



Board Agenda Item 8

DATE: May 8, 2018

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

RECOMMENDED ACTION(S):

1. **Conduct first hearing to consider amending the County of Fresno Master Schedule of Fees, Charges, and Recovered Costs Ordinance by amending Section 3800-General Services, revising subsections 3804, and 3809 through and including 3813 therein, relating to the recovery of costs of certain services provided by Fleet Services, Security Services, and Facility Services of the Internal Services Department (ISD) to County departments and other public agencies (the Ordinance); waive the reading of the proposed Ordinance in its entirety, and set the second hearing of the proposed Ordinance, including its requested Board adoption, for June 5, 2018;**
2. **Designate County Counsel to prepare a fair and adequate summary of the proposed Ordinance; and**
3. **Direct the Clerk of the Board to post and publish the required summary of the proposed Ordinance in accordance with Government Code Section 25124(b)(1).**

The Board's approval of the recommended actions would enable the Board to consider amending certain rates in Section 3800 of the Master Schedule of Fees, Charges, and Recovered Costs (MSF). The Board's approval of the second and third recommended actions would satisfy the legal requirement to publicize the proposed revisions to service rates for these services provided by the Department of Internal Services (ISD), which are offered to County departments as well as other public agencies.

ALTERNATIVE ACTION(S):

The Board may direct staff to use current fees or propose alternative fees which may not recover full costs of services.

FISCAL IMPACT:

Charging the proposed rates for services rendered to County departments and other public agencies outside the County departments will result in the collection of a portion of the revenues needed to operate three separate Internal Services Funds (ISF) for FY 2018-19. Those funds are:

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

DISCUSSION:

The three 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. Exhibit A illustrates a comparison between the proposed rates and the corresponding rates for the two preceding budget years for those subsections 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.

Subsections 3801 and 3802 of the Master Schedule of Fees remain unchanged. Subsections 3804 and 3809 through and including 3813 are proposed for revision. The rate for subsection 3804 was 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 overhead collection methodology changed for subsections 3809 through and including 3813, reducing labor costs and removing materials surcharges to customers. In the FY 2018-19 proposed rates, the Department combined all overhead costs into one separate rate rather than distributing those costs between the individual rates in these subsections, thereby lowering the rates of individual services that otherwise would have had overhead costs applied to them.

The recommended rates, including their calculation, and the methodology applied for cost recovery has been reviewed and approved by the Auditor-Controller/Treasurer-Tax Collector. The proposed fee (rate) changes will take effect 30 days after the second hearing if adopted by the Board.

If the recommended actions in this item are approved by the Board, the second hearing will be scheduled for June 5, 2018.

ATTACHMENTS INCLUDED AND/OR ON FILE:

Exhibit A - Comparison of Rates
Proposed Ordinance
On file with Clerk - Ordinance Summary

CAO ANALYST:

Juan Lopez