



MEMORANDUM

RIVERSIDE COUNTY EXECUTIVE OFFICE

Larry Parrish
County Executive Officer

TO: Members, Board of Supervisors
FROM: Larry Parrish, CEO
RE: FY03-04 Internal Service Fees
DATE: January 29, 2003

Annually, in accordance with Board Policy B-4, internal service department managers, the Auditor-Controller, and the Executive Office evaluate existing and proposed charges for services. Internal fees include those from departments that administer true Internal Service Funds (ISFs), as well as those, such as Human Resources, that function much like ISFs.

Following this memo are department proposals for next year's rates. Mindful of State budget uncertainties, department heads were encouraged to hold rates at the FY 2002-03 levels. The few recommended increases are a result of increased usage, uncontrollable insurance costs, more employees, or departments requesting a greater level of service than in past years. The following is a summary of the rate changes, in millions of dollars, requested by service departments and recommended by this office:

ISF	FY02 Actual	FY03 Approved	FY04 Requested	FY04 Recommended	Recommended Increase
OASIS, RIFMIS & Payroll	8.3	12.2	12.2	12.2	0
Info Technology-CORNET	3.0	4.5	4.5	4.5	0
Human Resources	7.7	9.4	10.4	10.4	1.0
Workers Comp	15.1	21.7	33.0	21.7	0
Property Insurance	1.6	3.1	4.1	4.1	1.0
Liability Insurance	12.1	5.4	11.2	5.4	0
Med Malpractice	1.0	1.3	5.2	1.3	0
Records Mgmt	1.8	2.4	2.3	2.3	(.1)
Supply Shipping	.1	.2	.2	.2	0
TOTAL	50.7	60.2	83.1	62.1	1.9

ISF rates represent a large portion of departmental costs over which, in many cases, departmental users have little or no control. When rates rise too sharply, user departments typically respond by reducing spending in other areas (staffing and services) or requesting additional County funding to maintain levels of service.

As detailed in the Human Resources Director's well-articulated attachment, actuarial studies indicate that, in order to maintain recommended confidence levels, the insurance rates for workers compensation, medical malpractice, and liability should rise by \$21 million next year. These studies are based on past and anticipated claims and risks. In a more stable economic climate, I would endorse the Human Resources Director's recommendations to increase rates.

3.32 a-f

My long-range intent is certainly to fortify these funds. However, these insurance funds all maintain substantial cash balances -- totaling \$107 million at the beginning of this fiscal year -- and collectively expend about \$31 million in a typical year. After careful evaluation, it has been determined that a cash balance of \$107 million, combined with an anticipated \$30 million to be generated from current rates, will provide sufficient funds to cover the estimated FY 2003/04 program expenses of \$44 million. Maintaining rates at the current level will lower confidence levels, but this can be revisited at any time. I therefore recommend that departments be charged the same rates for the workers' compensation, medical malpractice and liability insurance types as were approved last year at this time. In view of the significant budget uncertainties we face, this seems the prudent course. As the County is not self-insured for property, that \$1 million rate increase is recommended.

While most of the other rate proposals were unchanged from the current year, there are some refinements to the allocation of costs (primarily related to the use of technology, and not affecting the total costs) that will cause departments to pay either more or less than in prior years. Those most dramatically affected by this usage-based change in methodology will be the Regional Medical Center, the Assessor/Clerk/Recorder, and the Transportation and Land Management departments. Most of these functions can claim only partial reimbursement of these charges from outside funding agencies or through fees. Still, the new distribution methodology appears to be a fairer way to allocate costs, and is approved by the Auditor-Controller.

This year, internal service managers held meetings with their customers as part of the rate-setting process that takes place each winter. These meetings allowed users to better understand all of the costs that enter into rate calculations. It also gave those users an opportunity to provide feedback to the service departments. This practice is expected to continue in future years.

We cannot know precisely how the State's tight budget will affect our own financial situation. A general strategy of maintaining current ISF service levels and rates seems most prudent, and requires internal service departments to economize along with frontline departments. Approval of the motions below will provide internal service departments sufficient funding to maintain current services and staff.

It is, therefore, recommended that the Board of Supervisors:

- 1) Approve the general Human Resources charges and property insurance rates on the attached Form 11, and maintain the FY 2002/03 rates for workers' compensation, medical malpractice, general liability and auto liability insurances; and
- 2) Approve each of the other attached fee-related Forms 11.

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



467

FROM: Department of Information Technology

SUBMITTAL DATE: December 26, 2002

SUBJECT: FY 2003-2004 Rates for the Department of Information Technology.

RECOMMENDED MOTION: That the Board of Supervisors 1) Receive and file the attached Department of Information Technology Business Plan for Fiscal Year 2003-2004; and 2) approve the Department of Information Technology's rates as outlined in the attachment, "Rates for FY 2003-2004".

BACKGROUND: This Form 11 is to establish the rates for the Department of Information Technology for FY 2003-2004.

The rates being submitted this year remain unchanged from last year with one exception. The new rate for CORNET Bandwidth usage was originally approved for last year but modified back to the old per PC rate to allow departments' sufficient time for correct budgeting. The budget for CORNET has remained unchanged from this year to next year, but because it will now be based on actual usage, there will be a reallocation of the costs. All departments have been provided with the potential impact of the reallocation.

Steve Reneker, CIO
Information Technology

FINANCIAL DATA:

CURRENT YEAR COST	NA	ANNUAL COST:	NA
NET COUNTY COST	NA	IN CURRENT YEAR BUDGET:	Yes
		BUDGET ADJUSTMENT FY:	No

SOURCE OF FUNDS: Org 394 - ISF Charge Back

C.E.O. RECOMMENDATION:

County Executive Office Signature

FISCAL PROCEDURES APPROVED
ROBERT E. BYRD, Auditor-Controller
BY 1-29/03 Deputy

Policy

Consent

Department Recommendation:
Per Executive Office:

Prev. Agn. ref.

Dist.

AGENDA NO

3.326

COUNTYWIDE TECHNOLOGY BUSINESS PLAN

2003-2004



Riverside County Information Technology Department
Steve Reneker, Chief Information Officer

Report located at: <http://intranet.co.riverside.ca.us/tech/businessplan/contents.htm>

COUNTYWIDE TECHNOLOGY BUSINESS PLAN 2003 • 2004

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COUNTYWIDE TECHNOLOGY BUSINESS PLAN 2003 • 2004

EXECUTIVE SUMMARY

The County of Riverside is one of the nations fastest growing regions, yet the uncertainties of the State of California's financial situation will challenge County departments' ability to deliver services.

Technology will continue to play a key role in enhancing County services, and keeping operations running in a cost efficient manner. Over the years, technology has been the means of keeping staffing levels down, yet providing timely and professional quality services to the constituents in Riverside County.

- Impacts from the State of California will be realized next fiscal year and may increase in severity for several years. Over the next several fiscal years, IT will need to provide consistent services without increasing rates.
- Network security is a top priority for the technology organizations of the County after a year of increases in viruses, worms, cyber-terrorism and network intrusions. The County's Chief Information Security Officer is quickly moving to implement new County policies to tighten the network perimeter without significant increased costs to departments.
- Public Safety Communications have recently been enhanced to improve coverage for the Sheriff. While replacement funds have been established for handhelds and portable devices, mobile data terminals are now being replaced by mobile data computers and a strategy for replacement is required.
- The County's new Peoplesoft (OASIS) system is proving to be challenging to departments as old processes must change and a new complicated technology must be learned. As expected, system issues will subside over the first year of implementation. The need for continued upgrades every 18 months, and reductions in modification of 10% each upgrade cycle, must be adhered to in order to achieve long-term savings and efficiencies.



COUNTYWIDE TECHNOLOGY BUSINESS PLAN 2003 • 2004

- Technologies break through traditional barriers of jurisdictional isolation. Citizens and businesses view our County as a regional community, not as service islands. The County must take a lead role in creating partnerships with each jurisdiction, special interest groups, educational institutions, and local business leaders to create a new image for Riverside County – an image of community, cooperation, and economic opportunity.

The business objectives for 2003-2004 will continue to focus on partnerships, developing enterprise solutions, and distributing technology ownership throughout the organization. The Information Technology Department focuses on enterprise solutions that cross multiple organizations, while departments focus on technology solutions and support for applications specific to their own organization.

- The Departmental Technology Standards Committee (DTSC) continues to be the critical partnership Countywide in establishing standards and guidelines that all County departments and agencies must conform. The Executive Technology Committee (ETC) comprised of technology officers throughout the County discuss strategies, directions and share knowledge of projects. Other forums are in place to address collaborative issues such as security, policy, digital government strategies, system replacements and enterprise objectives.
- Enterprise solutions will continue to be explored to enhance security, provide seamless connectivity, allow information integration, and reduce overall County costs.
- The Information Technology Department will continue to focus on project management, change management, customer service and cost containment. It must continue synergistic partnerships with departments, keep open communications, and remain proactive to emerging technologies.



COUNTYWIDE TECHNOLOGY BUSINESS PLAN 2003 • 2004

During fiscal year 2003-2004, the top ten key initiatives and enterprise solutions directed by the Chief Information Officer are:

- 1 CORNET Security
- 2 Replacement Reserve for CORNET Hardware
- 3 Exchange/Outlook Roll-out (replace GroupWise)
- 4 Enterprise GIS
- 5 Property Tax Replacement
- 6 Interactive Voice Response (IVR)/Computer Telephony Integration(CTI)
- 7 Digital Government
- 8 Replacement Reserve for Mobile Data Terminals/Computers
- 9 Replacement Reserve for Voice Systems
- 10 Enterprise Application Integration (Criminal Justice systems)

Rapidly changing technology and new emerging technical solutions require that our technical investments are prudent to ensure what we implement today will serve our needs well into the future. Making well-informed decisions and recommendations is essential. The Information Technology Department (ITD) remains active in state and national organizations to keep pace with issues facing government, and remains knowledgeable about new technologies in the industry and how they have been implemented. ITD uses the expertise of industry leaders in technology research and analysis as part of technical evaluations to ensure decisions are well founded and that technology projects chosen are long-term strategic decisions and not merely ones based on lowest cost.

Interdepartmental collaboration, improved communications, partnerships and knowledge sharing will remain essential elements for continued success in selecting and implementing technology that contributes to significantly improved service to our citizens.

