



Board Agenda Item 50

DATE: June 18, 2024

TO: Board of Supervisors

SUBMITTED BY: Edward Hill, Chief Operating Officer/ Interim Director of Internal Services/Chief Information Officer

SUBJECT: Amendment to the Master Schedule of Fees, Charges, and Recovered Costs
Section 4300 - Information Technology Services

RECOMMENDED ACTION(S):

Conduct second hearing to amend the Master Schedule of Fees, Charges, and Recovered Costs Section 4300 - Information Technology Services, where subsections 4302 - Telecommunications Network Connection Rate, 4303 - IVR Seat Charge Rate, 4304 - Financial Transaction Rate, 4305 - HR Transaction Rate, 4308 - Application Hosting Rate, 4309 - GIS Support Rate, 4310 - Information Storage and Admin Rate, 4313 - Enterprise Base Rate, 4314 - IT Labor Rate, 4315 - Pager Rate, 4317 - Radio Access for 24x7 Radios Rate, 4320 - SQL Database Rate, 4321 - Oracle Database Rate, 4322 - Static Storage Rate, 4323 - Host on Demand Rate, 4326 - Graphics Labor Rate, 4327 - Messenger Service Rate, 4328 - Black & White Copy Rate, 4329 - Color Copy Rate, and 4330 - Active User Rate, are to be amended; waive the reading of the Ordinance in its entirety.

There is no additional Net County Cost associated with the recommended actions, which will amend the Master Schedule of Fees, Charges, and Recovered Costs (MSF) Ordinance, Section 4300 - Information Technology Services, based on the anticipated Internal Services Department - Information Technology (ISD-IT) costs for FY 2024-25. The proposed rate increases, which range from 0.02% to 2.78%, will be used for recovery of costs of ISD-IT staff for certain services and PeopleSoft operations provided to user departments and other public agencies. This MSF will also include decreases which range from -5.30% to -27.37% which is due to the previous methodology of allocating ISD overhead within divisional rates, for FY 2024-25 ISD has transitioned to charging a single unified rate by creating a new Cost Center 105 to capture all general ISD overhead costs resulting in a reduced impact on individual rates. This item is countywide.

ALTERNATIVE ACTION(S):

Your Board may direct ISD-IT to not change the rates, or change a portion of the rates, or propose alternative rates, however, these alternatives may not recover the full costs of services.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. Amending the rates for services rendered to user departments and other public agencies will result in the collection of a portion of the revenues needed to operate two separate Internal Service Funds (ISF) for FY 2024-25. Those ISFs are:

Fund 1020, Information Technology Services, Org 8905-8908
Fund 1030, PeopleSoft Operations, Org 8933

Most of the increases, which range from 0.02% to 2.78%, are due to a variety of factors, including salary and benefit increases and increased costs for licensing software. This MSF will also include decreases which range from -5.30% to -27.37% which is due to the previous methodology of allocating ISD overhead within divisional rates. For FY 2024-25 ISD has transitioned to charging a single unified rate by creating a new Cost Center 105 to capture all general ISD overhead costs resulting in a reduced impact on individual rates.

DISCUSSION:

On June 4, 2024, your Board conducted the first hearing to amend Section 4300 - Information Technology Services. As an ISF, ISD must recover all operating expenses by charging user departments and public agencies for services ordered and rendered.

The recommended amendments to the MSF, if adopted by your Board, would update ISD-IT's rates. These rates were established by estimating the annual operating costs of the components of each of the respective services, and then dividing those costs by the projected usage of all user departments and public agencies. The rates indicated are for services used by both internal and external customers and make up a portion of the total revenues collected by the ISF's.

The proposed amendments to the MSF would increase rates for subsections:

- 4304 - Financial Transaction Rate, and
- 4305 - HR Transaction Rate.

The proposed amendments to the MSF would also decrease rates for subsections:

- 4302 - Telecommunications Network Connection Rate,
- 4303 - IVR Seat Charge Rate,
- 4308 - Application Hosting Rate,
- 4309 - GIS Support Rate,
- 4310 - Information Storage and Admin Rate,
- 4313 - Enterprise Base Rate,
- 4314 - IT Labor Rate,
- 4315 - Pager Rate,
- 4317 - Radio Access for 24x7 Radios Rate,
- 4320 - SQL Database Rate,
- 4321 - Oracle Database Rate,
- 4322 - Static Storage Rate,
- 4323 - Host on Demand Rate,
- 4326 - Graphics Labor Rate,
- 4327 - Messenger Service Rate,
- 4328 - Black & White Copy Rate,
- 4329 - Color Copy Rate, and
- 4330 - Active User Rate.

Attachment A is a Summary of Proposed Revision to Fees and illustrates a comparison between the proposed rates and prior rates for the two preceding budget years for the subsections recommended for amendment.

ISD staff has calculated the rates using its best estimate of costs, and the rates are currently being reviewed by the Auditor-Controller/Treasurer-Tax Collector.

The summary of the ordinance amendment was published in the Business Journal on June 7, 2024.

If adopted by your Board, the recommended rates will take effect July 18, 2024.

REFERENCE MATERIAL:

BAI #8, June 4, 2024

ATTACHMENTS INCLUDED AND/OR ON FILE:

Attachment A
Ordinance

CAO ANALYST:

Ahla Yang