

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



ITEM: 3.12
(ID # 23853)

MEETING DATE:
Tuesday, January 09, 2024

FROM : RIVERSIDE COUNTY INFORMATION TECHNOLOGY:

SUBJECT: RIVERSIDE COUNTY INFORMATION TECHNOLOGY: Approval of FY 24/25 Service Allocations and Rates and Approval of the update to the Capital Asset Plan for FY 23/24 – FY 27/28 for RCIT, All Districts. [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the attached Riverside County Information Technology (RCIT) service allocations and rates for FY 24/25, shown in Attachment A & B; and
2. Approve the Capital Asset/Project Plan for RCIT - \$5,500,000 for the use of restricted net position designated for capital asset replacement requirements, as permitted by the department's available budget for FY 23/24 – FY 27/28, shown in Attachment C.

ACTION:4/5 Vote Required, Policy


Jim Smith, Chief Information Officer 12/27/2023

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Spiegel, Washington, Perez and Gutierrez
Nays: None
Absent: None
Date: January 9, 2024
xc: RCIT

Kimberly A. 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: 23/24 – 27/28	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

This Board item is for the establishment of RCIT's allocations and rates for Fiscal Year (FY) 24/25. In compliance with the Executive Office Memo dated September 27, 2023, RCIT has included related labor increases in the development of our rate/allocation. RCIT is submitting a preliminary budget of \$100,207,674 for FY 24/25 comprised of the following:

- Enterprise Rate Budget – \$81,555,057
- Dedicated Staff Budget – \$9,264,982
- Laserfiche Budget – \$203,876
- RCIT RC3, RivcoTV and Other Revenue Budget - \$9,183,759

RCIT has consistently maintained rates year over year since FY 20/21. In FY 24/25, the department increased its overall budget by \$10.4M (12%). Of this increase, \$7.1M (10%) is the Enterprise allocation, covering labor increases, Office 365, VMWare, ServiceNow, Vaske, AWS cloud services, Solarwinds monitoring applications, and eProcure. RCIT is dedicated to leveraging technology and efficient management to optimize resource utilization.

RCIT's fixed allocation model is comprised of calculating and establishing baseline percentages for determining cost allocations across departments for the Enterprise allocation. The Enterprise allocation encompasses core services such as the County phone system, CORNET, support for devices and the RC3 data center, back-up, disaster recovery, and Office 365, among many others.

Allocations have also been developed for Document Management and Dedicated Staff, which all departments do not fully utilize. Effective FY 24/25, eProcure (RivcoPRO) has transitioned from being an independent allocation to becoming integrated into the Enterprise allocation; the amount shifted to Enterprise is \$1.1M. Beginning in FY 23/24, a new RCIT pass-through allocation was made for RivcoTV to allow for full cost recovery of regular and overtime personnel costs. This methodology is extended into FY 24/25.

RCIT continues to use a "Fixed Allocation Methodology" which has been further refined to eliminate large unpredictable swings and provide a more consistent way to bill and forecast IT spend across departments.

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With the need to be prepared for a county-wide emergency response and in accordance with Board Policy B-28, Riverside County Information Technology (RCIT) Operations is requesting to update its Capital Asset/Project Plan to set aside reserves as funding permits in the current and in future budgets for capital asset purchases and replacements. This five-year plan is part of the department's overall management strategy to ensure RCIT infrastructure and systems are properly maintained, managed, and kept up to date. The plan identifies necessary upgrades to address future enterprise infrastructure needs and equipment.

This five-year plan incorporates maintaining an ongoing reserve of up to \$5,500,000 in the RCIT budget. RCIT manages more than 3,000 county-wide mission-critical capital assets. This plan will help to finance the continued investment necessary to properly maintain, replace or upgrade enterprise systems (e.g., PeopleSoft Upgrade) and core infrastructure equipment (e.g., servers, routers, "end of life" mission-critical equipment, and data center equipment) and to ensure the department meets expected service levels.

This update does not increase rates and costs to the departments. Through more efficient management of resources (e.g., departmental restructure, enhanced contract negotiations and technology), financing where possible and reserving a portion of unrestricted net assets, RCIT plans to fund this Capital Asset/Project Plan going forward as permitted by the department's budget and available reserves.

All future capital asset purchases will be purchased in accordance with all applicable procurement guidelines and will come separately to the Board for approval as part of the annual or quarterly budget process or individually where required.

Impact on Residents and Businesses

Direct departmental service will still be available through direct billing, but some service levels may be delayed. This updated five-year Capital Asset/Project Plan will positively impact the ability of our departments to serve the citizens and businesses of the County.

Additional Fiscal Information

The proposed fixed allocation and rates will ensure full cost recovery for RCIT and help RCIT's customers in their budgeting by providing a pre-determined budgetary amount.

ATTACHMENTS:

- A. RCIT FY 24/25 Rate Schedule
- B. RCIT FY 24/25 Department Allocation
- C. RCIT FY 23/24 Capital Asset Plan

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Rene Casillas
Rene Casillas, Internal Audits Chief 12/28/2023

Tanya Harris
Tanya Harris, Assistant Auditor Controller 12/28/2023

Alonzo Barrera
Alonzo Barrera, Principal Management Analyst 12/28/2023