



County of San Mateo

Inter-Departmental Correspondence

Department: HEALTH

File #: 18-916

Board Meeting Date: 10/2/2018

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Louise F. Rogers, Chief, Health System
Lisa Mancini, Director, Aging and Adult Services

Subject: Approval of the Revised Aging and Adult Services Warehouse Cost Recovery Schedule

RECOMMENDATION:

Adopt a resolution authorizing the revision of the Aging and Adult Services Warehouse Cost Recovery Schedule.

BACKGROUND:

Aging and Adult Services (AAS) manages a warehouse utilized by its programs, including the Public Guardian and Public Administrator, in which the personal property of conserved and deceased clients is stored before it is auctioned off to pay for a conservatee's care or distributed to heirs of deceased clients, in accordance with the California Probate Code. The existence of the warehouse expedites the sale of real properties because AAS staff does not need to wait for a third party to inventory and auction the personal property of conservatees or decedents.

The cost of warehouse services is covered by: (1) the amount of revenue recovered through warehouse charges, and (2) Net County Cost. In FY 2017-18, approximately 15 percent of the cost of warehousing was covered by these fees.

DISCUSSION:

AAS utilized the Consumer Price Index (CPI) and compiled market rate pricing data to provide similar types of services in the Bay Area to assess the appropriateness and proposed rates to the new Cost Recovery Schedule. Since 2013, the regional CPI has increased by 18 percent and the market rates of similar services provided in the private sector are about 20 to 25 percent higher than the current rates. Based on these factors AAS proposes to increase current rates by 15 percent as follows:

Task	Current Rate	Proposed Rate
Truck Hours	\$20.00 / hour	\$23.00/hour
Van Hours	\$15.00 / hour	\$17.00/hour

Man Hours	\$35.00 / hour	\$40.00 / hour
Vault Rental - Full	\$80.00 / month	\$92.00/month
Vault Rental - Half	\$40.00 / month	\$46.00/month
Auto Storage	\$75.00 / month	\$86.00/month

The proposed rates would be effective immediately upon Resolution adoption by the Board. The rates will be adjusted annually in an amount equal to the Consumer Price Index-all urban consumers (CPI-U) for the geographic region encompassing San Mateo County (currently the San Francisco-Oakland-San Jose region), 12-month percentage change, published by the US Bureau of Labor Statistics, and effective on the first day of each fiscal year, beginning on July 1, 2018. The applicable CPI-U shall be rounded to the nearest tenth of one percent, and if there is no increase or the rounded increase is zero, there will be no increase in the rates.

The agreement and resolution have been reviewed and approved by County Counsel as to form.

Revision of the AAS Warehouse Cost Recovery Schedule contributes to the Shared Vision 2025 outcome of a Healthy Community by allowing AAS to offer moving and storage services for clients, which is in the best interest of the clients for the protection of their property/estates. It is anticipated that the increase in warehouse fees will raise the cost recovery from 15 to 20 percent of the total cost of storage. Unfortunately, full cost recovery cannot be achieved because not all clients will be able to afford to pay storage fees due to their limited incomes.

PERFORMANCE MEASURE:

Measure	FY 2017-18 Actual	FY 2018-2019 Projected
Percentage of warehouse operating cost recovered by fees	15%	20%

FISCAL IMPACT:

Fees collected for warehouse moving and storage will be charged to clients' estates, as appropriate. There is no Net County Cost associated with this revision to the Warehouse Cost Recovery Schedule.