



Monterey County

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Board Report

Legistar File Number: BC 18-009

January 31, 2018

Introduced: 1/18/2018

Current Status: Agenda Ready

Version: 1

Matter Type: Budget Committee

- a. Support amending the Sheriff's Office Fiscal Year (FY) 2017-18 Adopted Budget, 001-2300 -SHE001-8224, to reallocate one (1.0) FTE Senior Accounting Clerk to one (1.0) FTE Accounting Technician 4/5 vote required;
- b. Support authorizing the Auditor-Controller to incorporate the approved changes in the Sheriff's Office FY 2017-18 Adopted Budget; and
- c. Support directing the Human Resources Department to implement the changes in the Advantage HRM system.

RECOMMENDATION:

It is recommended that the Board of Supervisors' Budget Committee:

- a. Support amending the Sheriff's Office Fiscal Year (FY) 2017-18 Adopted Budget, 001-2300 -SHE001-8224, to reallocate one (1.0) FTE Senior Accounting Clerk to one (1.0) FTE Accounting Technician;
- b. Support authorizing the Auditor-Controller to incorporate the approved changes in the Sheriff's Office FY 2017-18 Adopted Budget; and
- c. Support directing the Human Resources Department to implement the changes in the Advantage HRM system.

SUMMARY/DISCUSSION:

This request is being resubmitted with a complete package including the collection contract and analysis of the fiscal estimates per December 15, 2017 Budget Committee's request.

The Sheriff's Office is requesting to reallocate one (1.0) FTE Senior Account Clerk, currently vacant position to one (1.0) FTE Accounting Technician. The Senior Account Clerk position became vacant due to retirement and the main responsibility of the position was to process alarm permits and false alarms pursuant to Monterey County Code of Ordinance Chapter 11.08.

The Sheriff's Office recently signed a new medical services contract for the Adult Detention Facility, and has been asked to review and reduce operations costs to offset increased costs of this contract. Additionally, the new medical services contract requires to process all inmates' medical bills by the Sheriff's Office personnel and to work with other County departments to participate in the Medi Cal for Inmates Eligibility program which increased the Fiscal Division's workload. To deal with the staff shortage issues without requesting additional fiscal staff, the Office reviewed accounting operations and decided to sign a collection contract with the current alarm permit software vendor. The request for the collections contract approval is forthcoming; the agreement is attached for informational purposes. The Office anticipates it will generate more revenue with the collection contract. For the FY 2016-17, the net revenue associated with alarms was \$131,596. Based on the collections contract, the net

annual revenue would have been \$159,296 which is \$27,700 more. The increase in revenue is due to the collections agent having a much larger volume operation that allows them to invest in sophisticated software that automates manual functions, making their operation more efficient than what is available or cost effective for the County to use.

The collection revenue is estimated at \$260,000 per year with an anticipated cost of the contract annually is \$78,000, based on a 30% contingency collection agent contract. The attached contract terms are final and when all signatures are collected, the Office will bring a report forward for your approval with notification of any minor changes made since, if any. The cost for the Alarm Desk in the FY 2016-17 was \$95,970 and consisted primarily of salary and benefits for the Sr. Account Clerk and other administrative costs. The position being reallocated used to be a dedicated position for the program. However, during last a few years, the position has been utilized in accounts payable area due to increased workload and reduction in staffing at the Sheriff's Fiscal Division. The additional workload for the position prevented the staff from doing the follow up work which resulted in revenue loss over the years. It is anticipated that outsourcing will provide greater revenues due to contractor's address correction software, and increased coordination with alarm installation agents. The vendor currently does all alarm billing for the City of Salinas, and eight other counties within the State.

The reallocation of the position to a higher classification is needed because the medical services contract requires processing inmate medical bills including verifying that inmate was in custody at time of medical service, creating spreadsheets to track medical bills, coordinating with the Department of Social Services to ensure patient becomes enrolled in the Medi Cal for Inmates Eligibility program; sending medical invoices to a claims adjudication agent for additional review and discounts; sending rejection notices to providers for invalid charges; and coordinating with corrections staff, external physicians, hospitals, accounting staff and senior staff to secure data necessary to pay bills and compile reports. The reallocation of the position is critical to ensure maximum Medi Cal enrollment for inmate hospital stays, to offset the increased inmate medical contract costs.

OTHER AGENCY INVOLVEMENT:

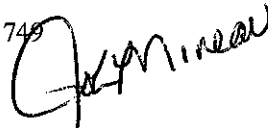
The Human Resources Department has reviewed and approved the request.

FINANCING:

There is no General Fund Contribution increase as a result of the recommendation. The annual salary and related benefits' difference between the two positions is approximately \$7,800 and will be offset with estimated annual net increase in the revenues of approximately \$22,000 due to the outsourcing of the service.

Prepared by: Hye-Weon Kim, Finance Manager, Ext. x3749

Approved by: Steve Bernal, Sheriff-Coroner, Ext. 3725



Attachments: Standard Agreement-Public Safety Corporation
Exhibit A of the Public Safety Corporation
Alarm Desk Financial Analysis
Request To Classify