



Board Agenda Item 38

DATE: October 7, 2025

TO: Board of Supervisors

SUBMITTED BY: Mike Kerr, Director of Information Technology/Chief Information Officer
Raymond T. Hunter, Director, General Services Department

SUBJECT: Second Hearings to Amend Information Technology and General Services Ordinance and the Master Schedule of Fees, Charges, and Recovered Costs, Section 4300 - Information Technology Services

RECOMMENDED ACTION(S):

- 1. Conduct second hearing and adopt the proposed Ordinances, which amend the Fresno County Ordinance Code, Title 2 Administration, Chapters 2.09 - Information Technology Services Department and 2.11 - General Services Department, and waive reading of the Ordinances in their entirety; and**
- 2. Conduct second hearing and adopt the Master Schedule of Fees, Charges, and Recovered Costs Ordinance by amending Section 4300 - Information Technology Services, and waive reading of the Ordinance in its entirety.**

There is no additional Net County Cost associated with the recommended actions. Approval of the first recommended action will correct an error in the Fresno County Ordinance Code (Ordinance) by moving Graphic Communication Services (Graphics) from Chapter 2.11 - General Services Department (GSD) to Chapter 2.09 - Information Technology Services Department (ITSD).

Approval of the second recommended action will amend the Master Schedule of Fees, Charges, and Recovered Costs (MSF) Ordinance, Section 4300 - Information Technology Services, based on anticipated FY 2025-26 ITSD costs. The proposed rate increases, which range from 5% to 126%, will be used for recovery of costs for certain services and PeopleSoft operations provided to public agencies. The proposed MSF rates also include decreases, ranging from 3% to 97%, due to cost reduction in some areas.

The first hearings were conducted by your Board on September 23, 2025. This item is countywide.

ALTERNATIVE ACTION(S):

If the first recommended action is not approved by your Board, Graphics will continue to be a division under GSD as currently reflected in Chapter 2.11.

For the second recommended action, your Board may direct staff not to change the rates, 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. Regarding the second recommended action, amending the rates for services rendered to public agencies will result in the collection of a portion of the revenues needed to operate two separate Internal Service Funds (ISF) for FY 2025-26 (Fund 1020, Information Technology Services Orgs 8905-8908 and Fund 1030, PeopleSoft Operations Org 8933).

DISCUSSION:

On September 23, 2025, your Board conducted the first hearings to amend Ordinance Chapters 2.09 and 2.11 and MSF Section 4300 - Information Technology Services.

On January 28, 2025, your Board adopted the amendment to Chapter 2.09 and the addition of 2.11 in alignment with the planned reorganization of the Internal Services Department into two departments, ITSD and GSD. However, the Ordinances presented to your Board incorrectly placed Graphics under GSD. The proposed Ordinance amendment before your Board for consideration corrects this error, removing Graphics from Chapter 2.11 and appropriately placing it under Chapter 2.09.

As an ISF, ITSD 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 ITSD's rates for services provided to public agencies. 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 ISFs. Attachment A is a summary of the proposed rates with a comparison to the current rates.

ITSD staff calculated the rates using its best estimation of FY 2025-26 costs, resulting in increases and decreases due to several key factors. Increases are primarily driven by rising salary and benefit costs, as well as higher expenses associated with software licensing and absorbing existing rates necessitating the deletion of Subsections 4301, 4303 and 4322. The proposed rates also incorporate reductions based on actual costs incurred in FY 2024-25 and by eliminating or scaling back on certain expenditures. Additionally, following the departmental split of ISD into GSD and ITSD, overhead costs previously consolidated under Cost Center 105 (Overhead) have now been reallocated across individual ITSD cost centers.

The proposed rates have been reviewed by the Auditor-Controller/Treasurer-Tax Collector and ITSD has been given recommended instructions for improving the existing rate development methodology, which will be implemented in the FY 2026-27 rate development process.

The summaries of the Ordinance amendments were published timely in the Business Journal.

If adopted by your Board, the proposed rates will take effect on November 6, 2025.

REFERENCE MATERIAL:

BAI #11 September 23, 2025
BAI #32, January 28, 2025

ATTACHMENTS INCLUDED AND/OR ON FILE:

Ordinance (Chapter 2.09)
Ordinance (Chapter 2.11)
Ordinance (MSF)
Attachment A - Proposed MSF Revisions

CAO ANALYST:

Amy Ryals