

# Telephone Internal Service Fund

## General Government

Chris Cruz, Information System Director

Internal Service Fund	2017-2018 Actual	2018-2019 Adjusted	2019-2020 Requested	2019-2020 Recommended	Increase/ (Decrease)
<b>Expenditures</b>					
Salaries & Benefits	\$1,889,550	\$1,994,029	\$1,877,278	\$1,877,278	(\$116,751)
Services & Supplies	3,171,916	2,996,303	3,430,647	3,430,647	434,344
Centrally-Budgeted Expenses	747,864	1,116,792	838,263	838,263	(278,529)
Depreciation	0	258,720	172,283	172,283	(86,437)
<b>Total Expenditures</b>	<b>\$5,809,330</b>	<b>\$6,365,844</b>	<b>\$6,318,471</b>	<b>\$6,318,471</b>	<b>(\$47,373)</b>
Expenditure Reimbursements	(226,379)	0	0	0	0
<b>Total Appropriations</b>	<b>\$5,582,951</b>	<b>\$6,365,844</b>	<b>\$6,318,471</b>	<b>\$6,318,471</b>	<b>(\$47,373)</b>
<b>Earned Revenues By Source</b>					
Interest/Rents	\$3,323	\$5,000	\$9,618	\$9,618	\$4,618
Charges For Services	2	0	0	0	0
MP-TEL-RADIO Revenue	5,517,589	6,360,844	6,308,853	6,308,853	(51,991)
<b>Total Revenues</b>	<b>\$5,520,914</b>	<b>\$6,365,844</b>	<b>\$6,318,471</b>	<b>\$6,318,471</b>	<b>(\$47,373)</b>
<b>Revenues Over/(Under) Expenses</b>	<b>\$62,037</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Allocated Positions</b>	<b>13.0</b>	<b>13.0</b>	<b>13.0</b>	<b>13.0</b>	<b>0.0</b>

### Purpose

The Telephone Internal Service Fund (ISF) (#8260000000) was created to centralize the cost of operating and maintaining the County's central telephone system. Services provided include telephone, voice mail, long distance, call routing, data communications, video communications, fiber optics, and data cabling services.

- \$113,371 Increase in software and equipment maintenance costs.
- \$52,950 Increase in VoIP costs.
- \$36,100 Increase in data circuit costs.
- \$29,952 Increase in telephone system costs.
- (\$35,916) Decrease in software licensing costs.
- (\$22,000) Decrease in long distance and directory listing costs.
- (\$19,624) Decrease in voice mail service costs.

### Major Budget Changes

#### Salaries & Employee Benefits

- (\$70,598) Salary and benefits adjustments.
- (\$46,153) Decrease in overtime costs.

#### Services & Supplies

- \$285,511 Increase in finance payments for Voice over Internet Protocol (VoIP) equipment.

#### Centrally-Budgeted Expenses

- \$65,464 Increase in data processing charges.
- (\$239,223) Variety of VoIP equipment previously financed through Office Automation ISF paid in full.
- (\$103,819) Cost Allocation Plan adjustment.

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### Other Charges

- (\$86,437) Decrease in depreciation expense.

### Revenues

- (\$47,373) Decrease in operating revenue reflecting a decrease in charges.

### Program Discussion

The 2019-2020 recommended budget for the Telephone ISF totals \$6,318,471, which is a decrease of \$47,373 from the 2018-2019 adjusted budget. The decrease is primarily due to vacant positions being filled at lower steps, and a reduction in centrally-budgeted charges, offset by an increase in finance payments for additional VoIP equipment.

The costs for Telephone ISF services are recovered through billings to departments based on the following categories:

Services	Cost
<b>Operating Expense</b>	<b>\$2,490,774</b>
<i>Salary and benefits for communications staff, equipment maintenance, and overhead.</i>	
<b>Centrex Line Rate</b>	<b>\$652,001</b>
<i>Monthly contract costs for Centrex telephone service and depreciation expense.</i>	
<b>VoIP Line Rate</b>	<b>\$1,062,702</b>
<i>Monthly costs for VoIP telephone service and depreciation expense.</i>	
<b>Department-Specific Expense</b>	<b>\$1,317,076</b>
<i>Charges based on actual usage by County departments for long distance, local toll calls, local calls, data circuit charges, data wiring, and maintenance costs for all routers and switches.</i>	
<b>Centrex Voice Mail</b>	<b>\$59,416</b>
<i>Charges specific to Centrex voice mail services provided to departments.</i>	
<b>VoIP Voice Mail</b>	<b>\$98,919</b>
<i>Charges specific to VoIP voice mail services provided to departments.</i>	
<b>Internet &amp; Virtual Private Network (VPN)</b>	<b>\$637,583</b>
<i>Charges specific to Internet/e-mail and remote network access services provided to departments.</i>	

The following rates apply for 2019-2020 Telephone ISF services:

Monthly Cost Per Line	
<i>Centrex Telephone Line Rate</i>	\$49.02
<i>VoIP Telephone Line Rate</i>	\$38.52
<i>Centrex Voice Mail Box</i>	\$12.28
<i>VoIP Voice Mail Box</i>	\$1.91
<i>Internet/E-mail</i>	\$16.20
<i>Virtual Private Network</i>	\$13.00

### 2019-2020 Major Projects

- **Enhance Mass Notification and Physical Security for County Departments** – ISD will deploy enhanced mass notification and physical security capabilities to County departments leveraging the County’s VoIP technology and building security systems.
- **Expansion of Digital Services for Telephone and Voice Mail** – ISD Communications staff will complete the implementation of VoIP technology for the Sheriff’s Office and migrate remaining Centrex-based phones to the VoIP technology.
- **Improve Security for the County’s Confidential Data** – ISD staff will continue to strengthen the security surrounding the County’s confidential data and associated systems. Additional security will be focused on securing critical infrastructure, including continued strengthening of the County’s election systems.
- **Complete the Upgrade of Network Switches in the County Administration Building** – ISD intends to complete the replacement and upgrade of network equipment in the County Administration Building to insure reliability, improve speed, and strengthen security.
- **Migrate County Departments to a Cloud-based E-mail System** – ISD will begin migrating departments to a single cloud-based e-mail system based on processes and procedures developed during the pilot project in 2018-2019.

### 2018-2019 Accomplishments

- **Expanded Digital Telephone and Voice Mail Services** – ISD staff completed the deployment of VoIP technology to Behavioral Health Services, expanded the deployment of VoIP technology to the District Attorney’s Office, and began the process of migrating the Sheriff’s Office to VoIP technology.

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- **Improved Security for the County’s Confidential Data** – ISD staff procured and implemented new technologies to strengthen the security for the County’s confidential data and associated systems.
- **Evaluated the Viability of a Single County E-mail System** – ISD initiated a pilot project by moving one County department to a cloud-based e-mail system to identify the processes and procedures required to migrate all County departments to a single cloud-based e-mail system.
- **Implemented Improved Remote Access Security** – ISD implemented new technologies to effectively

secure and support business needs of the County workforce for remote access to County systems.

- **Replace Aging VoIP Handsets** – ISD replaced VoIP handsets in heavy use areas.

### Telephone ISF Fund Balance

Program costs in the Telephone ISF budget are fully reimbursed by user departments for services rendered. As of March 31, 2019, the Telephone ISF had a fund balance of \$385,188, which serves as the working capital for various programs/operations under the ISF. For 2019-2020, no fund balance is designated for use in the recommended budget.

### Workload Data

	-----Actual-----			Est./Act. 2018-2019	Projected 2019-2020
	2015-2016	2016-2017	2017-2018		
<i>Repairs (Trouble Reports)</i>	602	780	326	255	230
<i>Telephone Moves &amp; Changes (Number of Station Equipment/Sets)</i>	1,172	955	1,661	2,281	1,890
<i>Voice Mail (Orders/Changes/Programs)</i>	435	396	695	762	725
<i>Data Network Wiring Terminations</i>	187	280	86	360	90
<i>Work Orders (Processed &amp; Completed)</i>	2,396	2,887	2,682	3,331	2,990