

FISCAL YEAR 2008 BUDGET

Fund Summary

Fund Name : Fleet/Equipment Internal Service Fund
Business Area Name : General Debt Services
Fund No./Bus. Area No. : 9002 / 9700

	<u>FY2007 Budget</u>	<u>FY2007 Estimate</u>	<u>FY2008 Budget</u>
Beginning Fund Balance	0	0	0
Current Revenues	0	0	20,250,000
Total Available Resources	<u>0</u>	<u>0</u>	<u>20,250,000</u>
Maintenance and Operations	0	0	0
Debt Service and Other Uses	0	0	20,250,000
Total Expenditures	<u>0</u>	<u>0</u>	<u>20,250,000</u>
Planned Ending Fund Balance	0	0	0
Total Budget	<u>0</u>	<u>0</u>	<u>20,250,000</u>

The Fleet/Equipment Internal Service Fund is a new fund created in FY2008. The above summarization does not include any historical numbers since this is a new fund.

Beginning in FY2008, the acquisition of equipment will change by gradually shifting these costs to the operating budgets in the general fund. Historically, the practice of funding the purchase of equipment with debt has meant each department competed with each other over a limited resource. This practice has also caused equipment purchases to compete with capital project funding. Over the next few years, this dynamic will change to a policy of charging departments for the full cost of their equipment, which will enable better decision-making.

The fund derives its revenues from the transfer of funds that previously went directly to the Debt Service Fund, but will be transferred to City departments who will then pay the internal service fund for the use of that equipment. The internal service fund will then pay the Debt Service Fund. Initially, the departments will be assessed a capital charge for the use of existing vehicles that still have outstanding debt obligations. This amount will be sufficient to pay the debt service associated with the specific vehicles being utilized. For the new vehicles purchased in FY2008, the capital charge will be calculated at the time of purchase and charged to the respective departmental operating budget in the same manner. In the future, this policy will apply to certain information technology equipment.

Departments will also be allowed to purchase additional vehicles they deem necessary, and approved by the Building Services Department (the "BSD"), from departmental savings and cost efficiencies. There will be no increase to the departmental operating budgets for these additional vehicles, rather these proven savings will be committed to the payment of the debt service associated with the purchase.

FISCAL YEAR 2008 BUDGET

Business Area Budget Summary

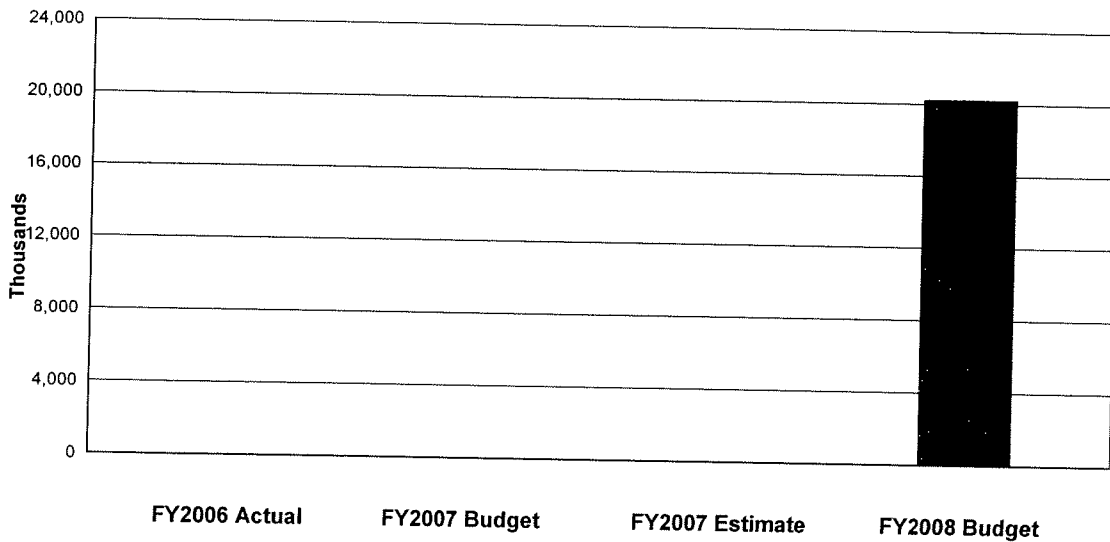
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		FY2006 Unaudited	FY2007 Budget	FY2007 Estimate	FY2008 Budget
Expenditures	Total M & O Expenditures	0	0	0	0
	Debt Service & Other Uses	0	0	0	20,250,000
	Total Expenditures	0	0	0	20,250,000
Revenues		0	0	0	20,250,000
Staffing	Full-Time Equivalents - Civilian	0.0	0.0	0.0	0.0
	Full-Time Equivalents - Classified		0.0	0.0	0.0
	Full-Time Equivalents - Cadets	0.0	0.0	0.0	0.0
	Total		0.0	0.0	0.0
	Full-Time Equivalents-Overtime	0.0	0.0	0.0	0.0

Budget Highlights

The Fleet/Equipment Internal Service Fund is a new fund being created in the FY2008 Budget.
 The Fund will allocate and collect the full capital costs and utilization costs of equipment by departments.

**Fleet/Equipment Internal Service Fund
 General Debt Services
 Expenditure Summary**



FISCAL YEAR 2008 BUDGET

Business Area Cost Center Summary

Fund Name : Fleet/Equipment Internal Service Fund
Business Area Name : General Debt Services
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Cost Center Description	Cost Center Objectives
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<p>Debt Service 9700010001</p> <p>Develop and operate an internal service fund for fleet and other equipment. Currently, departments' operating budgets incur the cost of operations, maintenance and fuel costs, and in the future will include capital costs associated with their equipment.</p>	<p>Over a period of time, begin charging departments for the full cost of their equipment. Enable the departments to evaluate the need for new equipment against the other needs of the department</p>
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FISCAL YEAR 2008 BUDGET

Business Area Cost Center Summary

Fund Name : Fleet/Equipment Internal Service Fund
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Performance Measures	FY2006 Unaudited			FY2007 Estimate			FY2008 Budget		
	Activities	FTEs	Costs \$	Activities	FTEs	Costs \$	Activities	FTEs	Costs \$
			0		0.0	0		0.0	20,250,000
Total			<u>0</u>		<u>0.0</u>	<u>0</u>		<u>0.0</u>	<u>20,250,000</u>

FISCAL YEAR 2008 BUDGET

Business Area Revenue Summary

Fund Name : Fleet/Equipment Internal Service Fund
Business Area Name : General Debt Services
Fund No./Bus Area No. : 9002 / 9700

Commit Item	Description	FY2007 Budget	FY2007 Estimate	FY2008 Budget
9700010001	Debt Service			
451080	Interfund Billing Fleet	0	0	20,250,000
Total	General Debt Services	<u>0</u>	<u>0</u>	<u>20,250,000</u>

FISCAL YEAR 2008 BUDGET

Business Area Expenditure Summary

Fund Name : Fleet/Equipment Internal Service Fund
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Commit Item	Description	FY2006 Unaudited	FY2007 Budget	FY2007 Estimate	FY2008 Budget
532050	Trans to PIB Bonds Debt Service	0	0	0	20,250,000
Total	Debt Service and Other Uses	0	0	0	20,250,000
	Grand Total Expenditures	0	0	0	20,250,000