



Board Agenda Item 39

DATE: July 9, 2024

TO: Board of Supervisors

SUBMITTED BY: Edward Hill, Chief Operating Officer/ Interim Director of Internal Services/Chief Information Officer

SUBJECT: Amendment to the Master Schedule of Fees, Charges, and Recovered Costs
Section 3800 - General Services

RECOMMENDED ACTION(S):

Conduct second hearing to amend the Master Schedule of Fees, Charges, and Recovered Costs Section 3800 - General Services, where subsections 3804 - Badge Identification Rate, 3809 - Fleet Labor Rate, 3810 - Motor Pool Rate, 3811 - Fuel Tank Inspection Rate, 3812 - Building Maintenance Labor Rate, 3813 - Janitorial Labor Rate, and 3814 - County Parking Rate are to be amended; waive the reading of the Ordinance in its entirety.

There is no additional Net County Cost associated with the recommended actions, which will revise Section 3800 - General Services of the Master Schedule of Fees, Charges, and Recovered Costs (MSF) Ordinance, based on the anticipated Internal Services Department (ISD) - Security, Fleet, and Facility Services costs for FY 2024-25. The proposed rate increases, which range from 0.36% to 9.65%, are due to a variety of factors, including salary and benefit increases, and necessary replacement of outdated equipment and will be used for recovery of costs of specified services provided by ISD - Security, Fleet, and Facilities Services to user departments and other public agencies. This MSF will also include decreases which range from -0.59% to -11.40% which is due to the previous methodology of allocating ISD overhead within divisional rates. For FY 2024-25, ISD has transitioned to charging a single unified rate by creating a new Cost Center 105 to capture all general ISD overhead costs resulting in a reduced impact on individual rates. This item is countywide.

ALTERNATIVE ACTION(S):

Your Board may direct ISD staff to not change the rates, change a portion of the rates, or propose alternative rates, however, these alternatives may not recover the full costs of services.

FISCAL IMPACT:

There is no increase in Net County Cost associated with the recommended actions. Amending the rates for services charged to user departments and other public agencies will result in the collection of a portion of the revenues needed to operate three separate Internal Services Funds (ISF) for FY 2024-25. Those funds are:

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

Most rate increases, which range from 0.36% to 9.65%, are due to a variety of factors, including salary and

benefit increases, and necessary replacement of outdated equipment. This MSF will also include decreases which range from -0.59% to -11.40% which is due to the previous methodology of allocating ISD overhead within divisional rates. For FY 2024-25, ISD has transitioned to charging a single unified rate by creating a new Cost Center 105 to capture all general ISD overhead costs resulting in a reduced impact on individual rates.

DISCUSSION:

On June 4, 2024, your Board conducted the first hearing to amend Section 3800 - General Services. As an ISF, ISD must recover all operating expenses by charging user departments and public agencies for services ordered and rendered.

The recommended amendments to the MSF, if adopted by your Board, would update ISD -Security, Fleet, and Facility Services rates. These rates were established by estimating the annual operating costs of the components of each of the respective services, and then dividing those costs by the projected usage of all user departments and public agencies. The rates indicated are for services utilized by both internal and external customers and make up a portion of the total revenues collected by the ISFs.

The proposed amendments to the MSF would increase rates for subsections:

- 3809 - Fleet Labor Rate,
- 3810 - Motor Pool Rate,
- 3812 - Building Maintenance Labor Rate,
- 3813 - Janitorial Labor Rate, and
- 3814 - County Parking Rate.

The proposed amendments to the MSF would also decrease rates for subsections:

- 3804 - Badge Identification Rate, and
- 3811 - Fuel Tank Inspection Rate.

Attachment A is a Summary of Proposed Revisions to Fees and illustrates a comparison between the proposed rates and the prior rates for the two preceding budget years for the subsections recommended for amendment.

Increases in labor rates for staff for Fleet Repair, Building Maintenance, Security, and Janitorial Services lead to changes from the current rates to the recommended increased rates. ISD staff has calculated the rates using its best estimate of costs, and the rates are currently being reviewed by the Auditor-Controller/Treasurer-Tax Collector.

The summary of the ordinance amendment was published in the Business Journal on June 7, 2024.

If adopted by your Board, the recommended rates will take effect August 8, 2024.

REFERENCE MATERIAL:

BAI #7, June 4, 2024

ATTACHMENTS INCLUDED AND/OR ON FILE:

Attachment A
Ordinance

CAO ANALYST:

Ahla Yang