



BUDGET COMMITTEE WORK SESSION

Zoom Video Conference
<https://ci.manzanita.or.us>

AGENDA - **updated**

January 24, 2023
10:00 AM Pacific Time

Video Meeting: Council will hold this meeting through video conference.
The public may watch live on the [City's Website: ci.manzanita.or.us/broadcast](https://ci.manzanita.or.us/broadcast)

or by joining the Zoom meeting:

<https://us02web.zoom.us/j/82842108441>

Meeting ID: 828 4210 8441

Passcode: 128173

Call in number:

+1 253 215 8782

Note: Agenda item times are estimates and are subject to change.

1. CALL TO ORDER

Dave Dillon, Budget Committee Chair

2. FY 2022/23 SECOND QUARTER FINANCIAL REVIEW

Nina Aiello, Accounting Manager

3. INDIRECT COST ALLOCATION DISCUSSION

Leila Aman, City Manager

4. REVENUE DIVERSIFICATION UPDATE

Leila Aman, City Manager

5. BUDGET COMMITTEE SELECTION CRITERIA

Nina Aiello, Accounting Manager

6. FY 23-24 BUDGET CALENDAR

Nina Aiello, Accounting Manager

7. ADJOURN (11:30 a.m.)

Meeting Accessibility Services and Americans with Disabilities Act (ADA) Notice

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CITY OF MANZANITA

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Fiscal Year 2022/23 Second Quarter Budget Report

Department	Category	22/23 Adopted Budget	YTD Actual as of 12/31/2022	Unearned/ Unexpended	Percent	YTD Actual as of 12/31/2021
Administration	Revenue					
	Property Taxes	237,000	228,629	8,371	96.5%	219,850
	Revenue from Collections	1,272,500	1,167,850	104,650	91.8%	1,148,902
	Revenue from Other Agencies	240,010	145,051	94,959	60.4%	143,096
	Uses of Money & Property	10,000	46,399	(36,399)	464.0%	6,198
	Charges for Services	30,000	1,482	28,518	4.9%	12,738
	Other Revenue	2,000	3,165	(1,165)	158.2%	7,703
	Total Revenue	1,791,510	1,592,576	198,934	88.9%	1,538,487
Administration	Expenditures					
	Personnel Services	564,565	272,468	292,097	48.3%	
	Materials & Services	531,000	132,823	398,177	25.0%	
	Capital Outlay	7,000	3,789	3,211	54.1%	
	Total Expenditures	1,102,565	409,079	693,486	37.1%	
Police	Expenditures					
	Personnel Services	638,970	302,573	336,397	47.4%	
	Materials & Services	93,360	38,678	54,682	41.4%	
	Total Expenditures	732,330	341,252	391,078	46.6%	
Municipal Court	Expenditures					
	Personnel Services	30,993	8,526	22,467	27.5%	
	Materials & Services	15,160	4,485	10,675	29.6%	
	Total Expenditures	46,153	13,011	33,142	28.2%	

Fiscal Year 2022/23 Second Quarter Budget Report

Department	Category	22/23 Adopted Budget	YTD Actual as of 12/31/2022	Unearned/ Unexpended	Percent	YTD Actual as of 12/31/2021
Parks	<i>Expenditures</i>					
	Personnel Services	17,500	8,132	9,368	46.5%	
	Materials & Services	17,500	5,035	12,465	28.8%	
	Total Expenditures	35,000	13,167	21,833	37.6%	
Non Departmental	<i>Expenditures</i>					
	Materials & Services	211,000	24,517	186,483	11.6%	
	Total Expenditures	211,000	24,517	186,483	11.6%	
Water Operating	<i>Revenue</i>					
	Charges for Services	1,029,880	290,020	739,860	28.2%	276,951
	Use of Money & Property	6,000	13,845	(7,845)	230.8%	3,343
	Other Revenue	90,100	24,915	65,185	27.7%	480
	Total Revenue	1,125,980	328,781	797,199	29.2%	280,774
Water Operating	<i>Expenditures</i>					
	Personnel Services	489,474	220,032	269,442	45.0%	
	Materials & Services	422,500	123,931	298,569	29.3%	
	Capital Outlay	3,500	3,330	170	95.1%	
	Debt Service	171,000	800	170,200	0.5%	
	Total Expenditures	1,086,474	348,093	468,939	32.0%	
Well Field & Transmission	<i>Expenditures</i>					
	Materials & Services	95,428	25,900	69,528	27.1%	
	Total Expenditures	95,428	25,900	69,528	27.1%	
Water Construction	<i>Revenue</i>					
	Charges for Services	208,400	34,500	173,900	16.6%	82,800
	Use of Money & Property	6,000	20,671	(14,671)	344.5%	4,991
	Total Revenue	214,400	55,171	159,229	25.7%	87,791

Fiscal Year 2022/23 Second Quarter Budget Report

Department	Category	22/23 Adopted Budget	YTD Actual as of 12/31/2022	Unearned/ Unexpended	Percent	YTD Actual as of 12/31/2021
Water Construction	Expenditures					
	Materials & Services	5,000	-	5,000	0.0%	
	Capital Outlay	751,359	13,165	738,194	1.8%	
	Total Expenditures	756,359	13,165	743,194	1.7%	
Building	Revenue					
	Revenue from Collections	300,000	77,535	222,465	25.8%	139,386
	Total Revenue	300,000	77,535	222,465	25.8%	139,386
Building	Expenditures					
	Personnel Services	143,543	51,177	92,366	35.7%	
	Materials & Services	99,100	20,795	78,305	21.0%	
	Capital Outlay	15,000	4,474	10,526	29.8%	
	Total Expenditures	257,643	76,446	181,197	29.7%	
Roads	Revenue					
	Revenue from Collections	69,000	35,372	33,628	51.3%	39,460
	Revenue from Other Agencies	40,000	24,327	15,673	60.8%	25,285
	Use of Money & Property	2,000	4,076	(2,076)	203.8%	853
	Total Revenue	111,000	63,775	47,225	57.5%	65,598
Roads	Expenditures					
	Personnel Services	94,295	41,446	52,849	44.0%	
	Materials & Services	62,700	9,940	52,760	15.9%	
	Capital Outlay	614,611	9,543	605,068	1.6%	
	Total Expenditures	771,606	60,929	710,677	7.9%	
Tourism Promotion	Revenue					
	Revenue from Collections	250,000	190,660	59,340	76.3%	193,293
	Use of Money & Property	500	1,307	(807)	261.4%	315
	Total Revenue	250,500	191,967	58,533	76.6%	193,608

Fiscal Year 2022/23 Second Quarter Budget Report

Department	Category	22/23 Adopted Budget	YTD Actual as of 12/31/2022	Unearned/ Unexpended	Percent	YTD Actual as of 12/31/2021
Tourism Promotion	<i>Expenditures</i>					
	Professional Services	65,303	13,954	51,349	21.4%	
	Materials & Services	92,000	13,145	78,855	14.3%	
	Capital Outlay	10,000	5,043	4,957	50.4%	
	Debt Service	50,900	25,434	25,466	50.0%	
	Total Expenditures	218,203	57,575	160,628	26.4%	
Park Facilities	<i>Revenue</i>					
	Charges for Services	2,160	300	1,860	13.9%	660
	Uses of Money & Property	50	163	(113)	326.5%	39
	Total Revenue	2,210	463	1,747	21.0%	699
Park Facilities	<i>Expenditures</i>					
	Materials & Services	600	-	600	0.0%	
	Total Expenditures	600	-	600	0.0%	
Storm Drain Facilities	<i>Revenue</i>					
	Charges for Services	5,500	870	4,630	15.8%	1,914
	Uses of Money & Property	100	568	(468)	568.1%	137
	Total Revenue	5,600	1,438	4,162	25.7%	2,051
Storm Drain Facilities	<i>Expenditures</i>					
	Materials & Services	15,000	3,245	11,755	21.6%	
	Capital Outlay	194,400	4,196	190,204	2.2%	
	Total Expenditures	209,400	7,441	201,959	3.6%	
Public Works Equip.	<i>Revenue</i>					
	Surplus Property	500	-	500	0.0%	0
	Uses of Money & Property	100	553	(453)	553.3%	134
	Total Revenue	600	553	47	92.2%	134

Fiscal Year 2022/23 Second Quarter Budget Report

Department	Category	22/23 Adopted Budget	YTD Actual as of 12/31/2022	Unearned/ Unexpended	Percent	YTD Actual as of 12/31/2021
Public Works Equip Reserve Expenditures						
	Capital Outlay	36,000	29,930	6,070	83.1%	
	Total Expenditures	36,000	29,930	6,070	83.1%	
Public Safety Reserve Revenue						
	Uses of Money & Property	400	854	(454)	213.4%	206
	Total Revenue	400	854	(454)	213.4%	206
Public Safety Reserve Expenditures						
	Capital Outlay	50,000	-	50,000	0.0%	
	Total Expenditures	50,000	-	50,000	0.0%	
Building Reserve Fund Expenditures						
	Capital Outlay	10,000	7,922	2,078	79.2%	
	Total Expenditures	10,000	7,922	2,078	79.2%	
City Hall Expansion Revenue						
	Surplus Property	700,000	-	700,000	0.0%	
	Uses of Money & Property	300	503	(203)	167.7%	7,436
	Total Revenue	700,300	503	699,797	0.1%	7,436
City Hall Expansion Expenditures						
	Materials & Services	296,500	139,275	157,225	47.0%	
	Debt Service	405,400	77,666	327,734	19.2%	
	Total Expenditures	701,900	216,941	484,959	30.9%	

City of Manzanita

Full-Cost Indirect Cost Allocation Plan

April 18, 2022
Final Report

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April 18, 2022

City of Manzanita

c/o Leila Aman, City Manager
PO Box 129
Manzanita, OR 97130

REFERENCE: MANZANITA INDIRECT COST ALLOCATION PLAN

It is our pleasure to transmit to you the City of Manzanita's Indirect Cost Allocation Plan for 2022. We wish to extend our appreciation to you and Nina Aiello for providing the detailed information necessary.

If you have any questions, please call me at (425) 274 - 2853.

Sincerely,



Martin Chaw
Project Manager & Management Consulting Practice Lead
Enclosure

CC: Todd Chase, Principal

INDIRECT COST ALLOCATION

INTRODUCTION

In 2021, the City of Manzanita contracted with FCS GROUP to update its Indirect Cost Allocation Plan for use in budgeting going forward. Indirect cost allocation is the process by which citywide support services, which are generally included in the General Fund, can be recovered. FCS GROUP previously prepared the City's current Indirect Cost Allocation Plan in 2019. This update generally follows the same methodology as the previous study.

Cities operate multiple departments with different purposes, such as the water utility, or the roads fund. These are direct service departments, which provide services directly to the public (i.e., "outward facing departments"). These funds also benefit from Citywide administrative activities (indirect services, i.e., "inward facing departments"). **An Indirect Cost Allocation Plan serves to quantify the benefit received by direct service departments from indirect services.**

This plan was prepared to calculate the full cost of providing support services to the City's direct departments for internal budgeting and recovery purposes only, with supporting documentation and methodology that will allow the City to continuously update the plan going forward.

GUIDING STUDY PRINCIPLES

Federal cost allocation principles are promulgated in the *Code of Federal Regulation Title II, Part 200*, which provides for uniform administrative requirements, cost principles, and audits requirements for federal awards. While the indirect cost allocation plan calculated within this report does not have to address any federal awards, *2 CFR 200* establishes cost allocation guidelines that are generally seen as industry best practices.

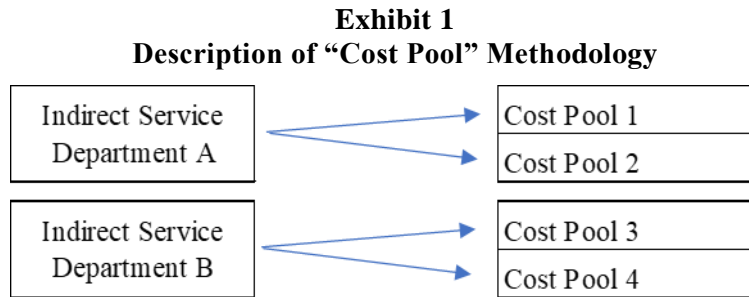
The proposed cost allocation plan framework will follow the practices as promulgated by the aforementioned federal regulations. Key cost principles among these regulations include:

- Defining indirect costs as those costs that are incurred for a common purpose.
- Indirect costs should be allocated to cost centers on the basis of benefits received.
- Actual conditions should be used to base the cost allocation factors.
- If a cost can be directly assigned to a single cost pool, then that single assignment is acceptable.

OVERVIEW OF INDIRECT COSTS

The first step in this indirect cost allocation plan was to identify the functions that provide indirect or support services to other City departments. The expenditures for an indirect support function were then grouped into various indirect cost pools based on program areas. Four cost pools were identified: the City Manager's Office, Finance, Assistant City Recorder, and Licensing & Ordinances. See Cost Pool Description at the end of this report for a detailed description of each position.

These cost pools were ultimately allocated as an indirect cost to the City’s direct service departments. **Exhibit 1** shows the development of program area cost pools from indirect departments.



Once cost pools were formed, the method by which these indirect cost pools were to be allocated to direct service departments was determined. For example, the costs of the City Manager’s Office were allocated to each department using an evenly weighted combination of each departments’ total actual expenditures and department’s number of full time equivalent employees (FTEs). Allocation factors were selected based their past precedence, reasonableness, equity, and defensibility. Working with representatives from the City, these allocation factors, or workload measures, were identified and the relevant data was collected.

PRINCIPLES OF ALLOCATING INDIRECT COSTS

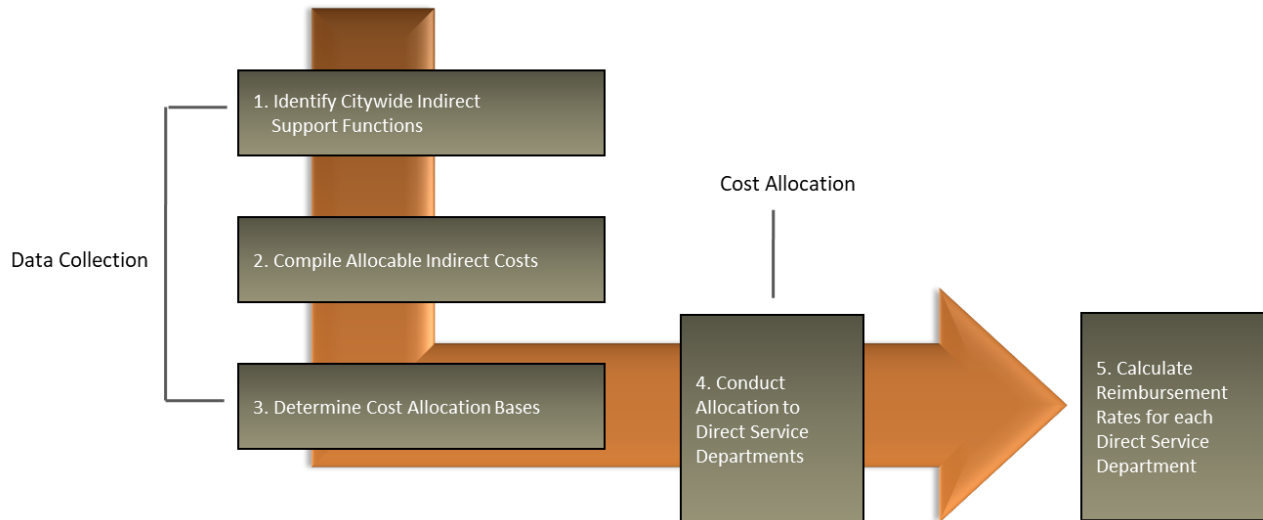
It is recommended that indirect cost pools be allocated to direct departments based on each direct department’s percentage share of each allocation factor. For example, the police department contained about 16 percent of the City’s non-administrative agenda items (6 agenda items out of 38 department-specific agenda items in total), so it received about 16 percent of costs that were allocated based on agenda items.

Based on these principles, the Indirect Cost Allocation Plan identifies the annual share of the City’s indirect cost for each of the City’s direct service departments. The results of this plan can be used to budget indirect cost line items in department budgets, establish an indirect component for City rates and fees, and provide a Citywide indirect cost component for establishing hourly rates for city service charges (e.g. rates used to charge for police officer’s providing security at community events, etc.).

TECHNICAL STEPS

This Indirect Cost Allocation Plan follow a series of technical steps to identify the total costs and resources used to support direct services. **Exhibit 2** shows an illustration of the technical steps involved in this plan.

**Exhibit 2
 Indirect Cost Allocation Plan Steps**



Step 1 of 5: Identify the Citywide Indirect Support Functions: The first step in developing the Indirect Cost Allocation Plan was to determine which departments provided indirect services for the City and what type and level of support they provided. The City’s Administration Department (4.0FTEs and total budget of \$666,732 FY 2021/2022) provides support services to other City departments.

Since the previous ICAP update, the City reorganized and established the Building Department as a separate department within the General Fund. In the Administration department the City has eliminated the Assistant City Manager position, and replaced it with an Assistant City Recorder position that incorporates the responsibilities of the part time Court Clerk. The former Finance Specialist is now an Accounting Manager. A new full time Utility Billing Clerk position was also created within the Water Operating Fund. The part time Court Clerk position is now an Administrative Assistant, position of which is vacant and unfunded, and therefore not shown as an indirect staff support cost.

**Exhibit 3
 City’s Indirect Staff Support Functions and Budget**

Position Title	FTE	Budget
City Manager	1.0	\$185,220
Assistant City Recorder	1.0	\$101,378
Accounting Manager	1.0	\$112,521
Licensing and Ordinance Specialist	1.0	\$104,469
Total Personnel	4.0	\$503,588
Non-Personnel		\$163,144
Total	4.0	\$666,732

The City’s operating departments and funds that are supported by the functions listed above in Exhibit 3 are shown in **Exhibit 4**.

Exhibit 4
Direct Service Departments and Funds

General Fund	Other Funds
Courts Department #130	Building Fund
Police Department #125	Roads Fund #15
Parks Department #135	Water Operating Fund #40
Civic Improvement Department #140	Water Construction Fund #41
	City Hall Expansion Fund #51
	Parks Facilities Fund #52
	Storm Drain Facilities Fund #53
	Public Works Eq't Reserve Fund #54
	Timber Management Fund #57
	Trust Fund #59
	Public Safety Eq't and Reserve Fund #60
	Housing Rehab Loan Fund #61
	Puffin Lane LID Fund #65
	Tourism Promotion and Facilities Fund #70

Steps 2 and 3 of 5: Compile Indirect Costs and Determine Cost Allocation Bases: To allocate indirect costs, specific workload measures or allocation factors were identified in collaboration with City staff that represent the level of support services received by a department. Where appropriate, a weighted combination of allocation factors was used. For example the City Manager’s Office cost pool is allocated 50% based on Citywide FTEs and 50% on Total Actual Expenditures. **Exhibit 5** shows the allocation factors assigned to each cost pool.

Exhibit 5
Allocation Factors

Indirect Cost Pool	Allocation Bases
City Manager	50/50 Split Between FTEs and Expenditures
Assistant City Recorder	40% Courts and remaining 60% based on a 50/50 Split Between FTEs and Expenditures
Accounting Manager	Actual Expenditures
Licensing and Ordinance Specialist	95% Agenda Items; 5% Expenditures; 5% Courts Department

Step 4 of 5: Apply Allocation to Direct Departments: The allocation distributes the total allocable indirect costs to direct departments based on the percentage share of allocation factors described above. Industry best practice for allocation factors that may vary significantly from one period to the next include using multi-year averages to mitigate their effect on cost allocations. Consistent with this, the allocation factors for expenditures and agenda items were averaged over the 2019 and 2022 time periods. The actual allocation factor data is shown in **Exhibit 6**. These allocation factors are then converted into a percentage, as shown in **Exhibit 7**.

**Exhibit 6
 Allocation Factor Data**

Direct Service Cost Pool	Direct Service FTEs	Average Expenditures	Average Agenda Items	Direct Assign
General Fund				
Court Dept	-	12,530	1	100.0%
Police Dept	4.0	44,286	7	
Parks Dept	0.6	43,990	3	
Civic Improvement Dept	-	67,500	2	
Other Funds				
Building Fund	1.5	34,789	13	
Roads Fund (#15)	1.9	237,495	4	
Water Operating Fund (#40)	3.0	584,725	6	
Water Construction Fund (#41)	-	213,123	0	
City Hall Expansion Fund (#51)	-	186,354	11	
Park Facilities Fund (#52)	-	-	3	
Storm Drain Facilities Fund (#53)	-	77,759	1	
Public Works Eqt Reserve Fund (#54)	-	42,635	0	
Timber Management Fund (#57)	-	7,242	1	
Trust Fund (#59)	-	318	0	
Public Safety Eqt & Fac Resv Fund (#60)	-	27,449	0	
Housing Rehab Loan Fund (#61)	-	-	0	
Puffin Lane LID Fund (#65)	-	-	0	
Tourism Promotion and Fac Fund (#70)	-	115,143	8	

FTE support for the Parks Department, Roads Fund and Water Operating Fund is provided by the Public Works Department and are based on detailed employee timesheet records for the 2021 calendar year.

**Exhibit 7
 Allocation Factor Percentages**

Direct Service Cost Pool	FTEs	Actual Expenditures	50/50 Split Between FTEs and Expenditures	Agenda Items	Direct Assign	40% Courts and remaining 60% based on 50/50 Split between FTEs and Expenditures
General Fund						
Court Dept	0.0%	0.7%	0.4%	1.8%	100.0%	40.4%
Police Dept	36.4%	2.6%	19.5%	11.5%	0.0%	1.6%
Parks Dept	5.5%	2.6%	4.0%	4.4%	0.0%	1.6%
Civic Improvement Dept	0.0%	4.0%	2.0%	3.5%	0.0%	2.4%
Other Funds						
Building Dept	13.6%	2.1%	7.8%	23.0%	0.0%	1.2%
Roads Fund (#15)	17.3%	14.0%	15.6%	6.2%	0.0%	8.4%
Water Operating Fund (#40)	27.3%	34.5%	30.9%	9.7%	0.0%	20.7%
Water Construction Fund (#41)	0.0%	12.6%	6.3%	0.0%	0.0%	7.5%
City Hall Expansion Fund (#51)	0.0%	11.0%	5.5%	18.6%	0.0%	6.6%
Park Facilities Fund (#52)	0.0%	0.0%	0.0%	4.4%	0.0%	0.0%
Storm Drain Facilities Fund (#53)	0.0%	4.6%	2.3%	1.8%	0.0%	2.8%
Public Works Eq't Reserve Fund (#54)	0.0%	2.5%	1.3%	0.0%	0.0%	1.5%
Timber Management Fund (#57)	0.0%	0.4%	0.2%	0.9%	0.0%	0.3%
Trust Fund (#59)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Public Safety Eq't & Fac Resv Fund (#60)	0.0%	1.6%	0.8%	0.0%	0.0%	1.0%
Housing Rehab Loan Fund (#61)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Puffin Lane LID Fund (#65)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Tourism Promotion and Fac Fund (#70)	0.0%	6.8%	3.4%	14.2%	0.0%	4.1%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

By applying the allocations from each indirect cost pool to each direct service department, the total indirect cost allocation can be identified. **Exhibit 8** shows the fully allocated costs to each direct service department.

**Exhibit 8
Fully Allocated Indirect Costs by Department**

	City Manager	Asst City Recorder	Accounting Manager	Licensing and Ordinance Specialist	Total
Indirect Cost Pool	\$245,224	\$134,221	\$148,974	\$138,313	\$666,732
General Fund					
Court Dept	906	54,284	1,101	2,448	58,739
Police Dept	47,789	2,104	3,891	15,912	69,696
Parks Dept	9,869	2,090	3,865	6,120	21,945
Civic Improvement Dept	4,882	3,206	5,931	4,896	18,916
Other Funds					
Building Dept	19,236	1,653	3,057	31,824	55,770
Roads Fund (#15)	38,355	11,282	20,869	8,568	79,074
Water Operating Fund (#40)	75,729	27,776	51,381	13,464	168,350
Water Construction Fund (#41)	15,414	10,124	18,728	-	44,265
City Hall Expansion Fund (#51)	13,478	8,852	16,375	25,704	64,410
Park Facilities Fund (#52)	-	-	-	6,120	6,120
Storm Drain Facilities Fund (#53)	5,624	3,694	6,833	2,448	18,598
Public Works Eqt Reserve Fund (#54)	3,084	2,025	3,746	-	8,855
Timber Management Fund (#57)	524	344	636	1,224	2,728
Trust Fund (#59)	23	15	28	-	66
Public Safety Eqt & Fac Resv Fund (#60)	1,985	1,304	2,412	-	5,701
Housing Rehab Loan Fund (#61)	-	-	-	-	-
Puffin Lane LID Fund (#65)	-	-	-	-	-
Tourism Promotion and Fac Fund (#70)	8,327	5,470	10,118	19,584	43,499
Total	\$245,224	\$134,221	\$148,974	\$138,313	\$666,732

Step 5 of 5: Calculate Indirect Cost Reimbursement Rate: By dividing the allocated costs by the total actual costs for each department, an indirect cost reimbursement rate can be calculated. The Citywide rate using total actual expenditures as the base is 8.1%, meaning about \$8 of indirect cost would be added for every \$100 expense. This compares to an indirect cost reimbursement rate of 12.8% from the previous study. Annual changes to the indirect cost reimbursement rate should be expected as it can also be affected by changes to the budget for each direct service cost pool changes over time (e.g. the reorganization and addition of the Building Department as a new General Fund department), and/or changes to the budget for the indirect services cost pool changes (e.g. the reorganization of a water utility clerk to the Water Operating Fund). **Exhibit 9** shows the rate that each department could apply to target full cost recovery.

The cost allocations represent the current maximum defensible recoverable amount of administrative activities for each department or fund. However, there is no statutory requirement that the City must recover these amounts from each department or fund. For example, charging the police department indirect costs would not make sense, as it is part of the General Fund.

Exhibit 9
Citywide Indirect Cost Rates by Department

	2021-2022 Budget	Allocated Indirect Service Cost Pool	Total (Fully Loaded Direct Cost Pool)	Indirect Cost Pool Allocation as % of Direct Service	Memo: 2019 Study Indirect Cost Pool Allocation as % of Direct Service
General Fund					
Court Dept	68,160	58,739	126,899	86.2%	180.0%
Police Dept	671,213	69,696	740,909	10.4%	12.2%
Parks Dept	88,914	21,945	110,859	24.7%	27.7%
Civic Improvement Dept	70,000	18,916	88,916	27.0%	8.6%
Other Funds					
Building Dept	164,404	55,770	220,174	33.9%	16.6%
Roads Fund (#15)	840,224	79,074	919,298	9.4%	8.4%
Water Operating Fund (#40)	1,623,274	168,350	1,791,624	10.4%	15.8%
Water Construction Fund (#41)	2,860,262	44,265	2,904,527	1.5%	7.9%
City Hall Expansion Fund (#51)	846,600	64,410	911,010	7.6%	23.0%
Park Facilities Fund (#52)	21,255	6,120	27,375	28.8%	0.0%
Storm Drain Facilities Fund (#53)	209,800	18,598	228,398	8.9%	10.6%
Public Works Eq Reserve Fund (#54)	105,228	8,855	114,083	8.4%	10.6%
Timber Management Fund (#57)	10,702	2,728	13,430	25.5%	5.8%
Trust Fund (#59)	3,968	66	4,034	1.7%	1.0%
Public Safety Eq & Fac Resv Fund (#60)	135,106	5,701	140,807	4.2%	11.4%
Housing Rehab Loan Fund (#61)	117,249	-	117,249	0.0%	0.0%
Puffin Lane LID Fund (#65)	45,300	-	45,300	0.0%	0.0%
Tourism Promotion and Fac Fund (#70)	341,824	43,499	385,323	12.7%	11.6%
Total	\$8,223,483	\$666,732	\$8,890,215	8.1%	12.8%

Exhibit 10 table compares the allocated indirect service cost pool between the current study and the previous. It is important to note that increases or decreases in the allocated indirect cost pool can be affected by changes in allocation factors between the current study and the previous, as well the relative change in allocation factors between departments and funds. For example, while actual expenditures for the Water Operating Fund increased from the previous study, its actual expenditures relative to other departments did not increase to the same degree, thus resulting in a relatively smaller share of allocated indirect costs.

In general, major factors affecting changes in the allocated indirect costs include: increase in the number of agenda items (Building Department, Civic Improvement Department), increase in actual expenditures (Court and Police Departments, Public Works Equipment Reserve Fund), decrease in actual expenditures (Water Construction Fund), change in the direct charging of staff from reorganization (Water Utility Billing Clerk is 100% assigned to the Water Operating Fund).

Exhibit 10
Citywide Indirect Cost Pool 2019 Study vs 2022 Study

	2019 Study	2022 Study	Significant Changes
General Fund			
Court Dept	37,634	58,739	Reorg: Asst. City Recorder
Police Dept	72,250	69,696	
Parks Dept	18,761	21,945	
Civic Improvement Dept	6,855	18,916	
Sub Total – General Fund	145,310	169,295	
Other Funds			
Building Dept	9,809	55,770	Planning commission agenda items included
Roads Fund (#15)	55,120	79,074	
Water Operating Fund (#40)	157,348	168,350	Reorg: Water utility clerk directly budgeted
Water Construction Fund (#41)	46,169	44,265	
City Hall Expansion Fund (#51)	46,397	64,410	
Park Facilities Fund (#52)	-	6,120	
Storm Drain Facilities Fund (#53)	19,465	18,598	
Public Works Eqt Reserve Fund (#54)	1,588	8,855	
Timber Management Fund (#57)	4,026	2,728	
Trust Fund (#59)	73	66	
Public Safety Eqt & Fac Resv Fund (#60)	1,142	5,701	
Housing Rehab Loan Fund (#61)	-	-	
Puffin Lane LID Fund (#65)	-	-	
Tourism Promotion and Fac Fund (#70)	20,835	43,499	
Sub Total – Other Funds	352,163	497,437	
Total	497,473	\$666,732	

SUMMARY

This plan presents a framework for the recovery of city-wide administrative costs based upon available metrics that portray organizational workload. This plan also represents a snapshot in time and captures the activities, programs, and priorities of the City of Manzanita as it stands today. Industry best practice recommends updating this plan with each budget cycle to reflect actual activities and to capture the effects of organizational changes, such as from reorganizations or the addition or elimination of new or existing programs, and how these changes may alter indirect cost allocations.

We appreciate the contributions from City staff to the development of this plan. It has been a pleasure working with the City staff, local officials and community involved in the planning process. We look forward to the opportunity to work with you again in the future.

COST POOL DESCRIPTIONS

The following section provides a description of the services provided by each indirect program area as well as an explanation of the basis for choosing each program area's allocation factor.

INDIRECT COST POOLS

A description of the services provided by each of the indirect cost pools is summarized as follows. All responsibilities are indirect, unless otherwise stated.

City Manager's Office

Description: The City Manager's Office consists of the City Manager and associated administrative costs. It is responsible for overall management of City funds and employees, including departments with their own supervisory staff, such as Police and Public Works.

Allocation: This cost pool is allocated on an evenly weighted combination of total actual expenditures and FTEs, to reflect the Citywide nature and responsibilities associated with managing the daily citywide operations.

Assistant City Recorder

Description: The Assistant City Recorder is responsible for the oversight of the City's municipal court functions as well as providing administrative support to City operations.

Allocation: This cost pool is allocated 40% courts and 60% on an evenly weighted combination of total actual expenditures and FTEs.

Finance

Description: The Finance cost pool consists of the City's Accounting Manager and associated administrative costs. It is responsible for managing the City's finances in accordance with state and federal law.

Allocation: This cost pool is allocated based on total actual expenditures.

Licensing & Ordinances

Description: The Licensing & Ordinances cost pool is responsible for preparing certain City ordinances, managing short term rental licenses, and shares many functional similarities with a City Clerk including back up to finance and the city recorder responsibilities.

Allocation: This cost pool is allocated 100% agenda items.



MEMORANDUM

DATE: January 23, 2023
TO: Budget Committee
FROM: Leila Aman, Budget Officer
RE: Indirect Cost Allocation

Introduction

Most costs the City incurs are direct costs, that is these direct costs are attributable and charged directly to the fund or department that generated the cost. For example, if a Public Works employee mows the City Park lawn, the time spent on that job will be charged directly to the Parks Department.

Indirect costs are those costs of doing business that are not readily identified with a specific activity but are necessary for the operation of the program or service. The costs incurred to plan and conduct City Council meetings provide a good example. City employees have to manage the calendar, consult with the mayor, prepare an agenda, produce documents such as draft resolutions or ordinances, explain proposals, record meetings, produce minutes, answer councilors' questions, and post meeting information on the website. The administration of a governing body's business benefits the entire city but is not attributable to a specific fund or department. How should those (indirect) administrative costs be paid? Every local jurisdiction and every private enterprise has this problem of sharing indirect costs among divisions, departments, and funds. There are many ways of sharing those costs, none of which is perfect.

The city administration which is funded by the General Fund provides administrative services and management and oversight for all city activities including Enterprise Funds. Enterprise Funds are revenue generating programs that operate like a business within the structure of the city but have a separate funding source and separate financial statements. The purpose of having a cost allocation is to have a transparent method to distribute the costs of the services provided by the administration to all funds including benefitting revenue sources.

Simply put, an indirect cost rate is a device for determining fairly and expeditiously the proportion of general (indirect) expenses that each fund or department will bear. It is the ratio between the total indirect costs of the activity and some equitable direct cost base.

Warrenton has developed a well-tested model that is comparatively easy to understand and implement by the in-house accounting staff. The principle underpinning the Warrenton model is that every department or fund incurs materials and services (M&S) costs that are accounted for as specified under Oregon law. The level of M&S spending by each fund or department is a reasonable proxy for the level of administrative, finance, and overhead support for that fund or department. Warrenton has been using this indirect cost allocation model since the 2002-03 budget year.

This memo explains how the Warrenton model has been adapted to Manzanita's budget process. A memo describing Warrenton's model is included as Attachment A. The output from the model is included as Attachments B, C and D.



How the Manzanita model was adapted

Inactive funds removed

Some funds have not incurred any M&S expenditures over the past five years or are not expected to incur such costs in the future. Those funds have been removed from the model, including:

- Civic Improvement Fund
- Housing Rehabilitation Fund
- Puffin LID Fund
- Park Facilities Fund (?)
- Public Works Equipment Reserve Fund
- Public Safety Equipment Reserve Fund
- Municipal Court Trust Fund (?)
- Performance Guarantee Deposit Fund
- Building Equipment Reserve

Calculation of M&S spending and fund or department shares

The basic approach of the Manzanita model is identical to the Warrenton model:

1. Add up M&S spending by every fund and department to get total M&S for the city.
2. Identify and remove unusual or non-recurring M&S expenditures to avoid annual distortions.
3. Calculate each fund and department's share of total M&S spending.
4. Apply that share (percentage) to the administrative M&S and FTE overhead to be allocated in the current year's budget.

Manzanita's adjustments to the Warrenton model

1. To ensure that a fund's or department's spending in a prior year does not distort its share of total M&S spending, the Manzanita model uses the average M&S spending for every fund and department over the prior five years instead of only one audited year.
2. The Manzanita model still permits staff to remove an unusual or non-recurring M&S expenditure from any one year to avoid annual distortions.
3. The Manzanita model allocates indirect costs at the fund or department level instead of extending the model down to the account level.
4. Since Manzanita is a much smaller city with fewer employees, the Manzanita model includes fewer FTEs. This part of the model can be modified in future budget cycles if the Budget Committee deems that to be appropriate.

Conclusion

No indirect cost allocation method is perfect. The question for the Budget Committee and the City Council is whether an allocation method is logical, easily understood, readily implementable by city staff, and fair. Once the city has adopted a basic model, the Budget Committee and Council can adjust based on experience.



Finance Department Memorandum

To: Members of the City of Warrenton Budget Committee
From: April Clark
Finance Director
Date: April 25, 2019

Regarding – Allocation of Personal Services and Materials and Services in the General Fund Administration/Commission/Finance Department

The attached spreadsheets show the allocations to each general fund department and other major funds for their share of the cost of personal services and materials and services required in order to support their operations.

The **estimated** costs for the budget year 2019-2020 total \$1,188,064 as shown at the bottom of page 1. This total cost is broken out between personal services and materials and services and then allocated to the departments and funds as shown, beginning with Municipal Court and following through to Sanitation.

The basis used to allocate the total cost of \$1,184,564 is calculated by adding up the total actual materials and services costs (from the 2017-2018 audit report) in each department and fund. This totals \$2,689,123 (after smoothing). Each department or fund's material and services spending (Municipal Court equals \$50,645) is then divided by the total for all departments and funds (\$2,689,123) to arrive at a percentage of the total (Municipal Court's percentage is .0188). This percentage of the total spending from the prior year represents the portion that each department or fund will have applied to the 2019-2020 budget year estimate of \$698,474 for personal services and \$486,090 for materials and services. ($\$698,474 \times .0188 = \$13,131$) and ($\$486,090 \times .0188 = \$9,155$) these costs are shown in each section of the department/fund's budget.

This is a reasonable basis for allocating based on the theory that if a fund's spending level is high then there must be a lot of activity being generated which requires a higher degree of support from administrative, finance, and overhead type functions. The City began using this methodology in the 2002/2003 budget year.

**City of Warrenton
2019/2020 Budget
Administration/Commission/Finance Costs**

Personnel Service Costs:

	FTE's	Materials and Services Spending 2017/2018 Rate	Budget 2019/2020 Total Payroll Cost
Municipal Court	0.1114	0.0188	13,131
Community Development	0.0515	0.0087	6,077
Police	0.4213	0.0711	49,662
Fire	0.3644	0.0615	42,956
Parks	0.1327	0.0224	15,646
Community Center	0.0296	0.0050	3,492
WBA	0.0907	0.0153	10,687
Library	0.1013	0.0171	11,944
Building Division	0.0444	0.0075	5,239
State Tax Street	0.1766	0.0298	20,815
Warrenton Marina	0.4183	0.0706	49,312
Hammond Marina	0.2945	0.0497	34,714
Water	1.5008	0.2533	176,924
Sewer	1.6436	0.2774	193,757
Storm Sewer	0.1126	0.0190	13,271
Sanitation	0.4313	0.0728	50,849
Total	<u>5.9250</u>	<u>1.0000</u>	<u>698,474</u>

City Manager	1
City Recorder	1
Deputy City Recorder	0.9
Finance Director	1
Accounting Clerk	0.625
Accountant	1
Cashier/Accounting Clerk	0.2
Accounting Technician	0.2
Total FTE	<u>5.925</u>

Personnel Services Cost Summary

Wages	420,500
Benefits	277,974
Total Administration/Commission/Finance Costs for Personnel	<u>698,474</u>

Summary of Administration/Commission/Finance

Personnel Services	698,474
Materials and Services (from page 2 of overhead allocation)	486,090
Total	<u>1,184,564</u>

**City of Warrenton
2019/2020 Budget
Administration/Commission/Finance Costs**

Materials and Services Costs:

	Modified Materials and Services 2017-2018	rate	Overhead Budget Materials and Services 2019-2020
Municipal Court	50,645	0.0188	9,155
Planning	23,366	0.0087	4,224
Police	191,251	0.0711	34,571
Fire	165,463	0.0615	29,909
Parks	60,288	0.0224	10,898
Total General Fund	<u>491,013</u>	<u>0.1825</u>	<u>88,757</u>
Community Center	13,502	0.0050	2,441
WBA	41,061	0.0153	7,422
Library	45,910	0.0171	8,299
Building Department	20,103	0.0075	3,634
State Tax Street	80,040	0.0298	14,468
Warrenton Marina	189,737	0.0706	34,297
Hammond Marina	133,676	0.0497	24,163
Water	681,104	0.2533	123,117
Sewer	745,902	0.2774	134,830
Storm Sewer	51,060	0.0190	9,230
Sanitation	196,015	0.0728	35,432
Total	<u><u>2,689,123</u></u>	<u><u>1.0000</u></u>	<u><u>486,090</u></u>

**CITY OF WARRENTON
 ADMINISTRATION/COMMISSION/FINANCE
 OVERHEAD COSTS (INDIRECT ALLOCATION)
 MATERIALS AND SERVICES
 FISCAL YEAR ENDING JUNE 30, 2020**

	ESTIMATED COST FOR THE YEAR	MUNI COURT	PLANNING	POLICE	FIRE	PARKS	TOTAL GENERAL FUND	COMMUNITY CENTER
210000 OFFICE SUPPLIES	15,000	282	130	1,067	923	336	2,739	75
211000 POSTAGE AND POST OFFICE BOX RENT	9,000	169	78	640	554	202	1,643	45
223001 JANITORIAL SERVICE	2,563	48	22	182	158	57	468	13
223005 SAFETY COMMITTEE	500	9	4	36	31	11	91	3
310000 PRINTING/ADVERTISING	6,500	122	56	462	400	146	1,187	33
320000 DUES/MEETINGS/TRAINING/TRAVEL-FINANCE	6,500	122	56	462	400	146	1,187	33
320001 DUES/MEETINGS/TRAINING/TRAVEL-ADMIN	15,000	282	130	1,067	923	336	2,739	75
320002 DUES/MEETINGS/TRAINING/TRAVEL-COMMISSION	5,000	94	43	356	308	112	913	25
340000 ELECTRICITY	5,177	97	45	368	319	116	945	26
340001 NATURAL GAS	2,750	52	24	196	169	62	502	14
340002 COMMUNICATIONS	3,000	56	26	213	185	67	548	15
340005 WATER	566	11	5	40	35	13	103	3
340006 SEWER	324	6	3	23	20	7	59	2
340007 STORM SEWER	65	1	1	5	4	1	12	0
340008 GARBAGE	242	5	2	17	15	5	44	1
350000 INSURANCE: PROPERTY AND LIABILITY, BONDING	194,722	3,667	1,692	13,849	11,981	4,366	35,555	978
360000 BANK FEES(COLUMBIA BANK)	5,000	94	43	356	308	112	913	25
366000 EQUIPMENT MAINTENANCE (COPIER & PHONE)	4,175	79	36	297	257	94	762	21
380000 PROFESSIONAL SERVICES								
LEGAL COUNSEL	45,000	847	391	3,200	2,769	1,009	8,217	226
AUDIT AND ACCOUNTING FEES	37,400	704	325	2,660	2,301	838	6,829	188
OR STATE DIVISION OF AUDITS	350	7	3	25	22	8	64	2
SOCIAL SECURITY REVOLVING ACCOUNT	75	1	1	5	5	2	14	0
HSA/ICMA FEES	695	13	6	49	43	16	127	3
UNION NEGOTIATIONS/LGPI	10,000	188	87	711	615	224	1,826	50
QUALITY CODE/ORDINANCE MAINTENANCE	2,000	38	17	142	123	45	365	10
SHRED IT	2,500	47	22	178	154	56	456	13
OUTSIDE LEGAL	15,000	282	130	1,067	923	336	2,739	75
NUISANCE ABATEMENT	10,000	188	87	711	615	224	1,826	50
MANAGEMENT SALARY SURVEY	4,000	75	35	284	246	90	730	20
ELECTION	5,000	94	43	356	308	112	913	25
380005 RECORDING FEES	1,000	19	9	71	62	22	183	5
380010 SAFEKEEPING MINI STORAGE	2,000	38	17	142	123	45	365	10
380020 COMPUTER AND SOFTWARE SUPPORT								
SPRINGBROOK SOFTWARE SUPPORT/MAINTENANCE	10,850	204	94	772	668	243	1,981	54
SPRINGBROOK OTHER (CUSTOM PROGRAMMING)	1,000	19	9	71	62	22	183	5
SPRINGBROOK UPGRADE/INCREASED MTNCE.	9,500	179	83	676	585	213	1,735	48
RECORD MGMT/TECHNOLOGY UPGRADE	4,500	85	39	320	277	101	822	23
INFORMATION TECHNOLOGY SUPPORT	23,952	451	208	1,703	1,474	537	4,373	120
INTERNET SERVICE (COAST COM)	3,000	56	26	213	185	67	548	15
IT OUT OF SCOPE SERVICES	3,000	56	26	213	185	67	548	15
WEBSITE HOSTING/MAINTENANCE	1,800	34	16	128	111	40	329	9
ARCHIVE SOCIAL MEDIA	1,393	26	12	99	86	31	254	7
EXCHANGE SERVER (\$7 PER EMPLOYEE, PER MONTH)	1,260	24	11	90	78	28	230	6
380050 NON-CAPITAL EQUIPMENT								
COMPUTER (1) FINANCE	1,000	19	9	71	62	22	183	5
SPECIAL PROJECT (CR)	2,000	38	17	142	123	45	365	10
STORAGE UNIT SHELVING	900	17	8	64	55	20	164	5
PRINTER(CM)	600	11	5	43	37	13	110	3
DESK (AA/HR)	300	6	3	21	18	7	55	2
DESKTOP SCANNERS (2)	500	9	4	36	31	11	91	3
LAPTOP & DOCKING STATION	1,400	26	12	100	86	31	256	7
390000 MISCELLANEOUS	3,000	56	26	213	185	67	548	15
TROPHIES/NAME PLAQUES/AWARDS	500	9	4	36	31	11	91	3
VOLUNTEER/EMPLOYEE RECOGNITION	4,000	75	35	284	246	90	730	20
WHS SAFE AND SOBER	100	2	1	7	6	2	18	1
FISHERMENS BENEFIT FUND	431	8	4	31	27	10	79	2
TOTAL MATERIALS AND SERVICES BUDGET	486,090	9,155	4,224	34,571	29,909	10,898	88,756	2,441
TOTAL MODIFIED MATERIALS AND SERVICES IN YEAR 2017-2018	2,689,123	50,645	23,366	191,251	165,463	60,288	491,013	13,502
percentage of expenditures	1.0000	0.0188	0.0087	0.0711	0.0615	0.0224	0.1826	0.0050

CITY OF WARRENTON
 ADMINISTRATION/COMMISSION/FINANCE
 VERHEAD COSTS (INDIRECT ALLOCATION)
 MATERIALS AND SERVICES
 FISCAL YEAR ENDING JUNE 30, 2020

	WBA	LIBRARY	BUILDING DEPART	STATE TAX STREET	WARRENTON MARINA	HAMMOND MARINA	WATER	SEWER	STORM SEWER	SANITATION
OFFICE SUPPLIES	229	256	112	446	1,058	746	3,799	4,161	285	1,093
POSTAGE AND POST OFFICE BOX RENT	137	154	67	268	635	447	2,280	2,496	171	656
JANITORIAL SERVICE	39	44	19	76	181	127	649	711	49	187
SAFETY COMMITTEE	8	9	4	15	35	25	127	139	9	36
PRINTING/ADVERTISING	99	111	49	193	459	323	1,646	1,803	123	474
DUES/MEETINGS/TRAINING/TRAVEL-FINANCE	99	111	49	193	459	323	1,646	1,803	123	474
DUES/MEETINGS/TRAINING/TRAVEL-ADMIN	229	256	112	446	1,058	746	3,799	4,161	285	1,093
DUES/MEETINGS/TRAINING/TRAVEL-COMMISSION	76	85	37	149	353	249	1,266	1,387	95	364
ELECTRICITY	79	88	39	154	365	257	1,311	1,436	98	377
NATURAL GAS	42	47	21	82	194	137	697	763	52	200
COMMUNICATIONS	46	51	22	89	212	149	760	832	57	219
WATER	9	10	4	17	40	28	143	157	11	41
SEWER	5	6	2	10	23	16	82	90	6	24
STORM SEWER	1	1	0	2	5	3	16	18	1	5
GARBAGE	4	4	2	7	17	12	61	67	5	18
INSURANCE: PROPERTY AND LIABILITY, BONDING	2,973	3,324	1,456	5,796	13,739	9,680	49,319	54,011	3,697	14,194
BANK FEES(COLUMBIA BANK)	76	85	37	149	353	249	1,266	1,387	95	364
EQUIPMENT MAINTENANCE (COPIER & PHONE)	64	71	31	124	295	208	1,057	1,158	79	304
PROFESSIONAL SERVICES										
LEGAL COUNSEL	687	768	336	1,339	3,175	2,237	11,398	12,482	854	3,280
AUDIT AND ACCOUNTING FEES	571	639	280	1,113	2,639	1,859	9,473	10,374	710	2,726
OR STATE DIVISION OF AUDITS	5	6	3	10	25	17	89	97	7	26
SOCIAL SECURITY REVOLVING ACCOUNT	1	1	1	2	5	4	19	21	1	5
HSA/ICMA FEES	11	12	5	21	49	35	176	193	13	51
UNION NEGOTIATIONS/LGPI	153	171	75	298	706	497	2,533	2,774	190	729
QUALITY CODE/ORDINANCE MAINTENANCE	31	34	15	60	141	99	507	555	38	146
SHRED IT	38	43	19	74	176	124	633	693	47	182
OUTSIDE LEGAL	229	256	112	446	1,058	746	3,799	4,161	285	1,093
NUISANCE ABATEMENT	153	171	75	298	706	497	2,533	2,774	190	729
MANAGEMENT SALARY SURVEY	61	68	30	119	282	199	1,013	1,110	76	292
ELECTION	76	85	37	149	353	249	1,266	1,387	95	364
RECORDING FEES	15	17	7	30	71	50	253	277	19	73
SAFEKEEPING MINI STORAGE	31	34	15	60	141	99	507	555	38	146
COMPUTER AND SOFTWARE SUPPORT										
SPRINGBROOK SOFTWARE SUPPORT/MAINTENANCE	166	185	81	323	766	539	2,748	3,010	206	791
SPRINGBROOK OTHER (CUSTOM PROGRAMMING)	15	17	7	30	71	50	253	277	19	73
SPRINGBROOK UPGRADE/INCREASED MTNCE.	145	162	71	283	670	472	2,406	2,635	180	692
RECORD MGMT/TECHNOLOGY UPGRADE	69	77	34	134	318	224	1,140	1,248	85	328
INFORMATION TECHNOLOGY SUPPORT	366	409	179	713	1,690	1,191	6,067	6,644	455	1,746
INTERNET SERVICE (COAST COM)	46	51	22	89	212	149	760	832	57	219
IT OUT OF SCOPE SERVICES	46	51	22	89	212	149	760	832	57	219
WEBSITE HOSTING/MAINTENANCE	27	31	13	54	127	89	456	499	34	131
ARCHIVE SOCIAL MEDIA	21	24	10	41	98	69	353	386	26	102
EXCHANGE SERVER (\$7 PER EMPLOYEE, PER MONTH)	19	22	9	38	89	63	319	349	24	92
NON-CAPITAL EQUIPMENT										
COMPUTER (1) FINANCE	15	17	7	30	71	50	253	277	19	73
SPECIAL PROJECT (CR)	31	34	15	60	141	99	507	555	38	146
STORAGE UNIT SHELIVING	14	15	7	27	64	45	228	250	17	66
PRINTER(CM)	9	10	4	18	42	30	152	166	11	44
DESK (AA/HR)	5	5	2	9	21	15	76	83	6	22
DESKTOP SCANNERS (2)	8	9	4	15	35	25	127	139	9	36
LAPTOP & DOCKING STATION	21	24	10	42	99	70	355	388	27	102
MISCELLANEOUS	46	51	22	89	212	149	760	832	57	219
TROPHIES/NAME PLAQUES/AWARDS	8	9	4	15	35	25	127	139	9	36
VOLUNTEER/EMPLOYEE RECOGNITION	61	68	30	119	282	199	1,013	1,110	76	292
WHS SAFE AND SOBER	2	2	1	3	7	5	25	28	2	7
FISHERMENS BENEFIT FUND	7	7	3	13	30	21	109	120	8	31
TOTAL MATERIALS AND SERVICES BUDGET	7,422	8,299	3,634	14,468	34,297	24,163	123,117	134,830	9,230	35,432
TOTAL MODIFIED MATERIALS AND SERVICES IN YEAR 2017-2018	41,061	45,910	20,103	80,040	189,737	133,676	681,104	745,902	51,060	196,015
percentage of expenditures	0.0153	0.0171	0.0075	0.0298	0.0706	0.0497	0.2533	0.2774	0.0190	0.0729

City of Manzanita
2022-23 Budget
Overhead Cost Share Model

Material and Services Costs:

Fund/Department	Five-Year Average Actual M&S Expenditures	Share of 5- Year Average M&S Spending	Share of FY2023 Overhead M&S Budget
General Fund			
Court	\$12,472	2.18%	\$3,909
Parks	\$24,076	4.22%	\$7,546
Police	\$52,671	9.22%	\$16,509
Non-Department	\$942	0.16%	\$295
Other Funds			
Building Fund*	\$41,339	7.24%	\$12,957
Water Operations (M&S)	\$289,977	50.77%	\$90,890
Water Construction (M&S)	\$132	0.02%	\$41
Road Fund (M&S)	\$39,586	6.93%	\$12,408
Tourism Promotion (M&S)	\$51,431	9.00%	\$16,121
Timber Mngmt (M&S)	\$16,258	2.85%	\$5,096
Trust Fund (M&S)	\$258	0.05%	\$81
City Hall Expansion (M&S)	\$38,066	6.66%	\$11,931
Park Facilities (M&S)	\$120	0.02%	\$38
Storm Drain Facilities (M&S)	\$3,867	0.68%	\$1,212
Totals	\$571,196	1.0000	\$179,034

Admin M&S OH (Data Source sheet, cell B2)

\$179,034

* includes Departments 400 & 410

City of Manzanita
2022-23 Budget
Overhead Cost Share Model

Personnel Service Costs:

Fund/Department	FTEs	Materials & Services Spending FY2021 Rate	FY023 Budget Total Payroll Cost
General Fund			
Court	0.04	2.18%	\$5,168
Parks	0.07	4.22%	\$9,975
Police	0.16	9.22%	\$21,823
Non-Department	0.00	0.16%	\$390
Other Funds			
Building Fund*	0.13	7.24%	\$17,128
Water Operations (M&S)	0.89	50.77%	\$120,145
Water Construction (M&S)	0.00	0.02%	\$55
Road Fund (M&S)	0.12	6.93%	\$16,401
Tourism Promotion (M&S)	0.16	9.00%	\$21,309
Timber Mngmt (M&S)	0.05	2.85%	\$6,736
Trust Fund (M&S)	0.00	0.05%	\$107
City Hall Expansion (M&S)	0.12	6.66%	\$15,772
Park Facilities (M&S)	0.00	0.02%	\$50
Storm Drain Facilities (M&S)	0.01	0.68%	\$1,602
Totals	1.7500	1.0000	\$236,661

Personnel	FTE	Loaded Cost
City Manager	0.5	95,081
Accounting Manager	1	115,548
Assistant City Recorder	0.25	26,032
Total FTE	1.75	236,661

Summary of Administrative Cost Totals

FTE	\$236,661
Materials & Services)	\$179,034
	\$415,695

City of Manzanita
2022-23 Budget
Overhead Cost Share Model

Fund/Department	Warrenton Model Materials & Services Cost Share	Warrenton Model FTE Cost Share	Warrenton Model Total Indirect Cost Share
General Fund			
Court	\$3,909	\$5,168	\$9,077
Parks	\$7,546	\$9,975	\$17,522
Police	\$16,509	\$21,823	\$38,332
Non-Department	\$295	\$390	\$686
Other Funds			
Building Fund*	\$12,957	\$17,128	\$30,085
Water Operations (M&S)	\$90,890	\$120,145	\$211,034
Water Construction (M&S)	\$41	\$55	\$96
Road Fund (M&S)	\$12,408	\$16,401	\$28,809
Tourism Promotion (M&S)	\$16,121	\$21,309	\$37,430
Timber Mngmt (M&S)	\$5,096	\$6,736	\$11,832
Trust Fund (M&S)	\$81	\$107	\$187
City Hall Expansion (M&S)	\$11,931	\$15,772	\$27,703
Park Facilities (M&S)	\$38	\$50	\$87
Storm Drain Facilities (M&S)	\$1,212	\$1,602	\$2,814
Totals	\$179,034	\$236,661	\$415,695



City of Manzanita

PO BOX 129, Manzanita OR 97130-0129

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ci.manzanita.or.us

2022 Budget Committee Application

Name: _____	Phone: _____
Address: _____	Email: _____
City/State/Zip: _____	
Occupation: _____	

Overview

The role of the Budget Committee is to provide a lay review of the proposed budget in the context of services that the city provides as well as additional programs or policies based on council goals. The budget committee receives the budget message and the proposed budget document from the budget officer, holds at least one meeting in which the public may ask questions about and comment on the budget, and ultimately approves the budget document. Committee members need to have a good understanding of the city's fiscal constraints and how services and programs are funded and be able to explain it to their friends and neighbors throughout the community.

Committee members are expected to do their homework and be prepared to participate actively in the budget process. This includes taking the training provided by the Oregon Department of Revenue and understanding their role as a member of the budget committee in relation to the budget officer.

Successful candidates shall have a solid basis or background in finance and/or budgeting experience in either the public or private sectors. If experience is in the private sector, the candidate must have a willingness to learn the differences between private sector finance and public budgeting processes and experience should be substantial or significant in nature.

Committee members should be able to take an active role in developing, evaluating and proposing policy that ensures the city's financial wellbeing. While this will likely happen outside of the budget process, members will be asked for guidance and feedback on proposed policies.

Committee members should have experience working in a constructive and collaborative committee format that is focused on supporting the budget officer, advancing the city's fiscal health wellbeing and serving the public interest.

Please explain your interest in serving on the budget committee. Be brief but be as specific as possible.

What experience do you have working with budgets?

Describe a situation where you had to compromise to reach consensus on a budget related issue.

You are also welcome and encouraged to submit a CV or Resume as part of your application.

THE DEADLINE FOR SUBMISSIONS IS FRIDAY, FEBRUARY 11, 2023 AT 4:00 PM

Please return this form
by email to cityhall@ci.manzanita.or.us

If you have any questions, please call 503-368-5343 or email us at cityhall@ci.manzanita.or.us