



City of Huntington Beach, California

Public Works Utilities Division

19001 Huntington Street, Huntington Beach CA 92648

Water / Wastewater Cost Allocation Study

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FINAL

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Executive Summary

The Public Works Department (Public Works) of the City of Huntington Beach (the City) retained Red Oak Consulting (Red Oak) to provide professional consulting services for a Water/Wastewater Utility Cost Allocation Study. This study was conducted in order to review the City's existing Cost Allocation Plan (CAP) and ascertain whether costs with Public Works Department (Public Works) are being allocated in accordance with the requirement of California's Proposition 218.

A Cost Allocation Plan (CAP) identifies and distributes support service costs such as, Human Resources to operating departments that benefit from these services. A CAP provides a clear method to develop budgets and also promotes equitable sharing of support costs from all divisions. Red Oak reviewed the methodology of the existing City CAP (conducted in May 2005) and found that it largely met industry standards and that minor improvements could be made (specifically the allocation of costs within Public Works). Specifically, Red Oak found that PC costs should be allocated based the number of computers in each division (rather than the number of employees), the allocation of vehicle maintenance costs should consider the *type* of vehicles in each division (not just the number of vehicles), and fuel costs should be paid directly by enterprise funds (rather than through the CAP).

Red Oak reallocated the PC and vehicle maintenance-related costs within Public Works based on the recommendations above. The cost allocation *increase* for the water and sewer funds is \$118,902 (Fund 507 Water Master Plan and Fund 210 Sewer). The cost allocation *decrease* for the water and sewer funds is \$99,001 (Fund 511 Sewer Service Fund and Fund 506 Water). It must be noted that these values were taken from the 2005 model and that current day values should be escalated by appropriately 12.25%.

Therefore, the total combined increase in transfer to the General Fund by the Sewer and Water Enterprise funds is \$19,901. After escalation, the total combined increase in transfer to the General Fund by the Sewer and Water Enterprise funds is \$22,341.

Red Oak recommends that the suggested modifications to the allocation of PC-related costs and vehicle maintenance costs be implemented as part of the City's current update to the CAP. Red Oak also recommends that fuel costs be paid directly by divisions (i.e. removed from the City CAP). It is likely that the Sewer and Water Enterprise funds are paying too little for fuel through the City's current cost allocation. Paying for the fuel directly will ensure that these expenditures are properly paid.

1 Introduction

1.1 Purpose

The Public Works Department (Public Works) of the City of Huntington Beach (the City) retained Red Oak Consulting (Red Oak) to provide professional consulting services for a Water/Wastewater Utility Cost Allocation Study. This study was conducted in order to review the City’s existing Cost Allocation Plan (CAP) and ascertain whether costs with Public Works Department (Public Works) are being allocated in accordance with the requirement of California’s Proposition 218.

1.2 Acronyms

- CAP**Cost Allocation Plan
- DCAP**.....Direct Cost Allocation Plan (second step of a City CAP)
- ICP**.....Indirect Cost Plan (first step of a CAP)
- IT**.....Information Technology
- FTE**..... Full-time Equivalent (employee)
- GIS**.....Global Information System
- PC**.....Computer (from “Personal Computer”)
- PRM**.....Public Resource Management Group

2 General Overview on Cost Allocation Plan

2.1 Cost Allocation Plans Defined

A Cost Allocation Plan (CAP) identifies and distributes support service costs such as, Human Resources or Information Technology (IT) support to operating departments that benefit from these services. The difference between a support service and operation service is that the latter provides direct services to the public, such as street maintenance or water service while the support service provides indirect services that allow the organization to function. In a CAP, the cost of support services are allocated to operation departments based on a cost driver rationale. For example, the cost of providing human resource services is driven by the number of employees in a given operating department. Likewise, the cost of IT support can be allocated based on the number of computers within operating departments.

2.2 Types of Allocation Plans

There are two steps that are taken when conducting a CAP. The first step is the Indirect Cost Plan (ICP), which identifies and distributes the costs of services provided by centrally located support departments (such as a city's human resources department, financial services, or legal counsel) to the operations departments. The second step, a Direct Cost Allocation Plan (DCAP), distributes the administrative and support services incurred *within* a performing department, together with the service costs allocated to it under the ICP, to the operation divisions within that same department.

For the purpose of this study, Red Oak has accepted the results from the ICP element of the City CAP and recalculated certain distributions within the Public Works DCAP. The reason for this, and the methodology used, is addressed in Section 3.

2.3 Value of Cost Allocation Plans

In addition to documenting the allocation of costs, a CAP has other benefits and advantages. A CAP provides a clear method to develop budgets and also promotes equitable sharing of support costs from all divisions. A CAP eliminates arbitrary methods that can be used to account for direct costs and establishes a creditable fiscal practice of recognizing support costs. CAPs also promote the use of up-to-date, integrated grantee accounting systems and procedures so that shared direct and indirect costs can be identified and allocated across all divisions. Finally, a CAP demonstrates compliance with California Proposition 218, which is a law that requires voter approval for increases in general taxes, assessments, and certain user fees. While public utilities (such as the

City's Water and Wastewater Divisions) are exempt from the voting requirement, Proposition 218 protects utility customers by emphasizing the requirement of a nexus between the cost to provide service and the price that is paid by customers receiving that service. A proper CAP provides a defensible justification for transfers from the water and sewer enterprise fund to the General Fund based on the cost of providing support services needed for these enterprise funds.

3 Initial Findings and Methodology

3.1 City CAP Review Findings

A Red Oak memorandum is provided as Appendix A, which summarizes the methodology of the City CAP and provides suggestions for improvements. In general, Red Oak found that the City CAP largely met industry standards and that minor improvements could be made. Specifically, Red Oak found that the ICP methodology was without significant fault but that the DCAP element, as it related to Public Works, had opportunities for refinement.

3.2 Project Approach

Based on the project team's understanding of the City CAP, it was decided that Red Oak would attempt to refine the Public Works DCAP. This decision to focus on the Public Works DCAP was reinforced by the fact that the ICP cannot be modified without a "ripple affect" on the cost allocations from the ICP to other City departments.

It is important to stress that the budget numbers used in this study are based directly on the values found in the existing City CAP model dated May 2005 by Public Resource Management Group (PRM). This study describes suggested improvements to the Public Works DCAP and uses the City CAP budget values by way of demonstration. Future budgets should be based properly escalated values or the most recently updated City CAP, whichever is appropriate.

3.2.1 Specific City CAP Findings and Solutions

Red Oak's recommendations regarding improvements to Public Work's DCAP were summarized in a memorandum dated February 6, 2007. There were three cost categories that Red Oak suggested to "reallocate" within Public Works. The following summarizes Red Oak's findings and proposed improvements:

1. Computer (PCs) Costs were allocated by the DCAP of the City CAP to the Public Works Admin division, which was subsequently allocated to the operations divisions based on the number of full-time employee equivalents (FTEs). Red Oak has reallocated these costs to the divisions based on the number of PCs within each Public Works division.
2. Vehicle Maintenance Costs were allocated by the DCAP of the City CAP to Public Works divisions based on the number of vehicles in each division. Red Oak has reallocated these costs based on the number of different *types* of vehicles (and associated maintenance costs) in each division. The costs associated with vehicle maintenance were refined by specifying the type of vehicles in each division, and the average maintenance cost associated with each type of vehicle.

3. Fuel Costs were allocated by the DCAP of the City CAP based on the number of vehicles in each Public Works division. Red Oak recommends that fuel costs be paid directly by divisions (i.e. removed from the City CAP). For the purpose of this study, the City CAP allocation of fuel has not been modified because Red Oak assumes that Public Works will eventually remove fuel costs from the City CAP and allocate those costs directly to divisions (or at a minimum the enterprise divisions) based on actual usage. The City’s existing technology and fuel cards have the capability of assigning actual fuel charges directly to City divisions.

3.2.2 Other Assumptions

In reviewing the City CAP, a number of additional opportunities for improvement were identified. These findings, as follows, were largely found to be insignificant for purposes of a CAP.

- Parks and Landscape Maintenance Division – A central service is provided by this division by providing landscaping services at other Public Works division facilities. The cost of maintaining landscaping at Division facilities, however, was assumed to be insignificant due to the small size of these properties as compared to the rest of the area that is maintained as part of standard operations.
- Tree Maintenance – A central service is provided by Maintenance Operations in the form of tree service at other Public Works division facilities. The cost of servicing these trees was assumed to be insignificant due to the small number of trees as compared to the total trees serviced as part of standard operations.
- Street Maintenance – It was assumed that the cost of asphalt materials will continue to be a direct pass-through expense for divisions.

3.3 PC Cost Allocation Methodology and Data

Red Oak was provided with the following data in Table 1 regarding the distribution of PCs within the divisions of Public Works.

Table 1 - PC Data

Public Works Division	No. of PCs
Administration	8
Engineering	36
Maintenance and Operations	52
Sewer	9
Transportation	7
Water	52
Total	164

These division categories do not match up perfectly with the divisions as listed by the City CAP, therefore some of the PCs were divided evenly into multiple divisions. For example, the 9 PCs listed under sewer were divided evenly between “Fund 210 – Sewer” and Fund 511 – Sewer Service Fund.” The PC costs in the City CAP were nested in the Public Work Admin budget. Specific PC-related costs included “New Implementation”, “Internet/Intranet”, and “Server Management.”¹ These costs were identified and removed from Public Work Admin budget (see Table 4) then allocated to those Public Works divisions with PCs, proportionately based on the number of PCs within each division (see Table 5 at the end of this section).

3.4 Vehicle Maintenance Methodology and Data

Red Oak was provided with data containing the number of specific vehicle types within the divisions of Public Works. Each of these vehicles was accompanied by its most recent maintenance costs. Based on this data, Red Oak grouped the vehicles into three categories:

- A. Light vehicles and trucks,
- B. Heavy vehicles and specialty equipment, and
- C. Construction/large equipment.

The maintenance costs associated with each category was analyzed and an average maintenance cost number was calculated, along with a relative weighted value. As shown in Table 2, the least expensive vehicles to maintain are in Category C (the largest vehicles) while the most expensive are in Category A (light vehicles).

Table 2 - Weighted Vehicle Maintenance Costs by Category

Category	Total Maintenance Cost for Category	Average Maintenance Cost Per Vehicle	Weight
A	\$57,980	\$935	1.46
B	33,484	761	1.19
C	10,877	640	1.00
Total	\$102,340	\$832	

The total cost from the City CAP “Fleet Management” (see Table 3 at the end of this section) was then allocated based the number of vehicles and vehicle types within each Public Works division. The total for the number of vehicles in a specific category was multiplied by the weight assigned in Table 2, these new “weighed vehicle equivalences”

¹ Note that “Utiligy” and “Mainframe Conversion” are also PC-related but the costs were found to be insignificant.

were totaled, then the Fleet Management costs were reallocated based on the distribution of “equivalent vehicles.” The final results for these weighted vehicle maintenance cost allocations are shown in Table 3.

3.5 ICP Cost Identification

The ICP costs related to PCs and Vehicle Maintenance were taken from the original City, which disaggregated these costs into support service departments. Table 4 (at the end of this section) shows how these costs were disaggregated. The final column shows the total for each category; including the total Public Works vehicle maintenance cost (row 41 - \$465,198) and the total Public Works PC-related costs (row 43 - \$103,283).

3.6 Final Allocation

Table 5 shows the reallocation of PC and vehicle maintenance-related ICP costs with the new DCAP allocation method for the Public Works Department. Based on the information taken from Table 4, Table 5 shows the City ICP broken into three components: 1) correctly allocated values (column C), 2) incorrectly allocated costs for Vehicle Maintenance (column D) and 3) incorrectly allocated costs for PCs (column E). With these costs isolated, Red Oak reallocated the PC costs based on the number of computers in each division (as shown in Table 1) and the vehicle maintenance costs based on the weighted equivalent vehicles (as developed in Table 3). The new allocation bases are shown again in Table 5, columns F and G. Columns H and I show the quantified allocation cost, and column J shows the new total allocation for each division. Lastly, columns K and L provide a comparison between the original City ICP allocation and the new recommended allocation.

Table 3 - New Vehicle Maintenance Cost Allocation

Public Works Divisions	Public Works Division Data		Number of Vehicles by Category				Weighted Vehicle Equivalence				Percent of total within PW	Percent Change
	No. of Vehicles	Percent of total within PW	A	B	C	Total	A	B	C	Total		
Administration	97	18%	75	18	4	97	109.6	21.4	4.0	135.0	19.7%	1.7%
Water	112	21%	48	56	8	112	70.2	66.6	8.0	144.8	21.2%	0.3%
Landscapes/Park	71	13%	9	43	19	71	13.2	51.1	19.0	83.3	12.2%	-1.1%
Bldg Main./Traffic Signals	51	9%	17	27	7	51	24.8	32.1	7.0	64.0	9.3%	-0.2%
Street	81	15%	20	44	17	81	29.2	52.3	17.0	98.6	14.4%	-0.7%
Sewer	29	5%	5	23	1	29	7.3	27.4	1.0	35.7	5.2%	-0.2%
Tree Department	64	12%	12	36	16	64	17.5	42.8	16.0	76.4	11.2%	-0.8%
Planning & Code Enforcement	32	6%	32	0	0	32	46.8	0.0	0.0	46.8	6.8%	0.9%
Total	537	100%	218	247	72	537	318.6	293.8	72.0	684.4	100%	

Table 4 – Modified City CAP Pertaining to Public Works

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	AB	AC	AD	AE	
City Department / Division	85102 URBAN RUNOFF	85103 REFUSE	85201 ENG. DESIGN /CONSTRUCT	85251 DEVT SERVICES	85301 TRANS MGMT	85302 SIGN & MARKING MAINT	85304 SIGNAL & LIGHTING MAINT	85404 CENTRAL LIBRARY MAINT	85405 REC. FACILITIES MAINT	85406 FIRE STATION MAINT	85410 CONCRETE MAINT	85412 STREET MAINT.	85414 HAZ. MAT.	85415 STREET SWEEPING	85416 WEED ABATE	85501 STORM DRAIN MAINT	85502 PUMP STATION MAINT	85601 LAND SCAPE ADMIN	85602 LAND SCAPE MAINT	85611 PARK MAINT.	85621 STREET TREE MAINT	85702 REGIONAL REPAIR PROG	FUND 206 TRAFFIC IMPACT	FUND 210 SEWER	FUND 504 REFUSE COLLECTION SERVICE	FUND 506 WATER	FUND 507 WATER MASTER PLAN	FUND 508 WOCWB	FUND 511 SEWER SERVICE FUND	Total	
BUILDING USE ALLOWANCE				6,663							175	300	175				56,934	946													65,193
EQUIPMENT USE ALLOWANCE	3,580		1,710	26,106		21,238	15,287					87,273	500	32,657		35,834	108,361	1,274	23,091	42,280	55,600									454,791	
10101 CITY CLERK ADMIN																															
10301 RECORDS MANAGEMENT				11,662																											11,662
15101 CITY ATTORNEY ADMIN														10,428											10,428	16,832				16,832	54,520
20101 CITY COUNCIL	1,507		132	7,324	1,272	2,072	2,330	234			234	6,795	257	2,435	64	161	410		5,120	12,987	4,685		677	8,053	1,193	59,624	2,850	231	8,974	129,621	
25101 CENTRAL CASHIERING & TREASURY	851		275	6,352	412	656	876	204			214	2,457	224	974	56	141	357	8	1,229	3,674	1,542		8,628	2,612	139,456	407,407	59,279		39,285	677,169	
25201 MUNICIPAL SERVICES																									185,708	112,820	112,820		211,265	622,613	
30101 CITY ADMINISTRATOR'S OFFICE	2,285		186	11,553	2,040	3,332	3,695	329			329	10,811	360	3,842	90	227	575		8,374	21,028	7,509		950	11,561	1,760	89,307	4,002	325	14,123	198,593	
35101 ADMINISTRATIVE SVC ADMIN	3,184		279	15,477	2,688	4,379	4,925	495			495	14,361	542	5,145	136	341	865		10,823	27,449	9,902		1,429	17,007	2,520	125,955	6,019	489	18,963	273,868	
35201 FINANCE ADMIN																															
35202 GENERAL ACCOUNTING	1,890		258	6,425	909	1,422	1,926	456			456	5,395	500	2,129	125	314	798		2,655	8,046	3,376		1,318	14,120	1,801	81,647	5,553	451	8,070	150,040	
35203 APIAR	732		561	3,959	368	1,183	2,695	271			430	6,594	1,339	870	231	134	215	61	2,339	3,782	1,231		2,918	3,405	17,162	93,862	5,119	930	8,847	159,238	
35204 BUDGET & RESEARCH	1,142		156	3,883	549	860	1,164	276			276	3,261	302	1,287	76	190	482		1,605	4,863	2,040		676	7,236	923	41,845	2,846	231	4,136	80,305	
35301 HUMAN RESOURCES ADMIN																															
35302 RECRUITMENT & RETENTION	111			829	166	276	276					829		276					774	1,823	608			166	55	3,647			995	10,831	
35303 EMPLOYEE RELATIONS	1,516	225	5,529	5,820	2,788	3,432	2,595				1,122	8,399		3,767				969	8,776	15,671	6,491		1,944	1,128	39,240			9,339	118,751		
35401 PROCUREMENT	8	1		31	4															154			12	16	891	2,420	165		239	3,941	
35402 REPROGRAPHICS	76	10		296	39															1,462			110	156						2,149	
35403 MAIL																															
35501 REAL ESTATE SERVICES	475		65	1,615	229	358	484	115			115	1,356	126	535	32	79	201		667	2,023	849		331	3,550	453	20,527	1,396	113	2,029	37,723	
35601 EMPLOYEE BENEFITS	500			2,778	472	772	791					2,392		602	21	96	317		880	3,616	1,579		387	1,320	404	10,889			3,328	31,144	
35610 LIABILITY INSURANCE	23,026		3,140	78,276	11,072	17,326	23,458	5,560			5,560	65,725	6,088	25,937	1,528	3,831	9,724		32,343	98,016	41,125		16,058	172,010	21,945	994,657	67,647	5,493	98,314	1,827,859	
35620 EMPLOYEE SAFETY	16,417			120,392	24,626	38,306	38,306					191,532		62,932					82,085	194,268	65,668					251,728				1,086,260	
40101 NON DEPARTMENTAL	3,428			45,266	5,142	8,570	8,570					25,709		8,570					23,995	56,560	18,853		5,142	1,714	134,653				30,851	377,023	
42101 IS- ADMIN																															
42151 IS-NETWORK																															
42154 IS-BUSINESS SYSTEM	1,333		66	8,024	1,509	2,491	2,619	116			116	7,761	127	2,671	32	80	204		6,636	16,098	5,543		336	4,879	52,187	188,275	10,894	115	23,494	335,606	
42155 IS- SAFETY	89			670	134																										1,027
42156 IS- OPERATIONS	883			6,626	1,325	2,209	2,209					6,626		2,209					6,184	14,576	4,859			1,325	442	29,153			7,951	86,577	
42201 IS- COMMUNICATIONS	5,990			44,923	8,985																										68,883
42202 IS- GIS	616			4,618	924	1,539	1,539					4,618		1,539					4,310	10,159	3,386		924	308	84,047				84,047	202,574	
60101 PLANNING ADMIN																															
85101 PUBLIC WORKS ADMIN (PCs REMOVED)	33,658		2,165	143,097	27,754	61,412	52,751				15,156	195,060	2,165	63,576		17,321		4,330	149,002	363,746	142,900				5,315	523,979			95,664	1,899,053	
Gasoline Charge Within 85101 (Informational)	15,980		2,283	4,566		15,980	6,849				15,980	59,355	2,283	18,263		18,263		4,566	20,546	61,638	43,375					182,631				472,558	
85401 MAINTENANCE ADMIN												105,676		35,225					98,631	232,487	77,496										549,515
85402 BUILDING/GROUNDS MAINT									616,916																						616,916
85403 CIVIC CENTER MAINT				20,166																											20,166
85511 CENTRAL WAREHOUSE	1,716			12,869	2,574	4,290	4,290					12,869		4,290						12,011	28,312	9,437									92,658
85701 FLEET MANAGEMENT			14,768		2,461	9,845	11,076				14,768	60,304	8,615	25,844				1,231	13,538	86,148	47,997					139,067			29,536	465,198	
85703 EQUIPMENT MAINT			49,051		8,175	32,701	36,788				49,051	200,291	28,613	85,839				4,088	44,963	286,130	159,415					461,895			98,102	1,545,102	
(REINSERT PCs)	1,831		118	7,783	1,509	3,340	2,869				824	10,609	118	3,458		942		236	8,104	19,783	7,772				289	28,497			5,203	103,283	
Total	106,844	236	78,459	603,483	108,128	222,009	221,519	8,056	618,916	89,321	1,037,003	50,051	387,037	2,391	59,691	179,443	13,143	548,135	1,555,141	679,863	33,830	284,545	448,082	3,941,973	278,590	8,378	819,587	12,359,852			
85101 PUBLIC WORKS ADMIN (ORIGINAL)	35,489		2,283	150,880	29,263	64,752	55,620				15,980	205,669	2,283	67,034		18,263		4,566	157,106	383,529	150,672				5,604	552,476			100,867	2,002,336	
Percent of Public Works Admin Budget	1.77%	0.00%	0.11%	7.54%	1.46%	3.23%	2.78%	0.00%	0.00%	0.00%	0.80%	10.27%	0.11%	3.35%	0.00%	0.91%	0.00%	0.23%	7.85%	19.15%	7.52%	0.00%	0.00%	0.00%	0.28%	27.59%	0.00%	0.00%	5.04%		
Amount to remove for PCs	1,831		118	7,783	1,509	3,340	2,869																								

Table 5 - Summary of Revised Public Work DCAP

1	A	B	C	D	E	F	G	H	I	J	K	L
	Public Works Divisions (as listed in the current ICP)	ICP Allocation	Allocated Correctly by ICP	Incorrectly Allocated by ICP		New Allocation Basis		New Allocation (\$)			Change from ICP Allocation	
				PCs	Vehicle Maintenance	PCs	Equivalent Vehicles	PCs	Vehicle Maintenance	Total	Dollars	Percent
2	ADMINISTRATION (ADDED)	\$ -	\$ -	\$ -	\$ -	8	135.0	\$ -	\$ -	\$ -	\$ -	0.0%
3	85102 URBAN RUNOFF MANAGE	106,844	105,013	1,831	-	0	0	-	-	105,013	(1,831)	-1.7%
4	85103 REFUSE	236	236	-	-	0	0	-	-	236	-	0.0%
5	85621 STREET TREE MAINT	679,863	512,676	7,772	159,415	4.7	38.2	3,130	107,375	623,181	(56,682)	-8.3%
6	FUND 507 WATER MASTER PLAN	278,590	278,590	-	-	0	23.4	-	65,771	344,361	65,771	23.6%
7	85702 REGIONAL REPAIR PROG	-	-	-	-	0	0	-	-	-	-	0.0%
8	FUND 210 SEWER	61	61	-	-	4.5	18	2,979	50,152	53,192	53,131	87100.3%
9	FUND 506 WATER	3,941,973	3,451,581	28,497	461,895	52	144.8	34,428	407,138	3,893,146	(48,827)	-1.2%
10	FUND 504 REFUSE COLLECTION SERVICE	446,082	445,793	289	-	0	0	-	-	445,793	(289)	-0.1%
11	FUND 206 TRAFFIC IMPACT	33,830	33,830	-	-	0	0	-	-	33,830	-	0.0%
12	85201 ENGINEERING DESIGN/CONSTRUC	78,459	29,290	118	49,051	36	0	23,835	-	53,125	(25,334)	-32.3%
13	FUND 511 SEWER SERVICE FUND	819,587	716,282	5,203	98,102	4.5	17.8	2,979	50,152	769,413	(50,174)	-6.1%
14	85251 DEVELOPMENT SERVICES	603,483	595,700	7,783	-	0	23.4	-	65,771	661,471	57,988	9.6%
15	85406 FIRE STATION MAINT	-	-	-	-	0	0	-	-	-	-	0.0%
16	FUND 508 WOCWB	8,378	8,378	-	-	0	0	-	-	8,378	-	0.0%
17	85405 RECREATION FACILITIES MAINT	616,916	616,916	-	-	4.7	59.7	3,130	168,034	788,080	171,164	27.7%
18	85301 TRANSPORTATION MGMT	108,126	98,442	1,509	8,175	7	0	4,634	-	103,076	(5,050)	-4.7%
19	85302 SIGN & MARKING MAINT	222,009	185,968	3,340	32,701	4.7	0	3,130	-	189,098	(32,911)	-14.8%
20	85304 SIGNAL & LIGHTING MAINT	221,519	181,862	2,869	36,788	4.7	32.0	3,130	89,943	274,935	53,416	24.1%
21	85410 CONCRETE MAINT	89,321	39,446	824	49,051	4.7	0	3,130	-	42,576	(46,745)	-52.3%
22	85602 LANDSCAPE MAINT	548,135	495,068	8,104	44,963	4.7	27.8	3,130	78,091	576,289	28,154	5.1%
23	85404 CENTRAL LIBRARY MAINT	8,056	8,056	-	-	4.7	0	3,130	-	11,186	3,130	38.9%
24	85412 STREET MAINTENANCE	1,037,003	826,103	10,609	200,291	4.7	49.3	3,130	138,605	967,838	(69,165)	-6.7%
25	85611 PARK MAINTENANCE	1,555,141	1,249,228	19,783	286,130	4.7	65.9	3,130	185,466	1,437,824	(117,317)	-7.5%
26	85414 HAZARDOUS MATERIALS	50,051	21,320	118	28,613	0	0	-	-	21,320	(28,731)	-57.4%
27	85415 STREET SWEEPING	387,037	297,740	3,458	85,839	0	49.3	-	138,605	436,345	49,308	12.7%
28	85416 WEED ABATEMENT	2,391	2,391	-	-	0	0	-	-	2,391	-	0.0%
29	85501 STORM DRAIN MAINT	59,691	58,749	942	-	4.7	0	3,130	-	61,879	2,188	3.7%
30	85502 PUMP STATION MAINT	179,443	179,443	-	-	4.7	0	3,130	-	182,573	3,130	1.7%
31	85601 LANDSCAPE ADMIN	13,143	8,819	236	4,088	0	0	-	-	8,819	(4,324)	-32.9%
32	TOTAL	\$ 12,095,368	\$ 12,095,368	\$ 103,283	\$ 1,545,102	164	684.42	\$ 103,283	\$ 1,545,102	\$ 12,095,368	\$ 0	



4 Findings and Recommendations

4.1 Findings

The new allocation values that were calculated for Public Works are summarized in Table 5 column K. The most notable cost allocation increases were:

- Recreation Facilities Maintenance - \$171,164
- Fund 507 Water Master Plan - \$65,771
- Development Services – \$57,988
- Signal and Light Maintenance - \$53,416
- Fund 210 Sewer - \$53,131, and
- Street Sweeping - \$49,308.

The most notable cost allocation decreases were:

- Park Maintenance - (\$117,317)
- Street Maintenance - (\$69,165)
- Street Tree Maintenance - (\$56,682)
- Fund 511 Sewer Service Fund - (\$50,174), and
- Fund 505 Water - (\$48,827).

The total combined increase in transfer to the General Fund by the Sewer and Water Enterprise funds is \$19,901. It should be noted that since the time that the City CAP was conducted in May 2005, the allocation values have been increased by the City to meet standard price escalation. For example, it is estimated that the Sewer and Water related costs, as a whole, have been escalated by 12.26%². Applying this escalation to the total combined increase in transfer to the General Fund by the Sewer and Water Enterprise funds (as stated in Section 4.1) gives \$22,341.

4.2 Recommendations

In reviewing the City CAP, Red Oak identified opportunities for a variety of improvements. Three of these opportunities were deemed to be material improvements, while the rest were deemed to be insignificant within the context of the Public Works budget. Red Oak recommends that the suggested modifications to the allocation of PC-related costs and vehicle maintenance costs be implemented. Red Oak also recommends that fuel costs be paid directly by divisions (i.e. removed from the City CAP). It is likely

² Per conversation with City staff

that the Sewer and Water Enterprise funds are paying too little for fuel through the City's current cost allocation. Paying for the fuel directly will ensure that these expenditures are properly paid.

Red Oak understands that the City is currently engaged in a new City CAP; therefore, we recommend that the findings from this report be considered while developing that new CAP.

5 Appendix A: Review of City's Full Cost Allocation Plan

The Public Works Department (Public Works) of the City of Huntington Beach (the City) has retained Red Oak Consulting (Red Oak) to provide professional consulting services for Water/Wastewater Utility In Lieu and Cost Allocation Study. As part of our scope of services and in order to better understand current allocation practices at the City, Red Oak has reviewed the City's existing Cost Allocation Plan (City CAP), dated May 2005 by Public Resource Management Group (PRM). The following document summarizes the documents that Red Oak was provided and has reviewed to date as well as our understanding of how the City CAP model worked. Red Oak has also provided suggestions for potential improvements that the City may choose to make to the allocation methodology in future City CAP efforts.

Documents Reviewed

Red Oak was provided two version of the City CAP:

1. One hardcopy of the model data dated May 2005, and
2. One Microsoft (MS) Excel electronic copy of the model data entitled "cost allocation plan pgm group.xls."

It should be noted that the MS Excel version contained only "hard" values and had no functionality. As a result, the actual functionality of the model had to be inferred based on seeming relationships between values and based on our best professional judgment of how the model may have functioned.

Model Functionality Findings

In the interest of clarity, "central services" in this report refers to any City function that is designed to provide support to another City department or function. All other departments and functions are "operating services." Direct costs refer to those costs that are created directly by a particular division, while indirect costs refer to those costs that are generated by other central service divisions and allocated to another division.

In reviewing the model data, it appears that PRM used a "two-step" cost allocation methodology. Such a two-step allocation is an industry standard and is the recommended approach. Generally speaking, a two-step allocation first identifies all central service costs and allocated those costs proportionately to any divisions that benefit from the services. The second step isolates the costs that were allocated to a designated central service division and proportionately reallocates those costs to the remaining operating

departments. The purpose of this approach is to maximize the allocation of costs to the City's operating divisions.

In the City CAP model, there is a so-called "First Allocation" and a "Second Allocation", which generally correspond to the first and second steps of a two-step allocation. The following is a step by step explanation our understanding of the City CAP model. In the interest of clarity, we will refer to specific data from two example departments: the City Clerk Administration Division and City Attorney Administration Division. Appendix B provides a "snapshot" of the data for these two divisions from The City CAP model. We occasionally reference a cell or range of cells as presented in Appendix B.

First Allocation for central service divisions:

1. The total direct costs (i.e. salaries, supply & services, and operating expenditures) of the central services division (D308 for City Attorney) is added to the total of all "First Incoming" costs (C501) to make the First Allocation Total (E543). First Incoming costs are defined below.
2. If the central service division has more than one function (such as is the case for City Clerk Administration), the First Allocation Total is divided into each function based on what Red Oaks assumes to be time estimates provided by City Clerk Administration employees*. For example, City Clerk Administration weights the amount time spent between four of its five functions: Elections, Records Management, Passport and Council (D18 to H18). The time spent on the fifth function, General Admin, is spread out between the four functions that provide services to other divisions so that the costs can be allocated accordingly.
3. The (potentially divided) First Allocated Total is then allocated to divisions one of two ways.
 - a. It may be allocated directly to a specific division such as for the City Clerk Admin's "Elections" function costs, which are allocated directly to the Elections division (E207).
 - b. It may be allocated proportionately to all divisions that benefit from the division's services, based on a rationale that is specific to the function. For example, the City Clerk Admin's "Council" function is allocated to 15 separate divisions (including itself) based on the number of City Council agenda items generated by each division (C235 to D250). The rationale for allocating these costs should be logically connected to the cost drivers for each function. In the City Attorney Admin's case, the costs are allocated to division based on time estimates provided by employees (C507 to D540). The allocation rationales that are employed by the model for each central service function are summarized in Appendix A. It may also be noted that the allocation of a division's direct costs to other divisions (C507 to E541) creates First Incoming indirect costs for other divisions.

* This is an assumption on our part and could actually be based on timesheet records.

Both First Incoming and Second Incoming refer to indirect central service costs. First Incoming indirect costs are calculated as part of the First Allocation (see Step #3 above). Second Incoming indirect costs are calculated as part of the Second Allocation (see Step #4 below).

Second Allocation for central service divisions:

1. The Second Allocation starts by assembling all of the First Incoming indirect costs and Second Incoming indirect costs for the division from all other applicable City divisions (E501).
2. Similar to Step #2 of the First Allocation, in some cases (such as City Clerk Admin) the divisional indirect costs (i.e. those costs that are allocated to the division from other central service divisions) are divided into the division's functions based on the employee time estimates used in the First Allocation (E44 to H199).
3. The indirect costs for the division (or division's functions, if applicable) are summed and the First Incoming indirect costs are subtracted to get the Second Allocation Total (D501 and D199).
4. Similar to Step #3 of First Allocation, the Second Allocation Total may either be allocated directly to a division (such as for the City Clerk Admin's "Elections" functions as previously described), or allocated to various divisions based on the rationales described in Step #3 of First Allocation (such as for City Attorney Admin). Allocation of a division's indirect costs to other divisions creates the Second Incoming indirect costs for other divisions.
5. The sum of the First Allocation Total and Second Allocation Total make up the Full Cost Allocation for each division (D551 to D585 and G260 to G281).

Based on our review of these data, and noting our limited ability to understand the model's actual functionality, Red Oak finds that the City CAP model follows a correct and recommendable methodology. The remainder of this memorandum will address potential improvements or refinements to the allocation rationales that were utilized by the model.

Allocation Rationale

The allocation of the central service costs to operating divisions is determined by two factors: 1) identifying a quantifiable variable that correlates with the costs drivers for the central services divisions (such as number of employees served by the human resources department) and 2) the availability of such data. Appendix A provides a summary of all such allocation rationales that were used in the City CAP model. The following is a summary of the categories that were used:

- Direct costs
- Usage of building area (measured in square feet)
- Number of City Council agenda items generated by a division
- Amount of time spent by employees based on estimates
- Amount of time spent by employees based on work orders
- Division budget

- Division expenditures
- Division revenue
- Number of payroll checks
- Number of full-time employee equivalents (FTEs)
- Number of accounts
- Interest income per fund
- Number of account transfers per fund
- Number of classifications
- Number of requisitions
- Number of contracts
- Number of setups and changes
- Number of impressions
- Percentage of equipment usage
- 10 year loss history (safety)
- Number of PCs (personal computers)
- Number of Hardwares (computer related)
- Number of JDE users
- Number of users
- Number of radios
- Number of telephones
- Number of GIS users
- Number of vehicles

Recommendations

1. Organizational Structure - The City's organizational structure has changed since the time that the City CAP model was developed. The functions and responsibility of each division are important for correctly allocating costs to other divisions based on actual services. The next City CAP model will need to reflect the changes in name and function of divisions.
2. Time Estimates – There are indications that the allocation of costs based on time spent on certain functions (or for certain divisions) is based on employee estimates. For example, the City Attorney Administration uses time estimates to allocate costs to some 34 divisions. If possible, it may be more accurate and more defensible to use actual employee timesheets to account for employee workloads.
3. Vehicle Maintenance – The City CAP model uses the number of vehicles owned by served divisions to allocate Fleet Management costs. This methodology may not be optimal because the number of vehicles does not necessarily correlate with services costs. Similarly, mileage data would not be appropriate because certain vehicles (such as backhoes) don't incur wear based on their mileage. A better metric would be the number of services provided for each division, although this data may not be readily available. Perhaps a feasible improvement would be to use the number of vehicles in each division within a certain vehicle type category (such as light duty,

heavy duty, and special use). The average costs of servicing each type of vehicle would be estimated and proportional responsibility could be inferred.

4. Grounds Maintenance – The allocation of ground maintenance appears to be based on the number of square feet of the building associated with the grounds. While the actual grounds area would be more accurate this data may not be readily available. Using the perimeter of grounds may be an improvement over the current approach.
5. Tree Maintenance- It does not appear that the cost of tree maintenance on City property is allocated in the City CAP model. Based on discussion with City staff, we understand that the cost associated with maintaining trees on City properties (as compared to maintaining the trees for the City public spaces such as parks) is insignificant.
6. Street Maintenance – It does not appear that the cost of asphalt work and street maintenance for City facilities is included in the City CAP model. We understand through conversations with the City that the material cost for street and parking lot repairs are a direct pass-through to the requesting division. The labor costs associated with the work, however, are not allocated. Red Oak recommends that the labor costs be allocated to respective divisions based on the relative amount of work provided to each division over the course of the past five years.
7. IS - Servers - The City CAP model uses the number of PCs owned by divisions to allocate certain costs but doesn't account for the number of computer servers. Servers are arguably a more direct cost driver and should be included in the next City CAP.
8. IS - Major Software – The cost of supporting major software uses, such as GIS, AutoCADD, SCADA and others) are not allocated in the City CAP model. Based on discussion with City staff, we understand that the cost associated with supporting these software programs is insignificant.
9. Human Resources – The City CAP model assumes that Human Resource division costs are driven by the number of full-time employee equivalents (FTEs) in each department. This implies that the costs of human resource services are not significantly impacted by divisional differences in characteristics such as personnel growth, personnel turnover, recruitment activities, disciplinary proceedings, employee grievances, labor relations activities, worker's compensation claims/payouts, occupational H&S exposure reduction programs, or any other measure of employee issues. Based on conversations with the City, Red Oak agrees with this approach.
10. Accounts Payable and Accounts Receivable –The costs associated with this work are allocated based on the issuing division's budgets when in fact this might not be the best corollary of the cost drivers. Since the organization has changed we will discuss

this issue in the context of the current structure. The cost for the (new) Fiscal Services division should be allocated between operating and central services, since the division serves to issue utility invoices (a central service for the utilities) and business licenses (an operating function). Based on conversations with the City, Red Oak suggests that 10% of the Fiscal Services costs be allocated back to itself as an operations expense and 90% of the costs be allocated to the benefiting utility divisions as a central service. The central services costs should be allocated to divisions based on the number of invoices that they generate. Furthermore, the costs the Water, Sewer, and Refuse utilities should be split equally (i.e., one-third each) since the three utility charges are sent on a single consolidated bill.

(Appendix A to Full Cost Allocation Plan Review)

The following table is a summary of the allocation rationales that were applied towards each function of each central service division. Note that “Direct Identified” means that the associated cost was allocated to one specific City division rather than to multiple divisions.

Dept. #	DIVISION OR FUND	FUNCTION	ALLOCATION RATIONALE
14	35204 BUDGET & RESEARCH	MONTHLY REPORTS	RELATIVE BUDGET SIZE FOR GENERAL FUND UNITS
		BUDGET	RELATIVE BUDGET SIZE PER BUSINESS UNIT/FUND
		QUARTERLY REPORTS	RELATIVE BUDGET SIZE PER BUSINESS UNIT/FUND
		JDE PROCESS OWNER	RELATIVE BUDGET SIZE PER BUSINESS UNIT/FUND
		YEAR END RECONCIL	RELATIVE BUDGET SIZE PER BUSINESS UNIT/FUND
15	35301 HUMAN RESOURCES ADMIN	RECRUITMENT & RETENTION	DIRECT IDENTIFIED
		EMPLOYEE RELATIONS	DIRECT IDENTIFIED
16	35302 RECRUITMENT & RETENTION	RECRUITMENT A	ESTIMATED TIME PER DEPT
		RECRUITMENT B	ESTIMATED TIME PER DEPT
		TRAINING	NUMBER OF FTE'S PER BU
17	35303 EMPLOYEE RELATIONS	CLASSIFICATION	NUMBER OF CLASSIFICATIONS PER BU
		PAYROLL	NUMBER OF PAYROLL CHECKS PER BU
		EMPLOYEE TRANSACTIONS	NUMBER OF EMPLOYEE TRANS PER BU
		GENERAL EMPLOYEE RELATIONS	NUMBER OF FTE'S PER BU (INCLUDING TEMP EMPLOYEES)
18	35401 PROCUREMENT	PROCUREMENT	PERCENTAGE OF REQUISITIONS PER DEPT
		OFFICE SUPPLY DIST	COST OF SUPPLIES PER DEPARTMENT
		EQUIP REPLACE PROG	COST PER DEPT
		PROF SVC ADMIN	NUMBER OF CONTRACTS PER DEPT
		JD EDWARDS PROCURE	NUMBER OF SETUPS AND CHANGES PER DEPT
		PROC CARD PROG	PERCENTAGE OF PCARD TRANSACTIONS
		FUEL MGMT	COST OF FUEL PER DEPT
		REPROGRAPHICS	PERCENTAGE OF IMPRESSIONS PER DEPT
		COPY MACHINE MGMT	COST OF COPIES PER DEPT (FLOORS FURTHER BROKEN OUT BASED ON A RELATIVE% BUDGET PER DEPT ON EACH FLOOR)
		MAIL OPS	PERCENTAGE OF USAGE PER DEPT
		UTILITY PROG	RELATIVE BUDGET SIZE OF UTILITY FUNDS
19	35402 REPROGRAPHICS	PROCUREMENT	PERCENTAGE OF IMPRESSIONS PER DEPT
		OFFICE SUPPLY DISTRIBUTION	COST PER DEPT
		EQUIP REPLACEMENT PROG	COST OF EQUIP PER DEPT
		JD EDWARDS PROCURE	NUMBER OF SETUPS AND CHANGES PER DEPT
		REPROGRAPHICS	PERCENTAGE OF IMPRESSIONS
		COPY MACHINE MGMT	COST OF COPIES PER DEPT (FLOORS BASED ON A RELATIVE % OF BUDGET PER DEPT ON EACH FLOOR)
20	35403 MAIL	MAIL OPERATIONS	PERCENTAGE OF USE PER DEPT
21	35501 REAL ESTATE SERVICES	REAL ESTATE	BUDGETED EXPENDITURES PER DEPT
22	35601 EMPLOYEE BENEFITS	EMPLOYEE BENEFITS	COST OF 55000 ACTS PER BUSINESS UNIT/FUND
23	35610 LIABILITY INSURANCE	LIABILITY INSUR	EXPENDITURES PER BUSINESS UNIT (EXCLUDING NON DEPT)
		DIRECT IDENTIFIED INSUR	COST OF PREMIUMS
24	35620 EMPLOYEE SAFETY	EMPLOYEE SAFETY	TEN YEAR LOSS HISTORY PER DEPT- FURTHER BROKEN DOWN BASED ON FTE PER BU
25	40101 NON DEPARTMENTAL	CITY HALL	SQUARE FOOTAGE PER DEPT OCCUPIED
		GASOLINE	FUEL COST PER DEPT
		PARKS	DIRECT IDENTIFIED TO PARKS
		OTHER UTILITIES	DIRECT COST PER DEPT
		TERM PAY	NUMBER OF FTE'S PER DEPT
26	42101 IS- ADMIN	BUSINESS SYSTEMS	DIRECT IDENTIFIED
		SAFETY	DIRECT IDENTIFIED
		OPERATIONS	DIRECT IDENTIFIED
		COMMUNICATIONS	DIRECT IDENTIFIED
		GIS	DIRECT IDENTIFIED
	42151 IS- NETWORK	NETWORK	NUMBER OF PC'S PER DEPT

Appendix A: Review of City's Full Cost Allocation Plan

Dept. #	DIVISION OR FUND	FUNCTION	ALLOCATION RATIONALE
27	42154 IS- BUSINESS SYSTEM	INTERNET/INTRANET	NUMBER OF PC'S PER DEPT
		CITYWIDE TRAINING	NUMBER OF FTE'S PER BUSINESS UNIT
		JD EDWARDS SYS	RELATIVE BUDGET SIZE PER BUSINESS UNIT/FUND
		KRONOS	NUMBER OF FTE'S PER BUSINESS UNIT
		EHANGE/MESSAGING	NUMBER OF FTE'S PER BUSINESS UNIT
		LIBRARY	DIRECT IDENTIFIED
		NEW IMPLEMENT	NUMBER OF PC'S PER BUSINESS UNIT
		UTILIGY	DIRECT TO UTILITIES BASED ON EXP PER DEPT/FUND
		DEVELOPMENT	NUMBER OF FTE'S PER BUSINESS UNIT SUPPORTED
		MAINFRAME CONVERSION	DIRECT TO BUSINESS UNIT SUPPORTED
		CIRTIX	NUMBER OF FTE'S PER BUSINESS UNIT
		SERVER MGMT	NUMBER OF PC'S PER BUSINESS UNIT
		EXISTING APS MAINT	NUMBER OF FTE'S PER BUSINESS UNIT
28	42155 IS- SAFETY	POLICE	DIRECT IDENTIFIED
		FIRE	DIRECT IDENTIFIED
		MARINE SAFETY	DIRECT IDENTIFIED
		LIBRARY	DIRECT IDENTIFIED
		PUBLIC WORKS	DIRECT IDENTIFIED
		TREASURER	DIRECT IDENTIFIED
		CITY HALL	NUMBER OF FTE'S BY BUSINESS UNIT IN CITY HALL
29	42156 IS- OPERATIONS	HELP DESK SUPPORT	NUMBER OF FTE'S PER BUSINESS UNIT
		HARDWARE SUPPORT	NUMBER OF PC'S PER DEPT
		SOFTWARE SUPPORT	NUMBER OF FTE'S PER BUSINESS UNIT
		OTHER SUPPORT	NUMBER OF PC'S PER DEPT
30	42201 IS- COMMUNICATIONS	POLICE SUPPORT	DIRECT IDENTIFIED
		FIRE SUPPORT	DIRECT IDENTIFIED
		LIBRARY SUPPORT	DIRECT IDENTIFIED
		CITY HALL SUPPORT	NUMBER OF FTE'S PER BUSINESS UNIT IN CITY HALL
31	42202 IS- GIS	WATER	DIRECT IDENTIFIED
		SEWER	DIRECT IDENTIFIED
		POLICE GIS	DIRECT IDENTIFIED
		FIRE GIS	DIRECT IDENTIFIED
		OTHER DEPTS GIS	NUMBER OF FTE'S PER BU EXCLU WTR,SWR,POLICE,FIRE (ALL COMM SVCS FTE'S CODED TO COMM SVCS ADMIN)
32	60101 PLANNING ADMIN	SUPPORT	FTE'S PER BUSINESS UNIT SUPPORTED
33	85101 PUBLIC WORKS ADMIN	PW ADMIN	NUMBER OF FTE'S PER GF BUSINESS UNIT SUPPORTED
		INCOMING	NUMBER OF FTE'S PER DEPT SUPPT FOR ALL PW
		INCOMING GASOLINE	NUMBER OF VEHICLES IN PW
34	85401 MAINTENANCE ADMIN	MAINT ADMIN	NUMBER OF FTE'S PER BUSINESS UNIT SUPPORTED
		DIRECT ADMIN TO FLEET	DIRECT IDENTIFIED TO FLEET
35	85402 BUILDING/GROUNDS MAINT	FACILITIES	% OF SQUARE FOOTAGE SUPPORTED BY BU
36	85403 CIVIC CENTER MAINT	CIVIC CENTER	% SQUARE FOOTAGE PER BUSINESS UNIT IN CIVIC CENTER
37	85511 CENTRAL WAREHOUSE	WAREHOUSE	NUMBER OF FTE'S PER PW BUSINESS UNIT
38	85701 FLEET MANAGEMENT	FLEET OPS	NUMBER OF VEHICLES PER PW BUSINESS UNIT
		FIRE	DIRECT TO FIRE
		POLICE	DIRECT TO POLICE
		BEACH	DIRECT TO BEACH
39	85703 EQUIPMENT MAINT	EQUIP OPS	NUMBER OF VEHICLES WITHIN PUBLIC WORKS
		FIRE FLEET	DIRECT TO FIRE
		POLICE FLEET	DIRECT TO POLICE
		BEACH FLEET	DIRECT TO BEACH

(Appendix B to Full Cost Allocation Plan Review)

The following tables are a snapshot from the City CAP model for City Clerk Administration and City Attorney Administration. These tables are referenced in this memorandum for purposes of illustrating the models functionality.

	A	B	C	D	E	F	G	H	I	J
1	CITY CLERK ADMINISTRATION DIVISION									
2										
3	PERSONNEL SERVICE ANALYSIS									
4	Dept:3 10101 CITY CLERK ADMIN									
5			Salary	General Admin	ELECTIONS	RECORDS MGMT	PASSPORT	COUNCIL		
6		CONNIE BROCKWAY	\$95,992	\$31,677	\$23,998	\$14,399	\$1,920	\$23,998		
7				23.00%	25.00%	15.00%	2.00%	25.00%		
8		ELIZABETH EHRLING	64,064	21,141	12,812	4,484	0	25,626		
9				23.00%	20.00%	7.00%	0.00%	40.00%		
10		REBECCA ROSS	39,874	0	395	33,494	5,881	0		
11				0.00%	1.00%	84.00%	15.00%	0.00%		
12		PATTY ESPARZA	39,874	0	0	0	0	39,874		
13				0.00%	0.00%	0.00%	0.00%	100.00%		
14		JOAN FLYNN	21,559	7,545	5,390	3,234	0	5,390		
15				35.00%	25.00%	15.00%	0.00%	25.00%		
16		Total	261,393	60,264	42,989	35,611	7,901	94,887		
17										
18		RELATIVE %	0.00%	23.10%	16.30%	21.28%	3.02%	36.20%		
19										
20										
21	A. DEPARTMENTAL COSTS									
22	Dept:3 10101 CITY CLERK ADMIN									
23				Amount	General Admin	ELECTIONS	RECORDS MGMT	PASSPORT	COUNCIL	
24		Salaries	\$	\$221,929	\$51,256	\$36,172	\$47,221	\$6,709	\$80,571	
25		Salary % Split			23.10%	16.30%	21.28%	3.02%	36.20%	
26		Benefits	\$	69,165	15,974	11,273	14,717	2,091	25,110	
27				291,093	67,230	47,445	61,938	8,800	105,681	
28										
29		SUPPLY & SERVICES COST								
30		OPERATING EXP	\$	11,860	2,739	1,933	2,824	359	4,306	
31		Departmental Cost Total		11,860	2,739	1,933	2,824	359	4,306	
32										
33		ADJUSTMENTS								
34										
35										
36		Total		302,953	69,969	49,378	64,462	9,159	109,987	
37										
38		General Admin Distribution			(69,969)	14,829	19,350	2,780	33,031	
39										
40		Grand Total		\$302,955		\$64,207	\$83,821	\$11,939	\$143,018	
41	B. INCOMING COSTS - (Default Spread Salary%)									
42	Dept:3 10101 CITY CLERK ADMIN									
43		Department	First Incoming	Second Incoming	ELECTIONS	RECORDS MGMT	PASSPORT	COUNCIL		
44	1	CITY HALL BLD USE	\$10,726	0	\$2,273	\$2,968	\$427	\$5,064		
45		Subtotal - BUILDING USE ALLOWANCE	10,726	0	2,273	2,968	427	5,064		
46										
47	3	COUNCIL	0	12,622	2,675	3,492	495	5,959		
48		Subtotal - 10101 CITY CLERK ADMIN	0	12,622	2,675	3,492	495	5,959		
49										
50	4	AGENDA	0	4,370	926	1,209	172	2,069		
51	4	RECORDS	0	12,504	2,650	3,460	492	5,903		
52		Subtotal - 10301 RECORDS MANAGEMENT	0	16,874	3,576	4,669	663	7,972		
53										
54	6	FTE'S	0	627	133	173	25	296		
55	6	EXP	0	277	59	77	11	131		
56		AGENDA	0	16,373	3,470	4,538	644	7,729		
57		Subtotal - 20101 CITY COUNCIL	0	17,277	3,662	4,780	679	8,156		
58										
59	7	PAYROLL	0	8	2	2	0	4		
60	7	INVESTMENTS GF	0	69	4	5	1	9		
61	7	AR GF	0	260	55	72	10	123		
62		Subtotal - 25101 CENTRAL CASHIERING & TREASURY	0	287	61	79	11	135		
63										
64	9	BUDGET	0	140	30	39	6	66		
65	9	COUNCIL A	0	247	52	68	10	117		
66	9	COUNCIL B	0	6,435	1,364	1,780	253	3,038		
67	9	GENERAL DEPT SUPPORT	0	914	194	253	36	431		
68	9	INTERGOVERNMENTAL	0	127	27	35	5	60		
69	9	LABOR RELATIONS	0	289	61	80	11	136		
70	9	PR COMM RELATIONS	0	242	51	67	10	114		
71		Subtotal - 30101 CITY ADMINISTRATOR'S OFFICE	0	8,394	1,779	2,322	330	3,963		
72										
73	10	BUDGET	0	599	127	166	24	293		
74	10	LABOR RELATIONS	0	1,354	287	375	53	639		
75		Subtotal - 25101 ADMINISTRATIVE SVC ADMIN	0	1,953	414	540	77	922		
76										
77	12	GENERAL ACCOUNTING	0	815	173	225	32	385		
78		Subtotal - 35202 GENERAL ACCOUNTING	0	815	173	225	32	385		
79										
80	13	AP	0	83	18	23	3	39		
81										

Appendix A: Review of City's Full Cost Allocation Plan

A	B	C	D	E	F	G	H	I	J
85									
86	B. INCOMING COSTS - (Default Spread Salary%)								Dept 3 10101 CITY CLERK ADMIN
87									
88	Department	First Incoming	Second Incoming	ELECTIONS	RECORDS MGMT	PASSPORT	COUNCIL		
89	13 JD EDWARDS	\$0	\$141	\$30	\$39	\$6	\$67		
90	13 AR GENERAL FUND	0	69	15	19	3	33		
91	Subtotal - 35203 AP/AR	0	293	62	81	12	138		
92									
93	14 MONTHLY REPORTS	0	75	16	21	3	35		
94	14 BUDGET	0	310	66	86	12	146		
95	14 QUARTERLY REPORTS	0	52	11	14	2	25		
96	14 JDE PROCESS OWNER	0	29	6	8	1	14		
97	14 YEAR END RECONCIL	0	26	6	7	1	12		
98	Subtotal - 35204 BUDGET & RESEARCH	0	492	104	136	19	232		
99									
100	16 RECRUITMENT A	0	1,806	383	500	71	853		
101	16 RECRUITMENT B	0	34,926	7,402	9,663	1,373	16,488		
102	16 TRAINING	0	187	40	52	7	88		
103	Subtotal - 35302 RECRUITMENT & RETENTION	0	36,919	7,825	10,215	1,451	17,429		
104									
105	17 CLASSIFICATION	0	861	182	238	34	406		
106	17 PAYROLL	0	1,205	255	333	47	569		
107	17 EMPLOYEE TRANSACTIONS	0	784	166	217	31	370		
108	17 GENERAL EMPLOYEE RELATIONS	0	380	81	105	15	179		
109	Subtotal - 35303 EMPLOYEE RELATIONS	0	3,230	685	894	127	1,525		
110									
111	18 PROCUREMENT	0	1,395	296	386	55	659		
112	18 OFFICE SUPPLY DIST	0	71	15	20	3	34		
113	18 JD EDWARDS PROCURE	0	409	87	113	16	193		
114	18 PROC CARD PROG	0	5	1	1	0	2		
115	18 REPROGRAPHICS	0	1,729	366	478	68	816		
116	18 COPY MACHINE MGMT	0	240	51	66	9	113		
117	18 MAIL OPS	0	269	57	74	11	127		
118	Subtotal - 35401 PROCUREMENT	0	4,118	873	1,139	162	1,944		
119									
120	19 PROCUREMENT	0	138	29	38	5	65		
121	19 OFFICE SUPPLY DISTRIBUTION	0	62	13	17	2	29		
122	19 JD EDWARDS PROCURE	0	29	6	8	1	14		
123	19 REPROGRAPHICS	0	37,980	8,049	10,508	1,493	17,930		
124									
131	B. INCOMING COSTS - (Default Spread Salary%)								Dept 3 10101 CITY CLERK ADMIN
132									
133	Department	First Incoming	Second Incoming	ELECTIONS	RECORDS MGMT	PASSPORT	COUNCIL		
134	19 COPY MACHINE MGMT	\$0	\$1,768	\$375	\$489	\$69	\$835		
135	19 MAIL OPS	0	143	30	40	6	68		
136	Subtotal - 35402 REPROGRAPHICS	0	40,120	8,503	11,100	1,577	18,940		
137									
138	20 MAIL OPERATIONS	0	9,288	1,968	2,570	365	4,385		
139	Subtotal - 35403 MAIL	0	9,288	1,968	2,570	365	4,385		
140									
141	21 REAL ESTATE	0	206	44	57	8	97		
142	Subtotal - 35501 REAL ESTATE SERVICES	0	206	44	57	8	97		
143									
144	22 EMPLOYEE BENEFITS	0	445	94	123	17	210		
145	Subtotal - 35601 EMPLOYEE BENEFITS	0	445	94	123	17	210		
146									
147	23 LIABILITY INSUR	0	10,303	2,184	2,851	405	4,864		
148	Subtotal - 35610 LIABILITY INSURANCE	0	10,303	2,184	2,851	405	4,864		
149									
150	25 CITY HALL	0	31,231	6,619	8,641	1,228	14,743		
151	25 TERM PAY	0	6,819	1,445	1,887	268	3,219		
152	Subtotal - 40101 NON DEPARTMENTAL	0	38,050	8,064	10,527	1,496	17,963		
153									
154	27 NETWORK	0	9,289	1,969	2,570	365	4,385		
155	Subtotal - 42151 IS- NETWORK	0	9,289	1,969	2,570	365	4,385		
156									
157	28 INTERNET/INTRANET	0	3,075	652	851	121	1,452		
158	28 CITYWIDE TRAINING	0	446	95	123	18	211		
159	28 JD EDWARDS SYS	0	219	46	61	9	103		
160	28 KRONDS	0	84	18	23	3	40		
161	28 EHANGE/MESSAGING	0	377	80	104	15	178		
162	28 NEW IMPLEMENT	0	3,143	666	870	124	1,484		
163	28 DEVELOPMENT	0	267	57	74	10	126		
164	28 CIRTIX	0	64	14	18	3	30		
165	28 SERVER MGMT	0	927	196	256	36	438		
166	28 EXISTING APS MAINT	0	354	75	98	14	167		
167	Subtotal - 42154 IS- BUSINESS SYSTEM	0	8,956	1,898	2,478	352	4,228		
168									
169	29 CITY HALL	0	164	35	45	6	77		
170									

Appendix A: Review of City's Full Cost Allocation Plan

A	B	C	D	E	F	G	H	I	J
176	B. INCOMING COSTS - (Default Spread Salary%)								Dept:3 10101 CITY CLERK ADMIN
177									
178	Department	First Incoming	Second Incoming	ELECTIONS	RECORDS MGMT	PASSPORT	COUNCIL		
179	Subtotal - 42155 IS- SAFETY	\$0	\$164	\$35	\$45	\$6	\$77		
180									
181	30 HELP DESK SUPPORT	0	800	170	221	31	378		
182	30 HARDWARE SUPPORT	0	3,527	748	976	139	1,665		
183	30 SOFTWARE SUPPORT	0	786	167	217	31	371		
184	30 OTHER SUPPORT	0	2,170	460	600	85	1,024		
185	Subtotal - 42156 IS- OPERATIONS	0	7,283	1,544	2,015	286	3,438		
186									
187	31 CITY HALL SUPPORT	0	11,135	2,360	3,081	438	5,257		
188	Subtotal - 42201 IS- COMMUNICATIONS	0	11,135	2,360	3,081	438	5,257		
189									
190	32 OTHER DEPTS GIS	0	1,030	218	285	40	486		
191	Subtotal - 42202 IS- GIS	0	1,030	218	285	40	486		
192									
193	36 FACILITIES	0	1,976	419	547	78	933		
194	Subtotal - 85402 BUILDING/GROUNDS MAINT	0	1,976	419	547	78	933		
195									
196	37 CIVIC CENTER	0	31,086	6,588	8,601	1,222	14,675		
197	Subtotal - 85403 CIVIC CENTER MAINT	0	31,086	6,588	8,601	1,222	14,675		
198									
199	Total Incoming	10,726	272,605	60,048	78,391	11,137	133,754		
200									
201	C. TOTAL ALLOCATED		\$586,286	\$124,256	\$162,211	\$23,047	\$275,772		
202	ELECTIONS Allocations								Dept:3 10101 CITY CLERK ADMIN
203		DIRECT IDENTIFIED	Allocation Percent	First Allocation	Direct Billed	Departmental Allocation	Second Allocation	Total	
204									
205	41 10201 ELECTIONS	100	100.00%	66,480	\$0	\$66,480	\$57,775	\$124,256	
206									
207	Subtotal	100	100.00%	66,480	0	66,480	57,775	124,256	
208									
209	Direct Bills								
210									
211	TOTAL								
212	RECORDS MGMT Allocations								Dept:3 10101 CITY CLERK ADMIN
213		DIRECT IDENTIFIED	Allocation Percent	First Allocation	Direct Billed	Departmental Allocation	Second Allocation	Total	
214									
215	4 10301 RECORDS MANAGEMENT	100	100.00%	\$86,788	\$0	\$86,788	\$75,423	\$162,211	
216									
217	Subtotal	100	100.00%	86,788	0	86,788	75,423	162,211	
218									
219	Direct Bills								
220									
221	TOTAL								
222	PASSPORT Allocations								Dept:3 10101 CITY CLERK ADMIN
223		DIRECT IDENTIFIED	Allocation Percent	First Allocation	Direct Billed	Departmental Allocation	Second Allocation	Total	
224									
225	42 10401 PASSPORT SERVICES	100	100.00%	\$12,331	\$0	\$12,331	\$10,716	\$23,047	
226									
227	Subtotal	100	100.00%	12,331	0	12,331	10,716	23,047	
228									
229	Direct Bills								
230									
231	TOTAL								

Appendix A: Review of City's Full Cost Allocation Plan

A	B	C	D	E	F	G	H	I	J
232	COUNCIL Allocations						Dept:3 10101 CITY CLERK ADMIN		
233									
		NUMBER OF AGENDA ITEMS PER DEPT	Allocation Percent	First Allocation	Direct Billed	Departmental Allocation	Second Allocation	Total	
234									
235	3 10101 CITY CLERK ADMIN	71	8.52%	\$12,622	\$0	\$12,622	\$0	\$12,622	
236	5 15101 CITY ATTORNEY ADMIN	97	11.64%	17,244	0	17,244	16,382	33,625	
237	6 20101 CITY COUNCIL	143	17.17%	25,421	0	25,421	24,451	49,872	
238	7 25101 CENTRAL CASHIERING & TREASURY	26	3.12%	4,622	0	4,622	4,391	9,013	
239	9 30101 CITY ADMINISTRATOR'S OFFICE	79	9.48%	14,044	0	14,044	13,342	27,386	
240	10 35101 ADMINISTRATIVE SVC ADMIN	81	9.72%	14,399	0	14,399	13,680	28,079	
241	26 42101 IS- ADMIN	10	1.20%	1,778	0	1,778	1,689	3,467	
242	33 60101 PLANNING ADMIN	54	6.48%	9,600	0	9,600	9,120	18,719	
243	34 85101 PUBLIC WORKS ADMIN	102	12.24%	18,132	0	18,132	17,226	35,359	
244	50 45101 COMMUNITY SERVICES ADMIN	63	7.56%	11,199	0	11,199	10,640	21,839	
245	81 50101 LIBRARY ADMIN	5	0.60%	889	0	889	844	1,733	
246	96 55101 BUILDING & SAFETY ADMIN	6	0.72%	1,067	0	1,067	1,013	2,080	
247	102 65101 FIRE ADMIN	25	3.00%	4,444	0	4,444	4,222	8,666	
248	113 70102 ADMIN OPERATIONS	30	3.60%	5,333	0	5,333	5,067	10,400	
249	187 FUND 305 RDA CAP PROJECT AREA	41	4.92%	7,289	0	7,289	6,924	14,213	
250	999 2nd Allocation Orphans	0	0.00%	0	0	0	0	0	
251									
252	Subtotal	833	100.00%	148,081	0	148,081	128,691	276,772	
253									
254	Direct Bills					0		0	
255									
256	TOTAL					148,081		276,772	
257	ALLOCATION SUMMARY						Dept:3 10101 CITY CLERK ADMIN		
258									
259	Department	ELECTIONS	RECORDS MGMT	PASSPORT	COUNCIL	Total			
260	0 DIRECT BILLED	0	\$0	\$0	\$0	\$0			
261	3 10101 CITY CLERK ADMIN	0	0	0	12,622	12,622			
262	4 10301 RECORDS MANAGEMENT	0	162,211	0	0	162,211			
263	5 15101 CITY ATTORNEY ADMIN	0	0	0	33,625	33,625			
264	6 20101 CITY COUNCIL	0	0	0	49,572	49,572			
265	7 25101 CENTRAL CASHIERING & TREASURY	0	0	0	9,013	9,013			
266	9 30101 CITY ADMINISTRATOR'S OFFICE	0	0	0	27,386	27,386			
267	10 35101 ADMINISTRATIVE SVC ADMIN	0	0	0	28,079	28,079			
268	26 42101 IS- ADMIN	0	0	0	3,467	3,467			
269	33 60101 PLANNING ADMIN	0	0	0	18,719	18,719			
270	34 85101 PUBLIC WORKS ADMIN	0	0	0	35,359	35,359			
271	41 10201 ELECTIONS	124,256	0	0	0	124,256			
272	42 10401 PASSPORT SERVICES	0	0	23,047	0	23,047			
273	50 45101 COMMUNITY SERVICES ADMIN	0	0	0	21,839	21,839			
274	81 50101 LIBRARY ADMIN	0	0	0	1,733	1,733			
275	96 55101 BUILDING & SAFETY ADMIN	0	0	0	2,080	2,080			
276	102 65101 FIRE ADMIN	0	0	0	8,666	8,666			
277	113 70102 ADMIN OPERATIONS	0	0	0	10,400	10,400			
278	187 FUND 305 RDA CAP PROJECT AREA	0	0	0	14,213	14,213			
279	999 2nd Allocation Orphans	0	0	0	0	0			
280									
281	Total	124,256	162,211	23,047	276,772	586,286			
282									
283									

Appendix A: Review of City's Full Cost Allocation Plan

	A	B	C	D	E	F	G	H	I	J
284										
285	CITY ATTORNEY ADMINISTRATION DIVISION									
286										
287	A. DEPARTMENTAL COSTS						Dept5 15101 CITY ATTORNEY ADMIN			
288										
289				Amount	General Admin	ATTORNEY				
290	Salaries		\$1	\$1,351,133	\$0	\$1,351,133				
291	Salary % Split				.00%	700.00%				
292	Benefits	S		355,327	0	355,327				
293				1,706,460	0	1,706,460				
294										
295	SUPPLY & SERVICES COST									
296	PROF SVCS	S		1,199,306	0	1,199,306				
297	CONTRACT SVCS	S		63,000	0	63,000				
298	OTHER OP EXP	S		95,400	0	95,400				
299	Departmental Cost Total			1,357,706	0	1,357,706				
300										
301	ADJUSTMENTS									
302										
303										
304	Total			3,064,166	0	3,064,166				
305										
306	General Admin Distribution				0	0				
307										
308	Grand Total			\$3,064,166		\$3,064,166				
309	B. INCOMING COSTS - (Default Spread Salary%)						Dept5 15101 CITY ATTORNEY ADMIN			
310										
311		Department	First Incoming	Second Incoming	ATTORNEY					
312	1	CITY HALL BLD USE	\$16,743	\$0	\$16,743					
313		Subtotal - BUILDING USE ALLOWANCE	16,743	0	16,743					
314										
315	2	EQUIP USE	3,885	0	3,885					
316		Subtotal - EQUIPMENT USE ALLOWANCE	3,885	0	3,885					
317										
318	3	COUNCIL	17,244	0	17,244					
319		Subtotal - 10101 CITY CLERK ADMIN	17,244	0	17,244					
320										
321	4	AGENDA	5,971	0	5,971					
322	4	RECORDS	17,084	0	17,084					
323		Subtotal - 10301 RECORDS MANAGEMENT	23,055	0	23,055					
324										
325	5	ATTORNEY	0	158,829	158,829					
326		Subtotal - 15101 CITY ATTORNEY ADMIN	0	158,829	158,829					
327										
328	6	FTE'S	0	2,507	2,507					
329	6	EXP	0	2,805	2,805					
330	6	AGENDA	0	22,369	22,369					
331		Subtotal - 20101 CITY COUNCIL	0	27,681	27,681					
332										
333	7	PAYROLL	0	28	28					
334	7	INVESTMENTS GF	0	188	188					
335	7	AR GF	0	2,634	2,634					
336		Subtotal - 25101 CENTRAL CASHIERING & TREASURY	0	2,850	2,850					
337										
338	9	BUDGET	0	1,412	1,412					
339	9	COUNCIL A	0	988	988					
340	9	COUNCIL B	0	8,792	8,792					
341	9	GENERAL DEPT SUPPORT	0	3,657	3,657					
342	9	INTERGOVERNMENTAL	0	1,287	1,287					
343	9	LABOR RELATIONS	0	1,158	1,158					
344	9	PIR COMM RELATIONS	0	2,444	2,444					
345		Subtotal - 30101 CITY ADMINISTRATOR'S OFFICE	0	19,738	19,738					
346										
347	10	BUDGET	0	6,056	6,056					
348										
349										

Appendix A: Review of City's Full Cost Allocation Plan

350	A	B	C	D	E	F	G	H	I	J
351										
352										
353										
354	B. INCOMING COSTS - (Default Spread Salary%)									Dept5 15101 CITY ATTORNEY ADMIN
355		Department	First Incoming	Second Incoming	ATTORNEY					
356										
357	10	LABOR RELATIONS	\$0	\$5,415	\$5,415					
358		Subtotal - 35101 ADMINISTRATIVE SVC ADMIN	0	11,471	11,471					
359										
360	12	GENERAL ACCOUNTING	0	8,246	8,246					
361		Subtotal - 35202 GENERAL ACCOUNTING	0	8,246	8,246					
362										
363	13	AP	0	3,834	3,834					
364	13	JD EDWARDS	0	1,430	1,430					
365	13	AR GENERAL FUND	0	700	700					
366		Subtotal - 35203 AP/AR	0	5,964	5,964					
367										
368	14	MONTHLY REPORTS	0	754	754					
369	14	BUDGET	0	3,140	3,140					
370	14	QUARTERLY REPORTS	0	523	523					
371	14	JDE PROCESS OWNER	0	291	291					
372	14	YEAR END RECONCIL	0	262	262					
373		Subtotal - 35204 BUDGET & RESEARCH	0	4,970	4,970					
374										
375	16	RECRUITMENT A	0	1,806	1,806					
376	16	RECRUITMENT B	0	13,433	13,433					
377	16	TRAINING	0	746	746					
378		Subtotal - 35302 RECRUITMENT & RETENTION	0	15,985	15,985					
379										
380	17	CLASSIFICATION	0	1,436	1,436					
381	17	PAYROLL	0	4,385	4,385					
382	17	EMPLOYEE TRANSACTIONS	0	588	588					
383	17	GENERAL EMPLOYEE RELATIONS	0	1,519	1,519					
384		Subtotal - 35303 EMPLOYEE RELATIONS	0	7,928	7,928					
385										
386	18	PROCUREMENT	0	2,791	2,791					
387	18	OFFICE SUPPLY DIST	0	157	157					
388	18	PROF SVC ADMIN	0	7,080	7,080					
389	18	JD EDWARDS PROCURE	0	358	358					
390	18	PROC CARD PROG	0	664	664					
391	18	FUEL MGMT	0	36	36					
392										
393										
394										
395										
396										

Appendix A: Review of City's Full Cost Allocation Plan

	A	B	C	D	E	F	G	H	I	J
397										
398										
399		B. INCOMING COSTS - (Default Spread Salary%)							Dept:5	15101 CITY ATTORNEY ADMIN
400										
401		Department	First Incoming	Second Incoming	ATTORNEY					
402	18	REPROGRAPHICS	\$0	\$124	\$124					
403	18	COPY MACHINE MGMT	0	124	124					
404	18	MAIL OPS	0	89	89					
405		Subtotal - 35401 PROCUREMENT	0	11,423	11,423					
406										
407	19	PROCUREMENT	0	277	277					
408	19	OFFICE SUPPLY DISTRIBUTION	0	135	135					
409	19	JD EDWARDS PROCURE	0	25	25					
410	19	REPROGRAPHICS	0	2,713	2,713					
411	19	COPY MACHINE MGMT	0	910	910					
412	19	MAIL OPS	0	47	47					
413		Subtotal - 35402 REPROGRAPHICS	0	4,107	4,107					
414										
415	20	MAIL OPERATIONS	0	3,069	3,069					
416		Subtotal - 35403 MAIL	0	3,069	3,069					
417										
418	21	REAL ESTATE	0	2,083	2,083					
419		Subtotal - 35501 REAL ESTATE SERVICES	0	2,083	2,083					
420										
421	22	EMPLOYEE BENEFITS	0	2,145	2,145					
422		Subtotal - 35601 EMPLOYEE BENEFITS	0	2,145	2,145					
423										
424	23	LIABILITY INSUR	0	104,211	104,211					
425		Subtotal - 35610 LIABILITY INSURANCE	0	104,211	104,211					
426										
427	25	CITY HALL	0	48,753	48,753					
428	25	GASOLINE	0	3,700	3,700					
429	25	TERM PAY	0	27,278	27,278					
430		Subtotal - 40101 NON DEPARTMENTAL	0	79,731	79,731					
431										
432	27	NETWORK	0	16,888	16,888					
433		Subtotal - 42151 IS- NETWORK	0	16,888	16,888					
434										
435	28	INTERNET/INTRANET	0	5,590	5,590					
436	28	CITYWIDE TRAINING	0	1,785	1,785					
443										
444		B. INCOMING COSTS - (Default Spread Salary%)							Dept:5	15101 CITY ATTORNEY ADMIN
445										
446		Department	First Incoming	Second Incoming	ATTORNEY					
447	28	JD EDWARDS SYS	\$0	\$2,210	\$2,210					
448	28	KRONOS	0	335	335					
449	28	EHANGE/MESSAGING	0	1,508	1,508					
450	28	NEW IMPLEMENT	0	5,715	5,715					
451	28	DEVELOPMENT	0	1,069	1,069					
452	28	CIRTIX	0	255	255					
453	28	SERVER MGMT	0	1,686	1,686					
454	28	EXISTING APS MAINT	0	1,414	1,414					
455		Subtotal - 42154 IS- BUSINESS SYSTEM	0	21,567	21,567					
456										
457	29	CITY HALL	0	657	657					
458		Subtotal - 42155 IS- SAFETY	0	657	657					
459										
460	30	HELP DESK SUPPORT	0	3,198	3,198					
461	30	HARDWARE SUPPORT	0	6,412	6,412					
462	30	SOFTWARE SUPPORT	0	3,144	3,144					
463	30	OTHER SUPPORT	0	3,945	3,945					
464		Subtotal - 42156 IS- OPERATIONS	0	16,699	16,699					
465										
466	31	CITY HALL SUPPORT	0	44,541	44,541					
467		Subtotal - 42201 IS- COMMUNICATIONS	0	44,541	44,541					
468										
469	32	OTHER DEPTS GIS	0	4,119	4,119					
470		Subtotal - 42202 IS- GIS	0	4,119	4,119					
471										
472	36	FACILITIES	0	152	152					
473		Subtotal - 85402 BUILDING/GROUNDS MAINT	0	152	152					
474										
475	37	CIVIC CENTER	0	48,445	48,445					
476		Subtotal - 85403 CIVIC CENTER MAINT	0	48,445	48,445					
477										
478	39	FLEET OPS	0	3,254	3,254					
479		Subtotal - 85701 FLEET MANAGEMENT	0	3,254	3,254					
480										
481	40	EQUIP OPS	0	11,648	11,648					

Appendix A: Review of City's Full Cost Allocation Plan

A	B	C	D	E	F	G	H	I	J
482									
488									
489	B. INCOMING COSTS - (Default Spread Salary%)							Dept:5 15101 CITY ATTORNEY ADMIN	
490									
491	Department	First Incoming	Second Incoming	ATTORNEY					
492	Subtotal - 85703 EQUIPMENT MAINT	\$0	\$11,648	\$11,648					
493									
494	3 COUNCIL	0	16,382	16,382					
495	Subtotal - 10101 CITY CLERK ADMIN	0	16,382	16,382					
496									
497	4 AGENDA	0	3,672	3,672					
498	4 RECORDS	0	10,508	10,508					
499	Subtotal - 10301 RECORDS MANAGEMENT	0	14,180	14,180					
500									
501	Total Incoming	60,927	668,963	729,890					
502									
503	C. TOTAL ALLOCATED		\$3,794,056	\$3,794,056					
504	ATTORNEY Allocations							Dept:5 15101 CITY ATTORNEY ADMIN	
505									
506		DIRECT COST PER DEPT	Allocation Percent	First Allocation	Direct Billed	Departmental Allocation	Second Allocation	Total	
507	4 10301 RECORDS MANAGEMENT	21,178	1.86%	\$58,031	\$0	\$58,031	\$0	\$58,031	
508	5 15101 CITY ATTORNEY ADMIN	57,963	5.08%	158,829	0	158,829	0	158,829	
509	6 20101 CITY COUNCIL	47,221	4.14%	129,394	0	129,394	29,764	159,157	
510	7 25101 CENTRAL CASHIERING & TREASURY	2,355	0.21%	6,453	0	6,453	1,484	7,937	
511	8 25201 MUNICIPAL SERVICES	2,355	0.21%	6,453	0	6,453	1,484	7,937	
512	9 30101 CITY ADMINISTRATOR'S OFFICE	16,750	1.47%	45,898	0	45,898	10,558	56,456	
513	10 35101 ADMINISTRATIVE SVC ADMIN	29,627	2.60%	81,183	0	81,183	18,674	99,857	
514	11 35201 FINANCE ADMIN	15,464	1.36%	42,374	0	42,374	9,747	52,121	
515	15 35301 HUMAN RESOURCES ADMIN	65,957	5.78%	180,734	0	180,734	41,573	222,307	
516	18 35401 PROCUREMENT	2,809	0.25%	7,697	0	7,697	1,771	9,468	
517	19 35402 REPROGRAPHICS	2,809	0.25%	7,697	0	7,697	1,771	9,468	
518	23 35610 LIABILITY INSURANCE	513,702	45.04%	1,407,633	0	1,407,633	323,789	1,731,423	
519	26 42101 IS- ADMIN	14,742	1.29%	40,396	0	40,396	9,292	49,688	
520	34 85101 PUBLIC WORKS ADMIN	45,517	3.99%	124,725	0	124,725	28,690	153,414	
521	35 85401 MAINTENANCE ADMIN	7,280	0.64%	19,948	0	19,948	4,589	24,537	
522	44 25301 BUSINESS LICENSING	9,836	0.86%	26,952	0	26,952	6,200	33,152	
523	50 45101 COMMUNITY SERVICES ADMIN	28,762	2.52%	78,813	0	78,813	18,129	96,942	
524	56 45206 BEACH MAINTENANCE	4,994	0.44%	13,684	0	13,684	3,148	16,832	
525	79 45701 FLEET MANAGEMENT	909	0.08%	2,491	0	2,491	573	3,064	
526	81 50101 LIBRARY ADMIN	11,403	1.00%	31,246	0	31,246	7,187	38,434	
527	96 55101 BUILDING & SAFETY ADMIN	6,891	0.60%	18,883	0	18,883	4,343	23,226	
528	98 55301 PERMIT/PLAN CHECK	1,901	0.17%	5,209	0	5,209	1,198	6,407	
529	99 60201 PLANNING	31,722	2.78%	86,924	0	86,924	19,995	106,919	
530	100 60301 CODE ENFORCEMENT	26,954	2.36%	73,859	0	73,859	16,989	90,848	
531	101 61001 PLANNING COMMISSION	14,470	1.27%	39,650	0	39,650	9,121	48,771	
532	102 65101 FIRE ADMIN	16,207	1.42%	44,410	0	44,410	10,215	54,625	
533	113 70102 ADMIN OPERATIONS	35,453	3.11%	97,147	0	97,147	22,346	119,494	
534	156 85415 STREET SWEEPING	3,094	0.27%	8,478	0	8,478	1,950	10,428	
535	187 FUND 305 RDA CAP PROJECT AREA	50,456	4.42%	138,258	0	138,258	31,803	170,061	
536	188 FUND 306 LOW INCOME HOUSING	17,327	1.52%	47,479	0	47,479	10,921	58,400	
537	197 FUND 504 REFUSE COLLECTION SERVICE	3,094	0.27%	8,478	0	8,478	1,950	10,428	
538	198 FUND 506 WATER	4,994	0.44%	13,684	0	13,684	3,148	16,832	
539	202 FUND 511 SEWER SERVICE FUND	4,994	0.44%	13,684	0	13,684	3,148	16,832	
540	232 ALL OTHER	21,282	1.87%	58,316	0	58,316	13,414	71,731	
541	999 2nd Allocation Orphans	0	0.00%	0	0	0	0	0	
542									
543	Subtotal	1,140,472	100.00%	3,125,093	0	3,125,093	668,963	3,794,056	
544									
545	Direct Bills						0	0	
546									
547	TOTAL						3,125,093	3,794,056	

Appendix A: Review of City's Full Cost Allocation Plan

	A	B	C	D	E	F	G	H	I	J
548	ALLOCATION SUMMARY									Dept:5 15101 CITY ATTORNEY ADMIN
549										
550		Department	ATTORNEY	Total						
551		0 DIRECT BILLED	0	\$0						
552	4	10301 RECORDS MANAGEMENT	58,031	58,031						
553	5	15101 CITY ATTORNEY ADMIN	158,829	158,829						
554	6	20101 CITY COUNCIL	159,157	159,157						
555	7	25101 CENTRAL CASHIERING & TREASURY	7,937	7,937						
556	8	25201 MUNICIPAL SERVICES	7,937	7,937						
557	9	30101 CITY ADMINISTRATOR'S OFFICE	56,456	56,456						
558	10	35101 ADMINISTRATIVE SVC ADMIN	99,857	99,857						
559	11	35201 FINANCE ADMIN	52,121	52,121						
560	15	35301 HUMAN RESOURCES ADMIN	222,307	222,307						
561	18	35401 PROCUREMENT	9,468	9,468						
562	19	35402 REPROGRAPHICS	9,468	9,468						
563	23	35610 LIABILITY INSURANCE	1,731,423	1,731,423						
564	26	42101 IS- ADMIN	49,688	49,688						
565	34	85101 PUBLIC WORKS ADMIN	153,414	153,414						
566	35	85401 MAINTENANCE ADMIN	24,537	24,537						
567	44	25301 BUSINESS LICENSING	33,152	33,152						
568	50	45101 COMMUNITY SERVICES ADMIN	96,942	96,942						
569	56	43206 BEACH MAINTENANCE	16,832	16,832						
570	79	45701 FLEET MANAGEMENT	3,064	3,064						
571	81	50101 LIBRARY ADMIN	38,434	38,434						
572	96	55101 BUILDING & SAFETY ADMIN	23,226	23,226						
573	98	55301 PERMIT/PLAN CHECK	6,407	6,407						
574	99	60201 PLANNING	106,918	106,918						
575	100	60301 CODE ENFORCEMENT	90,848	90,848						
576	101	61001 PLANNING COMMISSION	48,771	48,771						
577	102	65101 FIRE ADMIN	54,625	54,625						
578	113	70102 ADMIN OPERATIONS	119,494	119,494						
579	156	85415 STREET SWEEPING	10,428	10,428						
580	187	FUND 305 RDA CAP PROJECT AREA	170,061	170,061						
581	188	FUND 306 LOW INCOME HOUSING	58,400	58,400						
582	197	FUND 504 REFUSE COLLECTION SERVICE	10,428	10,428						
583	198	FUND 506 WATER	16,832	16,832						
584	202	FUND 511 SEWER SERVICE FUND	16,832	16,832						
585	232	ALL OTHER	71,731	71,731						
586	999	2nd Allocation Orphans	0	0						
587										
588	Total		3,794,056	3,794,056						