

Supplemental Package Requests

Department 8010000 - GRAPHIC SERVICES
 Package B - TRUE TWO-COLOR OFFSET PRESS
 Program GRAPHIC SERVICES
 Priority 2
 One Time Cost Continuing Cost

Type of Request

New Program Expanded Program Growth Related New Mandate
 Revenue Enhancement Capital Other (explain in description)

	FY2005/06 Recommended	FY2006/07 Annualized	FY2007/08 Annualized	FY2008/09 Annualized	FY2009/10 Annualized
Personal Services	0	0	0	0	0
Supplies & Services	(38,000)	(38,000)	(38,000)	(38,000)	(38,000)
Capital	0	0	0	0	0
Total Expenditures	(38,000)	(38,000)	(38,000)	(38,000)	(38,000)
Total Revenues	20,000	20,000	20,000	20,000	20,000
Fund Balance Support	(58,000)	(58,000)	(58,000)	(58,000)	(58,000)
General Fund Support	0	0	0	0	0

Description

Purchase a used true two-color offset press to reduce in house two-color job processing time and to print three and four-color jobs that are currently being sent out to a printing vendor. All Graphic Services existing presses are one-color presses. They are seventeen years old. Currently two-color jobs require two passes the press; only one pass would be needed with the two-color press. This cuts the time almost in half and cuts the wear and tear on the press in half. The time and labor saved will be used for processing more two-color jobs and bringing back in house the three and four-color jobs. In FY 02/03 approximately \$38,000 was paid to outside vendors for this work.

The department is submitting this request to purchase the capital equipment costing more than \$5,000 because of the cash and fund balance situation.

The cost of the recommended capital is \$75,000, but it does not show in the recommended funding column because it was reversed out due to accounting rules for internal service departments. By approving this request, the department is authorized to purchase this equipment.

Personal Services

No additional personal services would be required. Personnel time will be saved on two-color jobs and shifted to processing three and four-color jobs. Currently two-color jobs have to be run through the single-color press two times.

Supplies & Services

Additional supplies & services required to operate the press include paper, ink, and service/repair. However, in order to make room for the new press one of the older presses will be retired. The older presses have high repair & maintenance costs. It is anticipated that any higher supplies costs associated with the three and four-color jobs will be offset by lower repair & maintenance costs of the newer press.

By printing the jobs in house instead of sending them to an outside vendor and passing the cost on to the customer, it is anticipated that \$38,000 of outside vendor printing costs will be saved.

Capital Request

A used true two-color offset press. The cost of the press is \$75,000.

Revenues

Some additional revenue is expected as a direct result of this purchase. Improved turn-around-time and a shorter press-run time should at some point bring in some jobs requiring a faster turn-around-time than is currently possible. Currently 5% of all jobs are two-color. However, 20% of envelope orders are two-color. In FY 03/04 envelopes were our second highest money maker (\$97,126). If those 20% were run twice as fast the resulting \$20,000 (approx.) would post to us sooner, would allow jobs waiting to be run sooner and would allow us to bring four-color work back in-house.

Impact if not Funded

Without the purchase of a used true two-color offset press the department will rarely perform four-color print jobs, departments will continue using outside vendors for most of these jobs, and the potential cost savings not be realized. Two-color print jobs will continue using two passes through the press and no employee time will be freed to work on other jobs. The number of impressions made and the wear-and-tear on the current old presses will continue to be double on these jobs. Customer service will continue to be constrained by the longer turn-around-time on two-color jobs, which affects one-color jobs waiting to go to press.

Source of Mandate

None

Goals & Objectives

Goal - Reduce department use of outside vendor for three and four-color jobs by bringing them in-house

- Increase efficiency and revenue
- Improve value added service
- Reduce production time on two-color jobs enabling other jobs to be printed

Performance Measure	FY2004/05 Estimated	FY2005/06 Planned	FY2006/07 Planned
% of three & four-color produced in house	2%	95%	95%
% of jobs completed in industry-standard 10 days	20%	70%	85%

Supplemental Package Recommended With Changes.

Supplemental Package Requests

Department 8010000 - GRAPHIC SERVICES
 Package C - COMPUTER TO PLATE UNIT
 Program GRAPHIC SERVICES
 Priority 3
 One Time Cost Continuing Cost

Type of Request

New Program	<input type="checkbox"/>	Expanded Program	<input type="checkbox"/>	Growth Related	<input type="checkbox"/>	New Mandate	<input type="checkbox"/>
Revenue Enhancement	<input checked="" type="checkbox"/>	Capital	<input checked="" type="checkbox"/>	Other (explain in description)	<input type="checkbox"/>		
	FY2005/06 Recommended	FY2006/07 Annualized	FY2007/08 Annualized	FY2008/09 Annualized	FY2009/10 Annualized		
Personal Services	0	0	0	0	0		
Supplies & Services	(46,400)	(46,400)	(46,400)	(46,400)	(46,400)		(46,400)
Capital	0	0	0	0	0		0
Total Expenditures	(46,400)	(46,400)	(46,400)	(46,400)	(46,400)		(46,400)
Total Revenues	28,302	28,302	28,302	28,302	28,302		28,302
Fund Balance Support	(74,702)	(74,702)	(74,702)	(74,702)	(74,702)		(74,702)
General Fund Support	0	0	0	0	0		0

Description

Purchase of a computer to plate (CTP) unit to create a printing plate directly from a digital file, which is industry standard practice. Currently negatives have to be purchased from an outside vendor, stripped, and then printing plates are burned. This labor-intense process is outdated. Having the ability to create the plates directly would reduce expenses and free up employee time for other tasks.

The department is submitting this request to purchase capital equipment costing more than \$5,000 because of the cash and fund balance situation.

The cost of the recommended capital is \$54,000, but it does not show in the recommended funding column because it was reversed out due to accounting rules for internal service funds. By approving this request, the department is authorized to purchase this equipment.

Personal Services

No additional personal services are required. By producing a printing plate directly from a digital file, the CTP unit will save employee time by eliminating the duties of getting the digital files to a vendor, stripping the negatives, and burning and cleaning the printing plates. Approximately 30% of the Trades Maintenance Specialists time is spent on this activity. When the Specialist is backed up the pressmen burn their own plates - which is approximately 10% of their time. The CTP plates are not reused so the time spent washing and coating them would also be saved.

Supplies & Services

Outside vendor services will be reduced by approximately \$48,000 per year. Partially offsetting the savings would be supplies & services for the new unit including plate material, chemicals and service/repair. Fiscal year 2005/06 expenses are estimated at \$3,400. This would be partially offset/reduced by the \$1,800 now spent in-house on plates and chemicals used for the existing process. The savings result in a pay-back period of less than two years.

Capital Request

A new CTP unit that creates a printing plate directly from a digital file. The cost of the unit is \$54,000.

Revenues

No additional revenue would be created by the unit itself. However, expenses would be reduced and the unit will pay for itself in less than two years. The approximately 30% of one person's time and the approximately 10% of three pressmen's time would increase productivity and thus revenue by allowing more jobs to be produced in the same amount of time. The FY 03/04 revenue from the offset presses was \$566,037. Assuming a conservative 5-8% increase in production from each of the three pressmen, the additional revenue would be \$28,302 to \$44,482.

Impact if not Funded

Employee time will continue being used for obtaining negatives for printing plates from outside vendors, stripping the negatives, and burning the printing plates. The outside vendor expenses will continue and no expense reduction will occur. Productivity will not be improved and customer service will be constrained by the longer turn-around-time.

Source of Mandate

n/a

Goals & Objectives

- Goal - Reduce the outsourcing of negatives
- Increase efficiency and revenue
- Improve value added service
- Reduce production time enabling more jobs to be printed

Performance Measure	FY2004/05 Estimated	FY2005/06 Planned	FY2006/07 Planned
% of jobs sent to outside vendors for negatives	100%	10%	2%
% of jobs completed in industry-standard 10 days	20%	70%	85%

Supplemental Package Recommended With Changes.

Supplemental Package Requests

Department 8010000 - GRAPHIC SERVICES
 Package D - COST ALLOCATION TO REDUCE NEGATIVE FUND BALANCE Priority 4
 Program GRAPHIC SERVICES One Time Cost Continuing Cost

Type of Request

New Program Expanded Program Growth Related New Mandate
 Revenue Enhancement Capital Other (explain in description)

	FY2005/06 Recommended	FY2006/07 Annualized	FY2007/08 Annualized	FY2008/09 Annualized	FY2009/10 Annualized
Personal Services	0	0	0	0	0
Supplies & Services	0	0	0	0	0
Capital	0	0	0	0	0
Total Expenditures	0	0	0	0	0
Total Revenues	0	0	0	0	0
Fund Balance Support	0	0	0	0	0
General Fund Support	0	0	0	0	0

Description

The Department is requesting that Finance implement a cost allocation for Graphic Services. The additional revenue will be used to reduce the negative unreserved fund balance. The projected unreserved Fund balance for fiscal year 2005-2006 is (\$1,012,909), it will take approximately three years to eliminate the deficit.

Personal Services

None

Supplies & Services

None

Capital Request

None

Revenues

The revenue from the cost allocation for Graphic Services to County departments will help reduce the negative unreserved Fund balance, which is projected to be (\$1,012,909) by June 30, 2006.

Impact if not Funded

If the Cost allocation is not approved Graphics will continue to carry a negative unreserved Fund balance.

Source of Mandate

n/a

Goals & Objectives

Goal 1

Realize the ability of Graphic Services to enhance and portray the professional image of all County departments and Pima County government as an entity to the public and to governmental agencies throughout the country.

Goal 2

Reduce negative unrestricted Fund balance and be operating in the black by July 2008. Graphics has been consistently reducing their operating expenditures.

Revenues have been dropping since Sonoran Desert Conservation Plan has been completed and department budgets have been tightened.

Objective 1

Receive assistance/subsidy because all work created by the Graphic Services benefits and enhances the image of the County as a whole

Performance Measure	FY2004/05 Estimated	FY2005/06 Planned	FY2006/07 Planned
% of move towards positive fund balance	-8%	26%	33%

Supplemental Package Is Not Recommended.