

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



ITEM: 3.12
(ID # 20950)

MEETING DATE:
Tuesday, January 24, 2023

FROM : EXECUTIVE OFFICE:

SUBJECT: EXECUTIVE OFFICE: Fiscal Year 23/24 Internal Service and General Support Service Rate Overview, All Districts. [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Receive and file the following summary of the proposed FY 23/24 Internal Service and General Support Service Rates.

ACTION:Policy


Dave Rogers, Chief Administrative Officer 1/17/2023

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Perez, seconded by Supervisor Washington and duly carried by unanimous vote, IT WAS ORDERED that the above matter is received and filed as recommended.

Ayes: Jeffries, Spiegel, Washington, Perez, and Gutierrez
Nays: None
Absent: None
Date: January 24, 2023
xc: E.O.

Kimberly Rector
Clerk of the Board
By: 
Deputy

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FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 0	\$ 0	\$ 0	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: N/A			Budget Adjustment: No	
			For Fiscal Year: 2023/2024	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

Each fiscal year the Executive Office directs all Internal Service Fund (ISF) and General Support Service (GSS) departments to submit rates packages to the Executive Office and Auditor-Controller, while also collaborating to better understand their business needs. For FY 23/24, the ISF and GSS departments were directed to continue using a Shared Allocation Methodology for countywide core services based on a roll over budget (excluding pass-thru costs). Where an allocation was not appropriate the department was asked to roll over last year's direct rates and budget. Departments adhered to this directive, with exceptions noted in individual summaries below.

The Shared Allocation methodology continues to be the approach whenever possible as it has been successful at achieving the Executive Office's desired goals of keeping countywide operational costs from increasing for user departments. The strategy has eliminated the peaks and valleys that once impacted user departments and replaced it with predictable even costs throughout the year while eliminating the service inequities that were occurring within some of the smaller departments. Additionally, the Executive Office and the departments have considered several potential modifications to current practices including separating pass-thru funds that may be artificially inflating budgets; streamlining billing processes by budgeting and billing at the higher budgetary levels; leveraging technology, reorganizing departments, and service offerings; and expanding the use of outside vendors when appropriate to augment services.

On today's agenda, the proposed rates for ISF and GSS departments are presented under separate cover from Each Department for approval. The following is a summary of the Executive Office recommendations:

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 **COUNTY OF RIVERSIDE** Fiscal Year 23/24 ISF/GSS - Various Department Proposed Rates Summary

ISF/GSS Department Name	FY 22/23 Rate	FY 23/24 Rate	FY 22/23 Budget	FY 23/24 Budget	%Budget Change
ACO - Payroll Warrant	\$ 4.78	\$ 5.38	\$ 2,528,150	\$ 2,976,696	17.74%
ACR-RMAP	Tiered Structure 3,309	Tiered Structure 4,557	\$ 377,282	\$ 519,552	37.71%
	6,619	9,115			
	13,238	18,230			
	19,857	27,345			
	26,476	36,460			
County Counsel - Attorney	\$ 189.52	\$ 201.68	\$ 18,923,812	\$ 20,197,275	6.73%
County Counsel - Paralegal	\$ 111.52	\$ 116.10			
Sheriff-PSEC Device Emergency Radio	\$ 29.23	\$ 27.37	\$ 10,712,111	\$ 9,964,539	-6.98%
Sheriff-PSEC Device Communication Device	\$ 155.34	\$ 136.83			
Sheriff-PSEC Device Incentive Radio	\$ 77.67	\$ 102.62			
Sheriff-PSEC Technician Expert Time - Regular	\$ 75.85	\$ 78.52			
Sheriff-PSEC Technician Expert Time - Overtime	\$ 82.37	\$ 83.88			
Sheriff-PSEC Rack	\$ 523.56	\$ 523.56			
Sheriff-PSEC Half Rack	\$ 261.78	\$ 261.78			
Sheriff-PSEC Floor Space	\$ 523.56	\$ 523.56			
Sheriff-PSEC Antenna Mounted Lower	\$ 300.00	\$ 300.00			
Sheriff-PSEC Antenna Mounted Middle	\$ 600.00	\$ 600.00			
Sheriff-PSEC Antenna Mounted Top	\$ 900.00	\$ 900.00			
Sheriff-PSEC Mile -T1	\$ 13.74	\$ 13.74			
Sheriff-PSEC Mile Analog	\$ 0.89	\$ 0.89			
Sheriff-PSEC Engineering Expert Time - Regular	\$ 118.34	\$ 122.79			
Sheriff-PSEC Engineering Expert Time - Overtime	\$ 132.04	\$ 135.31			

Auditor-Controller: Payroll

The ACO has proposed an increase in its rate budget by \$448,546 and its direct rate by \$0.60. The proposal includes increases related to a compaction study performed for all SEIU Accountant/ Accountant Technician classifications. The study resulted in pay increases that were approved by the BOS on October 18, 2022. This change impacts 96% of all ACO payroll staff. The second attributing factor is the request to increase by 2 Accountant FTEs to handle responsibilities associated with the functional management of the Time and Labor Module. This includes the development of policies, procedures, and training. The technical support including programming and system changes will continue to be performed by RCIT.

Assessor-County Clerk-Recorder: Records Management and Archive Program (RMAP)

The ACR has proposed an increase in their RMAP budget of \$142,270 from prior year. The ACR's rates are presented in a tiered approach with direct rate increases ranging from \$1,248 in its lowest tier to \$9,984 in its highest tier.

A portion of the proposed increase will support converting an RMAP TAP position to full-time permanent. In prior years Archives was open by appointment only. Before the end of the

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fiscal year, Archives will complete its renovation and expansion to the CAC 2nd floor. At this time, it will be open to the public during regular County business hours. The TAP to full-time permanent position will accommodate the increase in hours open to the public for Archive services.

The remainder of the increase is attributed to a change in their methodology and tiered structure which includes the addition of an Administrative and Information Technology overhead allocation. The change reflects the removal of allocated indirect personnel costs, in lieu of an overhead allocation that recovers the programs indirect costs.

County Counsel: Attorney and Paralegal

The department has proposed an increase in its rate budget by \$1,273,463 and its direct rates by \$12.16 (Attorney) and \$4.58 (Paralegal).

County Counsel has proposed the implementation of a hybrid billing methodology for FY 23/24. Under this new billing method, County departments will be directly billed or billed through a shared cost allocation method. Non-general fund departments and client departments with Legal Service Agreements, will be direct billed at the Board approved rate. General Fund departments, on the other hand, will be billed via a shared cost allocation method. The shared cost allocation method allocates the estimated general fund departments' legal costs to general fund departments through a percentage allocation based on each department's FY21-22 actual hours of legal services utilized.

County Counsel provides services to both billable and non-billable clients. Billable clients are direct billed or billed via allocation, while non-billable departments are included in the County's Countywide Cost Allocation Plan (COWCAP) and spread to all departments. County Counsel is provided NCC to cover services provided to non-billable departments.

Riverside Sheriff's Office (RSO): Public Safety Enterprise Communication System (PSEC)

PSEC has proposed a decrease in user department allocations of \$747,572 from the current fiscal year.

The decrease to the departmental allocations is a result of additional onboarding and reoccurring costs for new external subscribers such as the ERICA agencies and Blythe PD. Other budgetary increases were related to the analysis PSEC performed of needed positions to keep up with the demand for services and need to develop added efficiencies. Additionally, there is an increase in operating costs due to the Microwave Maintenance Agreement, Critical Connect Agreement, utilities, fuel, and training costs. There was a partial offset of costs due to PSEC leases being paid off and a reduction in asset purchases.

The added external subscribers have also decreased service rates in almost all service areas. Thus, making these services more appealing to potential users. The decrease in service rates is from the revenue received through new users and the holiday rate moving to

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the next tier of shared costs. The largest reductions in service rates are from the monthly communication device rate which is reflecting a 12% decrease from \$155.34 to \$136.83 per subscriber and the emergency radio rate reduction of 20% from \$29.23 to \$27.37 per subscriber. Lastly, PSEC has engaged with a consultant to continue to refine these rates to best recover costs while continuing to provide reliable services to its subscribers.



Fiscal Year 23/24 Support Services Portfolio Proposed Rates Summary

ISF/GSS Department Name	FY 22/23 Rate	FY 23/24 Rate	FY 22/23 Budget	FY 23/24 Budget	%Budget Change
HR - General Admin	\$ 998.00	\$ 998.00	\$ 27,174,883	\$ 27,174,883	0.00%
Purchasing-Central Mail Services - Mail Stop	\$ 10.30	\$ 10.30	\$ 681,561	\$ 681,561	0.00%
Purchasing-Central Mail Services - Handling Charges	\$ 1.67	\$ 1.67	\$ 473,279	\$ 473,279	0.00%
Purchasing-Fleet & Surplus Services	\$ 101.00	\$ 101.00	\$ 14,133,841	\$ 14,133,841	0.00%
RCIT - Enterprise	Allocation	Allocation	\$ 74,376,742	\$ 74,376,742	0.00%
RCIT- Rivco Pro	N/A	N/A	\$ 1,881,325	\$ 1,881,325	0.00%
FM - Custodial Services	Allocation	Allocation	\$ 15,025,014	\$ 15,079,179	0.36%
FM-Maintenance Services	Allocation	Allocation	\$ 33,692,762	\$ 33,638,604	-0.16%
FM-Project Management Services - Plan Check Rate	\$ 144.95	\$ 144.95	Usage Based	Usage Based	N/A
FM-Project Management Services - Project Mgmt. Rate	\$ 150.90	\$ 150.90	Usage Based	Usage Based	N/A
FM-Real Estate Services - Acquisitions	\$ 153.06	\$ 153.06	Usage Based	Usage Based	N/A
FM-Real Estate Services Leasing Activity	4.86%	4.86%	Usage Based	Usage Based	N/A

Human Resources: General Administration

The Human Resources General Administration budget will remain flat at \$27,174,883 per Executive Office guidance to keep support costs as efficient as possible. User departments will see no change from previous years costs.

Purchasing and Fleet Services: Central Mail and Fleet/Surplus

Overall, there is no countywide impact as the various Purchasing division budgets and rates remained flat.

Central Mail (Mail Stop & Handling) - The direct rate for Mail Stop services will remain flat at \$10.30. Handling charges will also remain flat with a direct rate of \$1.67. User departments will see no change from previous years costs.

Fleet and Surplus Services - Purchasing's Fleet Services – Garage Labor direct rate will remain flat at \$101.00 per Executive Office guidance to keep support costs as efficient as possible. Fleet's budget will see an artificial increase due to the absorption of Surplus, however both budgets remained flat prior to being combined. User departments will see no change from previous years costs.

Riverside County Information Technology (RCIT): Enterprise and eProcurement

Overall, there is no countywide impact as the various department budgets remained flat.

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General/Information Security – The Enterprise rate budget remains flat at \$74,376,742 per Executive Office guidance to keep support costs as efficient as possible. User departments will see some minor changes from previous years costs because of methodology refinements to align with Executive Office Direction. There are minor impacts to the user department distributions resulting from some methodology refinements to align with Executive Office direction.

eProcurement/RivcoPRO – The rate budget for eProcurement/RivcoPRO will remain flat at \$1,881,325 per Executive Office guidance to keep support costs as efficient as possible. User department costs will have minor impacts based on user department's purchase order counts.

Facilities Management: Custodial, Maintenance, PMO, and Real Estate

Overall, there is no countywide impact as the various FM division budgets and rates remained flat.

Custodial - Custodial and Maintenance Services Allocation Budgets were combined for FY 22/23, however upon feedback from user departments and requests to see CSD and MSD cost separately, the two allocation budgets have been separated for FY 23/24. FM's Custodial budget will see a slight increase of \$54,165 to \$33,638,604 due to the split to separate budgets for CSD and MSD; the increase is offset by a decrease of the same amount for the Maintenance budget. User departments will see some minor changes from previous years costs because of increases/decreases to serviced buildings and methodology refinements to align with Executive Office Direction.

Maintenance - Custodial and Maintenance Services Allocation Budgets were combined for FY 22/23, however upon feedback from departments and requests to see CSD and MSD cost separately, the two allocation budgets have been separated for FY 23/24. FM's Maintenance budget will see a slight decrease of \$54,158 to \$15,079,179 due to the split to separate budgets for CSD and MSD; the decrease is offset by an increase of the same amount for the Custodial budget. User departments will see some minor changes from previous years costs because of increases/decreases to serviced buildings and methodology refinements to align with Executive Office Direction.

Project Management Office Plan Check - FM PMO's plan-check direct rate will remain flat at \$144.95 per Executive Office guidance to keep support costs as efficient as possible. User department impact is based on actual usage and requires each user department to budget accordingly.

Project Management Office Project Management - FM PMO's Project Management direct rate will remain flat at \$150.90 per Executive Office guidance to keep support costs as

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efficient as possible. User department impact is based on actual usage and requires each user department to budget accordingly.

The department is currently re-organizing to simplify its processes and reduce costs in the outyears to their internal customers by leveraging added technology-based systems, decreasing overhead, and increasing productive hours.

Real Estate Services Acquisitions - FM – Real Estate Services Acquisitions direct rate will remain flat at \$153.06 per Executive Office guidance to keep support cost as efficient as possible. User department impact is based on actual usage and requires each user department to budget accordingly.

Real Estate Services Leasing Activity – FM – Real Estate Services Leasing Activity direct rate percentage charged will remain flat at 4.86%. per Executive Office guidance to keep support costs as efficient as possible. User department impact is based on actual usage and requires each user department to budget accordingly.

Facilities Management is looking into a management system to assist in the administrative tracking currently performed. The department anticipates decreasing overhead costs with this added technology-based system.

Historical Information

On June 15, 2010, the Board of Supervisors approved the addition of Board Policy B-28 Charges for Internal Services and General Support Services. The implementation of this policy demonstrated a significant shift in approach to establishing rates for internal services. Rate packages submitted to the Executive Office and Auditor-Controller received a more comprehensive review and require documentation that is more detailed.

Impact on Citizens and Businesses

No direct impact to citizens and businesses, however as costs to departments increase, the cost of delivery will increase as well.


Meghan Hahn, Principal Management Analyst 1/10/2023