



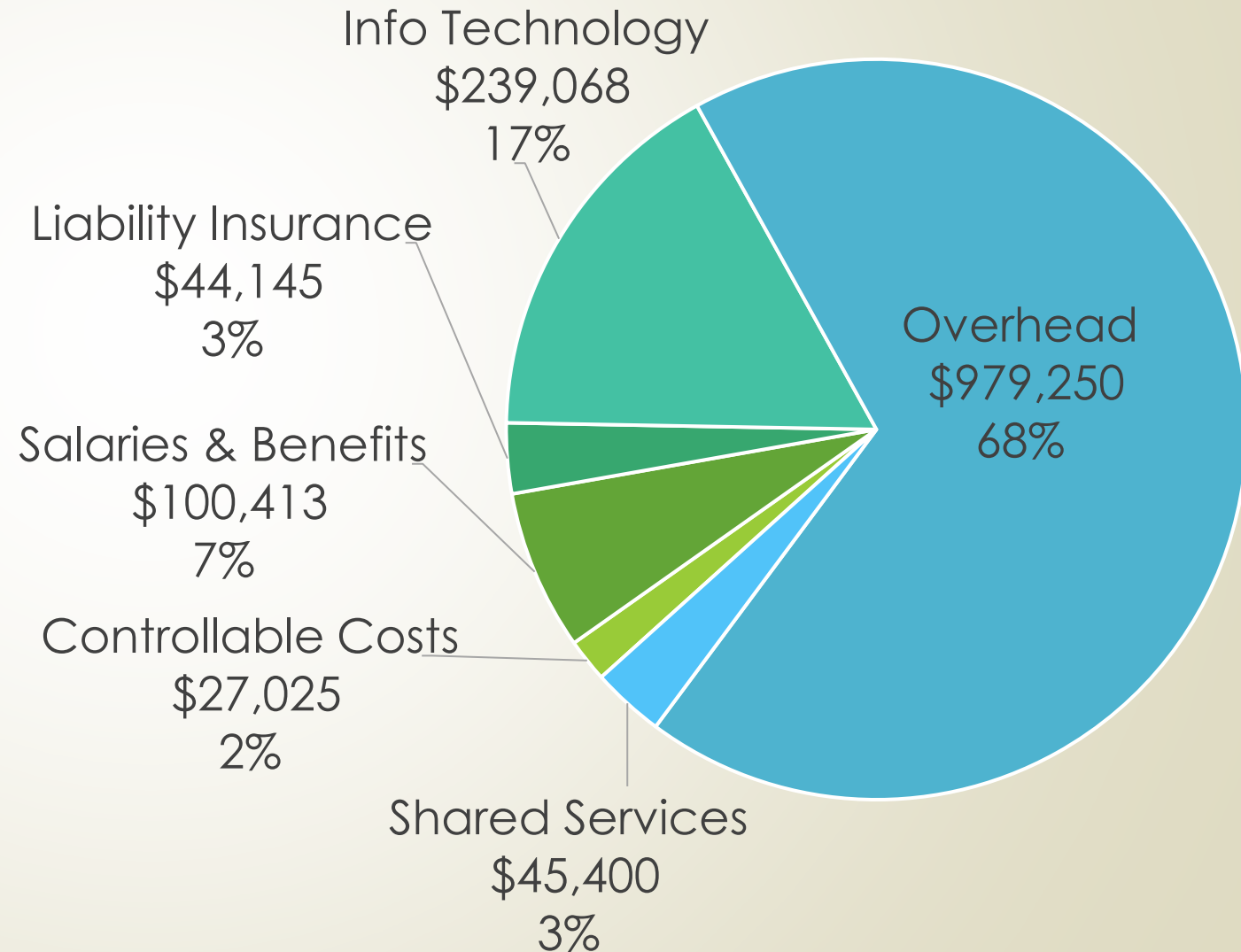
FY 2020/21 Administrative Overhead Budget Study Session

March 22, 2021

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FY 21/22 Proposed Admin Overhead Budget \$1,435,301

- HCS Dept & HA Admin, Fund 2120
- Allocated to the programs that benefit from the staff support, services, and supplies
- Housing Choice Voucher & Housing Trust Programs: \$1,376,979 ~ 96%



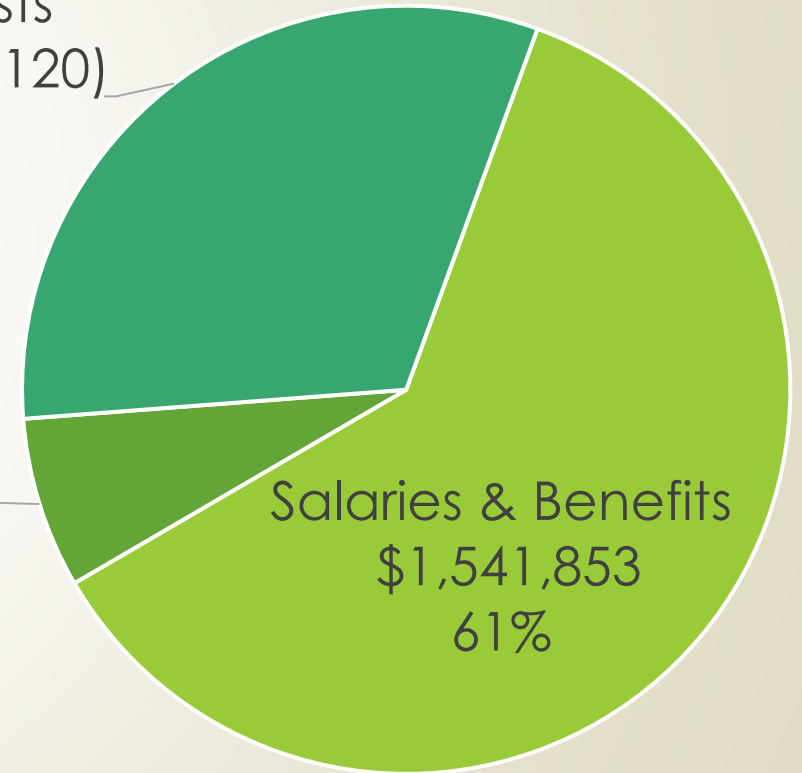
FY 21/22 Proposed Housing Choice Voucher Program Admin \$2,525,865

- 100% funded by Federal Housing Choice Voucher Program Admin Fee
- By law, must be used to support HCV program
- We always budget to utilize the full Admin Fee allotment
- 11.85 employees

Allocated Costs
(share of Fund 2120)
\$802,271
32%

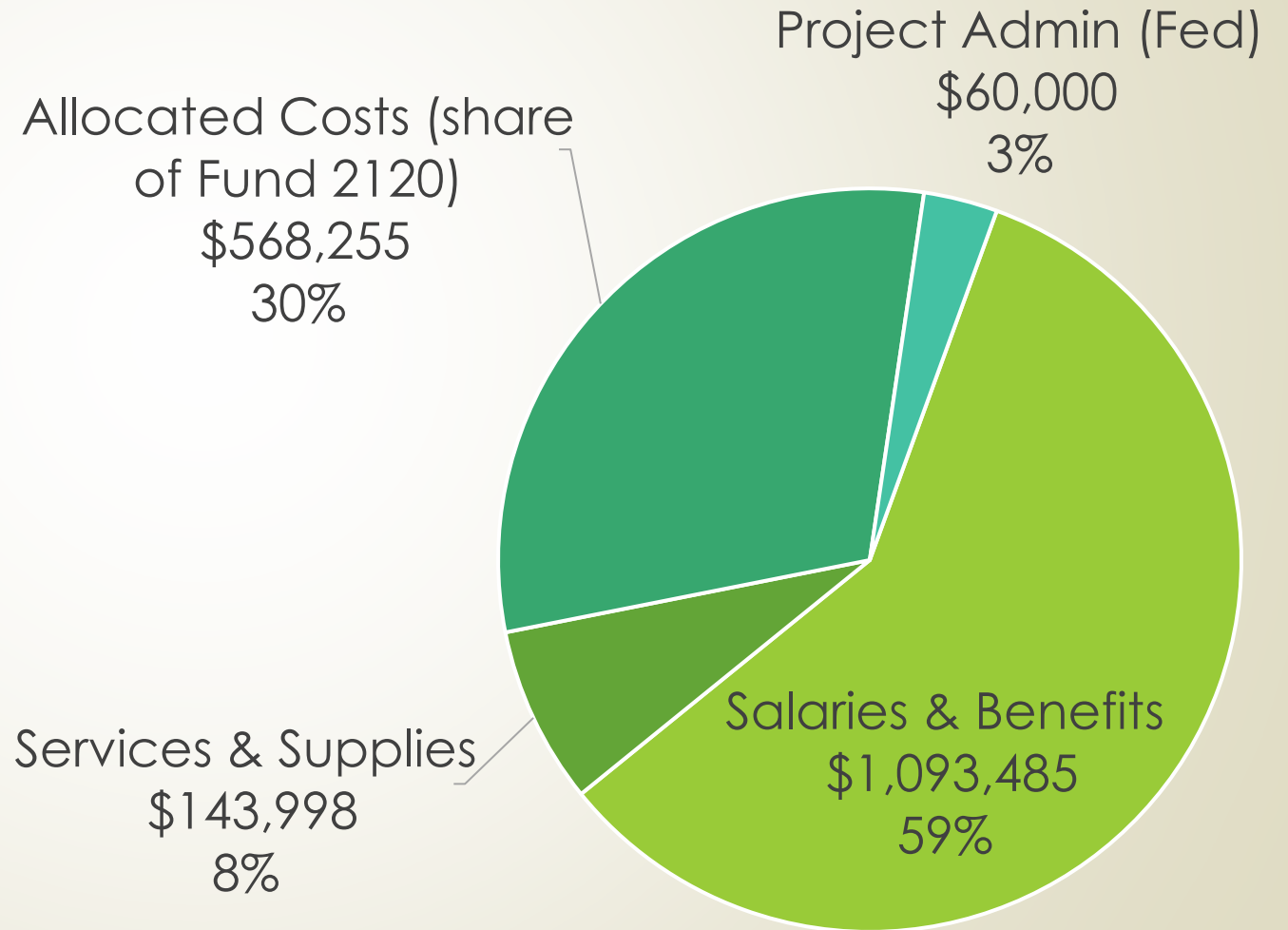
Services &
Supplies
\$181,741
7%

Salaries & Benefits
\$1,541,853
61%



FY 21/22 Proposed Housing Trust Program Admin \$1,865,738

- Funded by:
 - 3 Federal sources
 - Compliance Fees
 - City RPTT transfer
 - Impact Fees
 - Loan repayments
- 6.85 employees



CITY OF SANTA ROSA HOUSING AUTHORITY

PRESENTATION: COST ALLOCATION PLAN PROCESS

March 22, 2021

City of Santa Rosa

- **Current City Project – Both are important to HCS**

1. City Wide Cost Allocation Plan
2. 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

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

Size

CAP CLIENTS

Location

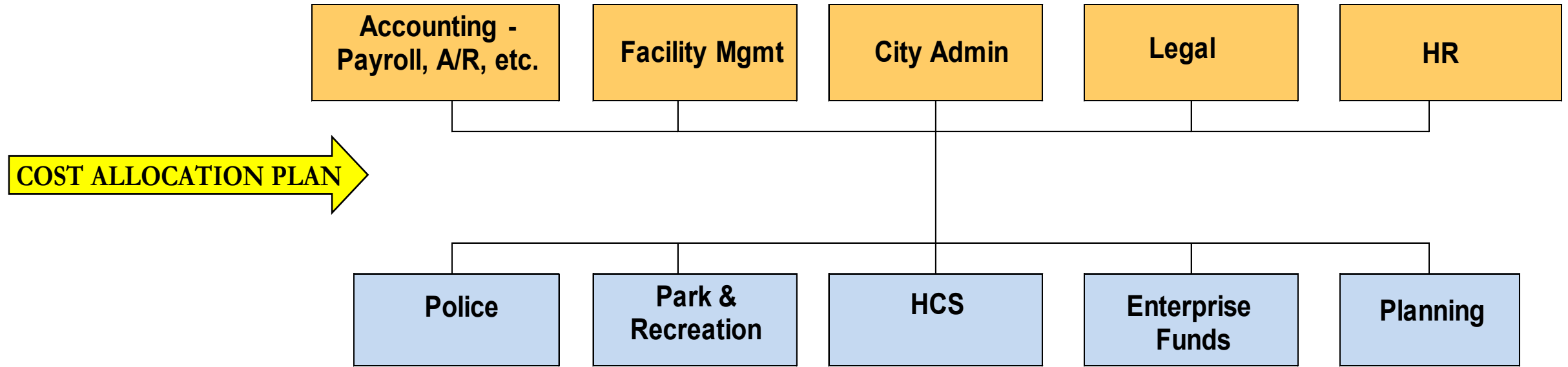
CITY	COUNTY	POP	MGT
Oxnard	Ventura	197,899	X
Fontana	San Bernardino	196,069	X
Moreno Valley	Riverside	193,365	
Glendale	Los Angeles	191,719	X
Huntington Beach	Orange	189,992	X
Santa Clarita	Los Angeles	176,320	
Garden Grove	Orange	170,883	X
Santa Rosa	Sonoma	167,815	X
Oceanside	San Diego	167,086	X
Rancho 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

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

PURPOSE OF A CAP



*Allocation of
“Indirect” or Support
Costs to Direct Operations*

Simple

“Cost Allocation Plan”

Citywide Indirect Costs
Divided by
Citywide Direct Costs
(Expenditure or Personnel)

1 Page

EXAMPLE CALIFORNIA CITY

Department	Expenditures
Admin Departments <i>(i.e. CM, Fin, HR, Custodial, Legal)</i>	\$23,500,000
Public Safety	52,000,000
Public Works	37,450,000
Transportation	12,345,000
Development	24,750,000
Enterprise Funds (water, sanitation, solid waste)	43,500,000
Health	9,750,000
TOTAL	\$203,295,000

DEPARTMENT	EXPENDITURES	RATE
Admin	\$23,500,000	
All Other	179,795,000	13%

Detailed “Cost Allocation Plan”

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

222 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						

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

- 170 Pages
- 13 Departments
- 70 Functions
- Specific – Related allocations bases

EXAMPLE SIMPLE 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				

EXAMPLE SIMPLE 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

2019 Microsoft Software License

- Cost: \$ 374,633
- AB: # of Computers
 - HCS - 36/1,386
 - 2.59% of Total
- Allocation to HCS: \$ 9,731

CONCLUSION

ACCURACY AND DETAIL	WHY?
Follow State/Fed Guidelines	Standard across the state/country
Costs calculated each year	Pay only actual costs for services
Costs divided into cost pools before allocation	Costs are matched to RELATED allocation statistics
Allocation statistics updated each year	Keeps allocations current in an ever changing environment
Staff members allocated to depts they service	Depts pay for only services they receive
Service and Supplies allocated to depts that benefit from those services	Depts pay for only services they receive