
COST ALLOCATION PLAN

Fiscal Year 2014-15



City of Ukiah

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OVERVIEW

Purpose of the 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 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. 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.

Indirect Cost Allocation Strategies

There are several ways of allocating indirect costs, including:

Internal Service Funds. Many cities allocate costs through formal internal service funds for services like printing, information technology, fleet maintenance and insurance. Typically with this approach, the internal service fund provides services to the organization and charges back for departments based on their actual

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usage of the service and standard per unit billing rates, like a private company would (except the goal is to break even rather than earn a profit). In this case, for the operating programs, indirect costs become direct costs, like they would if they contracted-out for the service.

While this approach can result in added accounting costs to develop internal billing rates and track actual usage, it has the advantage of encouraging more efficient use of internal services by allocating costs based on actual usage, setting aside funds for long-term capital replacement needs (or in the case of insurance, adequate reserves) and helping measure performance.

As shown in the side bar, the City uses seven internal service funds to allocate organization-wide support costs.

Payroll Allocations. Some organizations allocate percentages of key support staff to selected funds through direct payroll allocations, such as 15% of the City Manager to the Water Fund or 20% of the Public Works Director to the Wastewater Fund, with direct cost distributions of non-staffing costs via accounts payable where possible.

City Internal Service Funds

- Insurance
- Building Maintenance & Corporation Yard
- Garage
- Dispatch
- Purchasing
- Billing & Collections
- Information Technology

While this practice is not uncommon, it has some conceptual drawbacks, such as the basis for the percentage allocations. One of the advantages of cost allocation plans is that the basis for the allocation is clear. Even where internal service funds are used, cost allocation plans are still often needed in allocating indirect costs to the internal service funds (so their costs reflect the full cost of providing services to the organization) and in allocating other indirect costs not typically recovered through internal service funds, such as city manager, city attorney, city clerk, human resources and accounting.

Cost Allocation Plan. Cost allocation Plans provide a clear, consistent and reasonable basis for allocating indirect costs.

Combination of the Three. Some agencies use a combination of these three approaches.

In the City's case, it uses a combination of internal services funds and a cost allocation plan in distributing indirect costs.

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.

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

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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 6) is a summary of direct and indirect costs for the City of Ukiah based on the Preliminary 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 18% the total cost for a direct program of \$100,000 in Ukiah would be \$118,000 with this approach. (Note: Adjustments are made 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 human resources 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 2 on page 7 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 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 otherwise a clear relationship to another allocation base (like authorized staffing or assigned space), allocating costs based on operating budget is the common industry practice, and as such, this approach is used by the City.

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Indirect Cost Allocations

A summary of the indirect cost allocations (Central Services) is provided in Table 3.0 (page 7), followed by the detailed allocations for each specific indirect cost program for Central Services on Tables 4.0 through 4.8 (pages 8 to 16).

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 Human Resources 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 indirect 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 enterprise operations and special revenue funds. For example, although the City's administrative, legal services, human resources and accounting funds are budgeted and accounted for in the General Fund, these programs provide support services to other City funds. The Cost Allocation Plan provides a clear methodology for determining this level of support in reimbursing these costs.
- **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.** Along with accounting for salary, benefits and paid leave (such as vacation, sick and holidays), "full cost" hourly labor rates can be developed that appropriately include indirect costs.
- **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.

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- **Grant Administration.** Under federal cost accounting policies, 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 annually based on the budget adopted by the Council.

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 helps make 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 recovering indirect costs associated with grant programs. Table 1 on the following page is a summary of all indirect and direct costs in this plan. Indirect costs represent only 20% of all costs.

Summary Schedules

Table 1 - Indirect and Direct Cost Summary

Indirect Costs		Direct Costs	
General Fund		General Fund	
City Council	131,850	Business, Economic, Grant & Housing	323,775
City Clerk	125,712	Community Outreach/Public Information Services	37,000
City Manager	380,009	Parks	1,101,063
Administrative Support	62,930	Recreation Administration (<i>Includes all recreation activities</i>)	866,893
Miscellaneous General Government	1,040,295	Planning & Community Development	506,928
Accounting	729,108	Building Inspection	284,354
City Attorney	128,112	Engineering (<i>Included Landfill/Solid Waste</i>)	610,293
Treasury Management	85,983	Traffic Signal operations	33,000
Human Resources/Risk Management	413,638	Streets	775,765
Internal Service Funds		Storm Drain	98,239
Garage	400,620	Animal Control	78,500
Purchasing	219,871	Police Patrol	5,262,672
Billing & Collections	860,347	Police Major Crimes	162,314
Dispatch	687,987	Community Services Officers (<i>includes SLESF</i>)	504,767
Building Maintenance/ Corporation		Fire	2,150,676
Yard	582,907	Enterprise Funds	
Information Technology	711,219	Parking Enforcement	132,116
Insurance	288,013	Golf	41,973
Total Indirect Costs	6,848,601	Conference Center	257,524
		Airport	1,119,216
		Electric	12,024,405
		Street Lighting	368,369
		Public Benefit	510,000
		Water	2,391,148
		Wastewater	3,442,852
		Special Revenue Funds	
		Successor Agency	33,800
		Alex Rorabaugh Recreation Center	76,426
		Downtown Business Improvement	15,000
		Museum	307,703
		Visit Ukiah	110,000
		Total Direct Costs	33,626,771
		Overall Indirect Cost rate	
		Indirect costs divided by direct costs	20%

Summary Schedules

Table 3.0- Summary of indirect Cost Allocations for Central Services

	Central Services	Human Resources	Treasurer	Total
GF	\$ 364,345	\$ 126,564	\$ 6,618	\$ 497,527
Police	\$ 458,135	\$ 107,385		\$ 565,520
Fire	\$ 166,162	\$ 29,455		\$ 195,617
Parking Enf.	\$ 10,207		\$ 227	\$ 10,434
Golf	\$ 3,243	\$ 1,189		\$ 4,432
Airport	\$ 86,471	\$ 11,201	\$ 374	\$ 98,046
Electric	\$ 929,010	\$ 45,543	\$ 24,290	\$ 998,842
Street Lighting	\$ 28,460	\$ 3,038	\$ 883	\$ 32,381
Public Benefit	\$ 39,403		\$ 12	\$ 39,415
Water	\$ 184,741	\$ 33,338	\$ 13,922	\$ 232,001
Wastewater	\$ 265,996	\$ 36,640	\$ 39,591	\$ 342,227
Successor Agency	\$ 2,611			\$ 2,611
ARRC	\$ 5,905	\$ 608		\$ 6,512
Downtown Bus. Imp.	\$ 1,159			\$ 1,159
Museum	\$ 23,773	\$ 10,197		\$ 33,970
Conf. Center	\$ 19,896	\$ 7,159	\$ 67	\$ 27,122
Visit Ukiah	\$ 8,499	\$ 1,321		\$ 9,819
Total	\$ 2,598,015	\$ 413,638	\$ 85,983	\$ 3,097,637

Indirect Cost Allocations by Program

Table 4.0 – Central Services: City Council Distribution

Distribution Basis/Bases		Percent	Actual	Budget						
Total Actual FY 2014/2015		100.00%	\$ 131,850	128,525						
Total		100.00%	\$ 131,850							
Org #	Departments	Total Operating Budget FY 2015/2016	Department Percent	Total Distribution \$						
GENERAL FUND										
10017100	Business, Economic, Grant & Housing	323,775	0.96%	1,270	Current Expenses	Current Budget			Adjustments	
10018000	Community Outreach/Public Information Services	37,000	0.11%	145	41,182	37,718	GF	18,491	14.02%	(22,691)
10022100	Parks	1,101,063	3.27%	4,317			Police	23,250	17.63%	23,250
10022810	Recreation Administration (includes all Recreation Activities)	866,893	2.58%	3,399			Fire	8,433	6.40%	8,433
10023100	Planning & Community Development	506,928	1.51%	1,988			Parking Enf.	518	0.39%	518
10023320	Building Inspection	284,354	0.85%	1,115			Golf	165	0.12%	165
10024210	Engineering (includes Landfill/Solid Waste)	610,293	1.81%	2,393			Conf. Center	1,010	0.77%	1,010
10024214	Traffic Signal Operations	33,000	0.10%	129	5,181	5,051	Airport	4,388	3.33%	(793)
10024220	Streets	775,765	2.31%	3,042	41,448	41,572	Electric	47,147	35.76%	5,699
10024224	Storm Drain	98,239	0.29%	385			Street Lighting	1,444	1.10%	1,444
10020217	Animal Control	78,500	0.23%	308			Public Benefit	2,000	1.52%	2,000
10520210	Police Patrol	5,262,672	15.65%	20,635	20,724	20,795	Water	9,376	7.11%	(11,348)
10520224	Police Major Crimes	162,314	0.48%	636	23,315	23,389	Wastewater	13,499	10.24%	(9,816)
10520218	Community Services Officers (Includes SLESF)	504,767	1.50%	1,979			Successor Agency	133	0.10%	133
10521210	Fire	2,150,676	6.40%	8,433			ARRC	300	0.23%	300
ENTERPRISE FUNDS										
64020213	Parking Enforcement	132,116	0.39%	518			Downtown Bus. Imp	59	0.04%	59
72022400	Golf	41,973	0.12%	165			Museum	1,206	0.92%	1,206
73022600	Conference Center	257,524	0.77%	1,010	131,850	128,525	Visit Ukiah	431	0.33%	431
77725200	Airport	1,119,216	3.33%	4,388			Total	131,850	100.00%	(0)
80026110	Electric Overhead	1,069,948	3.18%	4,195						
80026120	Electric Underground	1,059,977	3.15%	4,156	113,359	Central Services in/Non GF	1001000.49100			
80026130	Electric Substation	297,165	0.88%	1,165						
80026200	Electric Testing & Calibrating	229,920	0.68%	902						
80026300	Electric Generation	8,541,565	25.40%	33,491						
80026330	Electric Hydro Plant	265,284	0.79%	1,040						
80026400	Electric Administration	560,546	1.67%	2,198						
80526610	Street Lighting	368,369	1.10%	1,444						
80626500	Public Benefit	510,000	1.52%	2,000						
82024410	Water Administration	539,837	1.61%	2,117						
82024411	Water Production Operations & Management	1,094,926	3.26%	4,293						
82024414	Water Distribution Operations & Maintenance	756,385	2.25%	2,966						
84024420	Wastewater Administration	562,786	1.67%	2,207						
84024421	Wastewater Operations & Maintenance	580,033	1.72%	2,274						
84024425	Wastewater Treatment	2,300,033	6.84%	9,018						
SPECIAL REVENUES & OTHER FUNDS										
96995669	Successor Agency	33,800	0.10%	133						
31122870	Alex Rorabaugh Recreation Center (ARRC)	76,426	0.23%	300						
31217100	Downtown Business Improvement	15,000	0.04%	59						
69122700	Museum	307,703	0.92%	1,206						
75017110	Visit Ukiah	110,000	0.33%	431						
Total Operating Budget Used for Distribution		33,626,771	100.00%	\$ 131,850						

Indirect Cost Allocations by Program

Table 4.1- Central Services: City Clerk Distribution

Distribution Basis/Bases		Percent	Actual	Budget						
Total Actual FY 2014/2015		100.00%	\$ 125,712	141,326						
Total		100.00%	\$ 125,712							
Org #	Departments	Total Operating Budget FY 2015/2016	Department Percent	Total Distribution \$ 125,712						
GENERAL FUND					Current Expenses	Current Budget				Adjustments
10017100	Business, Economic, Grant & Housing	323,775	0.96%	1,210						
10018000	Community Outreach/Public Information Services	37,000	0.11%	138	91,816	99,991	GF	17,630	14.02%	(74,186)
10022100	Parks	1,101,063	3.27%	4,116			Police	22,168	17.63%	22,168
10022810	Recreation Administration (includes all Recreation Activities)	866,893	2.58%	3,241			Fire	8,040	6.40%	8,040
10023100	Planning & Community Development	506,928	1.51%	1,895			Parking Enf.	494	0.39%	494
10023320	Building Inspection	284,354	0.85%	1,063			Golf	157	0.12%	157
10024210	Engineering (includes Landfill/Solid Waste)	610,293	1.81%	2,282			Conf. Center	963	0.77%	963
10024214	Traffic Signal Operations	33,000	0.10%	123	4,631	5,444	Airport	4,184	3.33%	(447)
10024220	Streets	775,765	2.31%	2,900	11,096	13,341	Electric	44,953	35.76%	33,857
10024224	Storm Drain	98,239	0.29%	367			Street Lighting	1,377	1.10%	1,377
10020217	Animal Control	78,500	0.23%	293			Public Benefit	1,907	1.52%	1,907
10520210	Police Patrol	5,262,672	15.65%	19,674	9,085	10,880	Water	8,939	7.11%	(146)
10520224	Police Major Crimes	162,314	0.48%	607	9,084	11,670	Wastewater	12,871	10.24%	3,787
10520218	Community Services Officers (Includes SLESF)	504,767	1.50%	1,887			Successor Agency	126	0.10%	126
10521210	Fire	2,150,676	6.40%	8,040			ARRC	286	0.23%	286
ENTERPRISE FUNDS							Downtown Bus. Imp	56	0.04%	56
64020213	Parking Enforcement	132,116	0.39%	494			Museum	1,150	0.92%	1,150
72022400	Golf	41,973	0.12%	157			Visit Ukiah	411	0.33%	411
73022600	Conference Center	257,524	0.77%	963	125,712	141,326	Total	125,712	100.00%	0
77725200	Airport	1,119,216	3.33%	4,184	120,956	135,883				
80026110	Electric Overhead	1,069,948	3.18%	4,000	4,756	5,444	Airport has separate activity code in error (777.111)			
80026120	Electric Underground	1,059,977	3.15%	3,963						
80026130	Electric Substation	297,165	0.88%	1,111						
80026200	Electric Testing & Calibrating	229,920	0.68%	860						
80026300	Electric Generation	8,541,565	25.40%	31,932						
80026330	Electric Hydro Plant	265,284	0.79%	992						
80026400	Electric Administration	560,546	1.67%	2,096						
80526610	Street Lighting	368,369	1.10%	1,377						
80626500	Public Benefit	510,000	1.52%	1,907						
82024410	Water Administration	539,837	1.61%	2,018						
82024411	Water Production Operations & Management	1,094,926	3.26%	4,093						
82024414	Water Distribution Operations & Maintenance	756,385	2.25%	2,828						
84024420	Wastewater Administration	562,786	1.67%	2,104						
84024421	Wastewater Operations & Maintenance	580,033	1.72%	2,168						
84024425	Wastewater Treatment	2,300,033	6.84%	8,599						
SPECIAL REVENUES & OTHER FUNDS										
96995669	Successor Agency	33,800	0.10%	126						
31122870	Alex Rorabaugh Recreation Center (ARRC)	76,426	0.23%	286						
31217100	Downtown Business Improvement	15,000	0.04%	56						
69122700	Museum	307,703	0.92%	1,150						
75017110	Visit Ukiah	110,000	0.33%	411						
Total Operating Budget Used for Distribution		33,626,771	100.00%	\$ 125,712						

Indirect Cost Allocations by Program

Table 4.2- Central Services: City Manager Distribution

Distribution Basis/Bases	Percent	Actual	Budget							
Total Actual FY 2014/2015	100.00%	\$ 380,009	471,486							
Total	100.00%	\$ 380,009								
Org #	Departments	Total Operating Budget FY 2015/2016	Department Percent	Total Distribution \$						
				380,009						
GENERAL FUND										
10017100	Business, Economic, Grant & Housing	323,775	0.96%	3,659	Current Expenses	Current Budget			Adjustments	
10018000	Community Outreach/Public Information Services	37,000	0.11%	418	282,074	278,778	GF	53,292	14.02%	(228,782)
10022100	Parks	1,101,063	3.27%	12,443			Police	67,011	17.63%	67,011
10022810	Recreation Administration (includes all Recreation Activities)	866,893	2.58%	9,797			Fire	24,304	6.40%	24,304
10023100	Planning & Community Development	506,928	1.51%	5,729			Parking Enf.	1,493	0.39%	1,493
10023320	Building Inspection	284,354	0.85%	3,213			Golf	474	0.12%	474
10024210	Engineering (includes Landfill/Solid Waste)	610,293	1.81%	6,897			Conf. Center	2,910	0.77%	2,910
10024214	Traffic Signal Operations	33,000	0.10%	373	5,726	6,498	Airport	12,648	3.33%	6,922
10024220	Streets	775,765	2.31%	8,767	42,385	39,346	Electric	135,885	35.76%	93,500
10024224	Storm Drain	98,239	0.29%	1,110			Street Lighting	4,163	1.10%	4,163
10020217	Animal Control	78,500	0.23%	887			Public Benefit	5,763	1.52%	5,763
10520210	Police Patrol	5,262,672	15.65%	59,472	29,919	27,775	Water	27,022	7.11%	(2,897)
10520224	Police Major Crimes	162,314	0.48%	1,834	32,412	30,089	Wastewater	38,907	10.24%	6,495
10520218	Community Services Officers (includes SLESF)	504,767	1.50%	5,704			Successor Agency	382	0.10%	382
10521210	Fire	2,150,676	6.40%	24,304			ARRC	864	0.23%	864
ENTERPRISE FUNDS										
64020213	Parking Enforcement	132,116	0.39%	1,493			Downtown Bus. Imp	170	0.04%	170
72022400	Golf	41,973	0.12%	474			Museum	3,477	0.92%	3,477
73022600	Conference Center	257,524	0.77%	2,910	392,516	382,486	Visit Ukiah	1,243	0.33%	1,243
77725200	Airport	1,119,216	3.33%	12,648			Total	380,009	100.00%	(12,507)
80026110	Electric Overhead	1,069,948	3.18%	12,091	0	89,000	fund 251 special capital projects excluded			
80026120	Electric Underground	1,059,977	3.15%	11,979						
80026130	Electric Substation	297,165	0.88%	3,358	392,516	471,486	Total shown in report			
80026200	Electric Testing & Calibrating	229,920	0.68%	2,598						
80026300	Electric Generation	8,541,565	25.40%	96,526	326,715	10012100.49102	Central Services in/Non GF			
80026330	Electric Hydro Plant	265,284	0.79%	2,998						
80026400	Electric Administration	560,546	1.67%	6,335						
80526610	Street Lighting	368,369	1.10%	4,163						
80626500	Public Benefit	510,000	1.52%	5,763						
82024410	Water Administration	539,837	1.61%	6,101						
82024411	Water Production Operations & Management	1,094,926	3.26%	12,374						
82024414	Water Distribution Operations & Maintenance	756,385	2.25%	8,548						
84024420	Wastewater Administration	562,786	1.67%	6,360						
84024421	Wastewater Operations & Maintenance	580,033	1.72%	6,555						
84024425	Wastewater Treatment	2,300,033	6.84%	25,992						
SPECIAL REVENUES & OTHER FUNDS										
96995669	Successor Agency	33,800	0.10%	382						
31122870	Alex Rorabaugh Recreation Center (ARRC)	76,426	0.23%	864						
31217100	Downtown Business Improvement	15,000	0.04%	170						
69122700	Museum	307,703	0.92%	3,477						
75017110	Visit Ukiah	110,000	0.33%	1,243						
Total Operating Budget Used for Distribution		33,626,771	100.00%	\$ 380,009						

Indirect Cost Allocations by Program

Table 4.3 – Central Services: Administrative Support Distribution

Distribution Basis/Bases		Percent	Actual	Budget						
Total Actual FY 2014/2015		100.00%	\$ 62,930	61270						
Total		100.00%	\$ 62,930							
Org #	Departments	Total Operating Budget FY 2015/2016	Department Percent	Total Distribution \$	62,930					
GENERAL FUND										
10017100	Business, Economic, Grant & Housing	323,775	0.96%	606	Current Expenses	Current Budget	Adjustments			
10018000	Community Outreach/Public Information Services	37,000	0.11%	69	62,528	61,270	GF	8,825	14.02%	(53,703)
10022100	Parks	1,101,063	3.27%	2,061			Police	11,097	17.63%	11,097
10022810	Recreation Administration (includes all Recreation Activities)	866,893	2.58%	1,622			Fire	4,025	6.40%	4,025
10023100	Planning & Community Development	506,928	1.51%	949			Parking Enf.	247	0.39%	247
10023320	Building Inspection	284,354	0.85%	532			Golf	79	0.12%	79
10024210	Engineering (includes Landfill/Solid Waste)	610,293	1.81%	1,142			Conf. Center	482	0.77%	482
10024214	Traffic Signal Operations	33,000	0.10%	62			Airport	2,095	3.33%	2,095
10024220	Streets	775,765	2.31%	1,452			Electric	22,503	35.76%	22,503
10024224	Storm Drain	98,239	0.29%	184			Street Lighting	689	1.10%	689
10020217	Animal Control	78,500	0.23%	147			Public Benefit	954	1.52%	954
10520210	Police Patrol	5,262,672	15.65%	9,849			Water	4,475	7.11%	4,475
10520224	Police Major Crimes	162,314	0.48%	304			Wastewater	6,443	10.24%	6,443
10520218	Community Services Officers (Includes SLESF)	504,767	1.50%	945			Successor Agency	63	0.10%	63
10521210	Fire	2,150,676	6.40%	4,025			ARRC	143	0.23%	143
ENTERPRISE FUNDS										
64020213	Parking Enforcement	132,116	0.39%	247			Downtown Bus. Imp	28	0.04%	28
72022400	Golf	41,973	0.12%	79			Museum	576	0.92%	576
73022600	Conference Center	257,524	0.77%	482	62,528	61,270	Visit Ukiah	206	0.33%	206
77725200	Airport	1,119,216	3.33%	2,095			Total	62,930	100.00%	402
80026110	Electric Overhead	1,069,948	3.18%	2,002	54,105	10012200.49103	Central Services in/Non GF			
80026120	Electric Underground	1,059,977	3.15%	1,984						
80026130	Electric Substation	297,165	0.88%	556						
80026200	Electric Testing & Calibrating	229,920	0.68%	430						
80026300	Electric Generation	8,541,565	25.40%	15,985						
80026330	Electric Hydro Plant	265,284	0.79%	496						
80026400	Electric Administration	560,546	1.67%	1,049						
80526610	Street Lighting	368,369	1.10%	689						
80626500	Public Benefit	510,000	1.52%	954						
82024410	Water Administration	539,837	1.61%	1,010						
82024411	Water Production Operations & Management	1,094,926	3.26%	2,049						
82024414	Water Distribution Operations & Maintenance	756,385	2.25%	1,416						
84024420	Wastewater Administration	562,786	1.67%	1,053						
84024421	Wastewater Operations & Maintenance	580,033	1.72%	1,085						
84024425	Wastewater Treatment	2,300,033	6.84%	4,304						
SPECIAL REVENUES & OTHER FUNDS										
96995669	Successor Agency	33,800	0.10%	63						
31122870	Alex Rorabaugh Recreation Center (ARRC)	76,426	0.23%	143						
31217100	Downtown Business Improvement	15,000	0.04%	28						
69122700	Museum	307,703	0.92%	576						
75017110	Visit Ukiah	110,000	0.33%	206						
Total Operating Budget Used for Distribution		33,626,771	100.00%	\$ 62,930						

Indirect Cost Allocations by Program

Table 4.4 – Central Services: Miscellaneous General Government Distribution

Distribution Basis/Bases	Percent	Actual	Budget							
Total Actual FY 2014/2015	100.00%	\$ 1,040,295								
Total	100.00%	\$ 1,040,295								
Org #	Departments	Total Operating Budget FY 2015/2016	Department Percent	Total Distribution						
				\$ 1,040,295						
GENERAL FUND										
10017100	Business, Economic, Grant & Housing	323,775	0.96%	10,016	Current Expenses	Current Budget			Adjustments	
10018000	Community Outreach/Public Information Services	37,000	0.11%	1,145	813,891	799,767	GF	145,891	14.02%	(668,000)
10022100	Parks	1,101,063	3.27%	34,063			Police	183,446	17.63%	183,446
10022810	Recreation Administration (includes all Recreation Activities)	866,893	2.58%	26,819			Fire	66,534	6.40%	66,534
10023100	Planning & Community Development	506,928	1.51%	15,683			Parking Enf.	4,087	0.39%	4,087
10023320	Building Inspection	284,354	0.85%	8,797			Golf	1,298	0.12%	1,298
10024210	Engineering (includes Landfill/Solid Waste)	610,293	1.81%	18,880			Conf. Center	7,967	0.77%	7,967
10024214	Traffic Signal Operations	33,000	0.10%	1,021	6,486	6,486	Airport	34,625	3.33%	28,139
10024220	Streets	775,765	2.31%	23,999	90,802	90,802	Electric	371,993	35.76%	281,191
10024224	Storm Drain	98,239	0.29%	3,039			Street Lighting	11,396	1.10%	11,396
10020217	Animal Control	78,500	0.23%	2,429			Public Benefit	15,778	1.52%	15,778
10520210	Police Patrol	5,262,672	15.65%	162,809	64,858	64,858	Water	73,974	7.11%	9,116
10520224	Police Major Crimes	162,314	0.48%	5,021	64,858	64,858	Wastewater	106,510	10.24%	41,652
10520218	Community Services Officers (Includes SLESF)	504,767	1.50%	15,616			Successor Agency	1,046	0.10%	1,046
10521210	Fire	2,150,676	6.40%	66,534			ARRC	2,364	0.23%	2,364
ENTERPRISE FUNDS										
64020213	Parking Enforcement	132,116	0.39%	4,087			Downtown Bus. Imp	464	0.04%	464
72022400	Golf	41,973	0.12%	1,298			Museum	9,519	0.92%	9,519
73022600	Conference Center	257,524	0.77%	7,967			Visit Ukiah	3,403	0.33%	3,403
77725200	Airport	1,119,216	3.33%	34,625	1,040,895	1,026,771	Total	1,040,295	100.00%	(600)
80026110	Electric Overhead	1,069,948	3.18%	33,100	647,332	539,137	Exceptions:			
80026120	Electric Underground	1,059,977	3.15%	32,792	(132,834)	648,582	less workers comp fund			
80026130	Electric Substation	297,165	0.88%	9,193	8,814	50,000	plus use of liability property funds			
80026200	Electric Testing & Calibrating	229,920	0.68%	7,113	1,564,207	2,264,490	less property tax admin fee			
80026300	Electric Generation	8,541,565	25.40%	264,246			Total shown in report			
80026330	Electric Hydro Plant	265,284	0.79%	8,207	894,404	10012400.49104	Central Services In - Non General Fund			
80026400	Electric Administration	560,546	1.67%	17,341						
80526610	Street Lighting	368,369	1.10%	11,396						
80626500	Public Benefit	510,000	1.52%	15,778						
82024410	Water Administration	539,837	1.61%	16,701						
82024411	Water Production Operations & Management	1,094,926	3.26%	33,873						
82024414	Water Distribution Operations & Maintenance	756,385	2.25%	23,400						
84024420	Wastewater Administration	562,786	1.67%	17,411						
84024421	Wastewater Operations & Maintenance	580,033	1.72%	17,944						
84024425	Wastewater Treatment	2,300,033	6.84%	71,155						
SPECIAL REVENUES & OTHER FUNDS										
9695669	Successor Agency	33,800	0.10%	1,046						
31122870	Alex Rorabaugh Recreation Center (ARRC)	76,426	0.23%	2,364						
31217100	Downtown Business Improvement	15,000	0.04%	464						
69122700	Museum	307,703	0.92%	9,519						
75017110	Visit Ukiah	110,000	0.33%	3,403						
	Total Operating Budget Used for Distribution	33,626,771	100.00%	\$ 1,040,295						

(Property Tax Administration Fee excluded from distribution)

Indirect Cost Allocations by Program

Table 4.5 – Central Services: Finance Accounting Distribution

Distribution Basis/Bases		Percent	Actual	Budget						
Total Actual FY 2014/2015		100.00%	\$ 729,108	1,292,609						
Total		100.00%	\$ 729,108							
Org #	Departments	Total Operating Budget FY 2015/2016	Department Percent	Total Distribution \$ 729,108	1241443					
GENERAL FUND										
					Current Expenses	Current Budget				Adjustments
10017100	Business, Economic, Grant & Housing	323,775	0.96%	7,020						
10018000	Community Outreach/Public Information Services	37,000	0.11%	802	395,981	371,619	GF	102,250	14.02%	(293,731)
10022100	Parks	1,101,063	3.27%	23,874			Police	128,571	17.63%	128,571
10022810	Recreation Administration (includes all Recreation Activities)	866,893	2.58%	18,796			Fire	46,632	6.40%	46,632
10023100	Planning & Community Development	506,928	1.51%	10,991			Parking Enf.	2,865	0.39%	2,865
10023320	Building Inspection	284,354	0.85%	6,165			Golf	910	0.12%	910
10024210	Engineering (includes Landfill/Solid Waste)	610,293	1.81%	13,233			Conf. Center	5,584	0.77%	5,584
10024214	Traffic Signal Operations	33,000	0.10%	716	31,596	33,287	Airport	24,267	3.33%	(7,329)
10024220	Streets	775,765	2.31%	16,820	369,389	393,028	Electric	260,717	35.76%	(108,672)
10024224	Storm Drain	98,239	0.29%	2,130			Street Lighting	7,987	1.10%	7,987
10020217	Animal Control	78,500	0.23%	1,702			Public Benefit	11,058	1.52%	11,058
10520210	Police Patrol	5,262,672	15.65%	114,107	226,559	259,384	Water	51,846	7.11%	(174,713)
10520224	Police Major Crimes	162,314	0.48%	3,519	212,168	223,992	Wastewater	74,649	10.24%	(137,519)
10520218	Community Services Officers (Includes SLESF)	504,767	1.50%	10,945			Successor Agency	733	0.10%	733
10521210	Fire	2,150,676	6.40%	46,632			ARRC	1,657	0.23%	1,657
ENTERPRISE FUNDS										
64020213	Parking Enforcement	132,116	0.39%	2,865			Downtown Bus. Imp	325	0.04%	325
72022400	Golf	41,973	0.12%	910			Museum	6,672	0.92%	6,672
73022600	Conference Center	257,524	0.77%	5,584	1,235,693	1,281,310	Visit Ukiah	2,385	0.33%	2,385
77725200	Airport	1,119,216	3.33%	24,267			Total	729,108	100.00%	(506,585)
80026110	Electric Overhead	1,069,948	3.18%	23,199	29339	11299	Exceptions:			
80026120	Electric Underground	1,059,977	3.15%	22,983	1,265,032	1,292,609	Equipment Reserve Fund 220			
80026130	Electric Substation	297,165	0.88%	6,443			Total shown in report			
80026200	Electric Testing & Calibrating	229,920	0.68%	4,985	626,858	10013400.49105	Central Services In - Non General Fund			
80026300	Electric Generation	8,541,565	25.40%	185,201						
80026330	Electric Hydro Plant	265,284	0.79%	5,752						
80026400	Electric Administration	560,546	1.67%	12,154						
80526610	Street Lighting	368,369	1.10%	7,987						
80626500	Public Benefit	510,000	1.52%	11,058						
82024410	Water Administration	539,837	1.61%	11,705						
82024411	Water Production Operations & Management	1,094,926	3.26%	23,741						
82024414	Water Distribution Operations & Maintenance	756,385	2.25%	16,400						
84024420	Wastewater Administration	562,786	1.67%	12,203						
84024421	Wastewater Operations & Maintenance	580,033	1.72%	12,576						
84024425	Wastewater Treatment	2,300,033	6.84%	49,870						
SPECIAL REVENUES & OTHER FUNDS										
96995669	Successor Agency	33,800	0.10%	733						
31122870	Alex Rorabaugh Recreation Center (ARRC)	76,426	0.23%	1,657						
31217100	Downtown Business Improvement	15,000	0.04%	325						
69122700	Museum	307,703	0.92%	6,672						
75017110	Visit Ukiah	110,000	0.33%	2,385						
Total Operating Budget Used for Distribution		33,626,771	100.00%	\$ 729,108						

Indirect Cost Allocations by Program

Table 4.6 – Central Services: City Attorney Distribution

Distribution Basis/Bases	Percent	Actual	Budget							
Total Actual FY 2014/2015	100.00%	\$ 128,112	181,500							
Total	100.00%	\$ 128,112								
Org #	Departments	Total Operating Budget FY 2015/2016	Department Percent	Total Distribution \$						
GENERAL FUND										
10017100	Business, Economic, Grant & Housing	323,775	0.96%	1,234	Current Expenses	Current Budget			Adjustments	
10018000	Community Outreach/Public Information Services	37,000	0.11%	141	88,295	99,825	GF	17,966	14.02%	(70,329)
10022100	Parks	1,101,063	3.27%	4,195	9,311		Police	22,591	17.63%	13,280
10022810	Recreation Administration (includes all Recreation Activities)	866,893	2.58%	3,303			Fire	8,194	6.40%	8,194
10023100	Planning & Community Development	506,928	1.51%	1,931			Parking Enf.	503	0.39%	503
10023320	Building Inspection	284,354	0.85%	1,083			Golf	160	0.12%	160
10024210	Engineering (includes Landfill/Solid Waste)	610,293	1.81%	2,325			Conf. Center	981	0.77%	981
10024214	Traffic Signal Operations	33,000	0.10%	126	567	1,815	Airport	4,264	3.33%	3,697
10024220	Streets	775,765	2.31%	2,956	12,202	25,410	Electric	45,811	35.76%	33,609
10024224	Storm Drain	98,239	0.29%	374			Street Lighting	1,403	1.10%	1,403
10020217	Animal Control	78,500	0.23%	299			Public Benefit	1,943	1.52%	1,943
10520210	Police Patrol	5,262,672	15.65%	20,050	2,399	18,150	Water	9,110	7.11%	6,711
10520224	Police Major Crimes	162,314	0.48%	618	15,337	36,300	Wastewater	13,117	10.24%	(2,220)
10520218	Community Services Officers (Includes SLESF)	504,767	1.50%	1,923			Successor Agency	129	0.10%	129
10521210	Fire	2,150,676	6.40%	8,194			ARRC	291	0.23%	291
ENTERPRISE FUNDS										
64020213	Parking Enforcement	132,116	0.39%	503			Downtown Bus. Imp	57	0.04%	57
72022400	Golf	41,973	0.12%	160			Museum	1,172	0.92%	1,172
73022600	Conference Center	257,524	0.77%	981	128,111	181,500	Visit Ukiah	419	0.33%	419
77725200	Airport	1,119,216	3.33%	4,264			Total	128,112	100.00%	1
80026110	Electric Overhead	1,069,948	3.18%	4,076	6,163		Exceptions:			
80026120	Electric Underground	1,059,977	3.15%	4,038	65		0 less purchasing allocation			
80026130	Electric Substation	297,165	0.88%	1,132	329		0 Less fund 700 Sanitary disposal			
80026200	Electric Testing & Calibrating	229,920	0.68%	876	40,151		0 Less fund 704 post closure			
80026300	Electric Generation	8,541,565	25.40%	32,542	11,338		0 less litigation fund 840			
80026330	Electric Hydro Plant	265,284	0.79%	1,011	186,157	181,500	0 less Garbage billing			
80026400	Electric Administration	560,546	1.67%	2,136			Total shown in report			
80526610	Street Lighting	368,369	1.10%	1,403	110,145	10014000.49106	Central Services In - Non General Fund			
80626500	Public Benefit	510,000	1.52%	1,943						
82024410	Water Administration	539,837	1.61%	2,057						
82024411	Water Production Operations & Management	1,094,926	3.26%	4,171						
82024414	Water Distribution Operations & Maintenance	756,385	2.25%	2,882						
84024420	Wastewater Administration	562,786	1.67%	2,144						
84024421	Wastewater Operations & Maintenance	580,033	1.72%	2,210						
84024425	Wastewater Treatment	2,300,033	6.84%	8,763						
SPECIAL REVENUES & OTHER FUNDS										
96995669	Successor Agency	33,800	0.10%	129						
31122870	Alex Rorabaugh Recreation Center (ARRC)	76,426	0.23%	291						
31217100	Downtown Business Improvement	15,000	0.04%	57						
69122700	Museum	307,703	0.92%	1,172						
75017110	Visit Ukiah	110,000	0.33%	419						
Total Operating Budget Used for Distribution		33,626,771	100.00%	\$ 128,112						

\$100,000 for litigation costs are directly charged to the Wastewater Enterprise.

Indirect Cost Allocations by Program

Table 4.7 – Central Services: Human Resources/ Risk Management Distribution

Distribution Basis/Bases		Percent	Actual	Budget					
Number of Full Time Equivalent Employees (FTEs)		100.00%	\$ 413,638	414,693					
Total		100.00%	\$ 413,638						
			Department						
			Percent						
Org #	Departments	Number of Full Time Equivalent Employees (FTEs)	Department %	Total Distribution \$	413,638				
GENERAL FUND									
						Current Expense	Current Budget		Adjustments
10010000	City Council	1.90	1.21%	5,019		310,762	314,734	GF	126,564 30.60% (184,198)
10015100	City Treasurer	0.38	0.24%	1,004				Police	107,385 25.96% 107,385
10011100	City Clerk	1.00	0.64%	2,642				Fire	29,455 7.12% 29,455
10012100	City Manager	1.56	1.00%	4,121				Golf	1,189 0.29% 1,189
10012200	Administrative Support	0.50	0.32%	1,321	4,938		4,102	Airport	11,201 2.71% 6,263
10013400	Accounting	6.80	4.34%	17,964				Conf. Center	7,159 1.73% 7,159
10017100	Business, Economic, Grant & Housing	2.40	1.53%	6,340	48,907		49,067	Electric	45,543 11.01% (3,364)
10022100	Parks	11.15	7.12%	29,455				Street Lighting	3,038 0.73% 3,038
10022810	Recreation Administration (includes all Recreation Activities 4.40)	7.81	4.99%	20,632				Water	33,338 8.06% 13,306
10023100	Planning & Community Development	3.44	2.20%	9,087	19,401		20,449	Wastewater	36,640 8.86% 17,239
10023320	Building Inspection	2.06	1.32%	5,442				ARRC	608 0.15% 608
10024210	Engineering (includes Landfill/Solid Waste 1.40)	2.56	1.63%	6,763				Museum	10,197 2.47% 10,197
10024220	Streets	5.05	3.23%	13,341				Visit Ukiah	1,321 0.32% 1,321
10024214	Storm Drain	1.30	0.83%	3,434				Total	413,638 100.00% 9,598
10520210	Police Patrol	33.85	21.62%	89,422		404,040	414,693		
10520224	Police Major Crimes	1.00	0.64%	2,642		310,762	314,734		Activity 16100 shown in Report General Fund
10520218	Community Services Officers (Includes SLESF 1.00)	5.80	3.70%	15,322		93,278	99,959		Activity 16100 shown in Report
10521210	Fire	11.15	7.12%	29,455		404,040	414,693		
ENTERPRISE FUNDS									
72022400	Golf	0.45	0.29%	1,189		287,074	10016100.49108		Central Services In - Non General Fund
73022600	Conference Center	2.71	1.73%	7,159					
77725200	Airport	4.24	2.71%	11,201					
80026110	Electric Overhead	5.20	3.32%	13,737					
80026120	Electric Underground	6.16	3.93%	16,273					
80026200	Electric Testing & Calibrating	1.40	0.89%	3,698					
80026130	Electric Substation	1.70	1.09%	4,491					
80026330	Electric Hydro Plant	0.75	0.48%	1,981					
80026400	Electric Administration	2.03	1.30%	5,363					
80526610	Street Lighting	1.15	0.73%	3,038					
82024410	Water Administration	2.03	1.30%	5,363					
82024411	Water Production Operations & Management	4.99	3.19%	13,182					
82024414	Water Distribution Operations & Maintenance	5.60	3.58%	14,794					
84024420	Wastewater Administration	2.98	1.90%	7,872					
84024421	Wastewater Operations & Maintenance	4.41	2.82%	11,650					
84024425	Wastewater Treatment	6.48	4.14%	17,118					
SPECIAL REVENUE & OTHER FUNDS									
31122870	Alex Rorabaugh Recreation Center (ARRC)	0.23	0.15%	608					
69122700	Museum	3.86	2.47%	10,197					
75017110	Vist Ukiah	0.50	0.32%	1,321					
Total FTE's for Distribution		156.58	100.00%	\$ 413,638					

Indirect Cost Allocations by Program

Table 4.8 – Central Services: Treasurer Distribution

Distribution Basis/Bases		Percent	Actual	Budget				
Total Actual FY 2014/2015		100.00%	\$ 85,983	78,481				
Total		100.00%	\$ 85,983					
Org #	Fund/Department Name	Total Operating Budget FY 2015/2016	Department Percent	Total Distribution \$	85,983	Current Expenses	Budget	Adjustments
GENERAL FUND								
10000000	General Fund	3,305,267	7.70%	6,618		40,761	38,374	(34,143.15)
ENTERPRISE FUNDS								
64020213	Parking Enforcement	113,260	0.26%	227				226.77
73022600	Conference Center	33,483	0.08%	67				67.04
77725200	Airport	186,827	0.44%	374		822	857	(447.93)
80026400	Electric Administration	12,131,498	28.25%	24,290		31,247	32,420	(6,957.16)
80526610	Street Lighting	440,856	1.03%	883				882.69
80626500	Public Benefit	6,039	0.01%	12				12.09
82024410	Water Administration	6,953,266	16.19%	13,922		6,579	6,830	7,342.92
84024420	Wastewater Administration (includes Fund 940)	19,773,631	46.05%	39,591		6,579	6,830	33,012.02
	Total Fund Balance for Distribution	42,944,127	100.00%	\$ 85,983		85,988	85,311	(4.71)

