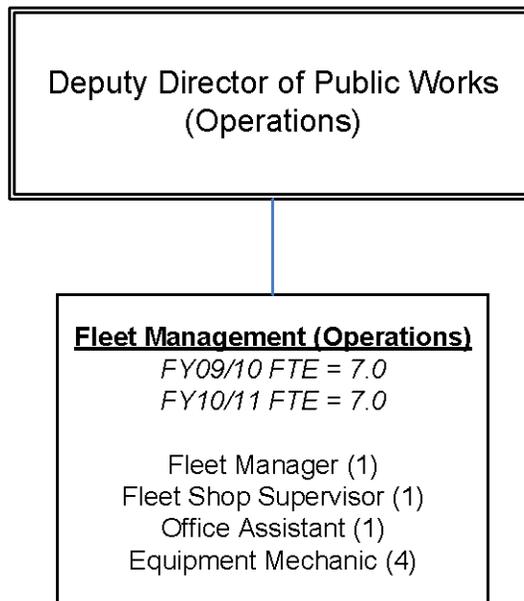


Fleet Management Fund

Fund Overview:

The Fleet Management Division provides full-service, “cradle-to-grave” management of the vehicles and equipment used by all City operations. This begins with specification development and replacement scheduling, transitioning to in-service preparation, regular repairs and scheduled maintenance and inspections, regulatory compliance, fuel data capture, decommissioning, and ultimately to the disposal of said assets.



Full Time Equivalent (FTE) Employees:

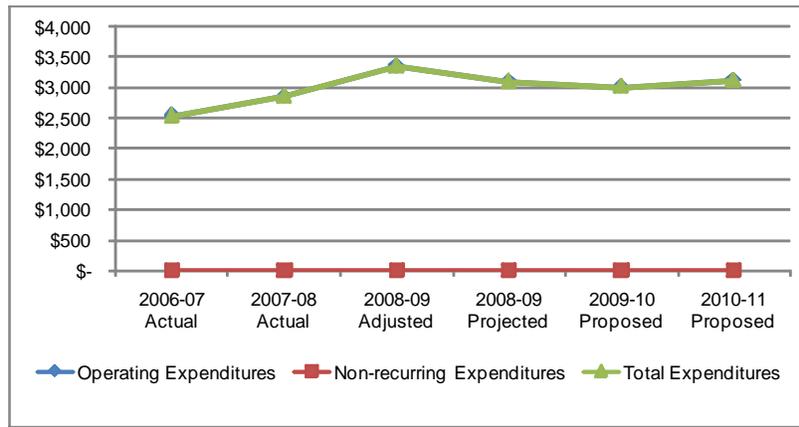
Position Category	2006-07	2007-08	2008-09	2009-10	2010-11
Full Time FTE	4.00	5.00	5.00	5.00	5.00
Part Time FTE	2.20	1.75	1.66	1.44	1.36
TOTAL MDF FTE	6.20	6.75	6.66	6.44	6.36

Fleet Management Fund

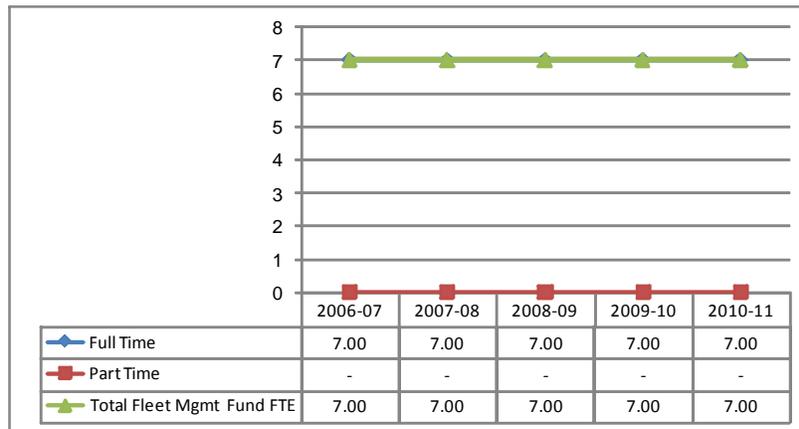
Major Accomplishments in Fiscal Years 2007-09:

- Received the “Model Pollution Prevention Vehicle Service and Repair Facility” award from the Cal EPA-Department of Toxic Substance Control (DTSC).
- Completed the upgrade of all police patrol cars from mobile data terminals to state-of-the-art ruggedized laptop computers. This was accomplished with minimal inconvenience to the department while finishing ahead of schedule and under budget.
- Implemented a successful customer service survey: results published.
- Brought City fleet data in-line with industry-standard coding and conventions.

Expenditure/Budget Trends (In Thousands):



Full Time Equivalent (FTE) Employees:



Fleet Management Fund

	2006-07 Actual	2007-08 Actual	2008-09 Adjusted	2008-09 Projected	2009-10 Proposed	% Change	2010-11 Proposed	% Change
Category Revenue Summary								
Intergovernmental	\$ -	-	220,000	-	-	-100%	-	-
Charges for Services	1,731,056	3,907,800	2,843,966	2,773,337	2,684,005	-6%	2,476,129	-8%
Interest on Investments	71,796	145,688	58,500	145,688	64,630	10%	42,090	-35%
Miscellaneous Revenue	-	(1)	-	-	-	-	-	-
Revenues Total	1,802,852	4,053,487	3,122,466	2,919,025	2,748,635	-12%	2,518,219	-9%
Category Expenditure Summary								
Salaries and Wages	527,384	634,295	745,825	686,156	726,250	-3%	759,696	5%
Materials and Supplies	544,590	620,013	618,765	505,250	569,093	-8%	617,436	8%
Services	728,533	604,788	800,813	907,241	704,382	-12%	731,016	4%
Capital Outlay	732,792	840,449	1,165,517	813,564	833,500	-28%	825,849	-4%
Operating Transfers Out	-	152,209	27,212	189,619	182,821	572%	188,305	3%
Operating Expenditures	2,533,299	2,851,754	3,358,132	3,101,830	3,016,046	-10%	3,122,302	3%
Net Impact of Operations	\$ (730,447)	1,201,733	(235,666)	(182,805)	(267,411)	13%	(604,083)	126%
Nonrecurring Revenues	-	700,000	700,000	700,000	-	-	-	-
Nonrecurring Expenses	-	-	-	-	-	-	-	-
Net Impact of Nonrecurring	-	700,000	700,000	700,000	-	-	-	-
Net Contribution / (Use)	\$ (730,447)	1,901,733	464,334	517,195	(267,411)	-158%	(604,083)	126%
Projected Fund Balance at June 30:		\$ 2,689,908		3,207,103	2,939,692		2,335,609	
		Audited						

Major Budget Changes for Fiscal Years 2009-11:

- Some FleetFocus-related services were done in-house to reduce costs.
- Cost saving measures will result in reduced costs in materials & supplies.
- The hire of an entry-level Serviceworker will reduce Salary & Wages.
- Retrofit 6 heavy duty diesel engines in each budget year per regulatory requirement.
- Pooled equipment has been re-assigned to Fleet. Short-term 'rentals' of this equipment will be administered at 2 pool locations and managed by Fleet.
- Vehicle and equipment maintenance and repair cost and fixed-rate billing will originate from the Fleet division's FleetFocus application.

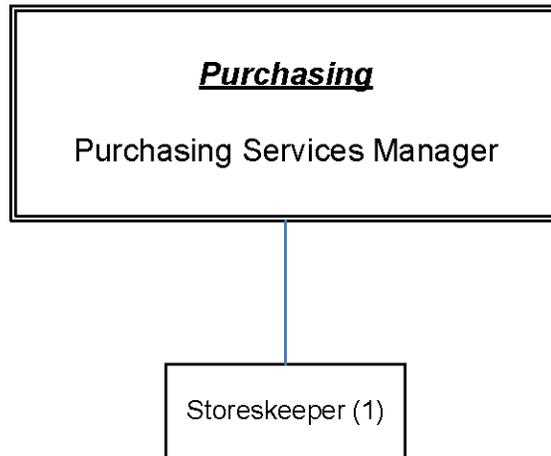
Key Initiatives for Fiscal Years 2009-11:

- Transparency Initiative: Fleet will be providing customers with the ability to query the FleetFocus application to determine progress and status of vehicle service and repairs via a web-based link from the Fleet intranet page.
- Administer newly-created motor pools at two City locations: Corporation Yard and Community Services Building (CSB); send data to IFAS for monthly billing.
- Administer the FleetFocus application as the "system of record" for City transportation assets. FleetFocus equipment maintenance and repair data will be passed to the new IFAS financial system on a monthly basis.
- Produce a vehicle/equipment utilization study for all City assets.

Central Stores Fund

Fund Overview:

The Central Stores facility was established to manage inventory for the City’s Water, Streets, Electrical, Parks, Building and Facilities Maintenance Divisions, as well as emergency (disaster preparedness) and general office operations. Materials used frequently by City departments or required for emergency repair are ordered and centrally stocked in the warehouse facility located at the Corporation Yard. Consolidation of various departments’ usage allows effective cost control and effective quantity control. Staff works together to reduce inventory through effective techniques such as just-in-time delivery, vendor-managed inventory and establishment of correct minimum and maximum stock quantities. Central Stores also handles in-bound and out-bound freight as needed.



Full Time Equivalent (FTE) Employees:

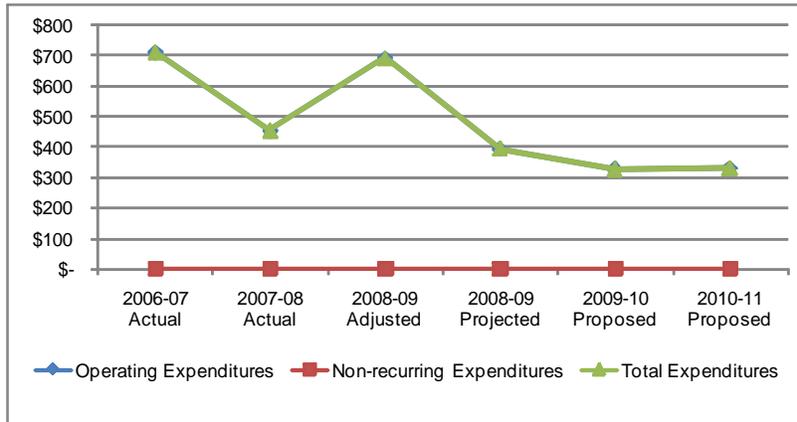
Position Category	2006-07	2007-08	2008-09	2009-10	2010-11
Full Time FTE	1.00	1.00	1.00	1.00	1.00
Part Time FTE	-	-	-	-	-
Total Central Stores Fund FTE	1.00	1.00	1.00	1.00	1.00

Central Stores Fund

Major Accomplishments in Fiscal Years 2007-09:

- Managed complete turnover of staff due to retirement or separation.
- Undertook major review of inventory levels to look for reduction opportunities.

Expenditure/Budget Trends (In Thousands):



Full Time Equivalent (FTE) Employees:



Central Stores Fund

	2006-07 Actual	2007-08 Actual	2008-09 Adjusted	2008-09 Projected	2009-10 Proposed	% Change	2010-11 Proposed	% Change
Category Revenue Summary								
Charges for Services	\$ 710,243	448,381	690,585	302,500	330,000	-52%	330,000	-
Interest on Investments	-	-	-	-	2,680	-	2,770	3%
Revenues Total	710,243	448,381	690,585	302,500	332,680	-52%	332,770	-
Category Expenditure Summary								
Salaries and Wages	117,780	121,914	165,622	85,000	83,481	-50%	88,011	5%
Materials and Supplies	1,689	1,904	1,750	650	1,800	3%	800	-56%
Services	586,397	323,516	518,685	300,800	209,880	-60%	209,010	-
Capital Outlay	4,487	4,487	5,000	5,000	-	-100%	-	-
Operating Transfers Out	-	-	-	-	30,000	-	30,000	-
Operating Expenditures	710,353	451,821	691,057	391,450	325,161	-53%	327,821	1%
Net Impact of Operations	\$ (110)	(3,440)	(472)	(88,950)	7,519	-1693%	4,949	-34%
Nonrecurring Revenues	-	-	-	-	-	-	-	-
Nonrecurring Expenses	-	-	-	-	-	-	-	-
Net Impact of Nonrecurring	-	-	-	-	-	-	-	-
Net Contribution / (Use)	\$ (110)	(3,440)	(472)	(88,950)	7,519	-1693%	4,949	-34%
Projected Fund Balance at June 30:		\$ 193,648		104,698	112,217		117,166	

Audited

Major Budget Changes for Fiscal Years 2009-11:

- The proposed budget adjusts all categories to be in line with projected 2008-09 revenues and expenditures. This fund's activity is a direct result of usage by other departments.

Key Initiatives for Fiscal Years 2009-11:

- Complete internal review of Central Stores to determine most efficient operation plan.
- Complete detailed inventory and begin liquidation of outdated or unused inventory.
- Reconfigure Central Stores to maximize use efficiencies and take advantage of best practices.
- Implement new inventory software to accurately track usage and turnover trends.
- Develop and implement just-in-time (JIT) contracts with suppliers for applicable inventory items to reduce hold costs.

Information Technology Replacement Fund

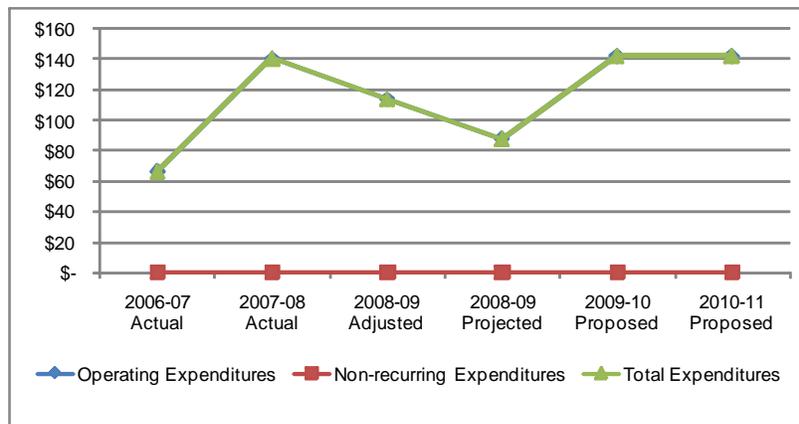
Fund Overview:

The Information Technology Replacement Fund provides for the replacement of IT and telephone infrastructure throughout General Fund departments as necessary to maintain staff productivity.

Major Accomplishments in Fiscal Years 2007-09:

- Replaced 130 workstations out of a total of 375.
- Replaced seven servers out of a total of 20.
- Replaced 11 network switches out of a total of 45.

Expenditure/Budget Trends (In Thousands):



Information Technology Replacement Fund

	2006-07 Actual	2007-08 Actual	2008-09 Adjusted	2008-09 Projected	2009-10 Proposed	% Change	2010-11 Proposed	% Change
Category Revenue Summary								
Charges for Services	\$ 92,000	108,516	113,550	113,500	142,000	25%	142,000	-
Interest on Investments	(273)	-	500	-	-	-100%	-	-
Operating Transfers In	-	-	-	-	-	-	-	-
Revenues Total	91,727	108,516	114,050	113,500	142,000	25%	142,000	-
Category Expenditure Summary								
Materials and Supplies	65,794	140,295	113,550	87,500	142,000	25%	142,000	-
Operating Expenditures	65,794	140,295	113,550	87,500	142,000	25%	142,000	-
Net Impact of Operations	\$ 25,933	(31,779)	500	26,000	-	-100%	-	-
Nonrecurring Revenues	-	-	-	-	-	-	-	-
Nonrecurring Expenses	-	-	-	-	-	-	-	-
Net Impact of Nonrecurring	-	-	-	-	-	-	-	-
Net Contribution / (Use)	\$ 25,933	(31,779)	500	26,000	-	-100%	-	-
Projected Fund Balance at June 30:		\$ (25,685)		315	315		315	
		Audited						

Major Budget Changes for Fiscal Years 2009-11:

- Contribution per workstation held flat at \$400 per year. Number of workstations covered by the replacement fund is 375.

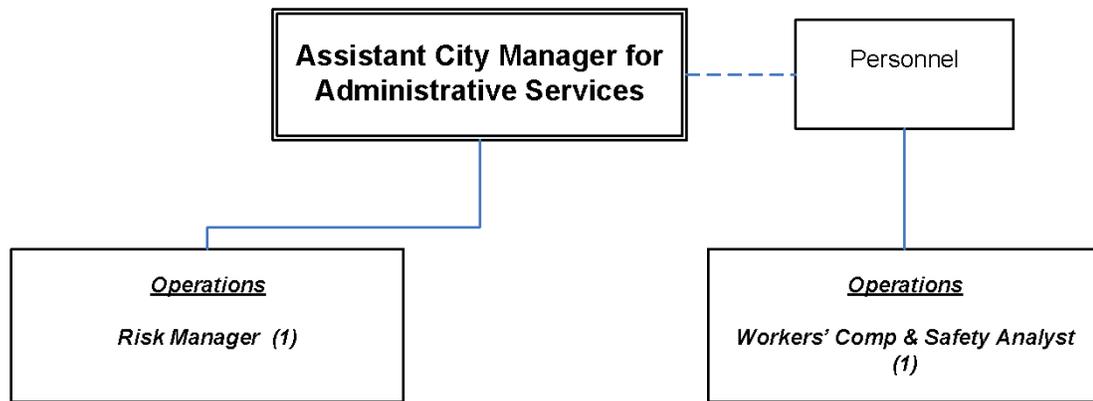
Key Initiatives for Fiscal Years 2009-11:

- Replace network infrastructure as necessary.
- Replace an estimated 80 workstations per fiscal year.
- Replace application servers as required.

Risk Management Fund

Fund Overview:

The Risk Management Fund is an internal service fund established to account for resources and uses related to the City’s self insurance program. The City’s self insurance retention amounts are: \$150,000 for general liability claims, \$300,000 for Workers’ Compensation claims and 100% of Dental and Unemployment claims. The risk management function is funded by charges to the various City departments.



Full Time Equivalent (FTE) Employees:

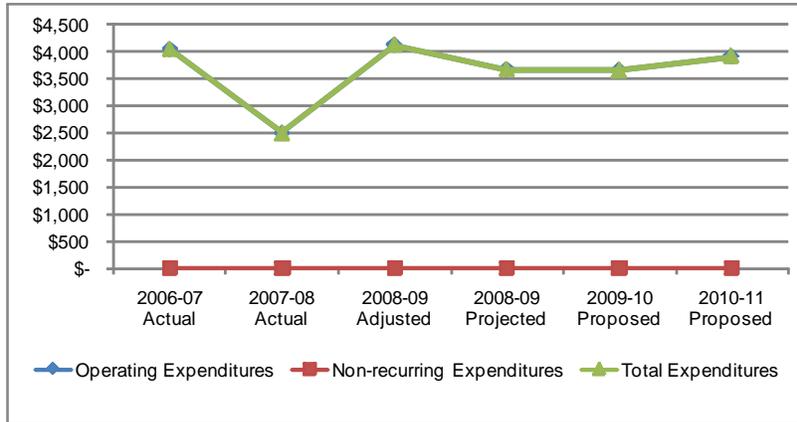
Position Category	2006-07	2007-08	2008-09	2009-10	2010-11
Full Time FTE	-	-	-	2.00	2.00
Part Time FTE	-	-	-	-	-
Total Risk Mgmt Fund FTE	-	-	-	2.00	2.00

Risk Management Fund

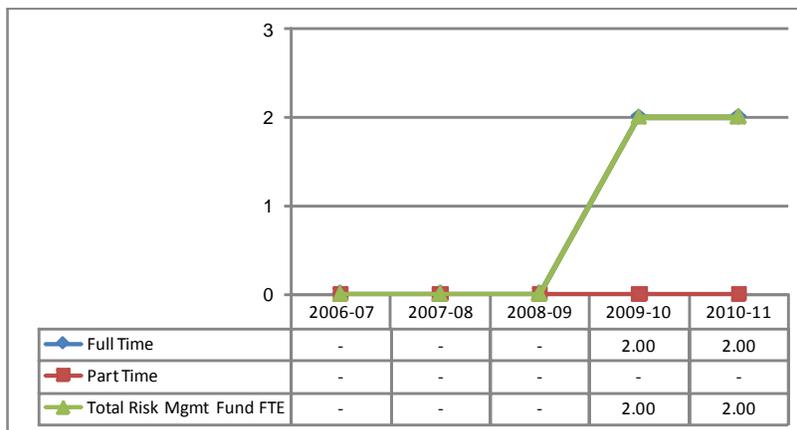
Major Accomplishments in Fiscal Years 2007-09:

- Re-established earthquake coverage for parking garage structures.
- Consolidated excess insurance coverage for the City of Napa and the Housing Authority of the City of Napa for increased protection and reduction in premiums.
- Obtained insurance coverage for pollution clean up costs and liability.
- Stabilized and improved fiscal health with transfers from the General Fund.

Expenditure/Budget Trends (In Thousands):



Full Time Equivalent (FTE) Employees:



Risk Management Fund

	2006-07 Actual	2007-08 Actual	2008-09 Adjusted	2008-09 Projected	2009-10 Proposed	% Change	2010-11 Proposed	% Change
Category Revenue Summary								
Charges for Services	\$ 2,440,251	3,062,555	3,729,817	3,499,028	3,525,950	-5%	3,650,668	4%
Interest on Investments	183,142	171,565	64,000	84,990	122,020	91%	118,256	-3%
Revenues Total	2,623,393	3,234,120	3,793,817	3,584,018	3,647,970	-4%	3,768,924	3%
Category Expenditure Summary								
Salaries and Wages	-	-	-	-	141,850	-	188,288	33%
Materials and Supplies	32	-	2,000	2,000	7,000	250%	2,060	-71%
Services	3,835,477	2,200,188	3,814,518	3,363,346	3,200,180	-16%	3,410,552	7%
Operating Transfers Out	204,117	286,767	302,955	302,955	302,261	-	311,329	3%
Operating Expenditures	4,039,626	2,486,956	4,119,473	3,668,301	3,651,291	-11%	3,912,229	7%
Net Impact of Operations	\$ (1,416,233)	1,247,165	174,344	415,717	(3,321)	-102%	(143,305)	4215%
Nonrecurring Revenues	-	500,000	500,000	500,000	-	-	-	-
Nonrecurring Expenses	-	-	-	-	-	-	-	-
Net Impact of Nonrecurring	-	500,000	500,000	500,000	-	-	-	-
Net Contribution / (Use)	\$ (1,416,233)	1,247,165	174,344	415,717	(3,321)	-102%	(143,305)	4215%
Projected Fund Balance at June 30:		\$ 3,887,937		4,303,654	4,300,333		4,157,028	
		Audited						

Major Budget Changes for Fiscal Years 2009-11:

- Salaries and Wages increased due to the addition of a full-time Management Analyst to replace part-time risk management consultant, and a full-time safety coordinator (Workers' Comp and Safety Analyst) to replace part-time Safety Coordinator.
- Materials and Supplies increased to meet one-time needs of new positions in Fiscal Year 2009-10.
- The City will not continue the transfer of \$500,000 from the General Fund as was done in Fiscal Year 2007-08 and 2008-09 to improve the fiscal health of the fund.
- New risk allocation plan implemented to ensure fair and equitable distribution of costs across City functions.
- Investment earnings down due to economy in Fiscal Year 2008-09 but are expected to increase during the 2009-10 Fiscal Year.

Key Initiatives for Fiscal Years 2009-11:

- Centralize risk management functions to increase effectiveness and oversight of program.
- Increase communication with City staff to proactively reduce hazards and liability exposure.
- Work with City Attorney, Personnel and Finance departments to successfully transition risk management function into City Manager's Department.

Post Employment Benefits Fund

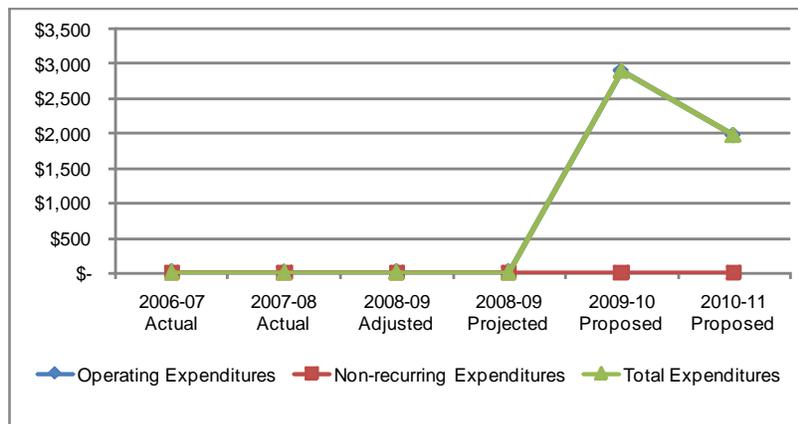
Fund Overview:

The Post Employment Benefits Fund is established to collect contributions from the General Fund and proprietary funds to cover the cost of retiree benefits for current and past employees. Expenditures from this fund would include payments for current retirees' benefits earned in prior years and contributions to an irrevocable trust to provide resources from which future retiree benefits will be paid.

Major Accomplishments in Fiscal Years 2007-09:

- Full funding by the General Fund for retiree benefits as determined by the June 30, 2006 Governmental Accounting Standards Board Statement 45 Other Post Employment Benefit (GASB 45, OPEB) Actuarial Study.

Expenditure/Budget Trends (In Thousands):



Post Employment Benefits Fund

	2006-07 Actual	2007-08 Actual	2008-09 Adjusted	2008-09 Projected	2009-10 Proposed	% Change	2010-11 Proposed	% Change
Category Revenue Summary								
Charges for Services	\$ -	-	-	1,613,996	1,924,318	100%	1,999,360	4%
Revenues Total	-	-	-	1,613,996	1,924,318	100%	1,999,360	4%
Category Expenditure Summary								
Services	-	-	-	-	2,888,314	100%	1,963,768	-32%
Operating Expenditures	-	-	-	-	2,888,314	100%	1,963,768	-32%
Net Impact of Operations	\$ -	\$ -	\$ -	\$ 1,613,996	\$ (963,996)	-100%	\$ 35,592	-104%
Nonrecurring Revenues	-	-	-	-	-	-	-	-
Nonrecurring Expenses	-	-	-	-	-	-	-	-
Net Impact of Nonrecurring	-	-	-	-	-	-	-	-
Net Contribution / (Use)	\$ -	\$ -	\$ -	\$ 1,613,996	\$ (963,996)	-100%	\$ 35,592	-104%
Projected Fund Balance at June 30:		\$ -		1,613,996	650,000		685,592	

Audited

Major Budget Changes for Fiscal Years 2009-11:

- The June 30, 2008 GASB 45 Other Post Employment Benefit (OPEB) Actuarial Study found that the 2006 study understated the City's liability by approximately \$3 million due to a number of retirees and current employees not eligible for Medicare.
- To fully fund the actuarial obligations, the contribution rates as a percent of payroll are as follows: 7% at a discount rate of 4.25% (if no irrevocable trust is in place); 5.2% at a discount rate of 7% (irrevocable trust in place); or 5% at a discount rate of 7.75% (CalPERS trust required).
- Contribution rate budgeted for 2009-11 is 4.75% of payroll.

Key Initiatives for Fiscal Years 2009-11:

- Establish an irrevocable trust for future retiree benefits.