

Expenditures Overview: Internal Service Funds

Internal Service Funds

Internal service funds are used by Metro Government to identify and account for costs incurred by one department to provide goods and services to other departments and agencies. For FY26, the Internal Service Funds that recover their budget through billings to departments will be Information Technology Services, which includes radio billings, and General Services, which includes Fleet Management and Surplus Property. Below is a brief description of the services provided by each fund:

- Information Technology Service (ITS) – Infrastructure and support functions related to applications, voice and data connectivity and security, mail and access management, file storage, servers, technical help desk, data center operations, some radio communication services, and personal computing devices.
- Fleet Management (Fleet) – Fleet management, fuel services, and maintenance.
- Surplus Property – Handling and disposition of surplus property.

Below are two schedules that show the details of the FY26 billings and the FY25-FY26 budget change broken down by Internal Service Fund. Once the Budget Ordinance is adopted, the FY25-FY26 change for each internal service fee will be allocated to departmental budgets.

| Summary Schedule FY2026 | | | | |
|---|----------------------------------|---------------------|---------------------|----------------------|
| Internal Service Billings | | | | |
| | ITS | Fleet | Surplus Pro | Total |
| | FY26 Billings | FY26 Billing | FY26 Billing | FY26 Billings |
| | (Includes Radio Billings) | | | |
| 10101 GSD General | 43,053,600 | 32,532,100 | 247,100 | 75,832,800 |
| 18301 USD General | - | - | - | - |
| General Fund Subsidies | | | | |
| 30501 Solid Waste Operations | 347,000 | 5,466,400 | 11,300 | 5,824,700 |
| 60008 SPA Sports Authority CU | 62,600 | - | 400 | 63,000 |
| Total General Fund Subsidies | 409,600 | 5,466,400 | 11,700 | 5,887,700 |
| Other Special Rev/Grant Funds | | | | |
| 30200 Police Task Force Fund | - | 23,000 | - | 23,000 |
| 31500 MAC Admin & Leasehold | 1,469,300 | - | 11,600 | 1,480,900 |
| 31502 MAC Headstart Grant | - | 410,700 | - | 410,700 |
| 32226 Juvenile Court Grant Fund | - | 15,500 | - | 15,500 |
| 35131 MNPS General Purpose | 6,825,300 | - | 87,300 | 6,912,600 |
| 51137 Information Technology Service | - | 7,400 | 10,800 | 18,200 |
| 51154 Office of Fleet Management | 547,500 | - | 8,500 | 556,000 |
| 51180 Treasury Management | 61,900 | - | 500 | 62,400 |
| 60152 Farmers Market | 77,900 | - | 600 | 78,500 |
| 60156 Fair Commission | 179,100 | - | - | 179,100 |
| 60161 Municipal Auditorium | 74,200 | - | 600 | 74,800 |
| 60271 Music City Center Operations | 545,800 | - | - | 545,800 |
| 61190 Surplus Property Auction | 30,500 | 11,300 | - | 41,800 |
| 67331 W&S Operating | 4,575,600 | 3,936,700 | 41,400 | 8,553,700 |
| 67431 W&S SW Stormwater Operating | 609,900 | 1,112,500 | 7,500 | 1,729,900 |
| Total Other Special Rev/Grant Funds | 14,997,000 | 5,517,100 | 168,800 | 20,682,900 |
| Direct Billings to Outside Accounts/Fund Balance | 5,857,300 | 3,600 | 1,097,800 | 6,958,700 |
| Grand Total | 64,317,500 | 43,519,200 | 1,525,400 | 109,362,100 |

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| Summary Schedule FY2026 | | | | |
|--|-------------------|------------------|------------------|-------------------|
| Internal Service Budget Variances FY2025 - FY2026 | | | | |
| | ITS | Fleet | Surplus Property | Total |
| | FY25 - FY26 | FY25 - FY26 | FY25 - FY26 | FY25 - FY26 |
| | Budget | Budget | Budget | Budget |
| | Variance | Variance | Variance | Variance |
| 10101 GSD General | 9,512,200 | 12,956,900 | 26,400 | 22,495,500 |
| 18301 USD General | - | (10,364,200) | (2,200) | (10,366,400) |
| General Fund Subsidies | | | | |
| 30501 Solid Waste Operations | 106,500 | 963,700 | 700 | 1,070,900 |
| 60008 Sports Authority CU | 12,500 | - | (400) | 12,100 |
| General Fund Subsidies | 119,000 | 963,700 | 300 | 1,083,000 |
| Total Other Special Rev/Grant Funds | | | | |
| 30200 Police Task Force Fund | - | (2,800) | - | (2,800) |
| 31500 MAC Admin & Leasehold | 275,800 | - | 200 | 276,000 |
| 31502 MAC Headstart Grant | - | 100,600 | - | 100,600 |
| 32226 Juvenile Court Grant Fund | - | (10,200) | - | (10,200) |
| 35131 MNPS General Purpose | 963,000 | - | 21,700 | 984,700 |
| 51137 Information Technology Service | - | (26,700) | 1,300 | (25,400) |
| 51154 Office of Fleet Management | 17,400 | - | 800 | 18,200 |
| 51180 Treasury Management | 26,400 | - | - | 26,400 |
| 60152 Farmers Market | 22,600 | - | 100 | 22,700 |
| 60156 Fair Commission | 38,700 | - | - | 38,700 |
| 60161 Municipal Auditorium | 17,100 | - | - | 17,100 |
| 60271 Music City Center Operations | 168,900 | - | - | 168,900 |
| 61190 Surplus Property Auction | 3,300 | 7,600 | - | 10,900 |
| 67331 W&S Operating | 1,135,000 | 460,600 | 4,700 | 1,600,300 |
| 67431 W&S SW Stormwater Operating | 120,200 | 94,300 | 800 | 215,300 |
| Total Other Special Rev/Grant Funds | 2,788,400 | 623,400 | 29,600 | 3,441,400 |
| Direct Billings to Outside Accounts/Fund Balance | 744,100 | 2,000 | 135,400 | 881,500 |
| Grand Total | 13,163,700 | 4,181,800 | 189,500 | 17,535,000 |

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Internal Service Allocation Methods

To help explain how the remaining internal service charges are calculated the following schedules outline how the costs are allocated for each of the internal service funds. Included are the list of activities in each department; the basis on which the costs of each activity are allocated; the total number of allocation units; the total cost to departments; the resulting cost per unit, where applicable; and a brief narrative example of how the allocation works. All schedules are based on the FY26 Budget.

| Allocation Method by Activity | | | | | |
|--|--|-------------------------------|---------------------------------------|------------------------------------|--|
| General Services Department | | | | | |
| Activity | Allocation Basis | Total Allocation Units | Costs Allocated to Departments | Allocation or Cost Per Unit | Example |
| Fleet Services (Preventative Maintenance/Major Maintenance/Asset Management) | Actual usage by number of vehicles, by department | 4,240 | Submitted by General Services | Submitted by General Services | Charges determined by actual usage plus any additional vehicles given in current budget |
| Fuel Services | Percent of Actual Usage Reported by Fuel Master & Wright Express system | 100% | Submitted by General Services | Submitted by General Services | Charges determined by recent actual usage statistics for departments |
| Metro Surplus Property Auction | Customer Budget Size as Percentage of Total of Customer Department Budgets | N/A | \$427,600 | Allocated | A department with 2% of Metro's budgeted expenditures will pay 2% of the costs allocated to departments. |

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| FY26 Allocation Method by Activity | | | | | |
|--|--|------------------------|--------------------------------|--------------------------------------|--|
| Information Technology Services | | | | | |
| Activity | Allocation Basis | Total Allocation Units | Costs Allocated to Departments | Allocation or Cost Per Unit (Annual) | Example |
| Imaging Usage | Number of pages imaged | 3,596,830 | \$265,623 | \$0.07 | Department is charged \$.006 monthly for each page imaged |
| Imaging Storage | Gigabytes of image storage required and access to imaged pages | 20,302 | \$619,788 | \$30.53 | Department is charged \$2.54 monthly per GB of stored images |
| R12 HR and Payroll | Number of paychecks | 679,848 | \$4,016,880 | \$5.91 | Department is charged \$0.49 monthly for each paycheck |
| R12 General Accounting | Number of R12 financial transactions (GL, AP, invoices, etc.) | 442,294 | \$7,098,172 | \$16.05 | Department is charged \$1.34 monthly for each R12 transaction |
| R12 and Procurement Storage | Number of stored paychecks, accounting transactions, and purchase orders | 8,692,962 | \$2,733,683 | \$0.31 | Department is charged \$0.026 monthly for each stored transaction |
| Kronos Time and Attendance | Number of Kronos transactions | 112,748 | \$1,128,946 | \$10.01 | Department is charged \$0.83 monthly for each Kronos transaction |
| Oracle ULA | Percent of Use | 51 | \$971,999 | \$19,058.80 | Allocated to depts based on % of use |
| ESRI | Percent of Use | 96 | \$1,416,793 | \$14,709.23 | Allocated to depts based on % of use |
| HubNashville | Percent of Use | 96 | \$1,515,097 | \$15,798.06 | Allocated to depts based on % of use |
| CPMS | Percent of Use | 258 | \$1,280,360 | \$4,962.64 | Allocated to depts based on % of use |
| Budget System | Allocated to departments based on budget size | 1,533,975,000 | \$1,426,118 | \$0.001 | Department is charged \$0.0001 per budgeted dollar |
| Tax System | Allocated 100% to Trustee | N/A | \$32,907 | N/A | Allocated 100% to Trustee |
| Land and Permitting System | Allocated to departments based on access, utilization, and transactions | % use | \$1,354,287 | N/A | Allocated to depts based on % of use |
| Nashville.gov | Equally distributed across departments on the Nashville.gov platform | 55 | \$1,118,087 | \$20,354.76 | Departments on Nashville.gov are charged \$1,696.23 monthly |
| External Site - Full Support | Full support of sites external to Nashville.gov platform | 2 | \$81,089 | \$40,544.50 | Department is charged \$3,378.71 monthly per external site supported |
| Web Traffic Tier 1 (0-10k Page Views) | Number of web page views | N/A | \$0 | \$0.00 | Department not charged if less than 10,000 annual page views |
| Web Traffic Tier 2 (10k - 100k Page Views) | Number of web page views | 595,813 | \$45,833 | \$0.077 | Department is charged \$0.077 per page view |
| Web Traffic Tier 3 (Above 100k Page Views) | Number of web page views | 13,668,948 | \$356,789 | \$0.026 | Department is charged \$0.026 per page view |
| Application Maintenance & Support | Number of allocated application support hours | 5,090 | \$719,762 | \$141.41 | Department is charged \$141.41 for each allocated hour |
| Database Support | Number of databases supported | 505 | \$320,010 | \$633.68 | Department is charged \$633.68 for each database supported |

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| FY26 Allocation Method by Activity | | | | | |
|---|--|------------------------|--------------------------------|--------------------------------------|---|
| Information Technology Services | | | | | |
| Activity | Allocation Basis | Total Allocation Units | Costs Allocated to Departments | Allocation or Cost Per Unit (Annual) | Example |
| Desk Side Support | Number of personal computing devices supported | 9,033 | \$4,724,351 | \$523.01 | Department is charged \$43.58 monthly per device supported |
| PC Asset Management | Number of PC devices managed (purchased/inventory records mgmt). | 12,696 | \$916,107 | \$72.16 | Department is charged \$6.01 monthly per device managed |
| M365 | Number of PCs | 9,894 | \$1,249,239 | \$126.26 | Department is charged \$10.52 monthly per mailbox |
| Microsoft EA | License Cost | NA | \$4,787,394 | \$0.00 | Department is charged monthly based on cost of license type selected |
| Physical Server Housing | Facility housing allocated by units of rack space for physical servers | 102 | \$599,411 | \$5,876.58 | Department is charged \$489.71 monthly per device housed in the ITS Data Center |
| Virtual Server Housing | Facility housing allocated by units of rack space for virtual servers | 18.07 | \$59,091 | \$3,270.12 | Department is charged \$272.51 monthly per device housed in the ITS Data Center |
| Managed Physical Server | Number of physical servers supported | 174 | \$1,614,371 | \$9,277.99 | Department is charged \$773.17 monthly per physical server supported |
| Managed Virtual Server | Number of virtual servers supported | 318 | \$1,115,058 | \$3,506.47 | Department is charged \$292.21 monthly per virtual server supported |
| Storage (GB) | Gigabytes of storage space allocated | 281,879 | \$1,144,761 | \$4.06 | Departments is charged \$0.34 monthly per GB of storage space |
| Network Nodes | Number of connections to the Metro network. (computing devices, VPN accounts, and multifunction devices) | 16,780 | \$14,819,342 | \$883.16 | Department is charged \$73.60 monthly per connection |
| 800 MHz Radio (Access to radio service w/Metro Owned Equipment) | Number of radios | 7,520 | \$2,309,532 | \$307.12 | Department is charged \$25.59 monthly per connection |
| 800 MHz Radio (Access to radio service w/o Metro Owned Equipment) | Number of radios | 1,756 | \$400,368 | \$228.00 | Department is charged \$19.00 monthly per connection |