



MULTNOMAH COUNTY OREGON

DEPARTMENT OF COUNTY MANAGEMENT
FLEET, RECORDS, ELECTRONICS, DISTRIBUTION & STORES
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TO: DCM Internal Service Customers
FROM: Richard Swift
DATE: January 8, 2007
SUBJECT: FREDs FY08 Budget

The purpose of this memo is to provide general background information about the FY08 FREDs Budget expenditures, revenues, service reimbursements. Specific information regarding individual departments' charges will be provided separately.

Fleet Services

Expenditures

Total expenditures are down \$1,161,000 from FY07. Capital is down \$1,307,000 reflecting normal replacement schedule variations. Materials and Services are up overall \$114,000 including: \$109,000 estimated fuel increase; a \$52,000 increase in external repairs; a \$45,000 increase in Facilities costs; and a \$83,000 reduction from the elimination of the GF indirect charge. Personnel costs are up \$31,000 with no change in FTE.

Revenues

Total revenues excluding BWC are up \$79,000 or 1.3%. Changes include: a \$21,000 decrease to \$764,000 in external revenue primarily due to anticipated cut backs by Portland Public Schools; a \$75,000 increase in estimated interest earnings; and a \$38,000 or .8% increase in service reimbursements.

Service Reimbursements

The major impacts on service reimbursements this year are the 10% estimated increase in budgeted fuel costs and a change in the motor pool rates. The fuel increase affects mileage rates and the costs for "actual cost" vehicles. Two factors influence the change in motor pool rates. First, the overall charges for motor pool reflect the elimination of subsidies that had been available from previous year excess reserves that are no longer available. Secondly, the Motor Pool rate system is changed from mileage-based charges to time-based charges reflecting industry trends. Impacts to departmental charges are primarily due to the elimination of subsidies rather than the change in the rate system.

Electronics

Expenditures

Total expenditures are up \$36,000 or 4.4%. Materials and services are up overall \$17,500 including a \$25,000 increase in supplies which is offset somewhat by the elimination of \$18,332 in GF indirect charges. Personnel costs are up \$19,000 with no change in FTE.

Revenues

Total revenues are up \$148,300 or 18%. Changes include an \$81,400 increase in external agency revenue and a \$66,800 increase in service reimbursements. External agency revenue now represents 25% of Electronic Services total revenue.

Service Reimbursements

While contract equipment rates rose and fell based on experience, the overall contract equipment service reimbursements revenue is down about \$25,000. Time and material equipment revenue is up about \$70,000 due to increases in demand for services and an increase in the shop rate from \$79 to \$85 per hour.

Materiel Management

Expenditures

Total expenditures are up \$98,200 or 2.2% overall (7% of total expenses excluding external agency supplies). Material and services costs are up \$66,500 overall. The \$100,500 increase in MM's share of FREDS Administration is offset by the elimination of \$23,300 in GF indirect charges, a \$15,800 reduction in the budget for Facilities, and increased outside revenues. Personnel costs are up \$31,700 with no change in FTE.

Revenues

Total revenues are up \$11,780 or .3%. Changes include a \$34,500 increase in service charges to outside agencies and a \$22,500 decrease in service reimbursements due to the elimination of the general fund indirect and an adjustment made to reduce the allocation to the FY07 level using higher than anticipated external revenues. Non-pass-thru external agency revenue now represents 19% of Materiel Management operating revenues.

Service Reimbursements

The cost allocations to the departments are down due to the elimination of the general fund indirect and an adjustment made to reduce the allocation to the FY07 level using higher than anticipated external revenues. Individual departments may see increases or decreases based due to changes to their % of allocation.

Distribution Services

Expenditures

Total expenditures are down \$116,900 or 7.3% overall. Capital is down by \$50,000 due to the FY07 mail machine replacements. Material and services are down by \$78,300 primarily due to: a \$54,000 reduction in postage; and the elimination of \$32,000 in GF Indirect charges. Personnel costs are up \$11,300 or 2.1%.

Revenues

Total revenues excluding BWC are down \$45,600 overall. Changes include a \$65,500 reduction in service reimbursements and an estimated \$22,500 increase in interest revenue.

Service Reimbursements

The \$65,600 reduction in service reimbursements is due primarily to reductions in the amount of mail sent. Charge rates remained the same as FY07 except for the Stop Charge which increased to \$3,135 per point, a 4.5% increase.

Records

Expenditures

Total expenditures are up \$49,400 or 8% overall. Material and Services costs are up \$39,200, including an increase in Facilities charges of \$45,500 and elimination of the GF Indirect charge of \$8,700. Personnel costs are up \$10,200 or 3.1%.

Revenues

Total revenue is up \$52,500 or 8.3% including a \$2,500 increase in external revenue and a \$50,200 increase in service reimbursements.

Service Reimbursements

The cost allocations to departments are up \$50,200 to cover increased expenses.

In summary:

- There were no changes to FTE;
- External revenues are up;
- Fuel costs are up;
- Motor pool charges move from mileage-based to time-based; and
- Controllable expenses are flat.