

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



**ITEM: 3.5
(ID # 26769)**

MEETING DATE:
Tuesday, January 14, 2025

FROM : EXECUTIVE OFFICE

SUBJECT: EXECUTIVE OFFICE: Fiscal Year 25/26 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 25/26 Internal Service and General Support Service Rates.

ACTION:Policy

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Medina, Spiegel, Washington, Perez and Gutierrez
Nays: None
Absent: None
Date: January 14, 2025
xc: EO

Kimberly A. Rector
Clerk of the Board

By: 
Deputy

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

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:	2025/2026

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 24/25 the ISF and GSS Departments were provided direction to utilize a Shared Allocation Methodology for countywide core services based on actual historical spend data while factoring in adjustments due to significant organization-wide changes. Where an allocation was not appropriate the department was asked to develop direct rates. 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 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. The departments below followed the Executive Office's guidance to focus on the countywide impact while maintaining consistent and equitable rate/allocation levels.

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:

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

 COUNTY OF RIVERSIDE CALIFORNIA		Fiscal Year 25/26 Elected GSS Proposed Rates Summary		
GSS Department Name	FY 24/25 RATE	FY 25/26 REQUESTED RATE	IMPACT Increase/ (Decrease) in Total Cost	IMPACT Increase/ Decrease in %
ACO-Payroll Warrant	\$ 5.90	\$ 6.26	\$ 0.36	6.10%
ACR-RMAP - Tier 1	\$ 4,594.00	\$ 6,657.00	\$ 2,063.00	44.91%
ACR-RMAP - Tier 2	\$ 9,189.00	\$ 13,316.00	\$ 4,127.00	44.91%
ACR-RMAP - Tier 3	\$ 18,377.00	\$ 26,633.00	\$ 8,256.00	44.93%
ACR-RMAP - Tier 4	\$ 27,566.00	\$ 39,949.00	\$ 12,383.00	44.92%
ACR-RMAP - Tier 5	\$ 36,754.00	\$ 53,266.00	\$ 16,512.00	44.93%
County Counsel - Attorney	\$ 226.53	\$ 230.67	\$ 4.14	1.83%
County Counsel - Paralegal	\$ 134.22	\$ 135.97	\$ 1.75	1.30%
Sheriff-PSEC Device Emergency Radio	\$ 25.40	\$ 24.35	\$ (1.05)	-4.13%
Sheriff-PSEC Device Communication Device	\$ 126.99	\$ 121.76	\$ (5.23)	-4.12%
Sheriff-PSEC Technician Expert Time - Regular	\$ 80.78	\$ 82.14	\$ 1.36	1.68%
Sheriff-PSEC Technician Expert Time - Overtime	\$ 84.33	\$ 86.00	\$ 1.67	1.98%
Sheriff-PSEC Rack	\$ 567.46	\$ 590.87	\$ 23.41	4.13%
Sheriff-PSEC Half Rack	\$ 283.73	\$ 295.44	\$ 11.71	4.13%
Sheriff-PSEC Floor Space	\$ 567.46	\$ 590.87	\$ 23.41	4.13%
Sheriff-PSEC Antenna Mounted Lower	\$ 300.00	\$ 342.56	\$ 42.56	14.19%
Sheriff-PSEC Antenna Mounted Middle	\$ 600.00	\$ 685.11	\$ 85.11	14.19%
Sheriff-PSEC Antenna Mounted Top	\$ 900.00	\$ 1,027.67	\$ 127.67	14.19%
Sheriff-PSEC Microwave Connection	\$ 336.37	\$ 339.68	\$ 3.31	0.98%
Sheriff-PSEC Engineering Expert Time - Regular	\$ 127.19	\$ 138.57	\$ 11.38	8.95%
Sheriff-PSEC Engineering Expert Time - Overtime	\$ 135.68	\$ 149.70	\$ 14.02	10.33%

Auditor-Controller: Payroll

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

The ACO has proposed an increase in its rate budget by \$320,214, an 8.43% increase and its direct rate by \$0.36, a rate change of 6.10% from FY 23/24. The proposal includes increases associated with salaries and benefits, including services and supplies as the two factors contributing to rate increases.

The department used an overall assumption of 8% to raise projected salary and benefit costs from a baseline of SHERPA's current payroll calculator for the FY 25/26 Rate Study. At the time of the Rate Study compilation, a baseline 4% increase in salary and merit (step), using SHERPA's current payroll calculator and a MOU approved 4% negotiated increase. This also included additional certification pay for all approved and eligible positions for the FY25/26 pay schedule.

An increase of \$152,749 in service and supplies is estimated for FY 25/26. Actual FY 23/24 charges of \$662,053, are projected to increase for FY25/26 in the amount of \$814,802, an increase of 23.07%. Anticipated ISF increases and expected shared rent space increases are the largest contributing factors to the overall increase of \$81,557 over the current year budget of \$733,245.

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

The ACR reports an increase of \$235,289 in operating costs, up 44.92% from prior year. ACR's rates are presented in a tiered approach with rate increases ranging from \$2,063 in its lowest tier to \$16,512 in its highest tier.

The proposed increase will fund operational costs associated with the newly located CAC 2nd Floor Archive space. This increase covers expenses related to janitorial, custodial, and utility services. Calculations were based on actual costs from FY 2023/2024. Additionally, recent labor negotiations increased the Salary and Benefit cost for the four staff members assigned to RMAP.

County Counsel: Attorney and Paralegal

County Counsel has proposed an increase in its rate budget by \$1,364,829 (6.52% combined increase) including its direct rates to \$230.67 (1.83% increase) for Attorney and \$135.97 (1.30% increase) for Paralegal. This increase is due to increased costs to salaries and benefits as a result of recent labor negotiation agreements and contract renewals.

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

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

PSEC has proposed a increase in county-wide department allocations of \$327,549, a 3.36% change from the current fiscal year.

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

The increase to the departmental allocations is due multiple factors including labor cost increases, a rise in operating costs for PSEC primarily due to fuel, site leases and HVAC, Generator, and Antenna Tower repairs. The total number of users on the PSEC system is projected to increase from 9,300 in FY 24/25 to 10,075 in FY 25/26, which assists in offsetting the increasing budgetary costs.


Several departments will experience substantial increase in costs, due to a surge in department requested subscriber counts. These departments include:

- Fire: 51.9% increase
- Probation: 50.6% increase
- Parks: 18.6% increase
- Code Enforcement: 14.1% increase
- DPSS: 4.6% increase
- District Attorney: 4.3% increase
- Sheriff: 0.2% increase


It should be noted that a portion of Fire's increase (\$10,230) is attributed to higher rack and microwave rates. Fire currently has 31.25 racks at PSEC sites and 10 microwave connections. Lastly, RCIT's FY 25/26 costs will rise by \$2,413 due to increased rack rates, while EMD's costs will decrease by \$34,689 due to converting a portion of their full-time communication devices to emergency communication devices.

A review of the proposed department rates discovered that most significantly, the largest and only decrease in rates are from the monthly communication device rate and emergency radio rate (20% of full-time rate), which are both reflecting a 4.1% decrease, from \$126.99 to \$121.76 per subscriber and \$25.40 per subscriber to \$24.35 per subscriber respectively. Conversely, The Antenna rates are experiencing the most significant rise in costs, all increasing by 14.2% from \$300 (mounted lower), \$600 (mounted middle), and \$900 (mounted top) in FY24/25 to \$342.56, \$685.11, and \$1,027.67 respectively in FY25/26. The Antenna rates have not been changed in over ten fiscal years and impacts external customers leasing space on the PSEC towers. Engineering Expert Time (REG) has increased by 8.9% from \$127.19 to \$138.57 with overtime rates also rising by 10.3% from \$135.68 to \$149.70. The rack rate is experiencing a 4.1% increase from \$567.46 (full rack), and \$283.73 (half rack) to \$590.87, and \$295.44. Floor space costs also increased by 4.1%, from \$567.46 to \$590.87. Technician Expert Time (REG) will nominally increase by 1.7% from \$80.78 to \$82.14, with overtime rate only going up by a modest 2% from \$84.33 to \$86.00. The Microwave Connection rate is increasing marginally by 1% from \$336.37 in FY24/25 to \$339.68 in FY25/26.

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

 Fiscal Year 25/26 ISF Portfolio Proposed Shared Allocation Summary							
ISF Portfolio Department Name	FY 24/25 RATE/ALLOCATION	FY 25/26 RATE/ALLOCATION	IMPACT Increase/ (Decrease) in Total Cost	FY 24/25 ALLOCATION BUDGET (Associated to Rate)	FY 25/26 ALLOCATION BUDGET (Associated to Rate)	IMPACT Increase/ (Decrease) in Total Cost	IMPACT Percent Increase/ Decrease in %
HR-General Admin	Shared Allocation	Shared Allocation	Shared Allocation	\$ 28,157,593	\$ 30,538,838	\$ 2,381,245	8.46%
FM-Maintenance	Shared Allocation	Shared Allocation	Shared Allocation	\$ 34,794,947	\$ 38,052,891	\$ 3,257,944	9.36%
FM-Custodial	Shared Allocation	Shared Allocation	Shared Allocation	\$ 16,149,815	\$ 16,910,659	\$ 760,844	4.71%
RCIT-Enterprise	Shared Allocation	Shared Allocation	Shared Allocation	\$ 81,555,057	\$ 88,832,815	\$ 7,277,758	8.92%
Purchasing-Central Mail Services - (Mail Stop & Handling)	Shared Allocation	Shared Allocation	Shared Allocation	\$ 1,304,674	\$ 1,462,851	\$ 158,177	12.12%
Purchasing-Fleet Services Automatic Vehicle Locators (AVL, aka GPS) *Per active installed unit per month	Rate Based	Shared Allocation	Shared Allocation	\$ 8,798,470	\$ 9,070,587	\$ 272,117	3.09%
Purchasing-Fleet Services Commercial Vendor (Sublet processing rate) *Per vendor invoice processed							
Purchasing-Fleet Services FMIS Rate - Non-Standard Asset *Per mo/asset record for "low M&R" assets							
Purchasing-Fleet Services FMIS Rate - Standard Asset *Per mo/asset record (typical or "normal" M&R)							
Purchasing-Fleet Services Garage Labor Rate (also called "Billable Hours") *Per hour of technician's time							
Purchasing-Fleet Services Hazardous Waste Disposal Rate *Per HazMat generating work order							
Purchasing-Fleet Services Parts Markup* *Percent markup per part item sold							
Purchasing-Fleet Services Shop Supplies Rate *Per "Shop Supplies" generating work order							
Purchasing-Fleet Services Tire Disposal Fee *Per tire disposed (based on purchasing a new tire)							
Purchasing-Fleet Services Surplus Services *Per Purchase Order							

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

 COUNTY OF RIVERSIDE Fiscal Year 25/26 ISF Portfolio Proposed Usage Based Rates Summary				
ISF Portfolio Department Name	FY 24/25 RATE	FY 25/26 REQUESTED RATE	IMPACT Increase/ (Decrease) in Total Cost	IMPACT Increase/ Decrease in %
Purchasing-Fleet Services Car Wash (automated) *Per wash	\$ 10.00	\$ 10.00	\$ -	0.00%
Purchasing-Fleet Services Fuel - Fleet Fuel Sites & Commercial Purchases *Per gallon purchased markup / Includes EV Markup	\$ 0.45	\$ 0.47	\$ 0.02	4.44%
Purchasing-Fleet Services Average Motorpool Rate-Monthly *Actual rate varies by vehicle type	\$ 567.00	\$ 562.08	\$ (4.92)	-0.87%
Purchasing-Fleet Services Average Motorpool Rate-Daily *Actual rate varies by vehicle type	\$ 35.83	\$ 35.58	\$ (0.25)	-0.70%
Purchasing-Fleet Services Average Motorpool Rate-Maintenance, Repair & Fuel Per Mile *Actual rate varies by vehicle type	\$ 0.40	\$ 0.39	\$ (0.01)	-2.50%
Purchasing-Fleet Services P-Card Admin Rate (One Time Per Year Charge) *Procurement Card Program - Offset the expenses incurred to promote, administer, process, and audit expenditures.	\$ 45.00	\$ 95.09	\$ 50.09	111.31%
Purchasing-Fleet Services MOU Admin Support Service Fee *Total Cost of Supervising Procurement Contract Specialist	\$ 11.33	\$ 16.60	\$ 5.27	46.51%
FM-Project Management Services-Plan Check Rate	\$ 144.95	\$ 158.00	\$ 13.05	9.00%
FM-Project Management Services-Project Mgmt. Rate	\$ 150.90	\$ 164.48	\$ 13.58	9.00%
FM-Real Estate Services (Acquisitions)	\$ 153.06	\$ 153.06	\$ -	0.00%
FM-Real Estate Services Leasing Activity (Lease/Rental Fee)	4.84%	4.84%	0.00%	0.00%

Human Resources: General Administration

The Human Resources General Administration budget will be \$30,538,838 which is a 8.46% increase from the current FY 24/25 GSS Rate at \$28,157,593. The rate is \$2.4M increase from the current \$28.2M. The recommended increase represents the department's status quo request, mainly to address increases in salary and benefits. HR has consistently absorbed increases in its rates since FY 19/20, with 0% rate increases in FY 19/20 – 21/22, and received a nominal increase in FY 23/24. The operating budget was further impacted in FY 23/24 by a critical market correction for selected HR classifications, which ensured the Department's continued ability to hire and retain qualified professionals. This reduced turnover for the Department, stabilizing services across key HR functions to provide support to the County's 40+ departments.

Facilities Management: Maintenance and Custodial

Maintenance - The Maintenance budget will see an increase of \$3,257,944, which is a 9.36% change from FY 24/25. The increase can be attributed to the following: \$2,456,531 for Salaries and Benefits and \$863,326 in cost of parts and internal service charges. The current FY 24/25 increase over FY 23/24 budget of 3.53% is not sufficient to cover the negotiated salary and benefit increases. The proposed budget includes a request to fill 11

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

funded recent vacant positions to establish a second shift that would complete preventative maintenance work that is not able to be completed during working hours. This change will not only improve deferred maintenance work, but will also reduce overtime and standby expense which is historically over budget each year. There are 29 proposed unfunded positions.

Custodial - The Custodial budget will see an increase of \$760,844 which is a 4.71% change from FY 24/25. The decrease in salaries and benefits of \$780,014 is primarily due to housekeeping positions that will transfer to RUHS in January 2025. The division is experiencing an increase of \$1.68 million in Janitorial Contracted Services and Cleaning and Custodial Supplies primarily due to an understated budget in FY 24/25 of \$1.2 million. The actual expense for these services includes CPI and minimum wage increases. The Custodial division is proposing to fill 11 funded recent vacancies and not fund 40 vacancies. The custodial positions will allow the custodial utility crew to meet service requests that have been delayed due to staff shortages including carpet, floor care, detailed restroom cleaning and dusting. The positions will also help cover for staff call offs and medical leaves. The proposed budget includes 21 filled positions that will be transferred to RUHS due to the approved Exemption Request approval.

Riverside County Information Technology (RCIT): Enterprise

The Enterprise rate budget will be \$88,832,815, which is an 8.92% increase from FY 24/25. Overall, RCIT's Enterprise allocation has remained steady in prior fiscal years. However, despite significant efforts to maintain costs at those previous levels, for FY 25/26, the department is requesting a \$11.2M increase to the overall budget, of which \$7.3M (8.92%) is an increase to the Enterprise allocation. This increase accounts for labor costs and increases in ISF/GSS, COWCAP, and RC3 lease expenses. Additionally, it covers costs for the EOL 3850 Switches project.

Purchasing and Fleet Services: Central Mail, Fleet/Surplus, Procurement Card Program Fee and MOU Admin Support Fee

Central Mail (Mail Stop & Handling) - Central Mail Services will change the current methodology for the allocation from mail stop count to the number of billable days per mail stops for FY 25/26. Additionally, the division took measures to isolate pass-through charges from the FY 24/25 rate budget that artificially inflated the division's operational budget associated to rate/allocation. Pass through costs are provided as projections to aide departments in their budgetary process, however as these costs are billed based on actual usage. Central Mail's allocation will increase from prior year by \$158,177 (12.12%).

The increases account for a baseline adjustment in salary and benefits, cost-of-living adjustments (COLA), projected labor adjustments, and an anticipated rise in medical subsidies. Additionally, service and supply costs are estimated to increase due to expected overall expense growth from other Internal Service Funds (ISFs) and projected Consumer Price Index (CPI) adjustments for contracts and supplies.

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

Fleet and Surplus Services - Fleet Services proposes the change from individual rates for in-house maintenance related services to a cost allocation in FY 25/26. The costs are allocated to user departments based on a point in time count of managed vehicles for each county department utilizing fleet services. Additionally, and with this move, the division has isolated pass-through charges from the budget that artificially inflated the operational budget associated to rate/allocation.

Parts and contracted maintenance services remain as pass through expenses and are based on estimated usage; therefore, any departmental increase is based on current trends. Departments are billed actuals on these pass-through costs. Due to the complexity of individual rates for motor pool, fuel, and car wash services, these will not be included in the allocation and will instead remain as usage-based rates for user departments.

Under the allocation methodology, allocation related expenses for Fleet Services will increase by \$272,117, a 3.09% change from prior year. The isolation of pass-through expenses that were included in prior 2800s does exhibit a net decrease of (\$6,049,567) when compared to the FY 24/25 Form 2800 budget. This is direct result of removing direct pass-through expenses that are utilized on an as-needed basis by user departments and that experience no markup from the Fleet division for operational costs. With the removal of pass-through costs, departments can anticipate some reduction in their individual Form 2800 amounts, however they will need to remain cognizant of pass-through expenses when budgeting for their own FY 25/26 needs. Fleet will communicate historical averages of these pass through to departments for use in their planning.

The increases account for a baseline adjustment in salary and benefits, cost-of-living adjustments (COLA), projected labor adjustments, and an anticipated rise in medical subsidies. Additionally, service and supply costs are estimated to increase due to expected overall expense growth from other Internal Service Funds (ISFs) and projected Consumer Price Index (CPI) adjustments for contracts and supplies.

Procurement Card Program Fee – The Procurement Card (P-Card) Program rate will see an increase to the fee, as despite consistent program growth and oversight needs, it has not been increased since its inception in 2001. The proposed annual Procurement Card Program Fee is \$95.09 per issued P-Card, increasing from the current fee of \$45.00. These increases are essential to sustain high-quality procurement services, cover rising operational costs, and enable Purchasing to meet the evolving needs of county departments.

MOU Admin Support Fee – The MOU Admin Support Fee will be \$16.60, increasing by \$5.27, a 46.51% change from the current fee of \$11.33. This increase will support 33 dedicated Procurement Contract Specialists (PCS) who are assigned directly to county departments, and accounts for cost-of-living adjustments (COLA), projected labor adjustments, including an anticipated rise in medical subsidies. Since FY22/23,

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

Purchasing's dedicated support staff has increased from 29 to 33 PCS staff members in FY24/25. The expansion in staff reflects the growing demands of county departments, requiring more robust PCS support, and as a result increased supervisory support. Increasing the MOU Support Fee will allow Purchasing to sustain its current services for county departments, address rising operational costs, and ensure continued compliance, efficiency, and high-quality service.

Facilities Management: Project Management Services and Real Estate

Project Management Services (Office Plan Check & Project Management) – PMO is requesting approval of an increase in the rate of 9% to offset merit, COLA, and benefit increases. The Office Plan Check Rate will increase to \$158.00 from \$144.95, while the Project Management Rate will increase to \$164.48 from \$150.90 in FY 24/25. The division unfunded 6 vacant positions. The overall budget increase is \$436,821 from FY 24/25. In FY 25/26 RUHS has submitted an Exemption Request for projects at the main hospital and the Inpatient Treatment Facility which will result in a reduction of two FTE's. To improve project delivery and customer service, the division is offering customer departments the option to request dedicated project managers through a service level agreement, on demand project support, or the use of a consultant. Additionally, technology improvements are underway to enhance timely project budget and completion status reporting for customers.

Real Estate Services Acquisitions - FM – Real Estate Services Acquisitions direct rate will remain flat at \$153.06 to keep support cost as efficient as possible. Departmental impact is based on user department's actual usage and requires the department to budget accordingly.

Real Estate Services Leasing Activity – FM – Real Estate Services Leasing Activity direct rate percentage charged will remain flat at 4.84% to keep support costs as efficient as possible. Departmental impact is based on user department's actual usage and requires the department to budget accordingly.

The Facilities Management Department continues to simplify and streamline its processes in effort to reduce costs in the outyears to our internal customers by leveraging added technology-based systems, decreasing overhead, and increasing productive hours.

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

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

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