



## City Council

### Indirect Cost Recovery Methodologies

**Agenda Date:** 12/12/2013  
**Agenda Item Number:** 4.B  
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**Type:** discussion **Version:** 1 **Status:** Filed

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**Title**

Indirect Cost Recovery Methodologies

**Recommended Action**

**City Manager Recommendation:**

None. Briefing only.

**Report**

**Issue:**

Respond to Committee's request to review indirect cost recovery methodologies utilized by the City.

**Staff Contact:**

Dean Walz, Fiscal Services Director, Administrative Services Department, 360.753.8465

**Presenter(s):**

Dean Walz

**Background and Analysis:**

Current indirect and cost recovery include the following:

- Indirect overhead of Executive, Legal, Human Resources, City Clerk, Mail, Utility Billing, Accounting, and Information Services. This is allocated to city owned utilities, engineering overhead and parking services.
- Allocation of Public Works General Services (commonly referred to as the Director's Office) costs, to the various sections of Public Works.
- City Hall office space cost are computed for; direct use by staff of the three water resources utilities and the indirect overhead programs noted above. The costs include O&M and debt service for City Hall.
- Maintenance Center rent is computed for users of that facility. The rent includes O&M costs and a portion for long term maintenance.
- CP&D services to city owned utilities.
- PC usage.

**Neighborhood/Community Interests (if known):**

None.

**Options:**

Discussion only.

**Financial Impact:**

The 2014 General Fund budget includes \$4,004,495 to be received from the above cost recoveries. Additionally, \$75,073 is projected to be received by the Facilities Repair and Major Maintenance Fund from Maintenance Center rent charges in 2014.