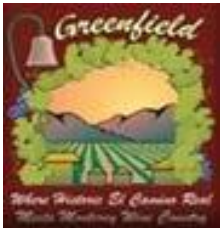

COST ALLOCATION PLAN

Fiscal Year 2015-16



City of Greenfield

TABLE OF CONTENTS

INTRODUCTION

Overview	
Purpose of the Cost Allocation Plan	1
Plan Goal: Reasonable Allocation of Costs	1
Determining Direct and Indirect Costs	1
Allocating Indirect Costs	
Citywide Indirect Costs	1
Bases of Allocation	2
Indirect Cost Allocations	2
Simple Method of Allocating Costs	2
Uses of the Cost Allocation Plan	2
Plan Preparation	3
Summary	3

INDIRECT COST ALLOCATIONS

Summary Schedules

Summary of Direct and Indirect Costs: Table 1	4
Excluded Costs and Other Adjustments: Table 2	5
Basis of Indirect Cost Allocations: Table 3	6
Indirect Program Costs	
City Manager Program Costs: Table 4.1	7
Financial Services Program Costs: Table 4.2	8
Summary of Indirect Cost Allocations	
Summary by Fund Type: Table 5.1	9
General Fund: Table 5.2	10
Enterprise Funds: Table 5.3	11
Special Revenue Funds: Table 5.4	12

Indirect Cost Allocations by Program

Administration	
City Council: Table 6.1	13
City Manager	
General Administration: Table 6.2(a)	14
Human Resources: 6.2(b)	15
City Clerk: Table 6.3	16
City Attorney: Table 6.4	17

Financial Services	
General Finance & Accounting: Table 6.5(a)	18
Payroll: Table 6.5(b)	19
Utility Billing: 6.5(c)	20
Business License Tax/TOT Collections: Table 6.5(d)	21
General Services	
Civic Center	
Facilities Maintenance: Table 6.6	22
Utilities: Table 6.7	23
Communications: Table 6.8	24
Other Civic Center Costs: Table 6.9	25
Property and Liability Insurance: Table 6.10	26
Information Technology: Table 6.11	27
Public Works Support Costs	
Public Works Administration: Table 6.12	28
Fleet Maintenance: Table 6.13	29
Facility Use: Table 6.14	30

Reimbursement Transfers: Budget and Actual

General Fund Reimbursement Transfers: Table 7	31
---	----

COST ALLOCATION SUPPORTING INFORMATION

Allocation Bases

Council Agenda Items: Table 8.1	32
Full-Time Equivalent Staffing: Table 8.2	33
Assigned Space: Table 8.3	34
Assigned Telephones: Table 8.4	35
Assigned Computers: Table 8.5	36
Vehicle Value: Table 8.6	37
Scheduled Vehicle Replacement: Table 8.7	38

HOURLY LABOR RATES

Introduction	39
Labor Rates By Program	40

INTRODUCTION

OVERVIEW

Purpose of the Cost Allocation Plan

The purpose of the City's Cost Allocation Plan is to identify the total costs of providing specific City services. Why is a separate cost accounting analysis required to do this? Because in almost all organizations—whether in the private or the public sector—the cost of producing goods or delivering services can be classified into two basic categories: direct and indirect costs.

“Direct costs” by their nature are usually easy to identify and relate to a specific service. However, this is not the case for “indirect costs.” As such, if we want to know the “total cost” of providing a specific service, then we need to develop an approach—a plan—for reasonably allocating indirect costs to direct cost programs.

What Are Direct and Indirect Costs? Direct costs are those that can be specifically identified with a particular cost objective, such as street maintenance, police protection and water service. Indirect costs are not readily identifiable with a direct operating program, but rather, are incurred for a joint purpose that benefits more than one cost objective.

Common examples of indirect costs include accounting, purchasing, legal services, personnel administration, insurance and building maintenance. Although indirect costs are generally not readily identifiable with direct cost programs, their cost should be included if we want to know the total cost of delivering specific services.

Budgeting and Accounting for Indirect Costs. Theoretically, all indirect costs could be directly charged to specific cost objectives; however, practical difficulties generally preclude such an approach for organizational and accounting reasons. As such, almost all organizations separately budget and account for direct and indirect costs at some level depending on their financial reporting needs and the complexity of their operations.

Distributing Indirect Costs. However, in order to determine the total cost of delivering specific services, some methodology for determining and distributing indirect costs must be developed, and that is the purpose of cost

allocation plans: to identify indirect costs and to allocate them to benefiting direct cost programs in a logical, consistent and reasonable manner.

Plan Goal: Reasonable Allocation of Costs

It is important to stress that the goal of the Cost Allocation Plan is a reasonable allocation of indirect costs, not a “perfect” one. By their very nature, indirect costs are difficult to link with direct costs. As such, in developing an allocation approach, it is important to keep this goal in mind balancing the cost and of effort of complicated allocation methods with the likely benefits from the end results.

Determining Direct and Indirect Costs

The first step in preparing the City's Cost Allocation Plan is determining direct and indirect costs. Program costs that primarily provide service to the public are identified as direct costs, whereas the cost of programs that primarily provide services to the organization are identified as indirect costs.

Additionally, use allowance costs for facilities and equipment have also been developed. In accordance with generally accepted accounting principles, only operating costs are considered in preparing the Cost Allocation Plan. As such, capital outlay, debt service, interfund transfers and “pass-through” costs are excluded from the calculations.

ALLOCATING INDIRECT COSTS

For general purposes, the City-wide indirect cost rate can be used as the basis for allocating indirect costs. The indirect cost rate is simply the ratio between indirect and direct costs, which can be easily computed for the City as a whole once the direct and indirect cost base has been determined.

Citywide Indirect Cost Rate

Provided in Table 1 (page 4) is a summary of direct and indirect costs for the City of Greenfield based on the approved 2015-16 Budget along with the resulting citywide indirect cost rate. By applying the overall indirect cost rate to any specific direct cost program, the total cost of the program can be determined. For example, with an overall indirect cost rate of 28.1%, the total cost for a direct program of \$100,000 in Greenfield would be \$128,100

INTRODUCTION

with this approach. (Table 2 on page 5 reconciles direct and indirect costs to the Budget after adjusting for capital outlay, debt service, interfund transfers and pass-through costs).

Bases of Allocation

This method of cost allocation assumes that all indirect costs are incurred proportionately to the direct cost of the program. However, this may not be a reasonable assumption in all cases, as the benefit received from certain types of support service programs may be more closely related to another indicator of activity than cost.

For example, if a program service is primarily delivered through contract and does not have any City staffing directly associated with it, distributing personnel administration and payroll preparation costs to it may result in an inequitable allocation of costs. Because of this, the City's Cost Allocation Plan establishes separate *bases of allocation* for each major indirect cost category. With this approach, indirect costs can be allocated to each direct cost program in a fair, convenient, and most importantly, consistent manner. Provided in Table 3 on page 6 is a summary of the primary methods of allocation used in distributing indirect costs to direct cost programs.

Some of these costs lend themselves to an easily justified, rational approach of distribution. For example, human resources and payroll costs are related to the number of employees serviced. Other costs may not be as intuitive; however, the allocation bases are consistent with generally accepted accounting principles and recognize the concept that the cost of developing the information necessary to perform the cost allocations should not exceed the benefits likely to be gained.

Where there is not a clear relationship to an allocation base (like staffing, assigned space or Council agenda items), allocating costs based on operating budget is the common industry practice, and as such, this approach is used by the City.

Indirect Cost Allocations

A summary of the indirect cost allocations is provided in Tables 5.1 through 5.4 (pages 9 through 12), followed by the detailed allocations for each

specific indirect cost program on Tables 6.1 through 6.14 (pages 13 to 30). This leads to a summary of reimbursement transfers to the General Fund in Table 7 (page 31).

Simple Method of Allocating Costs

In performing the cost allocations, all indirect costs have been allocated only to direct cost programs rather than using a more complex sequential allocation system. Although there are some conceptual difficulties with this approach, the difference in the end result is insignificant, but the cost of preparation, review and audit is significantly reduced.

For example, the cost of the City Manager program is allocated solely to direct cost programs based on their operating budget. However, as the City Manager program also benefits other indirect cost programs such as City Attorney and Finance, the cost allocations could appear to be distorted since no allocations are made to them.

Under a more sophisticated system, the cost of the City Manager program would be allocated to the other indirect costs programs and iterative allocations then made to direct cost programs until all indirect costs are distributed. However, this process is extremely time consuming (and places far more reliance on the underlying significance of the allocation bases than may be appropriate) and results in the same basic cost allocations as the simpler method since all indirect costs are allocated in the final product. Again, as noted above, the plan's goal is a reasonable allocation of costs, not a "perfect" one.

USES OF THE COST ALLOCATION PLAN

By identifying total program costs, the Cost Allocation Plan can be used as an analytical tool in many financial decision-making situations, including:

- **Reimbursement Transfers.** The Cost Allocation Plan identifies the costs incurred by the General Fund in providing administrative support services to the City's other funds such as water and wastewater. For example, although the City's administrative, legal services, accounting, human resources and building maintenance programs are budgeted and accounted for in the General Fund, these programs provide support

INTRODUCTION

services to other City funds. The Cost Allocation Plan provides a clear methodology for determining this level of support in for the reimbursement of these costs. As noted above, recommended reimbursement transfers based on the Cost Allocation Plan are presented in Table 7 (page 31) compared with budget estimates.

- **General Fund User Charges.** Similar to ensuring that enterprise fund revenues fully recover their costs, the Cost Allocation Plan can also be used in determining appropriate user fees for General Fund services, such as planning applications, building permits and recreation activities, in ensuring that the full cost of services are considered in setting rates.
- **Labor Rates.** The City has developed hourly labor rate schedules that identify the total hourly cost of all regular positions (pages 39 to 44). Key components of the “full-cost” rate include indirect costs, both organization-wide (which the Cost Allocation Plan identifies) and for program administration. Additionally, these hourly rates include paid and leave benefits.
- **Contracting-Out for Services.** By identifying total costs, the cost allocation plan can also be helpful in analyzing the costs of contracting for services versus performing services in-house.
- **Grant Administration.** Under federal cost accounting policies (Circular A-87), it is permissible to include indirect costs in accounting for grant programs. By establishing indirect cost rates, the cost allocation plan can be used in recovering the total costs (direct and indirect) associated with implementing grant programs.

PLAN PREPARATION

In a true cost accounting system, indirect costs would be computed and allocated on an ongoing basis throughout the fiscal year based on actual costs. However, frequent updating in municipal finance would not serve any specific purpose—such as unit price control in a manufacturing company—but it would consume significant accounting resources.

As such, the City’s Cost Allocation Plan is prepared biennially based on the two-year Budget adopted by the Council. (While the Cost Allocation Plan itself is updated biennially, labor rates are revised at least annually to stay current with salary and benefit changes.)

This approach works well when significant variances are not expected between budget and actual. However, where large variances are possible, then at the end of the fiscal year, a “true-up” should be calculated based on actual costs. Any variances (either over or under the Cost Allocation Plan amounts) can then be applied to the following year’s Cost Allocation Plan.

After two years, the City will assess whether there were any significant variances between budget and actual, and move to a “true-up” approach if that proves to be the case.

SUMMARY

The Cost Allocation Plan makes determining total program costs possible by establishing a reasonable methodology for identifying and allocating indirect costs to direct cost programs. Because of this, the Cost Allocation Plan can be a valuable analytical tool in a number of situations, including establishing fees designed for full cost recovery, reimbursing support service costs provided by the General Fund to other funds and special purpose agencies and recovering indirect costs associated with grant programs.

DIRECT AND INDIRECT COST SUMMARY

Table 1

DIRECT COSTS	
General Fund	
Parks & Recreation	249,600
Community Development	528,200
Police Services	2,268,000
Enterprise Funds	
Sewer Utility Fund	749,700
Water Utility Fund	721,700
Special Revenue Funds	
Police Grants	313,100
Measure X	1,143,000
Gas Tax Fund	459,700
Landscape and Lighting Districts	505,300
Street and Drainage Districts	158,500
Science Workshop Fund	129,100
Other Special Revenue Funds	399,000
TOTAL DIRECT COSTS	\$7,624,900

INDIRECT COSTS	
City Council Administration	66,700
City Manager	
General Administration	211,100
Human Resources	121,400
City Clerk	140,300
City Attorney	100,000
Financial Services	
General Finance and Accounting	224,600
Payroll	57,300
Utility Billing	243,300
Business Tax & TOT Collections	13,100
General Services	
Civic Center	
Facility Maintenance	25,700
Utilities	39,100
Communications	39,000
Other Civic Center Costs	36,800
Property and Liability Insurance	135,300
Information Technology	110,400
Public Works Support Services	
Public Works Administration	63,300
Fleet Maintenance	103,600
Buildings and Equipment	
Facility Use	299,500
Fleet Use	201,900
TOTAL INDIRECT COSTS	2,232,400

OVERALL INDIRECT COST RATE	
Indirect Costs Divided by Direct Costs	29.3%

Under generally accepted accounting principles, capital outlay, debt service, interfund transfers, trust and agency funds and pass-through payments are usually excluded in calculating indirect cost rates; accordingly, only operating costs (less transfers) are considered in the City's cost allocation plan.

SUMMARY OF EXCLUDED COSTS AND OTHER ADJUSTMENTS

Table 2

RECONCILIATION TO 2015-16 BUDGET

Excluded Costs and Other Reconciling Adjustments	
<i>Less Non-Budget Costs</i>	
Facility Use	(299,500)
Fleet Use	(201,900)
<i>Plus Excluded Costs</i>	
General Fund Reimbursement Transfers	
from Sewer Utility Fund	152,800
from Water Utility Fund	277,100
from Landscape and Lighting Districts	40,000
from Street and Drainage Districts	38,000
from Gas Tax Fund	25,000
Other Transfers	
General Fund to:	
Civic Center Debt Service Fund	200,900
Police NGEN Debt Service	26,200
Science Workshop Fund	20,000
Parks & Recreation: Equipment Debt Service Fund	16,800
Sewer Utility Fund to Equipment Debt Service and CDBG	36,800
Water Utility Fund to Equipment Debt Service and CDBG	37,800
Capital Outlay	
General Fund: Fleet Maintenance	14,000
Enterprise Funds	
Sewer Utility Fund: Public Works	327,000
Water Utility Fund: Public Works	388,800
Sewer and Water Utility Billing	65,000
Special Revenue Funds	
Police Grants	37,000
Proposition 84 Park Fund	2,326,200
Community Development Block Grant (CDBG) Fund	1,256,300
Park Impact Fund	390,000
Police Impact Fund	20,000
Gas Tax Fund	165,000
Local Transportation Fund	1,305,700
ATP Grant Fund	622,000
Debt Service Funds	268,100
Trust Funds: Successor Agency	4,807,600
Pass-Throughs	
General Fund Solid Waste Utility Billing	1,427,100
CDBG Housing Rehabilitation	221,600
CDBG Ownership Assistance	224,600
Home Grant Fund	4,600,000
Total	18,836,000

Cost Allocation Plan	
Indirect Costs	2,232,400
Direct Costs	7,624,900
Total	9,857,300

Under generally accepted accounting principles, capital outlay, debt service, interfund transfers, trust and agency funds and pass-through payments are typically excluded in calculating indirect cost rates; accordingly, only operating costs (less transfers, trust funds and pass-throughs) are considered in the City's Cost Allocation Plan.

This schedule identifies these excluded costs, and along with other adjustments ("such as non-budgeted" use allowance costs), reconciles the direct and indirect costs used in the Cost Allocation Plan with the adopted budget.

Special Note on Successor Agency Exclusion

While the Successor Agency to the City's Redevelopment Agency would typically be excluded from the City's cost allocation plan as a Trust Fund, there are other compelling reasons for doing so:

1. The cost allocation plan is for the City: the Successor Agency is a separate unit of government, independent from the City. While the City appoints some members of the governing body, it does not appoint a majority of them. Along with other responsibilities, the governing body, via its approval of the Recognized Obligation Payments Schedule (ROPS), independently plays a critical fiscal role in determining the amount of revenue available to the Successor Agency.

2. Even if this were not the case, virtually all the Successor Agency's direct expenditures would be excluded from the Cost Allocation Plan as they for debt service and capital outlay.

2015-16	
Total: All Funds	28,693,300

BASIS OF INDIRECT COST ALLOCATIONS

Table 3

INDIRECT COST PROGRAM	BASIS OF ALLOCATION
<p>City Council Administration City Manager General Administration Human Resources City Clerk City Attorney Financial Services General Finance and Accounting Payroll Business Tax & TOT Collections Utility Billing General Services Civic Center Facility Maintenance Utilities Communications Other Civic Center Costs Property and Liability Insurance Information Technology Public Works Support Services Public Works Administration Fleet Maintenance Buildings and Equipment Facility Use Fleet Use</p>	<p>Council Agenda Items Operating Budget Full-Time Equivalent Staffing Council Agenda Items Operating Budget Operating Budget Full-Time Equivalent Staffing General Fund Operating Budget Water and Sewer Funds Assigned Space/Operating Budget Assigned Space/Operating Budget Assigned Telephones Operating Budget Full-Time Equivalent Staffing Assigned Computers Assigned Programs Operating Budget Value of Assigned Vehicles Assigned Space/Operating Budget Assigned Vehicles</p>

CITY MANAGER PROGRAM COSTS

Table 4.1

	General Administration	Human Resources	Total
Staffing	Percent		
City Manager	0.80	0.20	1.00
Executive Assistant	0.15	0.85	1.00
Management Analyst	0.90	0.10	1.00
Allocated Cost			
City Manager	168,700	42,200	210,900
Executive Assistant	10,800	61,000	71,800
Management Analyst	-	-	-
Total Staffing	179,500	103,200	282,700
Percent	63.5%	36.5%	100.0%
Other Operating Costs	31,600	18,200	49,800
Total Allocated	\$211,100	\$121,400	\$332,500

FINANCIAL SERVICES PROGRAM COSTS

Table 4.2

	General Finance	Payroll	Utility Billing	Business License Tax	Total
Staffing	Percent				
Administrative Services Director	70.0%	20.0%	5.0%	5.0%	100.0%
Accountant	50.0%	40.0%	5.0%	5.0%	100.0%
Finance Technician	75.0%		25.0%		100.0%
Customer Services Assistant			100.0%		100.0%
Customer Services Assistant			100.0%		100.0%
Temporary Staffing	25.0%		50.0%	25.0%	100.0%
Allocated Cost					
Director of Administrative Service	80,600	23,100	5,800	5,800	115,300
Accountant	36,400	29,100	3,600	3,600	72,700
Finance Technician	45,800	-	15,300	-	61,100
Customer Services Assistant	-	-	69,900	-	69,900
Customer Services Assistant	-	-	69,900	-	69,900
Temporary Staffing	2,500	-	5,000	2,500	10,000
Total Staffing	165,300	52,200	169,500	11,900	398,900
Percent	41.4%	13.1%	42.5%	3.0%	100.0%
Other Operating Costs					
Contract Services					
Audit	43,100				43,100
Financial Management System	4,900	1,600	5,100	400	12,000
Other Contract Services	7,300	2,300	7,500	500	17,600
Utility Billing			57,200		57,200
Other Operating Costs	4,000	1,200	4,000	300	9,500
Total Other Operating Costs	59,300	5,100	73,800	1,200	139,400
TOTAL	\$224,600	\$57,300	\$243,300	\$13,100	\$538,300

SUMMARY OF INDIRECT COST ALLOCATIONS

Table 5.1

	INDIRECT COST ALLOCATION SUMMARY			
	General Fund	Enterprise Funds	Special Revenue Funds	Total
City Council Administration	30,400	8,600	27,700	66,700
City Manager				
General Administration	84,300	40,800	86,000	211,100
Human Resources	46,300	25,400	49,700	121,400
City Clerk	64,200	18,000	58,100	140,300
City Attorney	40,000	19,300	40,700	100,000
Financial Services				
General Finance and Accounting	89,600	43,400	91,600	224,600
Payroll	21,900	12,000	23,400	57,300
Utility Billing	-	243,300	-	243,300
Business Tax & TOT Collections	13,100	-	-	13,100
General Services				
Civic Center				
Facility Maintenance	19,800	2,000	3,900	25,700
Utilities	30,400	3,100	5,600	39,100
Communications	35,300	3,000	700	39,000
Other Civic Center Costs	14,800	7,100	14,900	36,800
Property and Liability Insurance	51,800	28,300	55,200	135,300
Information Technology	102,600	6,200	1,600	110,400
Public Works Support Services				
Public Works Administration	5,300	31,300	26,700	63,300
Fleet Maintenance	38,200	32,600	32,800	103,600
Buildings and Equipment				
Facility Use	232,900	23,000	43,600	299,500
Fleet Use	56,500	99,500	45,900	201,900
TOTAL INDIRECT COSTS	977,400	646,900	608,100	2,232,400

Total Direct Costs	3,045,800	1,471,400	3,107,700	7,624,900
Total Costs	4,023,200	\$2,118,300	\$3,715,800	\$9,857,300
Indirect Cost Rate	32.1%	44.0%	19.6%	29.3%

SUMMARY OF INDIRECT COST ALLOCATIONS

Table 5.2

	GENERAL FUND			
	Parks & Recreation	Community Development	Police Services	Total
City Council	7,600	18,000	4,800	30,400
Administration				
City Manager				
General Administration	6,900	14,600	62,800	84,300
Human Resources	2,000	3,800	40,500	46,300
City Clerk	16,000	38,200	10,000	64,200
City Attorney	3,300	6,900	29,800	40,000
Financial Services				
General Finance and Accounting	7,400	15,600	66,600	89,600
Payroll	900	1,800	19,200	21,900
Utility Billing				
Business Tax and TOT Collections	1,100	2,300	9,700	13,100
General Services				
Civic Center				
Facility Maintenance	300	1,300	18,200	19,800
Utilities	500	2,000	27,900	30,400
Communications	3,700	3,700	27,900	35,300
Other Civic Center Costs	1,200	2,500	11,100	14,800
Property and Liability Insurance	2,200	4,300	45,300	51,800
Information Technology	1,600	7,800	93,200	102,600
Public Works Support Services				
Public Works Administration	5,300			5,300
Fleet Maintenance	4,000	2,400	31,800	38,200
Buildings and Equipment				
Facility Use	3,500	15,100	214,300	232,900
Fleet Use	5,600	3,600	47,300	56,500
TOTAL INDIRECT COSTS	73,100	143,900	760,400	977,400

Total Direct Costs	249,600	528,200	2,268,000	3,045,800
Total Costs	322,700	672,100	3,028,400	4,023,200
Indirect Cost Rate	29.3%	27.2%	33.5%	32.1%

SUMMARY OF INDIRECT COST ALLOCATIONS

Table 5.3

	ENTERPRISE FUNDS		
	Sewer	Water	Total
City Council	1,000	7,600	8,600
Administration			
City Manager			
General Administration	20,800	20,000	40,800
Human Resources	17,000	8,400	25,400
City Clerk	2,000	16,000	18,000
City Attorney	9,800	9,500	19,300
Financial Services			
General Finance and Accounting	22,100	21,300	43,400
Payroll	8,000	4,000	12,000
Utility Billing	121,650	121,650	243,300
Business Tax & TOT Collections			
General Services			
Civic Center			
Facility Maintenance	1,000	1,000	2,000
Utilities	1,600	1,500	3,100
Communications	1,500	1,500	3,000
Other Civic Center Costs	3,600	3,500	7,100
Property and Liability Insurance	18,900	9,400	28,300
Information Technology	3,100	3,100	6,200
Public Works Support Services			
Public Works Administration	15,900	15,400	31,300
Fleet Maintenance	15,100	17,500	32,600
Buildings and Equipment			
Facility Use	11,700	11,300	23,000
Fleet Use	55,400	44,100	99,500
TOTAL INDIRECT COSTS	330,150	316,750	646,900

Total Direct Costs	749,700	721,700	1,471,400
Total Costs	1,079,850	1,038,450	2,118,300
Indirect Cost Rate	44.0%	43.9%	44.0%

SUMMARY OF INDIRECT COST ALLOCATIONS

Table 5.4

	SPECIAL REVENUE FUNDS							Total
	Police Grants	Measure X	Gas Tax	Landscape & Lighting	Streets & Storm Drainage	Science Workshop	Other	
City Council Administration	-	1,000	-	17,200	-	1,900	7,600	27,700
City Manager								
General Administration	8,700	31,600	12,700	14,000	4,400	3,600	11,000	86,000
Human Resources	5,700	28,300	8,700	400	900	5,700		49,700
City Clerk		2,000		36,100		4,000	16,000	58,100
City Attorney	4,100	15,000	6,000	6,600	2,100	1,700	5,200	40,700
Financial Services								
General Finance and Accounting	9,200	33,700	13,500	14,900	4,700	3,800	11,800	91,600
Payroll	2,700	13,300	4,100	200	400	2,700		23,400
Utility Billing								
Business Tax & TOT Collections								
General Services								
Civic Center								
Facility Maintenance	400	1,400	600	600	200	200	500	3,900
Utilities	600	2,100	800	900	300	200	700	5,600
Communications			700					700
Other Civic Center Costs	1,500	5,500	2,200	2,400	800	600	1,900	14,900
Property and Liability Insurance	6,300	31,500	9,700	400	1,000	6,300		55,200
Information Technology			1,600					1,600
Public Works Support Services								
Public Works Administration	-		9,800	10,800	3,400	2,700		26,700
Fleet Maintenance	-		32,800					32,800
Buildings and Equipment								
Facility Use	4,400	16,000	6,500	7,100	2,200	1,800	5,600	43,600
Fleet Use			45,900					45,900
TOTAL INDIRECT COSTS	43,600	181,400	155,600	111,600	20,400	35,200	60,300	608,100

Total Direct Costs	313,100	1,143,000	459,700	505,300	158,500	129,100	399,000	3,107,700
Total Costs	\$356,700	\$1,324,400	\$615,300	\$616,900	\$178,900	\$164,300	\$459,300	\$3,715,800
Indirect Cost Rate	13.9%	15.9%	33.8%	22.1%	12.9%	27.3%	15.1%	19.6%

INDIRECT PROGRAM COST ALLOCATION

Table 6.1

Indirect Cost Program	City Council
Budget	\$66,700
Base of Allocation	Council Agenda Items

Direct Cost Program	Base of Allocation	Percent of Total	Cost Allocation
General Fund			
Parks & Recreation	8	11.4%	7,600
Community Development	19	27.1%	18,000
Police Services	5	7.1%	4,800
Enterprise Funds			
Sewer Utility Fund	1	1.4%	1,000
Water Utility Fund	8	11.4%	7,600
Special Revenue Funds			
Police Grants			
Measure X	1	1.4%	1,000
Gas Tax Fund			
Landscape and Lighting Districts	18	25.7%	17,200
Street and Drainage Districts			
Science Workshop Fund	2	2.9%	1,900
Other Special Revenue Funds	8	11.4%	7,600
Total Direct Cost Programs	70	100.0%	\$66,700

INDIRECT PROGRAM COST ALLOCATION

Table 6.2(a)

Indirect Cost Program	City Manager: General Administration
Budget	\$211,100
Base of Allocation	Operating Budget

Direct Cost Program	Base of Allocation	Percent of Total	Cost Allocation
General Fund			
Parks & Recreation	249,600	3.3%	6,900
Community Development	528,200	6.9%	14,600
Police Services	2,268,000	29.7%	62,800
Enterprise Funds			
Sewer Utility Fund	749,700	9.8%	20,800
Water Utility Fund	721,700	9.5%	20,000
Special Revenue Funds			
Police Grants	313,100	4.1%	8,700
Measure X	1,143,000	15.0%	31,600
Gas Tax Fund	459,700	6.0%	12,700
Landscape and Lighting Districts	505,300	6.6%	14,000
Street and Drainage Districts	158,500	2.1%	4,400
Science Workshop Fund	129,100	1.7%	3,600
Other Special Revenue Funds	399,000	5.2%	11,000
Total Direct Cost Programs	7,624,900	100.0%	\$211,100

INDIRECT PROGRAM COST ALLOCATION

Table 6.2(b)

Indirect Cost Program	City Manager: Human Resources
Budget	\$121,400
Base of Allocation	Full-Time Equivalent Staffing

Direct Cost Program	Base of Allocation	Percent of Total	Cost Allocation
General Fund			
Parks & Recreation	0.7	1.6%	2,000
Community Development	1.4	3.1%	3,800
Police Services	14.4	33.5%	40,500
Enterprise Funds			
Sewer Utility Fund	6.0	14.0%	17,000
Water Utility Fund	3.0	7.0%	8,400
Special Revenue Funds			
Police Grants	2.0	4.7%	5,700
Measure X	10.0	23.3%	28,300
Gas Tax Fund	3.1	7.2%	8,700
Landscape and Lighting Districts	0.1	0.3%	400
Street and Drainage Districts	0.3	0.7%	900
Science Workshop Fund	2.0	4.7%	5,700
Other Special Revenue Funds			
Total Direct Cost Programs	42.9	100.0%	\$121,400

INDIRECT PROGRAM COST ALLOCATION

Table 6.3

Indirect Cost Program	City Clerk
Budget	\$140,300
Base of Allocation	Council Agenda Items

Direct Cost Program	Base of Allocation	Percent of Total	Cost Allocation
General Fund			
Parks & Recreation	8	11.4%	16,000
Community Development	19	27.1%	38,200
Police Services	5	7.1%	10,000
Enterprise Funds			
Sewer Utility Fund	1	1.4%	2,000
Water Utility Fund	8	11.4%	16,000
Special Revenue Funds			
Police Grants			
Measure X	1	1.4%	2,000
Gas Tax Fund			
Landscape and Lighting Districts	18	25.7%	36,100
Street and Drainage Districts			
Science Workshop Fund	2	2.9%	4,000
Other Special Revenue Funds	8	11.4%	16,000
Total Direct Cost Programs	70.0	100.0%	\$140,300

INDIRECT PROGRAM COST ALLOCATION

Table 6.4

Indirect Cost Program	City Attorney
Budget	\$100,000
Base of Allocation	Operating Budget

Direct Cost Program	Base of Allocation	Percent of Total	Cost Allocation
General Fund			
Parks & Recreation	249,600	3.3%	3,300
Community Development	528,200	6.9%	6,900
Police Services	2,268,000	29.7%	29,800
Enterprise Funds			
Sewer Utility Fund	749,700	9.8%	9,800
Water Utility Fund	721,700	9.5%	9,500
Special Revenue Funds			
Police Grants	313,100	4.1%	4,100
Measure X	1,143,000	15.0%	15,000
Gas Tax Fund	459,700	6.0%	6,000
Landscape and Lighting Districts	505,300	6.6%	6,600
Street and Drainage Districts	158,500	2.1%	2,100
Science Workshop Fund	129,100	1.7%	1,700
Other Special Revenue Funds	399,000	5.2%	5,200
Total Direct Cost Programs	7,624,900	100.0%	\$100,000

INDIRECT PROGRAM COST ALLOCATION

Table 6.5(a)

Indirect Cost Program Budget	Finance: General Finance and Accounting
Base of Allocation	\$224,600 Operating Budget

Direct Cost Program	Base of Allocation	Percent of Total	Cost Allocation
General Fund			
Parks & Recreation	249,600	3.3%	7,400
Community Development	528,200	6.9%	15,600
Police Services	2,268,000	29.7%	66,600
Enterprise Funds			
Sewer Utility Fund	749,700	9.8%	22,100
Water Utility Fund	721,700	9.5%	21,300
Special Revenue Funds			
Police Grants	313,100	4.1%	9,200
Measure X	1,143,000	15.0%	33,700
Gas Tax Fund	459,700	6.0%	13,500
Landscape and Lighting Districts	505,300	6.6%	14,900
Street and Drainage Districts	158,500	2.1%	4,700
Science Workshop Fund	129,100	1.7%	3,800
Other Special Revenue Funds	399,000	5.2%	11,800
Total Direct Cost Programs	7,624,900	100.0%	\$224,600

INDIRECT PROGRAM COST ALLOCATION

Table 6.5(b)

Indirect Cost Program	Finance: Payroll
Budget	\$57,300
Base of Allocation	Full-Time Equivalent Staffing

Direct Cost Program	Base of Allocation	Percent of Total	Cost Allocation
General Fund			
Parks & Recreation	0.7	1.6%	900
Community Development	1.4	3.1%	1,800
Police Services	14.4	33.5%	19,200
Enterprise Funds			
Sewer Utility Fund	6.0	14.0%	8,000
Water Utility Fund	3.0	7.0%	4,000
Special Revenue Funds			
Police Grants	2.0	4.7%	2,700
Measure X	10.0	23.3%	13,300
Gas Tax Fund	3.1	7.2%	4,100
Landscape and Lighting Districts	0.1	0.3%	200
Street and Drainage Districts	0.3	0.7%	400
Science Workshop Fund	2.0	4.7%	2,700
Other Special Revenue Funds			
Total Direct Cost Programs	42.9	100.0%	\$57,300

INDIRECT PROGRAM COST ALLOCATION

Table 6.5(c)

Indirect Cost Program	Finance: Utility Billing
Budget	\$243,300
Base of Allocation	Water and Wastewater

Direct Cost Program	Percent of Total	Cost Allocation
General Fund		
Parks & Recreation		
Community Development		
Police Services		
Enterprise Funds		
Sewer Utility Fund	50.0%	121,650
Water Utility Fund	50.0%	121,650
Special Revenue Funds		
Police Grants		
Measure X		
Gas Tax Fund		
Landscape and Lighting Districts		
Street and Drainage Districts		
Science Workshop Fund		
Other Special Revenue Funds		
Total Direct Cost Programs	100.0%	\$243,300

INDIRECT PROGRAM COST ALLOCATION

Table 6.5(d)

Indirect Cost Program	Finance: Business License Tax/TOT Collections
Budget	\$13,100
Base of Allocation	General Fund Operating Budget

Direct Cost Program	Base of Allocation	Percent of Total	Cost Allocation
General Fund			
Parks & Recreation	249,600	8.2%	1,100
Community Development	528,200	17.3%	2,300
Police Services	2,268,000	74.5%	9,700
Enterprise Funds			
Sewer Utility Fund			
Water Utility Fund			
Special Revenue Funds			
Police Grants			
Measure X			
Gas Tax Fund			
Landscape and Lighting Districts			
Street and Drainage Districts			
Science Workshop Fund			
Other Special Revenue Funds			
Total Direct Cost Programs	3,045,800	100.0%	\$13,100

INDIRECT PROGRAM COST ALLOCATION

Table 6.6

Indirect Cost Program	Facility Maintenance	<i>Direct</i>	<i>Indirect</i>	<i>Total</i>
Budget	\$25,700	\$16,500	\$9,200	\$25,700
Base of Allocation	Assigned Space/Operating Budget	11,300	6,280	17,580

Direct Cost Program	Direct Cost Programs			Indirect Cost Programs			Total Cost Allocation
	Base of Allocation	Percent of Total	Cost Allocation	Base of Allocation	Percent of Total	Operating Allocation	
General Fund							
Parks & Recreation	-			249,600	3.3%	300	300
Community Development	454	4.0%	700	528,200	6.9%	600	1,300
Police Services	10,702	94.7%	15,400	2,268,000	29.7%	2,800	18,200
Enterprise Funds	-			-			
Sewer Utility Fund	72	0.6%	100	749,700	9.8%	900	1,000
Water Utility Fund	72	0.6%	100	721,700	9.5%	900	1,000
Special Revenue Funds	-			-			
Police Grants	-			313,100	4.1%	400	400
Measure X	-			1,143,000	15.0%	1,400	1,400
Gas Tax Fund	-			459,700	6.0%	600	600
Landscape and Lighting Districts	-			505,300	6.6%	600	600
Street and Drainage Districts	-			158,500	2.1%	200	200
Science Workshop Fund	-			129,100	1.7%	200	200
Other Special Revenue Funds	-			399,000	5.2%	500	500
Total Direct Cost Programs	11,300	100.0%	\$16,300	7,624,900	100.0%	\$9,400	\$25,700

INDIRECT PROGRAM COST ALLOCATION

Table 6.7

Indirect Cost Program	Utilities	<i>Direct</i>	<i>Indirect</i>	<i>Total</i>
Budget	\$39,100	\$25,100	\$14,000	\$39,100
Base of Allocation	Assigned Space/Operating Budget	11,300	6,280	17,580

Direct Cost Program	Direct Cost Programs			Indirect Cost Programs			Total Cost Allocation
	Base of Allocation	Percent of Total	Cost Allocation	Base of Allocation	Percent of Total	Operating Allocation	
General Fund							
Parks & Recreation	-			249,600	3.3%	500	500
Community Development	454	4.0%	1,000	528,200	6.9%	1,000	2,000
Police Services	10,702	94.7%	23,900	2,268,000	29.7%	4,000	27,900
Enterprise Funds							
Sewer Utility Fund	72	0.6%	200	749,700	9.8%	1,400	1,600
Water Utility Fund	72	0.6%	200	721,700	9.5%	1,300	1,500
Special Revenue Funds							
Police Grants	-			313,100	4.1%	600	600
Measure X	-			1,143,000	15.0%	2,100	2,100
Gas Tax Fund	-			459,700	6.0%	800	800
Landscape and Lighting Districts	-			505,300	6.6%	900	900
Street and Drainage Districts	-			158,500	2.1%	300	300
Science Workshop Fund	-			129,100	1.7%	200	200
Other Special Revenue Funds	-			399,000	5.2%	700	700
Total Direct Cost Programs	11,300	100.0%	\$25,300	7,624,900	100.0%	\$13,800	\$39,100

INDIRECT PROGRAM COST ALLOCATION

Table 6.8

Indirect Cost Program	Communications
Budget	\$39,000
Base of Allocation	Assigned Telephones

Direct Cost Program	Base of Allocation	Percent of Total	Cost Allocation
General Fund			
Parks & Recreation	2.5	9.4%	3,700
Community Development	2.5	9.4%	3,700
Police Services	19.0	71.7%	27,900
Enterprise Funds			
Sewer Utility Fund	1.0	3.8%	1,500
Water Utility Fund	1.0	3.8%	1,500
Special Revenue Funds			
Police Grants Measure X			
Gas Tax Fund	0.5	1.9%	700
Landscape and Lighting Districts			
Street and Drainage Districts			
Science Workshop Fund			
Other Special Revenue Funds			
Total Direct Cost Programs	26.5	100.0%	\$39,000

INDIRECT PROGRAM COST ALLOCATION

Table 6.9

Indirect Cost Program	Other Civic Center Costs
Budget	\$36,800
Base of Allocation	Operating Budget

Direct Cost Program	Base of Allocation	Percent of Total	Cost Allocation
General Fund			
Parks & Recreation	249,600	3.3%	1,200
Community Development	528,200	6.9%	2,500
Police Services	2,268,000	29.7%	11,100
Enterprise Funds			
Sewer Utility Fund	749,700	9.8%	3,600
Water Utility Fund	721,700	9.5%	3,500
Special Revenue Funds			
Police Grants	313,100	4.1%	1,500
Measure X	1,143,000	15.0%	5,500
Gas Tax Fund	459,700	6.0%	2,200
Landscape and Lighting Districts	505,300	6.6%	2,400
Street and Drainage Districts	158,500	2.1%	800
Science Workshop Fund	129,100	1.7%	600
Other Special Revenue Funds	399,000	5.2%	1,900
Total Direct Cost Programs	7,624,900	100.0%	\$36,800

INDIRECT PROGRAM COST ALLOCATION

Table 6.10

Indirect Cost Program	Property and Liability Insurance
Budget	\$135,300
Base of Allocation	Full-Time Equivalent Staffing

Direct Cost Program	Base of Allocation	Percent of Total	Cost Allocation
General Fund			
Parks & Recreation	0.7	1.6%	2,200
Community Development	1.4	3.1%	4,300
Police Services	14.4	33.5%	45,300
Enterprise Funds			
Sewer Utility Fund	6.0	14.0%	18,900
Water Utility Fund	3.0	7.0%	9,400
Special Revenue Funds			
Police Grants	2.0	4.7%	6,300
Measure X	10.0	23.3%	31,500
Gas Tax Fund	3.1	7.2%	9,700
Landscape and Lighting Districts	0.1	0.3%	400
Street and Drainage Districts	0.3	0.7%	1,000
Science Workshop Fund	2.0	4.7%	6,300
Other Special Revenue Funds			
Total Direct Cost Programs	42.9	100.0%	\$135,300

INDIRECT PROGRAM COST ALLOCATION

Table 6.11

Indirect Cost Program	Information Technology
Budget	\$110,400
Base of Allocation	Assigned Computers

Direct Cost Program	Base of Allocation	Percent of Total	Cost Allocation
General Fund			
Parks & Recreation	0.5	1.4%	1,600
Community Development	2.5	7.0%	7,800
Police Services	30.0	84.5%	93,200
Enterprise Funds			
Sewer Utility Fund	1.0	2.8%	3,100
Water Utility Fund	1.0	2.8%	3,100
Special Revenue Funds			
Police Grants Measure X			
Gas Tax Fund	0.5	1.4%	1,600
Landscape and Lighting Districts			
Street and Drainage Districts			
Science Workshop Fund			
Other Special Revenue Funds			
Total Direct Cost Programs	35.5	100.0%	\$110,400

INDIRECT PROGRAM COST ALLOCATION

Table 6.12

Indirect Cost Program	Public Works Administration
Budget	\$63,300
Base of Allocation	Assigned Programs: Operating Budget

Direct Cost Program	Base of Allocation	Percent of Total	Cost Allocation
General Fund			
Parks & Recreation	249,600	8.4%	5,300
Community Development			
Police Services			
Enterprise Funds			
Sewer Utility Fund	749,700	25.2%	15,900
Water Utility Fund	721,700	24.3%	15,400
Special Revenue Funds			
Police Grants			
Measure X			
Gas Tax Fund	459,700	15.5%	9,800
Landscape and Lighting Districts	505,300	17.0%	10,800
Street and Drainage Districts	158,500	5.3%	3,400
Science Workshop Fund	129,100	4.3%	2,700
Other Special Revenue Funds			
Total Direct Cost Programs	2,973,600	100.0%	\$63,300

INDIRECT PROGRAM COST ALLOCATION

Table 6.13

Indirect Cost Program	Fleet Maintenance
Budget	\$103,600
Base of Allocation	Value of Assigned Vehicles

Direct Cost Program	Base of Allocation	Percent of Total	Cost Allocation
General Fund			
Parks & Recreation	35,321	3.9%	4,000
Community Development	20,697	2.3%	2,400
Police Services	277,780	30.7%	31,800
Enterprise Funds			
Sewer Utility Fund	131,853	14.6%	15,100
Water Utility Fund	152,417	16.9%	17,500
Special Revenue Funds			
Police Grants Measure X			
Gas Tax Fund	286,347	31.7%	32,800
Landscape and Lighting Districts			
Street and Drainage Districts			
Science Workshop Fund			
Other Special Revenue Funds			
Total Direct Cost Programs	904,415	100.0%	\$103,600

INDIRECT PROGRAM COST ALLOCATION

Table 6.14

Indirect Cost Program	Facility Use	<i>Direct</i>	<i>Indirect</i>	<i>Total</i>
Budget	\$299,500	\$192,500	\$107,000	\$299,500
Base of Allocation	Assigned Space/Operating Budget	11,300	6,280	17,580

Direct Cost Program	Direct Cost Programs			Indirect Cost Programs			Total Cost Allocation
	Base of Allocation	Percent of Total	Cost Allocation	Base of Allocation	Percent of Total	Operating Allocation	
General Fund							
Parks & Recreation				249,600	3.3%	3,500	3,500
Community Development	454	4.0%	7,700	528,200	6.9%	7,400	15,100
Police Services	10,702	94.7%	182,400	2,268,000	29.7%	31,900	214,300
Enterprise Funds							
Sewer Utility Fund	72	0.6%	1,200	749,700	9.8%	10,500	11,700
Water Utility Fund	72	0.6%	1,200	721,700	9.5%	10,100	11,300
Special Revenue Funds							
Police Grants				313,100	4.1%	4,400	4,400
Measure X				1,143,000	15.0%	16,000	16,000
Gas Tax Fund				459,700	6.0%	6,500	6,500
Landscape and Lighting Districts				505,300	6.6%	7,100	7,100
Street and Drainage Districts				158,500	2.1%	2,200	2,200
Science Workshop Fund				129,100	1.7%	1,800	1,800
Other Special Revenue Funds				399,000	5.2%	5,600	5,600
Total Direct Cost Programs	11,300	100.0%	\$192,500	7,624,900	100.0%	\$107,000	\$299,500

GENERAL FUND REIMBURSEMENT TRANSFERS: BUDGET VERSUS ACTUAL

Table 7

	2015-16 Budget	Cost Allocation Plan	Costs Directly Allocated	Variance
Enterprise Funds				
Sewer Utility Fund	152,800	330,150	153,900	23,450
Water Utility Fund	277,100	316,750	142,600	(102,950)
Special Revenue Funds				
Landscape and Lighting Districts	40,000	111,600		71,600
Street and Drainage Districts	38,000	20,400		(17,600)
Total	\$507,900	\$778,900	\$296,500	(\$25,500)

Costs Directly Allocated			
	Utility Billing	Fleet Use	Total
Enterprise Funds			
Sewer Utility Fund	98,500	55,400	153,900
Water Utility Fund	98,500	44,100	142,600
Special Revenue Funds			
Landscape and Lighting Districts		-	-
Street and Drainage Districts		-	-
Total	\$197,000	\$99,500	\$296,500

ALLOCATION BASES: COUNCIL AGENDA ITEMS

Table 8.1

DIRECT COSTS	
General Fund	
Parks & Recreation	8
Community Development	19
Police Services	5
Enterprise Funds	
Sewer Utility Fund	1
Water Utility Fund	8
Special Revenue Funds	
Police Grants	-
Measure X	1
Gas Tax Fund	-
Landscape and Lighting Districts	18
Street and Drainage Districts	-
Science Workshop Fund	2
Other Special Revenue Funds	8
TOTAL DIRECT COSTS	70

INDIRECT COSTS	
City Council	44
Administration	
City Manager	
General Administration	11
Human Resources	12
City Clerk	2
City Attorney	9
Financial Services	
General Finance and Accounting	10
Payroll	
Utility Billing	
Business Tax & TOT Collections	
General Services	
Civic Center	
Facility Maintenance	
Utilities	
Communications	
Other Costs	
Property and Liability Insurance	
Information Technology	
Public Works Support Services	
Public Works Administration	1
Fleet Maintenance	2
Buildings and Equipment	
Facility Use	
Fleet Use	
TOTAL INDIRECT COSTS	91

TOTAL **161**

ALLOCATION BASES: FULL-TIME EQUIVALENT STAFFING

Table 8.2

DIRECT COSTS	
General Fund	
Parks & Recreation	0.70
Community Development	1.35
Police Services	14.36
Enterprise Funds	
Sewer Utility Fund	6.01
Water Utility Fund	2.99
Special Revenue Funds	
Police Grants	2.00
Measure X	10.00
Gas Tax Fund	3.09
Landscape and Lighting Districts	0.13
Street and Drainage Districts	0.31
Science Workshop Fund	2.00
Other Special Revenue Funds	
TOTAL DIRECT COSTS	42.93

INDIRECT COSTS	
City Council	5.00
Administration	
City Manager	2.00
General Administration	
Human Resources	
City Clerk	1.00
City Attorney	
Financial Services	3.00
General Finance and Accounting	
Payroll	
Utility Billing	
Business Tax & TOT Collections	
General Services	
Civic Center	
Facility Maintenance	
Utilities	
Communications	
Other Costs	
Property and Liability Insurance	
Information Technology	
Public Works Support Services	
Public Works Administration	0.43
Fleet Maintenance	1.00
Buildings and Equipment	
Facility Use	
Fleet Use	
TOTAL INDIRECT COSTS	12.43

TOTAL **55.36**

ALLOCATION BASES: ASSIGNED SPACE (CIVIC CENTER)

Table 8.3

DIRECT COST PROGRAMS	
General Fund	
Parks & Recreation	
Community Development	454
Police Services	10,702
Enterprise Funds	
Sewer Utility Fund	72
Water Utility Fund	72
Special Revenue Funds	
Police Grants	
Measure X	
Gas Tax Fund	
Landscape and Lighting Districts	
Street and Drainage Districts	
Science Workshop Fund	
Other Special Revenue Funds	
TOTAL DIRECT COST PROGRAMS	11,300

INDIRECT COST PROGRAMS	
City Council	3,812
Administration	
City Manager	
General Administration	637
Human Resources	259
City Clerk	276
City Attorney	
Financial Services	
General Finance and Accounting	614
Payroll	72
Utility Billing	168
Business Tax & TOT Collections	
General Services	
Civic Center	
Facility Maintenance	
Utilities	
Communications	
Other Costs	
Property and Liability Insurance	
Information Technology	182
Public Works Support Services	
Public Works Administration	260
Fleet Maintenance	
Buildings and Equipment	
Facility Use	
Fleet Use	
TOTAL INDIRECT COST PROGRAMS	6,280

Total Civic Center Square Feet
Includes circulation, storage,
restrooms and other common areas

24,957

Cost* @ \$1.00 per square foot per month

\$299,500

	Direct	Indirect
Percent of Direct Square Feet	64.3%	35.7%

*** Rental rates are conservatively based on a market rental rate of \$1.00 per month per square feet based on three factors:**

1. A recent appraisal for Successor Agency property shows market rents in the City ranging from 60 cents to \$1.20 per square foot per month for commercial uses.
2. Commercial space in Monterey County is currently on the market for \$1.15 to 1.35 per square foot per month.
3. Greenfield area realtors concur with this allowance value.

ALLOCATION BASES: ASSIGNED TELEPHONES

Table 8.4

DIRECT COSTS	
General Fund	
Parks & Recreation	2.5
Community Development	2.5
Police Services	19.0
Enterprise Funds	
Sewer Utility Fund	1.0
Water Utility Fund	1.0
Special Revenue Funds	
Police Grants	
Measure X	
Gas Tax Fund	0.5
Landscape and Lighting Districts	
Street and Drainage Districts	
Science Workshop Fund	
Other Special Revenue Funds	
TOTAL DIRECT COSTS	26.5

INDIRECT COSTS	
City Council	2.0
Administration	
City Manager	5.0
General Administration	
Human Resources	
City Clerk	1.0
City Attorney	
Financial Services	
General Finance and Accounting	4.0
Payroll	
Utility Billing	3.0
Business Tax & TOT Collections	
General Services	
Civic Center	4.0
Facility Maintenance	
Utilities	
Communications	
Other Costs	
Property and Liability Insurance	
Information Technology	
Public Works Support Services	
Public Works Administration	2.5
Fleet Maintenance	1.0
Buildings and Equipment	
Facility Use	
Fleet Use	
TOTAL INDIRECT COSTS	22.5

TOTAL **49.0**

ALLOCATION BASES: ASSIGNED COMPUTERS

Table 8.5

DIRECT COSTS	
General Fund	
Parks & Recreation	0.5
Community Development	2.5
Police Services	30.0
Enterprise Funds	
Sewer Utility Fund	1.0
Water Utility Fund	1.0
Special Revenue Funds	
Police Grants	
Measure X	
Gas Tax Fund	0.5
Landscape and Lighting Districts	
Street and Drainage Districts	
Science Workshop Fund	
Other Special Revenue Funds	
TOTAL DIRECT COSTS	35.5

INDIRECT COSTS	
City Council	3.0
Administration	
City Manager	4.0
General Administration	
Human Resources	
City Clerk	2.0
City Attorney	
Financial Services	
General Finance and Accounting	4.0
Payroll	
Utility Billing	3.0
Business Tax & TOT Collections	
General Services	
Civic Center	4.0
Facility Maintenance	
Utilities	
Communications	
Other Costs	
Property and Liability Insurance	
Information Technology	
Public Works Support Services	
Public Works Administration	2.5
Fleet Maintenance	1.0
Buildings and Equipment	
Facility Use	
Fleet Use	
TOTAL INDIRECT COSTS	23.5

TOTAL **59.0**

ALLOCATION BASES: VEHICLE VALUE

Table 8.6

DIRECT COSTS	
General Fund	
Parks & Recreation	35,321
Community Development	20,697
Police Services	277,780
Enterprise Funds	
Sewer Utility Fund	131,853
Water Utility Fund	152,417
Special Revenue Funds	
Police Grants	
Measure X	
Gas Tax Fund	286,347
Landscape and Lighting Districts	
Street and Drainage Districts	
Science Workshop Fund	
Other Special Revenue Funds	
TOTAL DIRECT COSTS	904,415

INDIRECT COSTS	
City Council	
Administration	
City Manager	
General Administration	12,523
Human Resources	
City Clerk	
City Attorney	
Financial Services	
General Finance and Accounting	
Payroll	
Utility Billing	
Business Tax & TOT Collections	
General Services	
Civic Center	
Facility Maintenance	
Utilities	
Communications	
Other Costs	
Property and Liability Insurance	
Information Technology	
Public Works Support Services	
Public Works Administration	8,000
Fleet Maintenance	13,287
Buildings and Equipment	
Facility Use	
Fleet Use	
TOTAL INDIRECT COSTS	33,810

TOTAL **\$938,225**

ALLOCATION BASES: SCHEDULED VEHICLE REPLACEMENT

Table 8.7

DIRECT COSTS	
General Fund	
Parks & Recreation	5,600
Community Development	3,600
Police Services	47,300
Enterprise Funds	
Sewer Utility Fund	55,400
Water Utility Fund	44,100
Special Revenue Funds	
Police Grants	
Measure X	
Gas Tax Fund	45,900
Landscape and Lighting Districts	
Street and Drainage Districts	
Science Workshop Fund	
Other Special Revenue Funds	
TOTAL DIRECT COSTS	201,900

INDIRECT COSTS	
City Council	
Administration	6,000
City Manager	
General Administration	
Human Resources	
City Clerk	
City Attorney	
Financial Services	
General Finance and Accounting	
Payroll	
Utility Billing	
Business Tax & TOT Collections	
General Services	
Civic Center	
Facility Maintenance	
Utilities	
Communications	
Other Costs	
Property and Liability Insurance	
Information Technology	
Public Works Support Services	
Public Works Administration	5,400
Fleet Maintenance	3,600
Buildings and Equipment	
Facility Use	
Fleet Use	
TOTAL INDIRECT COSTS	15,000

TOTAL **216,900**

Average Annual Replacement Cost
2016 to 2030

HOURLY LABOR RATES

OVERVIEW

The following schedules identify hourly labor rates for all regular City positions based on five key factors:

- **Annual Salary.** Based on the top of the salary range in accordance with the prevailing practice of California cities and to ensure reasonable cost recovery.
- **Benefits.** FICA, Medicare, retirement, group insurance, life insurance and other paid benefits.
- **Productive Hours.** Annual regular hours—generally 2,080 less vacation, sick leave, holidays and break hours.
- **Citywide Indirect Costs.** Services such as legal services, accounting, personnel and facility maintenance.
- **Departmental and Program Administration Costs.** Support costs internal to the operating departments that are not allocated as part of the Cost Allocation Plan.

Each schedule summarizes the specific factors in calculating hourly labor rates. The following summarizes how these five cost components are used in arriving at a full-cost hourly labor rate, using a Police Officer position as an example (page 40 under “Police”).

Hourly Compensation. The first step is to arrive at an hourly compensation cost (exclusive of organization-wide and departmental indirect costs) as follows:

- **Annual Salary.** This is based on the top of the salary range for Police Officer of \$64,140.
- **Benefits.** The benefits costs such as FICA Medicare, CalPERS retirement, group insurance, life insurance and other paid benefits are added to the base salary. In this case, the total cost of benefits for a

Police Officer is 78.9% of salary, for total annual compensation of \$114,718.

- **Productive Hours.** To determine the hourly cost of services, we need to divide the total annual cost of salaries and benefits by the number of hours actually worked during the year. This is determined by taking the annual base of 2,080 hours (52 weeks per year times 40 hours per week) and reducing it by paid time-off such as vacation, sick and holidays. For this position, total productive hours annually are 1,788, resulting in an hourly cost of \$64.16 (\$114,718 divided by 1,788).

Indirect Costs. Once the direct hourly compensation has been determined, we need to add the support costs incurred by the organization and the department. In the case of the Police Department, the Cost Allocation Plan has identified an organization-wide indirect cost of 33.5% (Table 5.2 on page 10). In addition, we need to identify support costs internal to the department, such as dispatch, records and department administration. This ratio of department support costs (\$739,600) to direct costs (\$3,694,600) is 20.0%. To avoid “double counting” for the same costs, the departmental indirect cost rate is only applied to “direct” positions; it is not allocated to “support” positions.

Total Costs. The full-cost hourly rate is then determined by adjusting the hourly total compensation cost (in this case, \$64.16) by the organization-wide indirect cost rate (33.5%) and the departmental indirect cost rate (20.0%), for a total hourly cost of \$102.81.

ORGANIZATION

Positions are organized into the same basic groupings as the Budget and Cost Allocation Plan:

- Police
- Community Development
- Community Services
- Public Works Maintenance
- Wastewater and Water Enterprise Operations
- General Government

POLICE LABOR RATES

	Annual Salary	Paid Benefits Rate	Total Compensation	Productive Hours	Hourly Rate	Indirect Cost Rate		Hourly Billing Rate
						Citywide	* Program	
Patrol Services								
Police Officer	\$64,140	78.9%	\$114,718	1,788.0	\$64.16	33.5%	20.0%	\$102.81
Police Sergeant	77,304	78.9%	138,263	1,788.0	77.33	33.5%	20.0%	123.92
Police Admin								
Police Chief	135,200	35.7%	183,439	1,788.0	102.59	33.5%	0.0%	136.98
Police Commander	110,000	35.7%	149,248	1,676.3	89.04	33.5%	0.0%	118.88
Records Supervisor	57,624	52.1%	87,632	1,676.3	52.28	33.5%	0.0%	69.80
Police Services Technician	44,640	52.1%	67,886	1,676.3	40.50	33.5%	0.0%	54.07

Paid Benefits and Productive Hours

	Sworn		Non-Sworn
	Management	Other	Office
Total Paid Benefits Rate	35.7%	78.9%	52.1%
Fica and Medicare	7.65%	7.65%	7.65%
Health Insurance	8.48%	13.52%	23.89%
Life/LTD Insurance	0.28%	0.40%	0.39%
Retirement	11.15%	32.59%	12.62%
Workers Compensation	8.11%	10.98%	6.78%
POST Incentive	0.00%	5.00%	0.00%
Uniform	0.00%	1.22%	0.75%
Special Assignment Pay	0.00%	7.50%	0.00%
Total Productive Hours	1,788.0	1,788.0	1,676.3
Total Days (2080 hours)	260.0	260.0	260.0
Vacation Leave *	(15.0)	(15.0)	(15.0)
Sick Leave **	(7.5)	(7.5)	(7.5)
Holidays	(14.0)	(14.0)	(14.0)
Productive Days	223.5	223.5	223.5
Productive Hours	1,788.0	1,788.0	1,788.0
Breaks (30 minutes daily)			(111.8)

* Based on five years of service

** Based on 50% use of accrual

Program Indirect Cost Rate

Police Administration	524,600
Dispatch	215,000
Program Indirect Costs	739,600
Other Police Costs	3,694,600
Police Direct Costs	\$4,434,200
Program Indirect Cost Rate	20.0%

* Program indirect costs are not allocated to support positions.

COMMUNITY DEVELOPMENT LABOR RATES

	Annual Salary	Paid Benefits Rate	Total Compensation	Productive Hours	Hourly Rate	Indirect Cost Rate		Hourly Billing Rate
						Citywide	* Program	
Operations								
Planning Technician	\$44,640	54.3%	\$68,894	1,676.3	\$41.10	27.2%	16.8%	\$61.10

Paid Benefits and Productive Hours

	Office
Total Paid Benefits Rate	54.3%
Fica and Medicare	7.65%
Health Insurance	23.37%
Life/LTD Insurance	0.42%
Retirement	12.62%
Workers Compensation	6.78%
Bilingual Pay	3.49%
Total Productive Hours	1,676.3
Total Days (2080 hours)	260.0
Vacation Leave *	(15.0)
Sick Leave **	(7.5)
Holidays	(14.0)
Productive Days	223.5
Productive Hours	1,788.0
Breaks (30 minutes daily)	(111.8)

* Based on five years of service

** Based on 50% use of accrual

Program Indirect Cost Rate

Community Development Administration	76,100
Other Community Development Costs	452,100
Community Development Direct Costs	\$528,200
Program Indirect Cost Rate	16.8%

PUBLIC WORKS MAINTENANCE LABOR RATES

	Annual Salary	Paid Benefits Rate	Total Compensation	Productive Hours	Hourly Rate	Indirect Cost Rate		Hourly Billing Rate
						Citywide	* Program	
Public Works Service Worker	\$48,528	56.8%	\$76,079	1,676.3	\$45.39	25.6%	0.0%	\$57.00
Mechanic **	50,496	56.8%	79,164	1,676.3	47.23	29.3%	0.0%	61.05
Public Works Foreman **	51,864	56.8%	81,309	1,788.0	45.47	29.3%	0.0%	58.79

Paid Benefits and Productive Hours

	Field
Total Paid Benefits Rate	56.8%
Fica and Medicare	7.65%
Health Insurance	18.03%
Life/LTD Insurance	0.42%
Retirement	12.62%
Workers Compensation	14.68%
Bilingual Pay	3.37%
Total Productive Hours	1,676.3
Total Days (2080 hours)	260.0
Vacation Leave *	(15.0)
Sick Leave **	(7.5)
Holidays	(14.0)
Productive Days	223.5
Productive Hours	1,788.0
Breaks (30 minutes daily)	(111.8)

* Based on five years of service

** Based on 50% use of accrual

Consolidated Indirect Cost Rate

Fund	Direct	Indirect	Total
Gas Tax Fund	459,700	155,600	615,300
Landscape and Lighting Districts	505,300	111,600	616,900
Street and Drainage Districts	158,500	20,400	178,900
Total	1,123,500	287,600	1,411,100

Indirect Cost Rate	25.6%
--------------------	-------

* Public Works Administration included in Citywide indirect cost rate.

** Citywide indirect cost rate used for these support positions.

WASTEWATER AND WATER LABOR RATES

	Annual Salary	Paid Benefits Rate	Total Compensation	Productive Hours	Hourly Rate	Indirect Cost Rate		Hourly Billing Rate
						Citywide	* Program	
Utility Worker	\$48,528	64.4%	\$79,802	1,676.3	\$47.61	44.0%	11.6%	\$76.50
Utilities Systems Asst. Superintendent	60,156	61.1%	96,930	1,788.0	54.21	44.0%	11.6%	87.11
Water Technician	46,896	64.4%	77,118	1,676.3	46.01	44.0%	0.0%	66.23

Paid Benefits and Productive Hours

	Management	Field
Total Paid Benefits Rate	61.1%	64.4%
Fica and Medicare	7.65%	7.65%
Health Insurance	23.38%	25.93%
Life/LTD Insurance	0.45%	0.40%
Retirement	12.62%	12.62%
Workers Compensation	14.68%	14.68%
Bilingual Pay	2.36%	3.17%
Total Productive Hours	1,788.0	1,676.3
Total Days (2080 hours)	260.0	260.0
Vacation Leave *	(15.0)	(15.0)
Sick Leave **	(7.5)	(7.5)
Holidays	(14.0)	(14.0)
Productive Days	223.5	223.5
Productive Hours	1,788.0	1,788.0
Breaks (30 minutes daily)		(111.8)

* Based on five years of service

** Based on 50% use of accrual

Consolidated Wastewater and Water Indirect Cost Rate

Fund	Direct	Indirect	Total
Wastewater	749,700	330,150	1,079,850
Water	721,700	316,750	1,038,450
Total	\$1,471,400	\$646,900	\$2,118,300

Indirect Cost Rate	44.0%
--------------------	-------

Program Indirect Cost Rate

Wastewater Administration **	100,800
Water Administration **	119,600
Program Indirect Costs	220,400
Other Wastewater and Water Costs	1,897,900
Wastewater and Water Direct Costs	\$2,118,300
Program Indirect Cost Rate	11.6%

* Program indirect costs are not allocated to support positions.

** Excludes debt service and transfers

GENERAL GOVERNMENT LABOR RATES

	Annual Salary	Paid Benefits Rate	Total Compensation	Productive Hours	Hourly Rate	Indirect Cost Rate *		Hourly Billing Rate
						Citywide	Program	
Administration								
City Manager	\$145,000	37.7%	\$199,709	1,788.0	\$111.69	29.3%	0.0%	\$144.40
City Clerk	75,852	37.7%	104,471	1,788.0	58.43	29.3%	0.0%	75.54
Executive Assistant	51,000	57.5%	80,314	1,676.3	47.91	29.3%	0.0%	61.94
Finance								
Administrative Services Director	79,056	37.7%	108,884	1,788.0	60.90	29.3%	0.0%	78.73
Accountant	55,008	57.5%	86,626	1,676.3	51.68	29.3%	0.0%	66.81
Finance Technician	45,036	57.5%	70,922	1,676.3	42.31	29.3%	0.0%	54.70
Customer Services Assistant	39,444	57.5%	62,116	1,676.3	37.06	29.3%	0.0%	47.91
Community Services								
Community Services Director	97,896	37.7%	134,833	1,788.0	75.41	29.3%	0.0%	97.49
Public Works Administrative Assistant	44,640	57.5%	70,298	1,676.3	41.94	29.3%	0.0%	54.22

Paid Benefits and Productive Hours

	Management	Office
Total Paid Benefits Rate	37.7%	57.5%
Fica and Medicare	7.65%	7.65%
Health Insurance	8.98%	26.80%
Life/LTD Insurance	0.37%	0.50%
Retirement	12.62%	12.62%
Workers Compensation	8.11%	6.78%
Bilingual Pay		3.12%
Total Productive Hours	1,788.0	1,676.3
Total Days (2080 hours)	260.0	260.0
Vacation Leave *	(15.0)	(15.0)
Sick Leave **	(7.5)	(7.5)
Holidays	(14.0)	(14.0)
Productive Days	223.5	223.5
Productive Hours	1,788.0	1,788.0
Breaks (30 minutes daily)		(111.8)

* Based on five years of service

** Based on 50% use of accrual

* Indirect costs are based on the Citywide rate; there are no program indirect costs.