



Board Agenda Item 56

DATE: June 5, 2018

TO: Board of Supervisors

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

SUBJECT: Internal Services Department FY 2017-18 Year-End Adjustments

RECOMMENDED ACTION(S):

1. **Adopt Budget Resolution increasing the FY 2017-18 appropriations and estimated revenues for the Internal Services Department (ISD), Information Technology Services - ISF Org 8905 in the amount of \$2,825,000 (4/5 vote).**
2. **Adopt Budget Resolution increasing the FY 2017-18 appropriations and estimated revenues for the Internal Services Department (ISD), Information Technology Services - ISF Org 8905 in the amount of \$675,000 (4/5 vote).**
3. **Adopt Budget Resolution increasing the FY 2017-18 appropriations for the Internal Services Department (ISD), Information Technology Services - ISF Org 8905 in the amount of \$1,159,000 (4/5 vote).**
4. **Adopt Budget Resolution increasing the FY 2017-18 appropriations for Internal Services Department (ISD), Information Technology Services-Equipment Org 8908 in the amount of \$305,000 (4/5 vote).**
5. **Adopt Budget Resolution increasing the FY 2017-18 appropriations and estimated revenues for Internal Services Department (ISD), Facility Services - ISF Org 8935 in the amount of \$3,210,000 (4/5 vote).**
6. **Adopt Budget Resolution increasing the FY 2017-18 appropriations and estimated revenues for Internal Services Department (ISD), Purchasing Org 0440 in the amount of \$12,000 (4/5 vote).**

Approval of the recommended actions will ensure the Internal Services Department (ISD) has sufficient appropriations and revenues to meet the departmental needs arising from increased requests from user departments for Facility & Information Technology services, and the resulting effect of unanticipated increases in expenditures.

ALTERNATIVE ACTION(S):

There is no viable alternative action. ISD will not be able to continue to support customer requests from County departments if there is not an increase in appropriations and estimated revenues.

FISCAL IMPACT:

There is no increase in Net County Cost.

Approval of the first recommended action will increase the FY 2017-18 appropriations and estimated revenues in the Information Technology Services - ISF Org 8905 in the amount of \$2,825,000. These adjustments are due to an increase in demand from user departments. All costs associated with this recommended action are funded through charge backs to the benefitting County departments.

Approval of the second recommended action will increase the FY 2017-18 appropriations and estimated revenues in the Information Technology Services - ISF Org 8905 in the amount of \$675,000. These adjustments are due to a change in year-end processes as directed by Auditor-Controller/Treasurer-Tax Collector to account for goods and services received through June 30th, that will be eligible to be paid within the time frame allotted by the extension of the County's 12th period for FY 2017-18.

Approval of the Third recommended action will increase the FY 2017-18 appropriations in the Information Technology Services - ISF Org 8905 in the amount of \$1,159,000 using available retained earnings to fund the costs related to outfitting, maintaining and securing the building and the technological systems housed within it located at 333 W. Pontiac Way.

Approval of the fourth recommended action will increase the FY 2017-18 appropriations and in the Information Technology Services - Equipment Org 8908 in the amount of \$305,000 using retained earnings to fund building improvements necessary to address technological requirements for the management of the County's information systems.

Approval of the fifth recommended action will increase the FY 2017-18 appropriations and estimated revenues in the Facility Services Org 8935 in the amount of \$3,210,000 to meet the increased requests and needs of user departments for facility maintenance, emergency response and utility costs. All costs associated with this recommended action are funded by charge backs to the benefitting County departments.

Approval of the sixth recommended action will increase the FY 2017-18 appropriations in the amount of \$12,000 in Purchasing Org 0440 account 6400, Retirement Contributions. ISD received unanticipated revenues during FY 2017-18 in the amount of \$12,000 from the sale of County surplus. It is recommended that these revenues be used to fully offset the appropriations increase.

DISCUSSION:

Given the size and complexity of the Internal Services Department budget, it is often a necessity at the end of each fiscal year to have to make adjustments within the adopted budget. This requirement is primarily the result of unanticipated events during the fiscal year such as unforeseen increases in customer requests, costs exceeding original estimates, and the implementation of new accounting processes as directed by Auditor-Controller/Treasurer-Tax Collector.

An increase in appropriations is needed in the following accounts in the Information Technology Services - ISF Org 8905, to account for unforeseen increases in customer requests: \$100,000 for Account 7268 - Postage, \$100,000 for Account 7280 - Store Supplies, \$225,000 for Account 7295 - Professional & Specialized Services, \$1,500,000 for Account 7311 - End User Software, and \$900,000 for Account 7355 - Operating Leases Equipment. These additional appropriations total \$2,825,000.

An increase in appropriations and estimated revenues is needed in the following accounts in the Information Technology Services - ISF Org 8905, to account for the Auditor-Controller/Treasurer-Tax Collector directed 12th period extension: \$375,000 for Account 7308 - Hardware, Parts and Supplies, \$125,000 for Account 7309 - Computer Service Software, and \$175,000 for Account 7340 - Operating Leases Buildings. These additional appropriations total \$675,000.

An increase in appropriations is needed in the following accounts in the Information Technology Services - ISF Org 8905, to allow for the payment of costs related to outfitting, maintaining, and securing the building and the technological systems housed at 333 W. Pontiac Way: \$639,000 for Account 7345 - Facility Operations & Maintenance and \$520,000 for Account 8300 - Equipment for the Information Technology Services. These additional appropriations total \$1,159,000 and will be funded using available retained earnings.

An increase in appropriations and estimated revenues is needed in the following account in the Information Technology Services - Equipment Org 8908, to account for the remaining costs related to the remodel of an area in the building at 333 W. Pontiac Way necessary to satisfy the technological requirements of the County: \$305,000 for Account 8150 - Building & Improvements. This appropriation adjustment will be funded using available retained earnings.

An increase in appropriations and estimated revenues is needed in the following accounts in the Facility Services Org 8935 to allow for the continued execution of facility maintenance requests, fulfillment of emergency response situations, and payment of utility costs: \$10,000 for Account 6200 - Extra Help, \$100,000 for Account 6300 - Overtime, \$450,000 for Account 7205 - Maintenance-Equipment, \$450,000 for Account 7220 Maintenance-Buildings & Ground, and \$2,200,000 for Account 7431 - County Departmental Utilities. These additional appropriations total \$3,210,000.

An increase in appropriations is needed in the following account in the Purchasing Org 0440, to fully offset increased expenditures: \$12,000 for Account 6400 - Retirement Contributions. This appropriation adjustment will be funded using unanticipated revenues from the sale of County surplus.

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Budget Resolutions (6) (Orgs 8905, 8908, 8935, 0440)

CAO ANALYST:

Juan Lopez