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COST ALLOCATION PLAN

UPDATED 2014

CITY OF MILPITAS
COST ALLOCATION PLAN
UPDATED 2014

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INTRODUCTION

OVERVIEW

Background

The City's Municipal Code requires that staff review City's fees and charges periodically to ensure that the costs of providing certain City services are reasonably recovered through fees and charges. The first step of making such determination is to calculate the total cost (also known as full cost) of providing City's services. Total cost includes two components: direct costs and indirect costs. While direct costs are easy to identify because they are the operation costs associated with providing a particular service, indirect costs are typically allocated through a Cost Allocation Plan. The City's last Cost Allocation Plan was updated and approved by the City Council in 2007. Since then, there have been various changes in the City: dissolution of the Redevelopment Agency, outsourcing of certain City's services, organizational changes and improvement of technology. As a result of these changes, the Cost Allocation Plan must be reviewed and updated to ensure its relevancy. It is also recommended by the Government Finance Officers Association that the Cost Allocation Plan be updated every few years.

The 2014 Cost Allocation Plan ("Plan") has been completed by the Finance Department, reviewed by all City departments and recommended by the Finance Subcommittee. The 2014 Cost Allocation Plan is computed by using the cost data from the FY 2013-14 Budget and Financial Plan. Once the Plan has been adopted by the City council, the formulation of the Plan will remain intact but the cost data will be derived from each fiscal year's operating budget. It is intended that the City's fees and charges be reviewed each fiscal year in conjunction with the adoption of the operating budget. If warranted, staff will recommend fee adjustments at that time.

Purpose of the Plan

The purpose of the City's cost allocation plan is to identify the full cost of providing specific City services. It also provides the basis for adjustment of City fees and charges. The cost of delivering City services can be classified into two basic categories: direct and indirect costs.

Direct costs are those that can be specifically identified with a particular cost objective or program, such as street maintenance, police and fire protection, recreation, water and sewer services. Indirect costs are not readily identifiable with a direct operating program, but rather, are incurred in order to enable the operation of a program or service.

Common examples of indirect costs include technology, accounting, purchasing, legal services, personnel administration and building maintenance. Although indirect costs are generally not readily identifiable with direct cost programs, their costs should be reflected as an integral part of the total cost of providing specific goods or services.

In order to determine the total cost of delivering specific services, some methodology for determining and allocating 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 and uniform manner.

DETERMINING DIRECT AND INDIRECT COSTS

The first step in preparing the City's cost allocation plan is to determine 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.

Within City's organization, majority of the services performed by the City Council, City Manager, City Clerk, City Attorney, Finance, Human Resources, Information Services, Facility and Fleet Maintenance are internal and are considered indirect costs. These costs are distributed to various direct services or programs to determine the total cost of each program or service.

Other City's organizational units such as Police, Fire, Building, Planning, Recreation Services, Public Works and Engineering provide services to the public and are considered direct cost programs. Additionally, costs directly related to utilities services such as water purchase cost and City's share of the San Jose Waste Water Treatment Plant operating costs are also considered direct cost programs. Once the direct cost programs are

identified, the indirect costs of program administration, building occupancy, facility and equipment maintenance are then allocated to each direct cost program using some logical and commonly accepted allocation factors.

It should be noted that in accordance with generally accepted accounting principles, only operating costs are considered in preparing the cost allocation plan. As such, capital outlay and debt service costs are excluded from the calculations. However, the depreciation cost for the use of certain City facilities is included. In addition, certain costs that are one-time in nature and costs funded by special assessments such as Community Facility Districts and Light and Landscape Maintenance Districts are also excluded.

BASIS OF ALLOCATION

Allocating indirect costs via the citywide indirect cost rate 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 an indicator of activity other 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 personnel administration and payroll preparation costs to it may result in an inequitable allocation of costs. Because of this, the cost allocation plan prepared for City of Milpitas establishes separate *basis of allocation* for each major indirect cost category. With this approach, indirect costs can be allocated to each direct cost program in a fair, equitable, and most importantly, consistent manner. Provided on page 6 is a summary of the primary methods of allocation used in distributing indirect costs to direct cost programs.

Some of the indirect costs lend themselves to an easily justified, rational approach of distribution. For example, human resources administration is related to the number of employees serviced. Other cost allocation factors such as size of the program budget, work load analysis, square footage of the occupied space, or number of equipment assigned are also directly proportionate to the benefits provided to each direct cost program.

DETERMINING THE HOURLY BILLING RATE

There are two components of indirect rate that must be considered in determining the hourly billing rate for the employees that provide the direct cost service. They are the citywide indirect cost rate and departmental indirect cost rate.

Citywide Indirect Cost Rate

After all the citywide indirect costs have been allocated, each direct cost program or service will have a citywide indirect cost rate which is simply the ratio of the allocated citywide indirect costs divided by the direct program costs.

Page 6 of this report provides a summary table of citywide indirect cost allocation. The last row of the summary table specifically identifies the citywide indirect cost rate pertaining to each direct cost program. The cost data is derived from the Adopted FY 2013-14 Budget and Financial Plan, with adjustments to include the depreciation cost for the use of certain City facilities.

Departmental Indirect Cost Rate

Within each direct cost program, there are also departmental indirect costs. These will include the costs of management and support personnel, plus other operating costs such as supplies, consultant services, and training. These costs must be included to determine the hourly billing rate of the employees providing the direct services. The departmental indirect cost rate is simply the ratio of the costs of management, support personnel and other operating costs divided by the salary and benefits costs and other direct operating costs of the employees that staff the program or service.

To determine the hourly billing rate, the annual direct cost of the employees who provide the program or service is divided by the number chargeable hours. A multiplier of the citywide indirect cost rate is then applied to the result. A multiplier of the departmental indirect cost rate is further applied to the result of the previous step.

INTRODUCTION

Pages 26 through 33 of this report provide the detail of the computation of the hourly rate for each department that is identified as provider of direct cost program and service. Again, the cost date is derived from the Adopted FY 2013-14 Budget and Financial Plan, adjusted to include depreciation cost for the use of certain City facilities. For example on page 26, based on the applicable citywide and departmental indirect cost rates for Police Department of 21.7% and 22.8% respectively, the calculated "full cost" hourly rate of a Patrol Officer is $168.60 per hour. The full cost includes annual salary, benefits, and departmental and citywide indirect costs.

USES OF THE PLAN

By identifying the total program costs, the Cost Allocation Plan can be used as a basic analytical tool in a wide range of financial decision-making situations, including:

- **Enterprise Fund Accounting.** The cost allocation plan can be used to identify the costs incurred by the General Fund in providing administrative support services to the City's enterprise operations. For example, although the City's legislative, legal, accounting, human resources, and building maintenance programs are budgeted in the General Fund, these programs also provide support services to the water and sewer enterprise funds. In order for these enterprise funds to fully recover their operating costs, it is essential that the support costs be allocated to the enterprise funds.

- **User Fees.** User fee services are those performed by a governmental agency on behalf of a private citizen or group. Examples of City's user fees include private job service charges, building plan check and permit fees, and recreation fees. The assumption underlying most fee recommendations is that the costs of services benefiting individuals, and not city as a whole, should be borne by the individual receiving the benefit. Setting user fees, therefore, is essentially equivalent to establishing prices for services.

  The City has adjusted some of its user fees in the past but the fees have not been consistently reviewed or adjusted annually. The cost allocation plan can be used to determine the appropriate user fees for various City services and achieve cost recovery of providing such services.

- **Labor Rates.** The City has developed hourly labor rate schedules that identify the total hourly cost of all direct service staff positions. Key components of the "full cost" rate include indirect costs, both citywide and departmental wide for program administration. These hourly rates are computed based on chargeable hours and exclude non-chargeable hours such as paid vacation and sick leave hours.

SUMMARY

The cost allocation plan makes determining total program costs possible by establishing a rational and consistent 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 allocating organizational resources, performing expense analyses, and evaluating the costs of performing services. It also provides the basis for administration and overhead cost reimbursements from various funds including Water and Sewer utility enterprise funds to ensure that the General Fund tax revenues are not used to subsidize utility service charges. Additionally, it provides transparency on how the hourly rates are determined for each direct service staff position and consequently the full costs of providing programs or services. The Plan can be used by the City to review and update City fees and charges on an annual basis to establish fee structures that are designed for full cost recovery.

INDIRECT COST ALLOCATIONS

SUMMARY OF DIRECT AND INDIRECT COSTS

DIRECT COSTS	
Public Safety	
Police	22,503,737
Fire	15,281,487
Public Utilities	
Water	19,276,716
Sewer	9,179,279
Solid Waste	619,457
Building & Safety	2,960,160
Recreation	3,386,714
Public Works	3,084,277
Engineering	1,820,377
Neighborhood & Planning Services	2,336,634
TOTAL DIRECT COSTS	**$ 80,448,839**

INDIRECT COSTS	
Legislation & Policy	244,798
General Administration	
City Manager	477,200
City Clerk	343,222
City Attorney	723,816
Human Resources	926,175
General Liability	463,000
Financial Services	2,113,110
Information Technology	
Citywide Support	1,999,708
Telephones	223,000
Cell Phones	27,000
Retiree Medical Reserve and Other Non-Department Salaries & Benefits	2,981,600
Leave Cashout	642,258
Audit Fees	90,600
Uncollectible Accounts/Collection Fee	17,000
Contingent Reserve	328,000
Contractual Services	116,800
Facilities Maintenance	1,933,134
Utilities	2,297,046
Buildings and Building Improvements Amortization	1,445,748
TOTAL INDIRECT COSTS	**$ 17,393,215**

OVERALL INDIRECT COST RATE	
(Indirect Costs Divided by Direct Costs)	21.6%

INDIRECT COST ALLOCATIONS

BASIS OF INDIRECT COST ALLOCATIONS

INDIRECT COST PROGRAM	BASIS OF ALLOCATION
Legislation & Policy	Council agenda items
General Administration	
City Manager	Based on workload analysis
City Clerk	Council agenda items
City Attorney	Based on workload analysis
Human Resources	Full-time equivalent staffing
General Liability	Full-time equivalent staffing
Financial Services	Operating budget
Information Technology	
Citywide Support	Full-time equivalent staffing
Telephones	Assigned number of phones
Cell Phones	Assigned cell phones
Retiree Medical Reserve and Other Non-Department Salaries & Benefits	Operating budget
Leave Cashout	Based on actual experience
Audit Fees	Operating budget
Uncollectible Accounts/Collection Fee	Based on prior three fiscal years actual experience
Contingent Reserve	Operating budget
Contractual Services	Operating budget
Facilities Maintenance	Assigned square footage
Utilities	Assigned square footage
Buildings and Building Improvements Amortization	Full-time equivalent staffing

INDIRECT COST ALLOCATIONS

SUMMARY OF INDIRECT COST ALLOCATIONS

	DIRECT COST PROGRAMS										
	Police	Fire	Water	Sewer	Solid Waste	Building & Safety	Recreation	Public Works	Engineering	Neighborhood & Planning Services	Total
Legislation & Policy	24,237	20,602	13,331	6,059	6,059	19,390	26,661	52,110	43,627	32,721	244,798
General Administration											
City Manager	47,720	47,720	47,720	47,720	23,860	47,720	47,720	71,580	23,860	71,580	477,200
City Clerk	33,982	28,885	18,690	8,496	8,496	27,186	37,381	73,062	61,168	45,876	343,222
City Attorney	43,429	43,429	43,429	43,429	43,429	43,429	65,143	43,429	108,572	246,097	723,816
Human Resources	356,548	203,742	58,983	46,623	3,735	57,727	43,295	79,120	40,748	35,655	926,175
General Liability	178,240	101,852	29,486	23,307	1,867	28,858	21,643	39,552	20,370	17,824	463,000
Financial Services	591,095	401,391	506,332	241,108	16,271	77,753	88,957	81,013	47,815	61,375	2,113,110
Information Technology											
Citywide Support	769,823	439,899	127,351	100,664	8,065	124,638	93,479	170,827	87,980	76,982	1,999,708
Telephones	96,735	17,311	11,201	11,201	1,018	17,311	21,384	17,311	15,274	14,256	223,000
Cell Phones	3,453	2,826	2,198	2,512		5,337	2,198	6,279	1,570	628	27,000
Retiree Medical Reserve and Other Non-Department Salaries & Benefits	834,035	566,363	714,435	340,203	22,958	109,710	125,519	114,310	67,467	86,600	2,981,600
Leave Cashout	284,229	201,047	16,394	13,072		21,460	28,699	49,070	24,309	3,978	642,258
Audit Fees	25,343	17,210	21,709	10,338	698	3,334	3,814	3,473	2,050	2,631	90,600
Uncollectible Accounts/Collection Fee	1,500	2,458					729	564	10,575	1,173	17,000
Contingent Reserve	91,751	62,305	78,594	37,425	2,526	12,069	13,808	12,575	7,422	9,527	328,000
Contractual Services	32,672	22,186	27,987	13,327	899	4,298	4,917	4,478	2,643	3,392	116,800
Facilities Maintenance	418,174	295,778	146,713	105,924	3,221	27,698	681,451	185,165	35,141	33,868	1,933,134
Utilities	496,896	351,458	174,332	125,865	3,828	32,912	809,734	220,022	41,756	40,244	2,297,046
Buildings and Building Improvements Amortization	556,567	318,038	92,072	72,778	5,831	90,111	67,583	123,505	63,608	55,657	1,445,748
TOTAL INDIRECT COSTS	4,886,430	3,144,498	2,130,956	1,250,048	152,761	750,939	2,184,115	1,347,446	705,956	840,066	17,393,215
TOTAL DIRECT COSTS	22,503,737	15,281,487	19,276,716	9,179,279	619,457	2,960,160	3,386,714	3,084,277	1,820,377	2,336,634	80,448,839
TOTAL COSTS	27,390,166	18,425,986	21,407,673	10,429,327	772,218	3,711,099	5,570,829	4,431,723	2,526,333	3,176,700	97,842,054
INDIRECT COST RATE	21.7%	20.6%	11.1%	13.6%	24.7%	25.4%	64.5%	43.7%	38.8%	36.0%	21.6%

INDIRECT PROGRAM COST ALLOCATION

Indirect Cost Program	Legislation & Policy
Budget	244,798
Base of Allocation	Council agenda items

Direct Cost Program	Base of Allocation	Percent of Total	Cost Allocation
Public Safety			
Police	20	9.9%	24,237
Fire	17	8.4%	20,602
Public Utilities			
Water	11	5.4%	13,331
Sewer	5	2.5%	6,059
Solid Waste	5	2.5%	6,059
Building & Safety	16	7.9%	19,390
Recreation	22	10.9%	26,661
Public Works	43	21.3%	52,110
Engineering	36	17.8%	43,627
Neighborhood & Planning Services	27	13.4%	32,721
Total Direct Cost Programs	**202**	**100%**	**244,798**

INDIRECT PROGRAM COST ALLOCATION

Indirect Cost Program	General Administration - City Manager
Budget	477,200
Base of Allocation	Based on workload analysis

Direct Cost Program	Base of Allocation	Percent of Total	Cost Allocation
Public Safety			
Police	10	10.0%	47,720
Fire	10	10.0%	47,720
Public Utilities			
Water	10	10.0%	47,720
Sewer	10	10.0%	47,720
Solid Waste	5	5.0%	23,860
Building & Safety	10	10.0%	47,720
Recreation	10	10.0%	47,720
Public Works	15	15.0%	71,580
Engineering	5	5.0%	23,860
Neighborhood & Planning Services	15	15.0%	71,580
Total Direct Cost Programs	**100**	**100%**	**477,200**

INDIRECT PROGRAM COST ALLOCATION

Indirect Cost Program	General Administration - City Clerk
Budget	343,222
Base of Allocation	Council agenda items

Direct Cost Program	Base of Allocation	Percent of Total	Cost Allocation
Public Safety			
Police	20	9.9%	33,982
Fire	17	8.4%	28,885
Public Utilities			
Water	11	5.4%	18,690
Sewer	5	2.5%	8,496
Solid Waste	5	2.5%	8,496
Building & Safety	16	7.9%	27,186
Recreation	22	10.9%	37,381
Public Works	43	21.3%	73,062
Engineering	36	17.8%	61,168
Neighborhood & Planning Services	27	13.4%	45,876
Total Direct Cost Programs	**202**	**100%**	**343,222**

INDIRECT PROGRAM COST ALLOCATION

Indirect Cost Program	General Administration - City Attorney
Budget	723,816
Base of Allocation	Based on workload analysis

Direct Cost Program	Base of Allocation	Percent of Total	Cost Allocation
Public Safety			
Police	6	6.0%	43,429
Fire	6	6.0%	43,429
Public Utilities			
Water	6	6.0%	43,429
Sewer	6	6.0%	43,429
Solid Waste	6	6.0%	43,429
Building & Safety	6	6.0%	43,429
Recreation	9	9.0%	65,143
Public Works	6	6.0%	43,429
Engineering	15	15.0%	108,572
Neighborhood & Planning Services	34	34.0%	246,097
Total Direct Cost Programs	**100**	**100%**	**723,816**

INDIRECT PROGRAM COST ALLOCATION

Indirect Cost Program	General Administration - Human Resources
Budget	926,175
Base of Allocation	Full-time equivalent staffing

Direct Cost Program	Base of Allocation	Percent of Total	Cost Allocation
Public Safety			
Police	105.00	38.5%	356,548
Fire	60.00	22.0%	203,742
Public Utilities			
Water	17.37	6.4%	58,983
Sewer	13.73	5.0%	46,623
Solid Waste	1.10	0.4%	3,735
Building & Safety	17.00	6.2%	57,727
Recreation	12.75	4.7%	43,295
Public Works	23.30	8.5%	79,120
Engineering	12.00	4.4%	40,748
Neighborhood & Planning Services	10.50	3.8%	35,655
Total Direct Cost Programs	**272.75**	**100%**	**926,175**

INDIRECT PROGRAM COST ALLOCATION

Indirect Cost Program	General Liability
Budget	463,000
Base of Allocation	Full-time equivalent staffing

Direct Cost Program	Base of Allocation	Percent of Total	Cost Allocation
Public Safety			
Police	105.00	38.5%	178,240
Fire	60.00	22.0%	101,852
Public Utilities			
Water	17.37	6.4%	29,486
Sewer	13.73	5.0%	23,307
Solid Waste	1.10	0.4%	1,867
Building & Safety	17.00	6.2%	28,858
Recreation	12.75	4.7%	21,643
Public Works	23.30	8.5%	39,552
Engineering	12.00	4.4%	20,370
Neighborhood & Planning Services	10.50	3.8%	17,824
Total Direct Cost Programs	**272.75**	**100%**	**463,000**

INDIRECT PROGRAM COST ALLOCATION

Indirect Cost Program	Financial Services
Budget	2,113,110
Base of Allocation	Operating budget

Direct Cost Program	Base of Allocation	Percent of Total	Cost Allocation
Public Safety			
Police	$ 22,503,737	28.0%	591,095
Fire	15,281,487	19.0%	401,391
Public Utilities			
Water	19,276,716	24.0%	506,332
Sewer	9,179,279	11.4%	241,108
Solid Waste	619,457	0.8%	16,271
Building & Safety	2,960,160	3.7%	77,753
Recreation	3,386,714	4.2%	88,957
Public Works	3,084,277	3.8%	81,013
Engineering	1,820,377	2.3%	47,815
Neighborhood & Planning Services	2,336,634	2.9%	61,375
Total Direct Cost Programs	**$ 80,448,839**	**100%**	**2,113,110**

INDIRECT PROGRAM COST ALLOCATION

Indirect Cost Program	Information Technology - Citywide Support
Budget	1,999,708
Base of Allocation	Full-time equivalent staffing

Direct Cost Program	Base of Allocation	Percent of Total	Cost Allocation
Public Safety			
Police	105.00	38.5%	769,823
Fire	60.00	22.0%	439,899
Public Utilities			
Water	17.37	6.4%	127,351
Sewer	13.73	5.0%	100,664
Solid Waste	1.10	0.4%	8,065
Building & Safety	17.00	6.2%	124,638
Recreation	12.75	4.7%	93,479
Public Works	23.30	8.5%	170,827
Engineering	12.00	4.4%	87,980
Neighborhood & Planning Services	10.50	3.8%	76,982
Total Direct Cost Programs	**272.75**	**100%**	**1,999,708**

INDIRECT PROGRAM COST ALLOCATION

Indirect Cost Program	Information Technology - Telephones
Budget	223,000
Base of Allocation	Assigned number of phones

Direct Cost Program	Base of Allocation	Percent of Total	Cost Allocation
Public Safety			
Police	95	43.4%	96,735
Fire	17	7.8%	17,311
Public Utilities			
Water	11	5.0%	11,201
Sewer	11	5.0%	11,201
Solid Waste	1	0.5%	1,018
Building & Safety	17	7.8%	17,311
Recreation	21	9.6%	21,384
Public Works	17	7.8%	17,311
Engineering	15	6.8%	15,274
Neighborhood & Planning Services	14	6.4%	14,256
Total Direct Cost Programs	**219**	**100%**	**223,000**

INDIRECT PROGRAM COST ALLOCATION

Indirect Cost Program	Information Technology - Cell Phones
Budget	27,000
Base of Allocation	Assigned cell phones

Direct Cost Program	Base of Allocation	Percent of Total	Cost Allocation
Public Safety			
Police	11	12.8%	3,453
Fire	9	10.5%	2,826
Public Utilities			
Water	7	8.1%	2,198
Sewer	8	9.3%	2,512
Solid Waste			
Building & Safety	17	19.8%	5,337
Recreation	7	8.1%	2,198
Public Works	20	23.3%	6,279
Engineering	5	5.8%	1,570
Neighborhood & Planning Services	2	2.3%	628
Total Direct Cost Programs	**86**	**100%**	**27,000**

INDIRECT PROGRAM COST ALLOCATION

Indirect Cost Program	Retiree Medical Reserve and Other Non-Department Salaries & Benefits
Budget	2,981,600
Base of Allocation	Operating budget

Direct Cost Program	Base of Allocation	Percent of Total	Cost Allocation
Public Safety			
Police	$ 22,503,737	28.0%	834,035
Fire	15,281,487	19.0%	566,363
Public Utilities			
Water	19,276,716	24.0%	714,435
Sewer	9,179,279	11.4%	340,203
Solid Waste	619,457	0.8%	22,958
Building & Safety	2,960,160	3.7%	109,710
Recreation	3,386,714	4.2%	125,519
Public Works	3,084,277	3.8%	114,310
Engineering	1,820,377	2.3%	67,467
Neighborhood & Planning Services	2,336,634	2.9%	86,600
Total Direct Cost Programs	**$ 80,448,839**	**100%**	**2,981,600**

INDIRECT PROGRAM COST ALLOCATION

Indirect Cost Program	Leave Cashout
Budget	642,258
Base of Allocation	Based on actual experience

Direct Cost Program	Base of Allocation	Percent of Total	Cost Allocation
Public Safety			
Police	$ 1,242,563	44.3%	284,229
Fire	878,916	31.3%	201,047
Public Utilities			
Water	71,671	2.6%	16,394
Sewer	57,145	2.0%	13,072
Solid Waste			
Building & Safety	93,818	3.3%	21,460
Recreation	125,462	4.5%	28,699
Public Works	214,518	7.6%	49,070
Engineering	106,273	3.8%	24,309
Neighborhood & Planning Services	17,389	0.6%	3,978
Total Direct Cost Programs	**$ 2,807,756**	**100%**	**642,258**

INDIRECT PROGRAM COST ALLOCATION

Indirect Cost Program	Audit Fees
Budget	90,600
Base of Allocation	Operating budget

Direct Cost Program	Base of Allocation	Percent of Total	Cost Allocation
Public Safety			
Police	$ 22,503,737	28.0%	25,343
Fire	15,281,487	19.0%	17,210
Public Utilities			
Water	19,276,716	24.0%	21,709
Sewer	9,179,279	11.4%	10,338
Solid Waste	619,457	0.8%	698
Building & Safety	2,960,160	3.7%	3,334
Recreation	3,386,714	4.2%	3,814
Public Works	3,084,277	3.8%	3,473
Engineering	1,820,377	2.3%	2,050
Neighborhood & Planning Services	2,336,634	2.9%	2,631
Total Direct Cost Programs	**$ 80,448,839**	**100%**	**90,600**

INDIRECT PROGRAM COST ALLOCATION

Indirect Cost Program	Uncollectible Accounts/Collection Fee
Budget	17,000
Base of Allocation	Based on prior three fiscal years actual experience

Direct Cost Program		Base of Allocation	Percent of Total	Cost Allocation
Public Safety				
Police	$	9,019	8.8%	1,500
Fire		14,779	14.5%	2,458
Public Utilities				
Water				
Sewer				
Solid Waste				
Building & Safety				
Recreation		4,386	4.3%	729
Public Works		3,394	3.3%	564
Engineering		63,588	62.2%	10,575
Neighborhood & Planning Services		7,056	6.9%	1,173
Total Direct Cost Programs	**$**	**102,222**	**100%**	**17,000**

INDIRECT PROGRAM COST ALLOCATION

Indirect Cost Program	Contingent Reserve
Budget	328,000
Base of Allocation	Operating budget

Direct Cost Program	Base of Allocation	Percent of Total	Cost Allocation
Public Safety			
Police	$ 22,503,737	28.0%	91,751
Fire	15,281,487	19.0%	62,305
Public Utilities			
Water	19,276,716	24.0%	78,594
Sewer	9,179,279	11.4%	37,425
Solid Waste	619,457	0.8%	2,526
Building & Safety	2,960,160	3.7%	12,069
Recreation	3,386,714	4.2%	13,808
Public Works	3,084,277	3.8%	12,575
Engineering	1,820,377	2.3%	7,422
Neighborhood & Planning Services	2,336,634	2.9%	9,527
Total Direct Cost Programs	**$ 80,448,839**	**100%**	**328,000**

INDIRECT PROGRAM COST ALLOCATION

Indirect Cost Program	Contractual Services
Budget	116,800
Base of Allocation	Operating budget

Direct Cost Program	Base of Allocation	Percent of Total	Cost Allocation
Public Safety			
Police	$ 22,503,737	28.0%	32,672
Fire	15,281,487	19.0%	22,186
Public Utilities			
Water	19,276,716	24.0%	27,987
Sewer	9,179,279	11.4%	13,327
Solid Waste	619,457	0.8%	899
Building & Safety	2,960,160	3.7%	4,298
Recreation	3,386,714	4.2%	4,917
Public Works	3,084,277	3.8%	4,478
Engineering	1,820,377	2.3%	2,643
Neighborhood & Planning Services	2,336,634	2.9%	3,392
Total Direct Cost Programs	**$ 80,448,839**	**100%**	**116,800**

INDIRECT PROGRAM COST ALLOCATION

Indirect Cost Program	Facilities Maintenance
Budget	1,933,134
Base of Allocation	Assigned square footage

Direct Cost Program	Base of Allocation	Percent of Total	Cost Allocation
Public Safety			
Police	59,636	21.6%	418,174
Fire	42,181	15.3%	295,778
Public Utilities			
Water	20,923	7.6%	146,713
Sewer	15,106	5.5%	105,924
Solid Waste	459	0.2%	3,221
Building & Safety	3,950	1.4%	27,698
Recreation	97,182	35.3%	681,451
Public Works	26,406	9.6%	185,165
Engineering	5,011	1.8%	35,141
Neighborhood & Planning Services	4,830	1.8%	33,868
Total Direct Cost Programs	**275,685**	**100%**	**1,933,134**

INDIRECT PROGRAM COST ALLOCATION

Indirect Cost Program	Utilities
Budget	2,297,046
Base of Allocation	Assigned square footage

Direct Cost Program	Base of Allocation	Percent of Total	Cost Allocation
Public Safety			
Police	59,636	21.6%	496,896
Fire	42,181	15.3%	351,458
Public Utilities			
Water	20,923	7.6%	174,332
Sewer	15,106	5.5%	125,865
Solid Waste	459	0.2%	3,828
Building & Safety	3,950	1.4%	32,912
Recreation	97,182	35.3%	809,734
Public Works	26,406	9.6%	220,022
Engineering	5,011	1.8%	41,756
Neighborhood & Planning Services	4,830	1.8%	40,244
Total Direct Cost Programs	**275,685**	**100%**	**2,297,046**

INDIRECT PROGRAM COST ALLOCATION

Indirect Cost Program	Buildings and Building Improvements Amortization
Budget	1,445,748
Base of Allocation	Full-time equivalent staffing

Direct Cost Program	Base of Allocation	Percent of Total	Cost Allocation
Public Safety			
Police	105.00	38.5%	556,567
Fire	60.00	22.0%	318,038
Public Utilities			
Water	17.37	6.4%	92,072
Sewer	13.73	5.0%	72,778
Solid Waste	1.10	0.4%	5,831
Building & Safety	17.00	6.2%	90,111
Recreation	12.75	4.7%	67,583
Public Works	23.30	8.5%	123,505
Engineering	12.00	4.4%	63,608
Neighborhood & Planning Services	10.50	3.8%	55,657
Total Direct Cost Programs	**272.75**	**100%**	**1,445,748**

HOURLY LABOR RATES - POLICE

	Annual Salary[1]	Paid Benefit Rate	Total Compensation	Services & Supplies Per FTE	Total Cost Per FTE	Chargeable Hours[3]	Hourly Rate	Indirect Cost Rate		Hourly Billing Rate
								Citywide	Department	
Operations										
Patrol Officer	119,074	60.6%	191,252	17,280	208,533	1,848	112.84	21.7%	22.8%	168.60
Police Officer	129,160	60.6%	207,452	17,280	224,732	1,848	121.61	21.7%	22.8%	181.69
Police Sergeant	163,496	60.6%	262,602	17,280	279,882	1,848	151.45	21.7%	22.8%	226.28
Police Lieutenant	195,936	60.6%	314,706	17,280	331,986	1,848	179.65	21.7%	22.8%	268.41
Support										
Chief of Police	215,878	49.6%	322,927	17,280	340,207	1,744	195.07	21.7%		237.43
Police Commander	157,698	49.6%	235,897	17,280	253,177	1,744	145.17	21.7%		176.69
Communication Dispatch Supervisor	122,480	49.2%	182,739	17,280	200,019	1,848	108.24	21.7%		131.74
Communication Dispatcher	106,982	49.2%	159,616	17,280	176,896	1,848	95.72	21.7%		116.51
Police Property Clerk	86,940	49.2%	129,713	17,280	146,994	1,744	84.29	21.7%		102.59
Police Clerk Supervisor	94,624	49.2%	141,178	17,280	158,458	1,744	90.86	21.7%		110.59
Police Clerk	79,894	49.2%	119,201	17,280	136,481	1,744	78.26	21.7%		95.25
Executive Secretary	94,308	42.6%	134,477	17,280	151,757	1,744	87.02	21.7%		105.91
Office Assistant	60,768	42.6%	86,651	17,280	103,931	1,744	59.59	21.7%		72.53

Chargeable Hours	
Total Hours	2,080
Non-Chargeable Hours	
Training	(16)
Vacations[2]	(168)
Sick (12 days @ 50% usage)	(48)
Holidays[3] (13 days)	(104)
Total Chargeable Hours	**1,744**

Paid Benefit Rate	Sworn	Operations	Management	Office
PERS	32.9%	21.1%	25.9%	8.5%
Medicare	1.5%	1.5%	1.5%	1.5%
Group Insurance	14.7%	20.1%	10.7%	26.1%
Retiree Medical Reserve	6.0%	6.0%	6.0%	6.0%
Worker's Compensation	5.5%	0.5%	5.5%	0.5%
Total Paid Benefit Rate	**60.6%**	**49.2%**	**49.6%**	**42.6%**

Indirect Cost Allocation	Amount	Percent
Citywide Indirect Costs	4,886,430	**21.7%**
Operations		
Salaries and Benefits	17,093,582	
Supplies and Contractual Services	1,365,131	
Total Operations	18,458,713	
Support[4]		
Salaries and Benefits	3,801,669	
Supplies and Contractual Services	398,480	
Total Support	4,200,149	**22.8%**
Total Program Costs	22,658,862	

Services & Supplies	
Total Budgeted	1,763,611
Total Funded FTE	102.1
Services & Supplies Per FTE	**17,280**

NOTE:

[1, 3] Annual salary amount includes Supplemental Pay such as longevity ranging from 3% to 15.1% over base pay and educational incentive of 5% or 7.5% for employees that hold POST certificates. Uniform Allowance of $1,350, Holiday in Lieu pay of 6% for employees that do not have City holiday leave, Motorcycle and SWAT each at 5% over base pay are also included in the annual salary amount.

[2] Vacation accrual rate varies depending on years of service. As of 7/1/13, average vacation hours of Police was 168 hours.

[4] Based on workload analysis, allocate 21% Communication Dispatch to Fire Department.

HOURLY LABOR RATES - FIRE

	Annual Salary[1]	Paid Benefit Rate	Total Compensation	Services & Supplies Per FTE	Total Cost Per FTE	Chargeable Hours[4]	Hourly Rate	Indirect Cost Rate		Hourly Billing Rate
								Citywide	Department	
Operations										
Firefighter	116,203	53.3%	178,183	31,260	209,443	1,800	116.36	20.6%	15.1%	161.50
Firefighter/Paramedic	128,490	53.3%	197,023	31,260	228,283	1,800	126.82	20.6%	15.1%	176.03
Fire Engineer	130,503	53.3%	200,110	31,260	231,370	1,800	128.54	20.6%	15.1%	178.41
Fire Engineer/Paramedic	139,896	53.3%	214,513	31,260	245,773	1,800	136.54	20.6%	15.1%	189.52
Fire Captain	146,997	53.3%	225,402	31,260	256,661	1,800	142.59	20.6%	15.1%	197.91
Fire Battalion Chief - 56 hr	162,246	50.0%	243,358	31,260	274,618	1,800	152.57	20.6%	15.1%	211.76
Hazardous Materials Inspector	135,722	53.3%	208,113	23,733	231,846	1,744	132.94	20.6%	15.1%	184.52
Fire Prevention Inspector	133,166	53.3%	204,194	23,733	227,926	1,744	130.69	20.6%	15.1%	181.40
Support										
Fire Chief	194,246	50.0%	291,356	31,260	322,616	1,744	184.99	20.6%		223.05
Fire Marshall	160,558	50.0%	240,827	23,733	264,559	1,744	151.70	20.6%		182.91
Fire Battalion Chief - 40 hr	162,246	50.0%	243,358	31,260	274,618	1,744	157.46	20.6%		189.87
Emergency Services Coordinator	125,354	45.5%	182,362	31,260	213,622	1,744	122.49	20.6%		147.69
Administrative Analyst	71,290	45.5%	103,711	31,260	134,971	1,744	77.39	20.6%		93.32
Office Specialist	69,884	45.5%	101,665	31,260	132,925	1,744	76.22	20.6%		91.90

Chargeable Hours	56 hours/week	40 hours/week
Total Hours	2,912	2,080
Non-Chargeable Hours		
Training	(24)	(16)
Vacations[2]	(224)	(168)
Sick[3] (@ 50% usage)	(144)	(48)
Holidays[4] (13 days)		(104)
Total Chargeable Hours	**2,520**	**1,744**

Paid Benefit Rate	Operations	Management	Office
PERS	25.9%	25.9%	8.8%
Medicare	1.5%	1.5%	1.5%
Group Insurance	15.0%	11.6%	28.7%
Retiree Medical Reserve	6.0%	6.0%	6.0%
Worker's Compensation	5.0%	5.0%	0.5%
Total Paid Benefit Rate	**53.3%**	**50.0%**	**45.5%**

Indirect Cost Allocation	Amount	Percent
Citywide Indirect Costs	3,144,498	**20.6%**
Operations		
Salaries and Benefits	10,753,222	
Supplies and Contractual Services	1,665,451	
Total Operations	12,418,673	
Support[5]		
Salaries and Benefits	1,612,252	
Supplies and Contractual Services	264,409	
Total Support	1,876,661	**15.1%**
Total Program Costs	14,295,334	

Services & Supplies	Firefighters	Inspectors
Total Budgeted	1,811,196	118,664
Total Funded FTE	57.9	5.0
Services & Supplies Per FTE	**31,260**	**23,733**

NOTE:

[1, 4] Annual salary amount includes Supplemental Pay such as longevity ranging from 3% to 15.1% over base pay and incentive payment for paramedic. Uniform Allowance of $1,000 and Holiday in Lieu pay of 6% over base pay for employees that do not have City holiday leave are also included in the annual salary amount. For 56 hours/week employees, hourly rates are converted to 40 hours/week.

[2] Vacation accrual rate varies depending on years of service. As of 7/1/13, average vacation hours for 56 hours/week employees was 224 hours and 168 hours for 40 hours/week employees.

[3] 24-hour shift per month for 56 hours/week employees and 12 days annually for 40 hours/week employees.

[5] Based on workload analysis, 21% of Police's Communication Dispatch allocated to Fire Department.

HOURLY LABOR RATES - BUILDING AND SAFETY

	Annual Salary[1]	Paid Benefit Rate	Total Compensation	Services & Supplies Per FTE	Total Cost Per FTE	Chargeable Hours	Hourly Rate	Indirect Cost Rate		Hourly Billing Rate
								Citywide	Department	
Operations										
Electrical Building Inspector	97,700	35.6%	132,497	13,809	146,306	1,744	83.89	25.4%	31.5%	138.33
Building/NP Inspector	102,584	35.6%	139,121	13,809	152,930	1,744	87.69	25.4%	31.5%	144.59
Senior Building Inspector	118,482	35.6%	160,681	13,809	174,490	1,744	100.05	25.4%	31.5%	164.97
Public Work Inspector	102,584	35.6%	139,121	13,809	152,930	1,744	87.69	25.4%	31.5%	144.59
Plan Checker	102,584	35.6%	139,121	13,809	152,930	1,744	87.69	25.4%	31.5%	144.59
Plan Check Engineer	119,832	35.6%	162,512	13,809	176,321	1,744	101.10	25.4%	31.5%	166.70
Building Permit Technician	75,664	35.6%	102,613	13,809	116,422	1,744	66.76	25.4%	31.5%	110.07
Support										
Chief Building Official	165,900	34.3%	222,821	13,809	236,630	1,744	135.68	25.4%		170.10
Permit Center Manager	133,432	39.5%	186,116	13,809	199,925	1,744	114.64	25.4%		143.72
Office Specialist	69,884	39.5%	97,477	13,809	111,286	1,744	63.81	25.4%		80.00
Office Assistant	60,768	39.5%	84,761	13,809	98,570	1,744	56.52	25.4%		70.86

Chargeable Hours	
Total Hours	2,080
Non-Chargeable Hours	
Training	(16)
Vacations[2]	(168)
Sick (12 days @ 50% usage)	(48)
Holidays	(104)
Total Chargeable Hours	**1,744**

Paid Benefit Rate	Operations	Management	Support
PERS	8.2%	14.1%	8.5%
Medicare	1.5%	1.5%	1.5%
Group Insurance	19.5%	12.2%	23.0%
Retiree Medical Reserve	6.0%	6.0%	6.0%
Worker's Compensation	0.5%	0.5%	0.5%
Total Paid Benefit Rate	**35.6%**	**34.3%**	**39.5%**

Indirect Cost Allocation	Amount	Percent
Citywide Indirect Costs	750,939	**25.4%**
Operations		
Salaries and Benefits	1,853,100	
Supplies and Contractual Services	179,517	
Total Operations	2,032,617	
Support		
Salaries and Benefits	585,494	
Supplies and Contractual Services	55,236	
Total Support	640,730	**31.5%**
Total Program Costs	2,673,347	

Services & Supplies	
Total Budgeted	234,753
Total Funded FTE	17.0
Services & Supplies Per FTE	**13,809**

NOTE:

[1] Annual salary amount includes Bilingual premium of 2.5% over base pay and $900/year in deferred compensation contribution for employees that qualified.

[2] Vacation accrual rate varies depending on years of service. As of 7/1/13, average vacation hours of Building and Safety was 168 hours.

HOURLY LABOR RATES - PUBLIC WORKS

	Annual Salary[1]	Paid Benefit Rate	Total Compensation	Services & Supplies Per FTE	Total Cost Per FTE	Chargeable Hours	Hourly Rate	Indirect Cost Rate		Hourly Billing Rate
								Citywide	Department	
Operations										
Maintenance Worker II	57,124	64.0%	93,664	13,078	106,742	1,598	66.82	43.7%	12.0%	107.51
Maintenance Worker III	64,982	64.0%	106,548	13,078	119,626	1,598	74.88	43.7%	12.0%	120.48
Equipment Maintenance Worker II	72,014	64.0%	118,079	13,078	131,157	1,598	82.10	43.7%	12.0%	132.10
Equipment Maintenance Worker III	79,472	64.0%	130,307	13,078	143,385	1,598	89.75	43.7%	12.0%	144.41
Fleet Maintenance Worker II	67,506	64.0%	110,687	13,078	123,765	1,598	77.47	43.7%	12.0%	124.65
Fleet Maintenance Worker III	78,062	64.0%	127,995	13,078	141,073	1,598	88.31	43.7%	12.0%	142.08
Maintenance Custodian II	53,044	64.0%	86,974	13,078	100,052	1,598	62.63	43.7%	12.0%	100.77
Maintenance Custodian III	60,178	64.0%	98,671	13,078	111,749	1,598	69.95	43.7%	12.0%	112.55
Assistant Water Operator	73,526	64.0%	120,558	13,078	133,636	1,598	83.65	43.7%	12.0%	134.59
Water System Operator	78,674	64.0%	128,999	13,078	142,077	1,598	88.94	43.7%	12.0%	143.09
Support										
Public Works Director	186,444	35.9%	253,450	13,078	266,528	1,744	152.82	43.7%		219.58
Public Works Manager	106,261	35.9%	144,450	13,078	157,528	1,744	90.32	43.7%		129.78
Office Assistant	60,768	49.5%	90,854	13,078	103,932	1,744	59.59	43.7%		85.63

Chargeable Hours	40 hour/week	37.5 hour/week
Total Hours	2,080	1,950
Non-Chargeable Hours		
Training	(16)	(15)
Vacations[2]	(168)	(195)
Sick[3] (@ 50% usage)	(48)	(45)
Holidays	(104)	(98)
Total Chargeable Hours	**1,744**	**1,598**

Paid Benefit Rate	Operations	Management	Office
PERS	21.1%	14.1%	8.2%
Medicare	1.5%	1.5%	1.5%
Group Insurance	31.4%	13.8%	33.3%
Retiree Medical Reserve	6.0%	6.0%	6.0%
Worker's Compensation	4.0%	0.5%	0.5%
Total Paid Benefit Rate	**64.0%**	**35.9%**	**49.5%**

Indirect Cost Allocation	Amount	Percent
Citywide Indirect Costs	1,347,446	**43.7%**
Operations		
Salaries and Benefits	3,891,278	
Supplies and Contractual Services	483,886	
Total Operations	4,375,164	
Support		
Salaries and Benefits	484,762	
Supplies and Contractual Services	39,234	
Total Support	523,996	**12.0%**
Total Program Costs	4,899,160	

Services & Supplies	
Total Budgeted[4]	523,120
Total Funded FTE	40.0
Services & Supplies Per FTE	**13,078**

NOTE:

[1] Annual salary amount includes Supplemental Pay such as longevity ranging from 0.5% to 1.5% over base pay and incentive payment of 4% for special certificates/licenses. Bilingual premium of 2.5% over base pay and $900/year in deferred compensation contribution for employees that qualified are also included.

[2] Vacation accrual rate varies depending on years of service. As of 7/1/13, average vacation hours for 40 hours/week employees was 168 hours and 195 hours for 37.5 hours/week employees.

[3] 3.46 hours biweekly for 37.5 hours/week employees and 3.69 hours for 40 hours/week employees.

[4] Excludes 1) outsourced maintenance services; 2) direct charges to LLMD, CFD, Water and Sewer funds; and 3) Fleet and Facilities Maintenance costs have been allocated and accounted for in respective direct cost programs and Citywide Indirect Costs.

HOURLY LABOR RATES - ENGINEERING

	Annual Salary[1]	Paid Benefit Rate	Total Compensation	Services & Supplies Per FTE	Total Cost Per FTE	Chargeable Hours	Hourly Rate	Indirect Cost Rate		Hourly Billing Rate
								Citywide	Department	
Operations										
Engineering Aide	84,054	34.0%	112,663	18,958	131,621	1,744	75.47	38.8%	38.2%	144.70
Assistant Civil Engineer	105,702	34.0%	141,679	18,958	160,637	1,744	92.11	38.8%	38.2%	176.60
Associate Civil Engineer	121,558	34.0%	162,931	18,958	181,890	1,744	104.29	38.8%	38.2%	199.96
Traffic Engineer	140,278	34.0%	188,023	18,958	206,981	1,744	118.68	38.8%	38.2%	227.55
Principal Civil Engineer	140,278	34.0%	188,023	18,958	206,981	1,744	118.68	38.8%	38.2%	227.55
Support										
Assistant City Engineer	149,820	36.1%	203,844	18,958	222,802	1,744	127.75	38.8%		177.30
CIP Manager	140,366	36.1%	190,981	18,958	209,939	1,744	120.38	38.8%		167.06
Public Information Specialist	98,366	36.1%	133,836	18,958	152,794	1,744	87.61	38.8%		121.59
Administrative Analyst	98,356	38.5%	136,256	18,958	155,214	1,744	89.00	38.8%		123.51
Secretary	94,156	38.5%	130,438	18,958	149,396	1,744	85.66	38.8%		118.88
Office Specialist	69,884	38.5%	96,813	18,958	115,771	1,744	66.38	38.8%		92.13

Chargeable Hours	
Total Hours	2,080
Non-Chargeable Hours	
Training	(16)
Vacations[2]	(168)
Sick (12 days @ 50% usage)	(48)
Holidays	(104)
Total Chargeable Hours	**1,744**

Paid Benefit Rate	Operations	Support	Office
PERS	8.2%	14.1%	8.5%
Medicare	1.5%	1.5%	1.5%
Group Insurance	17.9%	13.9%	22.0%
Retiree Medical Reserve	6.0%	6.0%	6.0%
Worker's Compensation	0.5%	0.5%	0.5%
Total Paid Benefit Rate	**34.0%**	**36.1%**	**38.5%**

Indirect Cost Allocation	Amount	Percent
Citywide Indirect Costs	705,956	**38.8%**
Operations		
Salaries and Benefits	2,274,475	
Supplies and Contractual Services	265,414	
Total Operations	2,539,889	
Support[3]		
Salaries and Benefits	857,169	
Supplies and Contractual Services	111,853	
Total Support	969,022	**38.2%**
Total Program Costs	3,508,911	

Services & Supplies	
Total Budgeted[3]	398,121
Total Funded FTE	21.0
Services & Supplies Per FTE	**18,958**

NOTE:

[1] Annual salary amount includes deferred compensation contribution of $900/year and Bilingual premium of 2.5% over base pay for employees that qualified.

[2] Vacation accrual rate varies depending on years of service. As of 7/1/13, average vacation hours of Engineering was 168 hours.

[3] Excludes 1) contractual services for VTA; and 2) direct charges to LLMD, Water, Sewer and Solid Waste funds.

HOURLY LABOR RATES - PLANNING & NEIGHBORHOOD SERVICES

	Annual Salary[1]	Paid Benefit Rate	Total Compensation	Services & Supplies Per FTE	Total Cost Per FTE	Chargeable Hours	Hourly Rate	Indirect Cost Rate		Hourly Billing Rate
								Citywide	Department	
Operations										
Assistant Planner	95,702	35.5%	129,707	28,774	158,481	1,744	90.87	36.0%	28.8%	159.13
Senior Planner	124,146	35.5%	168,258	28,774	197,032	1,744	112.98	36.0%	28.8%	197.84
Principal Planner	135,642	35.5%	183,839	28,774	212,612	1,744	121.91	36.0%	28.8%	213.49
Housing Neighborhood Specialist	81,682	35.5%	110,706	28,774	139,479	1,744	79.98	36.0%	28.8%	140.05
Senior Housing Specialist	97,014	35.5%	131,485	28,774	160,259	1,744	91.89	36.0%	28.8%	160.92
Support										
Planning & Neighborhood Svcs Director	165,900	34.3%	222,821	28,774	251,594	1,744	144.26	36.0%		196.13
Office Specialist	69,884	45.2%	101,448	28,774	130,221	1,744	74.67	36.0%		101.51

Chargeable Hours	
Total Hours	2,080
Non-Chargeable Hours	
Training	(16)
Vacations[2]	(168)
Sick (12 days @ 50% usage)	(48)
Holidays	(104)
Total Chargeable Hours	**1,744**

Paid Benefit Rate	Operations	Management	Office
PERS	8.2%	14.1%	8.2%
Medicare	1.5%	1.5%	1.5%
Group Insurance	19.4%	12.2%	29.0%
Retiree Medical Reserve	6.0%	6.0%	6.0%
Worker's Compensation	0.5%	0.5%	0.5%
Total Paid Benefit Rate	**35.5%**	**34.3%**	**45.2%**

Indirect Cost Allocation	Amount	Percent
Citywide Indirect Costs	840,066	**36.0%**
Operations		
Salaries and Benefits	1,126,200	
Supplies and Contractual Services	230,189	
Total Operations	1,356,389	
Support		
Salaries and Benefits	333,216	
Supplies and Contractual Services	57,547	
Total Support	390,763	**28.8%**
Total Program Costs	1,747,152	

Services & Supplies	
Total Budgeted[3]	287,736
Total Funded FTE	10.0
Services & Supplies Per FTE	**28,774**

NOTE:

[1] Annual salary amount includes deferred compensation contribution of $900/year and Bilingual premium of 2.5% over base pay for employees that qualified.

[2] Vacation accrual rate varies depending on years of service. As of 7/1/13, average vacation hours of Planning & Neighborhood Services was 168 hours.

[2] Excludes CDBG grants and contract with City of San Jose for animal control services.

HOURLY LABOR RATES - RECREATION SERVICES

	Annual Salary[1]	Paid Benefit Rate	Total Compensation	Services & Supplies Per FTE	Total Cost Per FTE	Chargeable Hours	Hourly Rate	Indirect Cost Rate		Hourly Billing Rate
								Citywide	Department	
Operations										
Recreation Services I	35,913	45.1%	52,103	29,286	81,388	1,744	46.67	64.5%	9.6%	84.11
Recreation Services IV	58,226	45.1%	84,474	29,286	113,760	1,744	65.23	64.5%	9.6%	117.56
Public Services Assistant II	69,884	45.1%	101,388	29,286	130,674	1,744	74.93	64.5%	9.6%	135.04
Program Coordinator	82,480	45.1%	119,662	29,286	148,948	1,744	85.41	64.5%	9.6%	153.92
Recreation Services Supervisor[4]	98,366	40.2%	137,873	29,286	167,159	1,744	95.85	64.5%		157.66
Support										
Recreation Services Supervisor[4]	98,366	40.2%	137,873	29,286	167,159	1,744	95.85	64.5%		157.66

Chargeable Hours	
Total Hours	2,080
Non-Chargeable Hours	
Training	(16)
Vacations[2]	(168)
Sick (12 days @ 50% usage)	(48)
Holidays	(104)
Total Chargeable Hours	**1,744**

Paid Benefit Rate	Operations	Support
PERS	8.2%	8.8%
Medicare	1.5%	1.5%
Group Insurance	28.4%	23.3%
Retiree Medical Reserve	6.0%	6.0%
Worker's Compensation	1.0%	0.5%
Total Paid Benefit Rate	**45.1%**	**40.2%**

Indirect Cost Allocation	Amount	Percent
Citywide Indirect Costs	2,184,115	**64.5%**
Operations		
Salaries and Benefits	1,221,479	
Supplies and Contractual Services	344,107	
Total Operations	1,565,586	
Support[4]		
Salaries and Benefits	120,449	
Supplies and Contractual Services	29,286	
Total Support	149,735	**9.6%**
Total Program Costs	1,715,321	

Services & Supplies	
Total Budgeted[3]	373,393
Total Funded FTE	12.8
Services & Supplies Per FTE	**29,286**

NOTE:

[1] Annual salary amount includes deferred compensation contribution of $900/year and Bilingual premium of 2.5% over base pay for employees that qualified.

[2] Vacation accrual rate varies depending on years of service. As of 7/1/13, average vacation hours of Recreation Services was 168 hours.

[3] Excludes Nutrition Meals for seniors, instructor fees for classes, and Elan Espirit Preschool.

[4] Based on workload analysis, 50% of Recreation Services Supervisor is for Operation Support.

HOURLY LABOR RATES - GENERAL GOVERNMENT

	Annual Salary[1]	Paid Benefit Rate	Total Compensation	Total Cost Per FTE	Chargeable Hours	Hourly Rate	Citywide Indirect Cost Rate	Hourly Billing Rate
Council Appointed								
City Manager	227,824	46.6%	334,054	334,054	1,744	191.54	21.6%	232.96
City Attorney	195,302	46.6%	286,368	286,368	1,744	164.20	21.6%	199.70
General and Administration								
Accountant	94,794	38.7%	131,499	131,499	1,744	75.40	21.6%	91.70
Accounting Technician	76,882	38.7%	106,652	106,652	1,744	61.15	21.6%	74.37
Assistant City Attorney	158,900	34.1%	213,117	213,117	1,744	122.20	21.6%	148.62
Budget Manager	123,510	38.7%	171,334	171,334	1,744	98.24	21.6%	119.48
City Clerk	132,000	34.1%	177,039	177,039	1,744	101.51	21.6%	123.46
Confidential Fiscal Analyst II	75,596	38.7%	104,868	104,868	1,744	60.13	21.6%	73.13
Deputy City Clerk	95,971	34.1%	128,717	128,717	1,744	73.81	21.6%	89.76
Desktop Technician	84,092	38.7%	116,653	116,653	1,744	66.89	21.6%	81.35
Director of Financial Services	178,718	34.1%	239,697	239,697	1,744	137.44	21.6%	167.16
Director of Human Resources	165,900	34.1%	222,506	222,506	1,744	127.58	21.6%	155.17
Executive Secretary	96,600	38.7%	134,005	134,005	1,744	76.84	21.6%	93.45
Finance Manager	142,290	34.1%	190,840	190,840	1,744	109.43	21.6%	133.08
Financial Analyst II	98,356	38.7%	136,440	136,440	1,744	78.23	21.6%	95.15
Fiscal Assistant II	70,635	38.7%	97,986	97,986	1,744	56.18	21.6%	68.33
GIS Manager	133,252	38.7%	184,849	184,849	1,744	105.99	21.6%	128.91
Human Resources Technician	73,472	38.7%	101,921	101,921	1,744	58.44	21.6%	71.08
IS Operations Manager	153,020	38.7%	212,271	212,271	1,744	121.72	21.6%	148.03
IS Telecommunication Manager	133,262	38.7%	184,862	184,862	1,744	106.00	21.6%	128.92
Purchasing Agent	115,004	38.7%	159,535	159,535	1,744	91.48	21.6%	111.25
Senior Accountant	107,512	38.7%	149,142	149,142	1,744	85.52	21.6%	104.01
Senior Fiscal Analyst	76,872	38.7%	106,638	106,638	1,744	61.15	21.6%	74.37
Senior Human Resource Analyst	114,042	38.7%	158,200	158,200	1,744	90.71	21.6%	110.32
System Administrator	120,590	38.7%	167,284	167,284	1,744	95.92	21.6%	116.66
Video Media Specialist	98,366	38.7%	136,454	136,454	1,744	78.24	21.6%	95.16
Water Meter Reader II	54,913	38.7%	76,176	76,176	1,744	43.68	21.6%	53.12

Chargeable Hours	
Total Hours	2,080
Non-Chargeable Hours	
Training	(16)
Vacations[2]	(168)
Sick (12 days @ 50% usage)	(48)
Holidays	(104)
Total Chargeable Hours	**1,744**

Paid Benefit Rate	Council Appointed	Management	Support
PERS	29.1%	14.1%	8.5%
Medicare	1.5%	1.5%	1.5%
Group Insurance	9.6%	13.0%	22.2%
Retiree Medical Reserve	6.0%	5.0%	6.0%
Worker's Compensation	0.5%	0.5%	0.5%
Total Paid Benefit Rate	**46.6%**	**34.1%**	**38.7%**

NOTE:

[1] Annual salary amount includes deferred compensation contribution of $900/year and Bilingual premium of 2.5% over base pay for employees that qualified.

[2] Vacation accrual rate varies depending on years of service. As of 7/1/13, average vacation hours was 168 hours.