actual	\$3,955,714	\$ 6,918,460	\$ 534,228	\$ -	\$ 2,900,000	\$ 471,482
FY05/06 Actual	\$7,363,058	\$ 3,792,707	\$ 384,047	\$ -	\$ -	\$ 3,954,398
FY06/07 Actual	\$6,631,350	\$ 5,563,736	\$ 1,052,560	\$ -	\$ -	\$ 2,120,174
FY07/08 Actual	\$6,707,872	\$ 3,303,380	\$ 1,221,444	\$ -	\$ -	\$ 4,625,936
FY08/09 Actual	\$7,660,392	\$ 2,299,552	\$ 1,023,966	\$ -	\$ -	\$ 6,384,806
FY09/10 Estimate	\$6,082,034	\$ 3,839,648	\$ 565,650	\$ -	\$ -	\$ 2,808,036
FY10/11 Budget	\$5,877,874	\$ 8,121,042	\$ 380,650	\$ -	\$(11,500,000)	\$(13,362,518)

Sources: Comprehensive Annual Financial Report(s) Fiscal Years 2005 thru 2009; Washoe County Final Budget Fiscal Year Ended June 30, 2011.



Note: Authorized full-time equivalent positions (FTE's) are positions approved by the Board of County Commissioners. Due to budget reductions in previous years an authorized FTE may not have been funded. Beginning FY10/11, the Board of County Commissioners directed that an authorized FTE is a funded FTE, and all unfunded FTE's were eliminated. Therefore the comparison to prior years may be skewed.

#### **Long Term Goals**

- Safeguard financial resources by monitoring and managing costs and liabilities and implementing process improvements.
- Complete the chemical inventory required by OSHA 29CFR 1910.1200.
- Continue to educate County Deputies on the Heart and Lung statutes NRS 617.455 & 457.

#### **Goals for Fiscal Year 2010-2011**

- Improve cost effectiveness of programs covering property and liability, and workers' compensation.
- Control the frequency and severity of property, liability and workers' compensation losses through loss control
  measures
- Improve information provided on Finance Department website.
- Develop and implement training plans for staff.
- Recertify Safety Officer's OSHA 501 training, which will enable him to give that latest information to employees and to continue to provide for a safe work environment.
- Review new Defensive Driver's training programs which will enable Safety Officer to update the training program for the employees.

#### Accomplishments for Fiscal Year 2009-2010

- Washoe County Material Safety Data Sheets computer program went live and is working well; employees have been trained in the use of the program.
- Completed the chemical inventory for FY 2010.

Department Objective	Measure	FY 07-08 Actual	FY 08-09 Actual	FY 09-10 Estimate	FY 10-11 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 % of contracts modified	654 23%		715 19	
Secure insurance coverage to protect the County from losses from causes attributable to the County.	# of insurance policies purchased  Premium paid	11 800,933	17 \$1,417,038	17 \$1,420,000	17 \$1,420,000
Administer liability claims and property damage claims.	# of claims filed # of claims denied	158		157 25	
Recover funds due the County for damages to County equipment or injuries to County employees.	# of subrogation claims handled % of successful subrogations Amount collected	53 93% \$81,150	37 97% \$107,729	40 80% \$40,000	42 80% \$42,000
Reduce potential workplace hazards.	# of safety inspections conducted.  # of work hazards corrected	68 55	111 50	110 100	110 100

Department Objective	Measure	FY 07-08 Actual	FY 08-09 Actual	FY 09-10 Estimate	FY 10-11 Projected
Control employee on-duty driving	# of new employees trained	110	19	17	0
accidents through Drivers Training for new employees and employees who drive on county	# of current employees trained	256	330	337	375
time.	# of vehicle accidents			131	
	Accidents/100,000 miles driven				