



Board Agenda Item 60

DATE: June 20, 2023

TO: Board of Supervisors

SUBMITTED BY: Robert W. Bash, Director, Internal Services/Chief Information Officer

SUBJECT: Amendment to the Master Schedule of Fees, Charges, and Recovered Costs
Section 3800 - General Services

RECOMMENDED ACTION(S):

Conduct second hearing to amend the Master Schedule of Fees, Charges, and Recovered Costs Section 3800 - General Services, where subsections 3804 - Badge Identification, 3809 - Fleet Labor, 3810 - Motor Pool, 3811 - Fuel Tank Inspection, 3812 - Building Maintenance Labor, and 3813 - Janitorial Labor 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 revise Section 3800 - General Services of the Master Schedule of Fees, Charges, and Recovered Costs (MSF) Ordinance, based on the anticipated Internal Services Department (ISD) - Security, Fleet, and Facility Services costs for FY 2023-24. The proposed rate increases, which range from 1% to 10%, will be used for recovery of costs of specified services provided by ISD - Security, Fleet, and Facility Services to user departments and other public agencies. The exception to this is Subsection 3810 - Motor Pool Car Rental which is increasing approximately 15%. This is due to increased need for vehicle replacements and increased labor cost. This item is countywide.

ALTERNATIVE ACTION(S):

Your Board may direct ISD staff to leave current fees, or a portion of current fees unchanged, or propose alternative rates, however, these alternatives may not recover full costs of services.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. Amending the rates for services charged to user departments and other public agencies will result in the collection of a portion of the revenues needed to operate three separate Internal Services Funds (ISF) for FY 2023-24. Those funds are:

Fund 1000, Fleet Services, Org 8910 - 8911
Fund 1035, Security Services, Org 8970
Fund 1045, Facility Services, Org 8935

Most rate increases, which range from 1% to 10%, are due to a variety of factors, including salary and benefit increases, and necessary replacement of outdated equipment. The exception to this is 3810 - Motor Pool Car Rental which is increasing 15%. This is due to increased need for vehicle replacements and increased labor cost.

DISCUSSION:

On June 6, 2023, your Board conducted the first hearing to amend Section 3800 - General Services. As an Internal Services Fund (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 -Security, Fleet, and Facility Services 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 utilized by both internal and external customers and make up a portion of the total revenues collected by the ISFs

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

- 3804 - Badge Identification, Hirsch Security System Rate
- 3809 - Fleet Labor Rate
- 3810 - Motor Pool Car Rental Rate
- 3811 - Fuel Tank Inspection Rate
- 3812 - Building Maintenance Labor Rate,
- 3813 - Janitorial Labor Rate

Attachment A is a Summary of Proposed Revisions to Fees and illustrates a comparison between the proposed rates and the prior rates for the two preceding budget years (FYs 2021-22 and 2022-23) for the subsections recommended for amendment.

Increases in labor rates for staff for Fleet Repair, Building Maintenance, Security, and Janitorial Services lead to changes from the current rates to the recommended increased rates.

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 9, 2023.

If adopted by your Board, the recommended rates will take effect July 20, 2023.

REFERENCE MATERIAL:

BAI #7, June 6, 2023

ATTACHMENTS INCLUDED AND/OR ON FILE:

Attachment A
Ordinance

CAO ANALYST:

Ahla Yang