



# Board Agenda Item 37

DATE: July 10, 2018

TO: Board of Supervisors

SUBMITTED BY: Delfino E. Neira, Director, Department of Social Services  
Dawan Utecht, Director, Department of Behavioral Health  
Kelly Worman-Landano, County Librarian  
Robert W. Bash, Director of Internal Services/Chief Information Officer

SUBJECT: Retroactive Amendments to Leases with the FMAAA Foundation

RECOMMENDED ACTION(S):

**Sitting as the In-Home Supportive Services Public Authority Governing Board:**

1. Approve and authorize the Chairman to execute a retroactive Fourth Amendment to Lease No. 01-130 with the Fresno-Madera Area Agency on Aging Foundation to revise the janitorial and security compensation plan from a rate payment method to compensation based on actual costs, effective August 1, 2017, with no change to the term or maximum compensation.

**Sitting as the Fresno County Board of Supervisors:**

1. Approve and authorize the Chairman to execute a retroactive Fourth Amendment to Lease No. 01-130 with the Fresno-Madera Area Agency on Aging Foundation to revise the janitorial and security compensation plan from a rate payment method to compensation based on actual costs, effective August 1, 2017, with no change to the term or maximum compensation.
2. Approve and authorize the Chairman to execute a retroactive Second Amendment to Lease No. 04-561 with the Fresno-Madera Area Agency on Aging Foundation to revise the janitorial and security compensation plan from a rate payment method to compensation based on actual costs, effective July 1, 2018, with no change to the term or maximum compensation.
3. Approve and authorize the Chairman to execute a retroactive Third Amendment to Lease No. 10-309 with the Fresno-Madera Area Agency on Aging Foundation to revise the janitorial and security compensation plan from a rate payment method to compensation based on actual costs, effective July 1, 2018, with no change to the term or maximum compensation.
4. Approve and authorize the Chairman to execute a retroactive Third Amendment to Lease No. 11-742 with the Fresno-Madera Area Agency on Aging Foundation to revise the janitorial and security compensation plan from a rate payment method to compensation based on actual costs, effective July 1, 2018, with no change to the term or maximum compensation.
5. Approve and authorize the Chairman to execute a retroactive Second Amendment to Lease No. 12-141 with the Fresno-Madera Area Agency on Aging Foundation to revise the janitorial and security compensation plan from a rate payment method to compensation based on actual costs, effective July 1, 2018, with no change to the term.

The Department of Social Services and the Department of Behavioral Health each have two separate leases with the Fresno-Madera Area Agency on Aging Foundation (FMAAA Foundation). Additionally, the FMAAA

Foundation provides space to the Fresno County Public Library. Due to an error in some of the previous amendments, there have been incorrect billings for janitorial services dating back to August of 2017. These amendments correct those errors and standardize the janitorial and security services across all five leases that the County has with the FMAAA Foundation.

ALTERNATIVE ACTION(S):

There are no viable alternative actions. The Departments would like to continue occupying the spaces at the FMAAA Foundation property and these revisions are necessary to continue the County's occupation of the spaces.

RETROACTIVE AGREEMENT:

The recommended amendment to lease 01-130 is retroactive to August 1, 2017. Language in the prior amendments did not allow for services to be billed at cost. The retroactive agreement will lift the funding restrictions, and allow appropriate charges for janitorial service to be paid dating back to August 2017, along with future payments. The remaining leases are retroactive to July 1, 2018 at the request of FMAAA Foundation to coincide with the new fiscal year.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. Billings for janitorial service will change from a per square foot rate to actual costs incurred for service.

Recommended Actions 1 and 5:

Currently, Lease No. 01-130 is billed at \$0.40 per square foot and Lease No. 12-141 is billed at \$0.08 per square foot. In regards to Lease No. 12-141, janitorial and security fees are currently included in monthly rental fees. Sufficient appropriations have been included in the FY 2018-19 Recommended Budget for the In-Home Supportive Services Public Authority, Org 5611, Department of Social Services, Org 5610, and Department of Behavioral Health, Org 5630, and will be included in subsequent budgets.

Recommended Action 2:

For Lease No. 04-561, there is no increase in costs associated with the recommended changes. The Library will be charged actual costs for janitorial and security services in lieu of previous fixed rates. Sufficient appropriations have been included in the FY 2018-19 Recommended Budget and will be included in subsequent budgets.

Recommended Actions 3 and 4:

Lease No. 10-309: The Department of Behavioral Health's Public Guardian Office (PGO) and Conservatorship leases 4,000 sq. ft. of office space at 2085 E. Dakota, Fresno and 4,000 sq. ft. of storage space at 2025 E. Dakota, Fresno. Janitorial services are billed at \$0.08 per sq. ft. and security services are billed at \$0.07 per sq. ft. Janitorial and security fees are currently included in monthly rental fees.

Lease No. 11-742: The Department of Behavioral Health's Older Adult Services leases 1,526 sq. ft. at 2085 E. Dakota, Fresno, CA at \$1.00 per sq. ft. Janitorial and security fees are currently included in monthly rental fees. The recommended actions change these square footage-based rates to actuals. Sufficient appropriations have been included in the FY 2018-19 Recommended Budget and will be included in subsequent budgets.

DISCUSSION:

Approval of recommended Action numbers 1, and 5 will allow Department of Social Services (DSS) to pay janitorial service billings at cost, rather than at a per square foot rate. Prior Agreement language called for janitorial service to be billed at a per square foot rate (\$0.40 for Lease No. 01-130, and \$0.08 for Lease No.

12-141), rather than the actual cost of service. State code Fiscal Management and Control Administrative Expenditures Section 25-829 describes the criteria for determining reimbursable space costs. Specifically, Section 25-829 2(C) states, "the DBP will grant authorization to claim reimbursement for space costs based on the following criteria: the expenses represent actual costs."

The Department of Behavioral Health and the Fresno County Public Library are taking this opportunity to modify all of their leases to common standard language. All of these amendments change the previously disparate per square foot rates for janitorial and security services and standardize them to billing at cost.

Recommended Action 1 is retroactive to August 1, 2017, allowing DSS to make payment for actual costs incurred for janitorial service dating back to August 2017. The remaining leases are retroactive to July 1, 2018 to coincide with the new fiscal year at the request of FMAAA Foundation.

REFERENCE MATERIAL:

Lease No. 01-130:

BAI #52, June 20, 2017 (Third Amendment)

BAI #57, August 20, 2013 (Second Amendment)

BAI #46, February 27 2007 (First Amendment)

BAI #35d, April 17, 2001 (Original Lease)

Lease No. 04-561:

BAI #39, February 7, 2007 (First Amendment)

BAI #48, December 14, 2004 (Original Lease)

Lease No. 10-309:

BAI #38, September 26, 2017 (Second Amendment)

BAI #54, May 20, 2014 (First Amendment)

BAI #40, May 18, 2010 (Original Lease)

Lease No. 11-742:

BAI #38, September 27, 2017 (Second Amendment)

BAI #34, October 13, 2015 (First Amendment)

BAI #35, December 13, 2011 (Original Lease)

Lease No. 12-141:

BAI #34, October 13, 2015 (First Amendment)

BAI #48, March 27, 2012 (Original Lease)

ATTACHMENTS INCLUDED AND/OR ON FILE:

On File with Clerk - L-167 4th Amendment AGT 01-030

On File with Clerk - L-239 2nd Amendment AGT 04-561

On File with Clerk - L-279 3rd Amendment AGT 10-309

On File with Clerk - L-288 3rd Amendment AGT 11-742

On File with Clerk - L-290 2nd Amendment AGT 12-141

CAO ANALYST:

Ronald Alexander