



Board Agenda Item 52

DATE: June 5, 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 - 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 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 adopt the proposed Ordinance.

The Board's approval of the recommended action would amend certain rates in Section 3800 of the Master Schedule of Fees, Charges, and Recovered Costs (MSF) based on Internal Services Department (ISD) costs. This item is Countywide.

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:

On May 8, 2018, the Board conducted the first hearing on the recommended updates to the Master Schedule of Fees for Section 3800 - General Services as summarized in Exhibit A.

The three funds mentioned above are managed by the Internal Services Department (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 ISD 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.

If the proposed Ordinance is adopted, the recommended fees (rates) will be effective 30 days from the date of such adoption.

PUBLICATION:

A certified copy of the proposed Ordinance has been available to the public in the Office of the Clerk of the Board since May 8, 2018, and a summary of the proposed Ordinance has been published in the Business Journal on May 14, 2018.

REFERENCE MATERIAL:

BAI #8, May 8, 2018

ATTACHMENTS INCLUDED AND/OR ON FILE:

Exhibit A - Comparison of Rates
Proposed Ordinance

CAO ANALYST:

Juan Lopez