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City Council

Indirect Cost Recovery Methodologies

Agenda Date: 12/12/2013
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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.