



Board Agenda Item 56

DATE: June 20, 2017

TO: Board of Supervisors

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

SUBJECT: Amendment to Master Schedule of Fees, Charges, and Recovered Costs - Second Hearing

RECOMMENDED ACTION(S):

Conduct the second hearing to amend the County of Fresno Master Schedule of Fees, Charges, and Recovered Costs Ordinance by amending Section 4300 - Information Technology Services, where subsections 4316 and 4318 are deleted, and subsections 4301-4315, 4317, and 4319-4329 are updated; and waive the reading of the ordinance in its entirety.

Approval of the recommended action will amend rates in Section 4300 of the Master Schedule of Fees, Charges and Recovered Costs (MSF).

ALTERNATIVE ACTION(S):

There is no viable alternative as this is a legal requirement.

FISCAL IMPACT:

Charging the proposed rates for services rendered to County departments and other government organizations outside the regular County departments will result in the collection of a portion of the revenues needed to operate two separate Internal Services Funds (ISF) for FY 2017-2018. Those funds are:

Fund 1020, Information Technology Services, Org 8905-8908

Fund 1030, PeopleSoft Operations, Org 8933

DISCUSSION:

The two funds mentioned above are managed by the ISD. As ISF organizations, they must recover all operating expenses by charging customers for services ordered and rendered. The rates under discussion were established by estimating the annual operating cost of the components of each of the unique services being offered and then dividing those costs by the projected usage of all customers. 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 ISF's.

Subsections 4316 and 4318 related to radio services are recommended for deletion, as two radio rates have been consolidated into one. Rates for radios have increased due to a large-scale microwave upgrade project.

The proposed Ordinance updates rates for subsection 4301 through 4315, 4317, and 4319 through 4329. Below is a summary of events that led to changes from prior year rates to the proposed:

- Increased rates due to an increase in salary and benefit costs.
- PeopleSoft Financial and PeopleSoft Human Resources have decreased rates due to an increase in usage of product and decrease in consulting services.
- Graphic rates have changed due to a number of contributing factors that include:
 - Messenger Service rates increased due to vehicle replacements
 - Rates for copies decreased due to a new method of calculation
 - Labor rate increased due to realignment of staff expenses

Exhibit A compares the proposed rates and the corresponding rates for the two preceding budget years for those sections recommended for change. In some cases, the units of service obtained may be in the thousandths or millionths, therefore recorded to four decimal places. The rounding back to dollars and cents is accomplished at collection time.

If approved, the recommended rates will be effective in 30 days.

REFERENCE MATERIAL:

BAI #13, June 6, 2017

ATTACHMENTS INCLUDED AND/OR ON FILE:

Exhibit A - Comparison of Rates
Ordinance Amending MSF Section 4300 (including Exhibit 1)

CAO ANALYST:

John Hays