

INTERNAL SERVICE FUNDS

**Management Information Systems
Vehicle Replacement
Long Term Building Maintenance**



[This page intentionally left blank]



CITY OF SONOMA

Management Information Services - MIS (Fund 601)

Wayne Wirick, Development Services Director / Building Official

The purpose of the Management Information Services (MIS) fund is to provide a funding mechanism for the operational costs, maintenance, and planned replacement of installed computer systems, equipment, software, telephone systems and other critical office equipment needed for the delivery of information and the conduct of business. All funds allocated for this purpose are derived from annual transfers from other City operations and therefore are reimbursements versus true revenues. The MIS Fund helps to prevent excessive swings in annual costs by anticipating future MIS replacement needs and amortizing the replacement costs over a period of time.

The City contracts with a computer consulting business for its network administration, network security and help desk support. Numerous other software vendors provide support to specific applications. There is no City employee position that is dedicated solely to City management information services. MIS coordination is absorbed and fulfilled by the Development Services Director / Building Official.

It is typical within the MIS Fund for equipment and software purchase costs to fluctuate from year-to-year due to normal cyclical buying patterns and equipment replacement needs.

The City has been proactive in investing in its MIS software and hardware continue to evaluate new technologies that enhance customer service and further to improve staff efficiency and effectiveness.

FISCAL YEAR 2020/21 ACCOMPLISHMENTS:

- Completed Phase 1 of a two-phased project to enhance network security and implement selected network security recommendations identified in the 2019 network security assessment report.
- Hardened the City's Internet service reliability and speed by moving to fiber optic Internet service for the City's network.
- Acquired Notebook computers utilizing CARES act funding to support work-from-home initiative for City staff during the COVID-19 Pandemic.
- Upgraded file server software to support enhanced the City's geographic information system.
- Facilitated Corp Yard WiFi Expansion Project.

FISCAL YEAR 2021/22 GOALS:

- Continue to maintain the City's Information Management Services (MIS) systems including the scheduled replacement of MIS equipment and software.
- Complete Phase 2 of a two-phased project to enhance network security and implement selected network security recommendations identified in the 2019 network security assessment report.

Network Security

In February of 2019 the City's computer network was successfully attacked by ransomware malware that encrypted most of the City's network files. The City's network consultant restored the encrypted files, but not before the disruption of City business operations. Subsequently, a third-party consultant was hired to conduct network vulnerability testing and to make recommendations for security improvements. Most of the high priority recommendations contained in the network security report are included in the 2-year plan shown below. The Phase I (FY 20/21) measures have been completed and Phase II measures are included in the FY 21/22 budget request.

2-Year Plan to Improve Priority 1 Network Security Issues					
FY	Project	Project Description	1st Year Project Costs	Following Years Recurring Costs	
PHASE I - FY 20/21	20/21	1	Establish process for adding systems to Inventory; Establish process for adding systems to Inventory; Automated patch management; Filter web content; Create (or update) and distribute an Acceptable Use Policy	\$9,440	\$5,280
	20/21	2	Document settings for A/V & other detection and protection tools; Deny local admin rights to users; All remote administration via secure channels; Include protection via AD and server security to critical and sensitive data & review sensitive data and provide visibility and separation from less sensitive data; Implement appropriate level of control of switch ports ; Limit console & remote control to approved secure connections; Create policy to change account info for all systems occasionally; Update out-of-date applications / software	\$10,744	\$0
	20/21	3	Employee security education	\$14,990	\$5,040
	21/22	4	Dual authentication for system access	\$14,640	\$250
	20/21	6	Run automated vulnerability scanning tools against all systems on network on a scheduled, routine basis (perform both anonymous and authenticated scans)	\$13,580	\$6,000
	Sub-Total 20/21 One-Time Project and 1st Year Costs			\$63,394	
Project Contingency @ 5%			\$3,170		
Total 20/21 One-Time Project and 1st Year Costs			\$66,564		
Future Ongoing Costs after Year 1				\$16,570	
PHASE II - FY 21/22	21/22	Added for 2021/22	Disaster Recovery - 4TB Cloud (offsite) Backup (includes KLH backup device) [Identified as Vulnerability in 2021 Insurance Cyber Security Survey]	\$25,388	\$20,388
	21/22	Added for 2021/22	Cyber Security Incident and Event Monitoring - Includes software and setup, log ingestion and retention. [Identified as Vulnerability in 2021 Insurance Cyber Security Survey]	\$21,000	\$18,000
	21/22	5	Create Response Process & Procedures to be taken to activate the Incident Response Team (IRT)	\$6,320	\$0
	21/22	7	Create Disaster Recovery (DR) and Business Continuity Planning (BCP) plan and perform periodic tests	\$15,800	\$1,800
	21/22	8	PenTest annually	\$7,080	\$1,600
	Total 21/22 One-Time Project and 1st Year Costs			\$75,588	
Future Ongoing Costs after Year 1				\$41,788	

FY 21/22 BUDGET MODIFICATIONS

It should be noted that all FY 2019/20 General Fund transfers into the MIS Fund were suspended due to the potential economic impacts of the COVID 19 pandemic. The cancelation of the transfers resulted in a loss of \$186,512 in the MIS fund, which will likely result in longer IT equipment and software replacement periods.

FY 2021/22 base budget transfers into the MIS fund reflects a decrease over the previous year of 6% [-\$16,300] due to normal cyclical variations.

The other key base budget expense changes are highlighted below.

Decrease on Professional Services to return to base level funding (excludes "above-base requests").	(\$51,200)
Increase in Repair and Maintenance to cover increases in software subscriptions, security measures and network administration and maintenance services	\$16,077
Increase of Capital Assets resulting from projected computer equipment spending and other cyclical equipment and software replacement needs.	\$6,506

RECOMMENDED FY 21/22 BUDGET

601 - Mgmt Information Service						
Description	FY 18-19 Actuals	FY 19-20 Actuals*	FY 20-21 Adopted Budget	FY 20-21 Amended Budget	FY 20-21 Projected Actuals*	FY 21-22 Budget
Charges For Services	-	-	-	-	-	-
Transfers	214,803	42,775	209,564	209,564	209,564	373,624
Interest Revenue	1,642	-	-	-	-	-
Other Revenue	-	-	-	-	-	-
Total Revenue	216,445	42,775	209,564	209,564	209,564	373,624
Professional Services	1,084	1,299	52,700	52,700	5,181	123,816
Property Services	5,122	-	51,200	51,200	-	-
Operations	112,360	112,497	156,615	156,615	126,987	198,198
Supplies	351	116	500	500	-	500
Software & Equipment	-	-	-	-	-	-
Internal Service & Capital Prj	72,193	122,824	77,330	77,330	77,330	83,836
Transfers	-	-	-	-	-	-
Depreciation	-	-	-	-	-	17,000
Total Expense	191,110	236,736	338,345	338,345	209,498	423,350
Grand Total	25,335	(193,961)	(128,781)	(128,781)	66	(49,726)
Beginning Fund Balance	353,862	379,197	185,236	185,236	185,236	185,302
Ending Fund Balance	379,197	185,236	56,455	56,455	185,302	135,576
* Unaudited						



CITY OF SONOMA

Vehicle & Equipment Replacement (Fund 603)

Wayne Wirick, Development Services Director / Building Official

The purpose of the Vehicle Replacement Fund (VRF) is to provide a funding mechanism for the planned replacement of existing vehicles and equipment. All funds are derived from annual transfers made by City departments where the vehicles are assigned.

The Vehicle Replacement fund helps to prevent excessive swings in annual vehicle replacement costs by anticipating future vehicle and equipment replacement needs and amortizing the replacement costs over a period of time. Existing vehicles and equipment are replaced based on their need to be replaced such as obsolescence, high maintenance costs, loss of productivity or efficiency). It is common to see significant increases and decreases in this budget fund due to varying amortization and replacement cycles.

The fund is calculated on an amortization schedule based on the estimated useful life and estimated replacement cost of the vehicle. There is an annual departmental review of all vehicles and equipment to determine replacement needs and available replacement funding. Transferred funds exceeding planned purchases during the year are held in reserve until vehicles are purchased.

In FY19/20 a mid-year budget resolution, approved by the City Council, canceled all FY19/20 budgeted General Fund VRF Transfers into the Vehicle Replacement Fund due to the potential economic impacts of the COVID 19 pandemic. In FY 20/21, only one-half of the General Fund VRF transfers were budgeted and transferred into the Vehicle Replacement Fund for the same reason. The resulting impact to the Vehicle Replacement Fund was that more than \$370,400 was not contributed into the VRF fund, thereby adding 1.5 years to the replacement amortization schedule for all City vehicles and equipment to be replaced with General Fund transfers. Vehicles that will be replaced with Water or Cemetery Fund transfers were not reduced or eliminated during FY 19/20 or FY 20/21 and therefore were not impacted.

The following vehicles or equipment are scheduled for replacement this budget year.

Department	ID	Description of Vehicle/Equipment to be Replaced	Vehicle Replacement Funding
Police	98K29	Replace Kawasaki motorcycle with new motorcycle. Transferred \$18,312 in from COPS Fund #217 for purchase of \$43,312 proposed motorcycle.	\$43,312
Fire/EMS	A1 (306)	Replace 2003 Ford Ambulance Type III #A-1 (306) with New Ambulance. Transferred \$27,750 in from EMS Equip Replacement Fund #521 for purchase of the \$210,000 proposed ambulance.	\$210,000
Fire/EMS	U-6 (3344)	Replace 2001 Jeep Cherokee 4x4 SUV command vehicle. Transferred \$5,000 in from EMS Equip Replacement Fund #521 for purchase of the \$50,000 proposed command vehicle	\$50,000

Department	ID	Description of Vehicle/Equipment to be Replaced	Vehicle Replacement Funding
Streets	SW-23	Replace 2002 Wacker- Vibrating Roller & Trailer (Shared 50/50 with Water Fund)	\$51,000
Parks	P-02	Replace 2006 Ford F-350 - Flat Bed with Lift Gate with new 3500 w/ 9' Flatbed and Stake-Sides and Lift-Gate. (\$20,000 Parks GF augmentation of \$20,000 is required for purchase of the \$55,000 proposed vehicle.	\$20,000
Parks	P-03	Replace 2003 F350 Ford Utility Truck with lift gate with new 1500 w/ Utility Bed and Lift Gate	\$45,000
TOTAL			\$419,312

RECOMMENDED FY 21/22 BUDGET

603 - Vehicle & Equipment Replacement

Description	FY 18-19 Actuals	FY 19-20 Projected Actuals*	FY 20-21 Adopted Budget	FY 20-21 Amended Budget	FY 20-21 Projected Actuals*	FY 21-22 Budget
Transfers	\$ 304,140	\$ 13,322	\$ 279,399	\$ 279,399	\$ 279,399	\$ 392,158
Other Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Revenue	\$ 21,166	\$ 3,378	\$ 8,500	\$ 8,500	\$ 8,500	\$ 8,500
Other Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue	\$ 325,306	\$ 16,700	\$ 287,899	\$ 287,899	\$ 287,899	\$ 400,658
Software & Equipment	\$ -	\$ 417,611	\$ 35,000	\$ 35,000	\$ 35,000	\$ 454,312
Transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Depreciation	\$ 235,528	\$ 236,000	\$ -	\$ -	\$ 236,000	\$ 236,000
Total Expense	\$ 235,528	\$ 653,611	\$ 35,000	\$ 35,000	\$ 271,000	\$ 690,312
Grand Total	\$ 89,778	\$ (636,911)	\$ 252,899	\$ 252,899	\$ 16,899	\$ (289,654)
Beginning fund Balance	\$1,189,677	\$1,279,455	\$ 642,544	\$ 642,544	\$ 642,544	\$ 659,443
Ending Fund Balance	\$1,279,455	\$ 642,544	\$ 895,443	\$ 895,443	\$ 659,443	\$ 369,789

*Unaudted



CITY OF SONOMA

Long-Term Building Maintenance (Fund 610)

*Wayne Wirick, Development Services Director / Building Official
Chris Pegg, Public Works Operations Manager*

The Long-Term Building Maintenance (LTBM) Fund is an Internal Service Fund that provides for the set-aside of funds for the future replacement or repair of certain maintenance items in City owned building facilities. This fund anticipates the eventual replacement of roofing, exterior and interior paint, floor coverings, HVAC equipment, parking lot paving and miscellaneous other items in City owned and maintained facilities and provides a mechanism by which the City can recover some or all of the expected maintenance costs by spreading the anticipated long-term maintenance costs out annually and including the anticipated expenses in the overhead formulas for fees for services.

Large swings in annual LTBM repair and maintenance project costs are normal and expected due to the varying types of projects being performed from year-to-year.

One of the challenges surrounding the maintenance of the City's facilities is the limited staff capacity to initiate and implement renovation or rehabilitation projects. Both Building Department and Public Works staff have other primary duties and facility maintenance often gets pushed aside for more immediate or time sensitive City priorities. Another area of future focus might be to hire an outside study and review of each of the City's facilities to ensure that the proper amount of funding is being set aside each year to truly meet the maintenance needs. Sonoma has been proactive in setting aside funding through industry benchmarks, but a specific asset/facility assessment has not been completed.

FISCAL YEAR 2019 – 2021 ACCOMPLISHMENTS:

- Defined needed maintenance work at the Haven.
- Completed feasibility analysis for emergency power for City Hall.
- Investigated basement water intrusion at Carnegie Building.
- Developed floor plan for Public Works Safety building at Corporation Yard.

FISCAL YEAR 2021 – 2022 GOALS:

- Fund and implement the LTBM projects listed on the following page.

RECOMMENDED BUDGET MODIFICATIONS

FY20/21 revenue transfers into the Long-Term Building Maintenance Internal Service Fund were reduced by 50% in response to City budget constraints associated with the coronavirus pandemic.

The recommended FY 21/22 expense budget for the Long-Term Building Maintenance Internal Service Fund is \$100,000 for the projects specified below. The projected estimated expenses are staff rough estimates and are not necessarily based on actual contractor quotes or proposals. Funds held in reserve for these projects will be transferred from reserves as the activities take place.

Project Description	Expense Description	Estimated FY 21-22 Expenses	Estimated Expenses FY 22-23	Estimated Total Project Cost
Fire Station #1 – Replace Control Panel	Improvement work	25,000	0	297,000
The Haven – Painting, Flooring, etc.	Improvement work	75,000	0	75,000
TOTAL		100,000	0	372,000

RECOMMENDED FY 21/22 BUDGET

610 - L/T Bldg Maint

Expenditure Category	FY 18-19 Actuals	FY 19-20 Actuals*	FY 20-21 Adopted Budget	FY 20-21 Amended Budget	FY 20-21 Projected Actuals*	FY 21-22 Budget
Charges For Services	\$ -	\$ -	\$ -	\$ -	\$ 15,320	\$ 314,635
Transfers	\$ 303,248	\$ -	\$ 322,247	\$ 322,247	\$ 314,927	\$ -
Transfer from Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Revenue	\$ 28,667	\$ -	\$ 8,000	\$ 8,000	\$ -	\$ 8,000
Total Revenue	\$ 331,915	\$ -	\$ 330,247	\$ 330,247	\$ 330,247	\$ 322,635
Professional Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Software & Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Internal Service & Capital	\$ 29,823	\$ 23,756	\$ 269,000	\$ 269,000	\$ 269,000	\$ 305,000
Total Expense	\$ 29,823	\$ 23,756	\$ 269,000	\$ 269,000	\$ 269,000	\$ 305,000
Grand Total	\$ 302,092	\$ (23,756)	\$ 61,247	\$ 61,247	\$ 61,247	\$ 17,635
Beginning Fund Balance	\$1,713,289	\$2,015,381	\$1,991,625	\$1,991,625	\$1,991,625	\$2,052,872
Ending Fund Balance	\$2,015,381	\$1,991,625	\$2,052,872	\$2,052,872	\$2,052,872	\$2,070,507
* Unaudited						



[This page intentionally left blank]

