FY 2017/18
Administrative Overhead Budget
Study Session

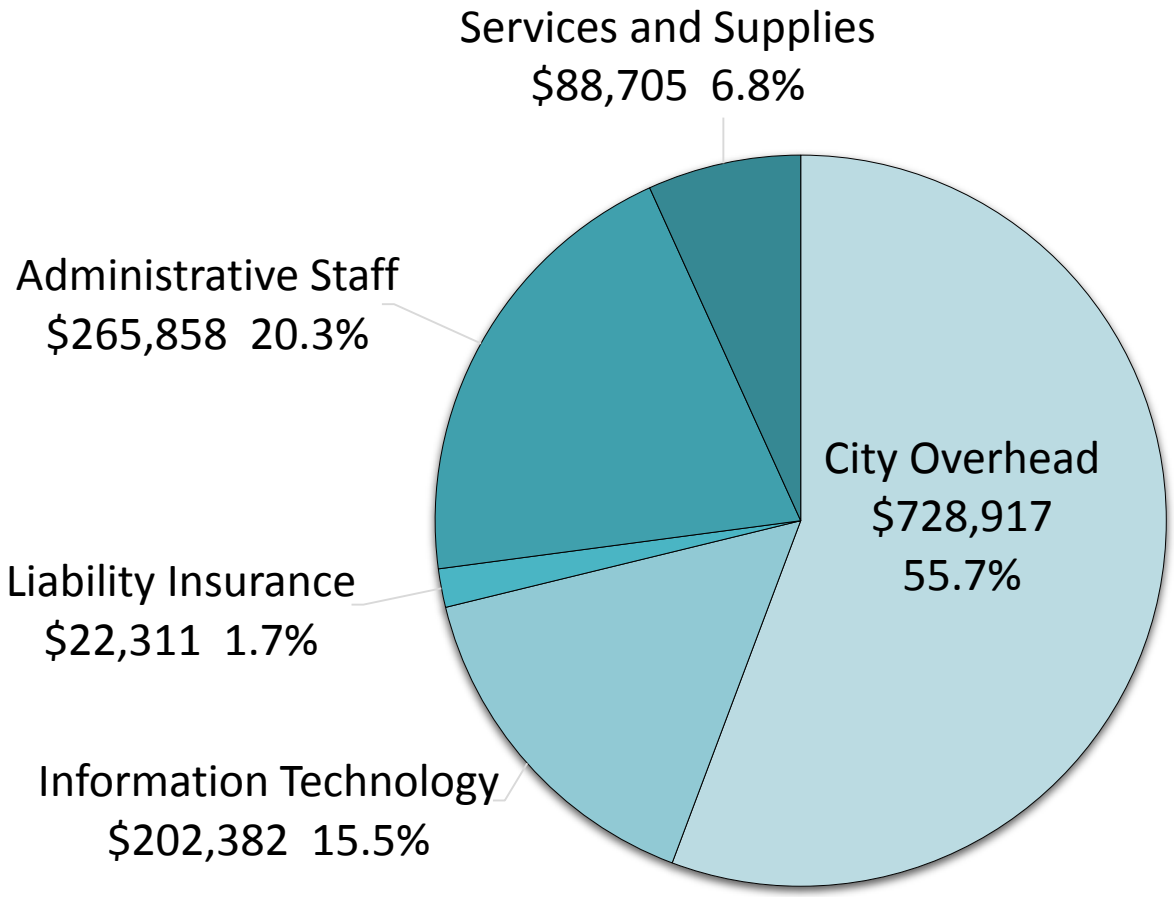
Agenda Item 4.1

May 22, 2017

City of Santa Rosa Housing Authority

FY 17/18 Proposed Administrative Overhead Budget

- Fund 2120: Administrative Cost Center- $1,308,170
- Housing & Community Services Dept. Administration
  - Allocated to the programs that benefit from the staff support, services, and supplies
  - Housing Trust and Housing Choice Voucher Programs: $1,108,875



City of Santa Rosa Housing Authority

FY 17/18 Proposed Administrative Overhead Budget

	FY 2016/17	FY 2017/18	$ Difference	Notes
Administrative Staff	0	265,858	265,858	Charging into Admin, costs distributed to programs
Services and Supplies	93,608	88,705	(4,903)	Department services and supplies
Liability Insurance	15,991	22,311	6,320	Determined by City's Risk Management Division
Information Technology	165,034	202,382	37,348	IT Cost Allocation Plan
City Overhead	707,187	728,914	21,727	Overhead Cost Allocation Plan
TOTAL	**981,820**	**1,308,170**	**326,350**	

City of Santa Rosa Housing Authority

CITY OF SANTA ROSA HOUSING AUTHORITY

PRESENTATION:

COST ALLOCATION PLAN PROCESS

May 22, 2017

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City of Santa Rosa

- **Current City Project**
  - City Wide Cost Allocation Plan
  - IT Cost Allocation Plan

- **Presentation Today:**
  - What is a Cost Allocation Plan (CAP)?
  - Why do cities do them – Purpose?
  - Is it a common approach?
  - Review both CAPs
    - Citywide CAP
    - IT CAP

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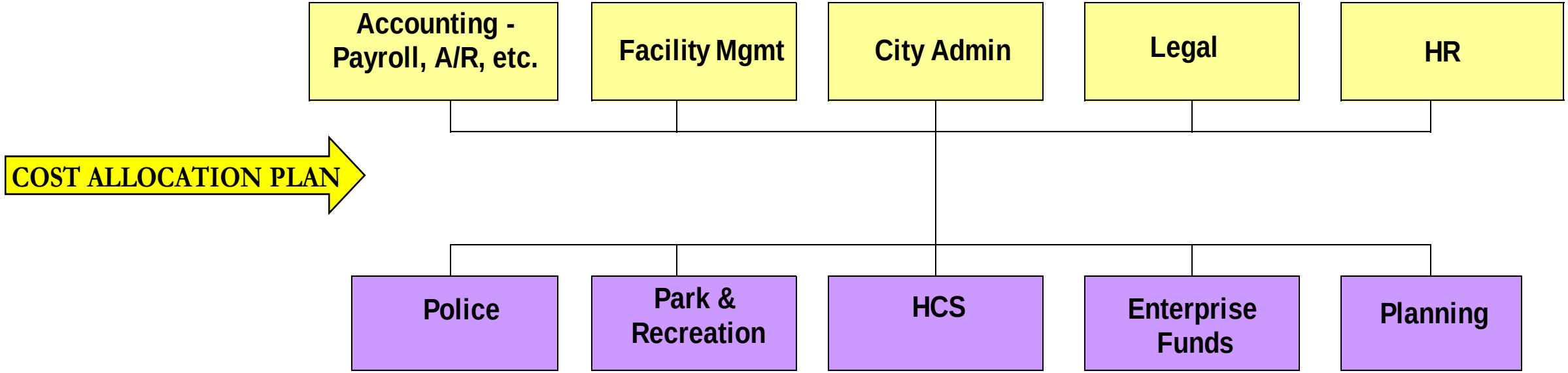
PURPOSE OF A CAP



Allocation of "Indirect" or Support Costs to Direct Operations

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WHY DO CITIES/COUNTIES PREPARE CAPs?

- Calculate Full Cost of Services:
  - Recover costs from Fed Programs
  - Recover costs from ISFs (IT)
  - Recover costs from Enterprise Funds
  - Recover costs of providing user fee related services
    - *Bldg inspection*
    - *Planning services*
    - *Rec programs*
  - Recover costs of providing state mandated services
  - Good business sense

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CAP CLIENTS

Size

CITY	COUNTY	POP	MGT
Oxnard	Ventura	197,899	X
Fontana	San Bernardino	196,069	X
Moreno Valley	Riverside	193,365	
Glendale	Los Angeles	191,719	X
Huntington Beach	Orange	189,992	X
Santa Clarita	Los Angeles	176,320	
Garden Grove	Orange	170,883	X
Santa Rosa	Sonoma	167,815	X
Oceanside	San Diego	167,086	X
Rancho Cucamonga	San Bernardino	165,269	X
Ontario	San Bernardino	163,924	X
Lancaster	Los Angeles	156,633	X
Elk Grove	Sacramento	153,015	X
Palmdale	Los Angeles	152,750	X
Corona	Riverside	152,374	X
Salinas	Monterey	150,441	X

Location

CITY	CO	POP	MGT
Cotati	Sonoma	7,265	
Sebastopol	Sonoma	7,379	X
Cloverdale	Sonoma	8,618	
Sonoma	Sonoma	10,648	
Healdsburg	Sonoma	11,254	X
Windsor	Sonoma	26,801	X
Rohnert Park	Sonoma	40,971	X
Petaluma	Sonoma	57,941	X
Santa Rosa	Sonoma	167,815	X

General Note:

- 18 of the largest California Cities
- All 58 Counties

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Simple
"Cost Allocation Plan"

Citywide Indirect Costs
Divided by
Citywide Direct Costs

(Expenditure or Personnel)

1 Page

ACTUAL MGT CALIFORNIA CLIENT

EXPENDITURES PER FINANCIAL STATEMENTS			
		(000s)	
	GOVT	PROPIETARY	TOTAL
	FUNDS	FUNDS	ALL FUNDS
EXPENDITURES:			
General Govt	$ 8,723	$ 3,724	$ 12,447
Public Safety	44,756		44,756
Transportation	10,217		10,217
Health	12,238		12,238
Culture and leisure	10,090		10,090
Community Dev	44,950		44,950
Water		13,157	13,157
Capital Outlay	5,087		5,087
Debt Service			-
Prin	2,175		2,175
Interest	3,863		3,863
			-
Total Exp	142,099	16,881	158,980
Adjustments			(26,364)
Totals:			132,616
Indirect Exp		20,694	
Direct Exp		111,922	
Allocation Rate:			**18.5%**

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EXAMPLE FROM SANTA ROSA CAP

Detailed "Cost Allocation Plan"

- ***Departments*** *(16)*
- ***Functions*** *(over 100)*
- ***Relevant Allocation Bases*** *(50 or so)*

313 Pages

1100-040101-4 Human Resources	
HR Support	Number of FTE's per division/fund
1100-050201-7 Purchasing	
Purchasing	Number of POs per division/fund
Bids	Number of bids per division/fund
Contracts	Number of contracts per division/fund
Contracts-Citywide	Total operating expenditures (excl. 5355, 53
Dept Storage	Sqft of Storage
Gas/Diesel	Number of gas/diesel issues per division/fun
Storage Issues	Number of Storage Issues per Div/fund
Central Stores	Postage costs
1100-050601 Payroll & Employee Benefits	
Benefits & Payroll	Number of paychecks per division/fund
Labor Negotiations	Number of FTE's per division/fund

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SANTA ROSA CITY CAP

15 DEPARTMENTS ALLOCATED

- Bldg Use
- Equip Use
- City Council
- City Manager
- City Attorney
- HR
- Finance Admin
- Purchasing
- Revenue
- Budget
- Fin Reporting
- Accts Payable
- Facilities Mgt
- PW Admin
- GF Insurance

SAMPLE – ALLOCATION BASES USED

- Total Expenditures
- FTE count
- # Paychecks
- # Financial Trans
- Direct
- Square Footage
- # of Agenda Items
- Insurance Claims
- # Pos
- # Contracts
- Cash Receipts
- Fuel Issues
- Count of Fixed Assets

Santa Rosa
IT CAP

- 156 Pages
- 14 Departments
- 70 Functions
- Specific – Related allocations bases

MGT Client
IT CAP

- 1 Page
- No Unique Departments
- No Functions
- No Specific – Related allocation bases

Santa Rosa IT CAP

ONE DEPT - ENTERPRISE SOFTWARE

17 Functions/ABs

IVR (CIS/TELE Wks)	Direct
LaserFiche	% of Use
GovDelivery	Network Connections (# of Computers)
Fleet Mgt	% of Use
Accela Auto	% of Use
Selectron IVR	% of Use
My Santa Rosa	City FTE Count
Microsoft Office	Network Connections (# of Computers)
Cornerstone	% of Use
Hansen Software Costs	% of Use
Granicus	% of Use
Socrata Open Data	Network Connections (# of Computers)
Plant Bids	% of Use
IFAS	Total Budget by City Department
Lifesize	% of Use
Metersense	% of Use
Sensus (AMI)	% of Use

MGT Client IT CAP

ALL IT Costs - Three Lines

- IT Fund Budget: $ 4,514,934
- All City Personnel: 64,218,566
- Allocation Rate: 7.03%

EXAMPLE - CHANGES YEAR TO YEAR

2016 – Microsoft Software License

- Cost: $ 227,422
- AB: # of Computers
  - HCS - 31/1,318
  - 2.35% of Total
- Allocation to HCS: $ 5,345

2018 Microsoft Software License

- Cost: $ 293,239
- AB: # of Computers
  - HCS - 33/1,241
  - 2.66% of Total
- Allocation to HCS: $ 7,798

QUESTIONS