

Rancho Murieta CSD
Cost of Services Study – Barcodes
November 20, 2024 Board Meeting

District Staff conducted a fee study concerning vehicle barcodes which are an integral part of security at and inside the gates as their function is to grant and track access to the gated areas of the community through lanes with automated gate arms. Those entering the gated areas of the community are primarily those who reside behind the gates. Others include members of the Rancho Murieta Country Club, those conducting business with residents, and developers/construction contractors tied to new housing development projects. The fee for barcodes has not increased since its inception nearly 30 years ago while the cost of operating the security gates, patrolling behind the security gates, and administrative costs related to these services have steadily increased each year. Based on the rate study, Staff recommend the following:

1. Increase in initial barcode fee to \$25 from \$10. This represents an approximate \$0.50 increase each year per barcode and helps cover regular year-over-year salary and benefit increases as well as other general inflationary cost increases.
2. Introduction of an annual renewal fee of \$10 per active barcode sticker. This helps cover regular year-over-year salary and benefit increases as well as other general inflationary cost increases. This also helps cover infrastructure and equipment replacement costs.
3. Introduction of an annual barcode for those conducting business inside the gated community. Daily, individuals from outside the community conduct business inside the community and as such impact security services. The purpose of this fee is to allocate some of those costs to individuals and entities who have previously not contributed to the costs of providing these services. Staff propose a tiered annual rate for contractors as follows:
 - A. \$100 - Sole proprietors including gardeners, housekeepers, pool service, and realtors.
 - B. \$500 - Developers/Construction contractors - up to five construction vehicles.
 - C. \$1,000 - Developers/Construction contractors - over five construction vehicles.

Note: This fee is voluntary, and each contractor determines whether they want to purchase a barcode to utilize the automated gate arm at specified hours for contractors. Additional research needs to be conducted to determine the full impact of item three, and it may take until FY 25-26 to derive the most appropriate way to track and assess this fee.

Findings:

Barcodes are an integral part of the security operation at and inside the security gates. The recommended increase to barcode fees covers approximately 6% of the costs attributable to security operations at and inside the security gates. Further, this is the first increase to barcode fees since the community began using barcodes in or around 1995. An amended

budget for FY 24-25 indicates that if barcode fees are increased to cover more of the costs attributable to their purpose, - i.e. security at and inside the gates, the Security department will have other funds available to provide overall services more in line with community expectations.

Barcode Fee Description	Estimated Number of Barcodes	Before Increase	After Increase	Estimated Revenue from Fee Increase
New Barcode Sales	200	\$ 2,000	\$ 5,000	\$ 3,000
Active Barcodes for Renewal	8,000	-	80,000	80,000
Contractor Barcodes			TBD	
- Tier A				
- Tier B				
- Tier C				
Total Estimated Revenue from Fee Change				\$ 83,000

Methodology Used to Derive Costs Attributable to Behind the Gates:

Overall Costs – As shown in the table below, 70% of security administrative, 50% of patrol, and 100% of security gate costs were allocated to operations at and behind the gates. Administrative costs are allocated based on a combination of factors including number of employees, overall operating costs, infrastructure and equipment, and percentage of the community served. Patrol costs are allocated based on a combination of territory patrolled, incident types, and dispatched calls.

	Amended Budget FY 24-25	Attributable to Behind the Gates	Attributable to Behind the Gates
Security Admin	\$ 206,978	70%	\$ 144,885
Security Gates	799,168	100%	799,168
Security Patrol	449,348	50%	224,674
Total Direct Security Expense	1,455,494	80%	1,168,727
CSD Admin Overhead	250,117	80%	200,838
Total Operating Expense	\$ 1,705,611		\$ 1,369,565

Estimated Revenue from Fee Change	83,000
Total Operated Expense Attributable to the Gates	1,369,565

Change in Barcode Fees as a Percentage of Attributable Costs 6%