



Board Agenda Item 28

DATE: March 24, 2020

TO: Board of Supervisors

SUBMITTED BY: Jean M. Rousseau, County Administrative Officer

SUBJECT: Amendment to Section 4400-County Administrative Office of the Master Schedule of Fees, Charges, and Recovered Costs

RECOMMENDED ACTION(S):

Conduct second hearing to amend the Master Schedule of Fees, Charges, and Recovered Costs Ordinance by amending Subsection 4401 of Section 4400-County Administrative Office, and adopt proposed ordinance.

Approval of the recommended actions would revise the existing Master Schedule of Fees, Charges, and Recovered Costs for Subsection 4401 - CAO Hourly Rates, by updating current rates based on the Department's costs for FY 2019-20. This amendment will allow the County Administrative Office (CAO) to recover the cost of services performed for County departments or outside agencies with third-party funding. This item is countywide.

ALTERNATIVE ACTION(S):

Your Board may direct staff to use current fees or propose alternative fees, which may not recover full costs of services that are provided to departments with third-party funding.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. The recommended rates will be used by the County Administrative Office to recover the cost of services performed for County departments with third-party funding. It is anticipated that with the proposed rates, the CAO will ensure full cost recovery for salary and benefits costs, services and supplies, and the associated indirect cost rate proposal (ICRP) of 66.95%, a 7.93% increase for FY 2019-20 (last cost study was done in 2014).

DISCUSSION:

On March 10, 2020, the Board conducted the first hearing for the recommended ordinance amendment. All proposed rates were approved as recommended, and are identified on Exhibit A of the attached Ordinance. In accordance with the Ordinance Code of Fresno County, Section 4.44.020, fees charged to the public must be included in the County's Master Schedule of Fees, charges and recovered costs, and any revision or modification to the schedule requires approval by the Board of Supervisors.

CAO hourly rates have not been adjusted since 2014. On April 29, 2014, the Board adopted an Amendment to the Master Schedule of Fees, and since then, the rate has not been changed.

Recommended updates to the Master Schedule of Fees for Subsection 4401-CAO Hourly Rates are detailed in Exhibit A. The recommended rates consist of applicable direct and indirect salaries and benefits, services and supplies, and include departmental overhead. The CAO's departmental overhead (or ICRP) is currently 66.95%, and consists of costs for management and clerical staff time that is not directly billed to user departments, as well as services and supplies costs. Costs associated with the County Administrative Officer are classified as a general government functions, and therefore cannot be billed to user departments, and no rate is provided for the Assistant CAO position, as the costs for this position are included in the Department's overhead. Additionally, the recommended rates now include a rate for each position in the Analyst series, as recommended by the Auditor-Controller/Treasurer-Tax Collector's Office.

The proposed labor billing rates ensure transparency and compliance with accounting practices. General Fund departments that operate with Net County Cost are not charged for these services.

The recommended hourly rates, including their calculation, and the methodology applied for cost-recovery, have been reviewed and approved by the Auditor-Controller/Treasurer-Tax Collector. If approved, the recommended rates will be effective April 24, 2020.

REFERENCE MATERIAL:

BAI #12, March 10, 2020
BAI #21, April 29, 2014
BAI #7, April 22, 2014

ATTACHMENTS INCLUDED AND/OR ON FILE:

MSF FY 2019-20 Ordinance

CAO ANALYST:

Yussel Zalapa