

City of McCleary

2024 Cost Allocation Narrative

The City of McCleary provides a variety of central services including but not limited to legal support, human resources, administrative functions, personnel services, billing support, accounts payable, budget and cash management and payroll and IT services.

Director of Public Works: Total Costs include salary, benefits and training costs.

- 90% of total costs are allocated using the Utility Revenue allocation method, not including ambulance, as the employee primarily works with Public Works/Utility.
- 10% of total costs are allocated to Current Expense Fund for Building/Planning, Parks, Cemetery, Streets, Grants and other Administration.

City Clerk-Treasurer: Total Costs include salary, benefits and training costs.

- 75% of total costs are split by total revenue of all funds to account for the finance, accounts payable, payroll and budgeting work done by the employees.
- 25% of total costs are split by number of employees per fund. This is for the human resources, risk management and benefits for each fund/employee.

Deputy Clerk-Treasurer: Total Costs include salary, benefits and training costs.

- 75% of total costs are split by total revenue of all funds to account for the finance, accounts payable, payroll and budgeting work done by the employees.
- 25% of total costs are split by number of employees per fund. This is for the human resources, risk management and benefits for each fund/employee.

Utility Accounts Manager: Total Costs include salary, benefits and training costs.

- 100% of total costs are split by Utilities (light and power, water, sewer, storm and ambulance) total budget.

Office Clerk: Total Costs include salary, benefits and training costs.

- 90% of total costs are allocated using the Utility Revenue allocation method as the employee primarily works with Public Works/Utility.
- 10% of total costs are allocated to Current Expense Fund for Code Enforcement and other assistance.

PW Assistant (or Program Manger 50% of position follows this other 50% follows Clerk-Treasurer Split by Revenue and Employees): Total Costs include salary, benefits and training costs.

- 90% of total costs are allocated using the Utility Revenue allocation method, not including ambulance, as the employee primarily works with Public Works/Utility.
- 10% of total costs are allocated to Current Expense Fund for Code Enforcement and other assistance.

Public Works Salaries and Expenses:

Total costs allocated are based on time spent doing work for each fund, time will be tracked in 2024 for review of percentages used, this is based on what data we have on projects. Water 41%, Sewer 28%, Light & Power 3%, Storm 17%, Streets 7%, Parks – 2% and Cemetery-2%.

COST ALLOCATION METHOD BREAKDOWNS:

Allocations for Salary and Benefits are set up by percentages and allocated as set up each pay cycle, transfers are not needed as they are expended as allocated. For expenditures not salary and benefit related there are saved allocations in the accounts payable set up to allocate out all office and operational expenses between the funds in the manner listed above. At the end of December revenue figures and employees numbers will be adjusted in the excel spreadsheet and adjustments to salaries and benefit percentages to funds will be recalculated if necessary.

In 2024 a work order management system and time tracking will be put into place to provide more data for 2025 allocation percentages.

Employee Related Expenditures (Payroll):

Revenue Percentages of All Funds:

Allocation is based on the total revenue estimate for the entire City Budget - Light and Power, Sewer, Water, Storm Water, Ambulance, Current Expense and Streets.

Current Expense – 19%
Light & Power – 47.50%
Water – 15%
Sewer – 13%
Storm – 2.5%
Streets – 1%
Ambulance- 2%

Utility Fund Revenue Percentages – no Ambulance: Total costs are based on actual revenue for Utility Funds only:

Light & Power – 61%
Water – 20%
Sewer – 16%
Storm– 3%

Utility Fund Revenue Percentages – with Ambulance: Total costs are based on actual revenue for Utility Funds only:

Light & Power – 60%
Water – 20%
Sewer – 16%
Storm– 3%
Ambulance – 1%

Employee Number:

Allocation is based on the number of employees per department divided by the total in the city. All current expense departments are lumped into one number and taken out of the Administration line item for salary and benefit of specific employees that use the calculation.

General Government Costs (non-payroll related):

Allocation of costs for services and expenditures shared by all funds. (accounts payable breakdowns)

All Utility Expenditures:

Allocation of costs for services/operation of all utilities is split by revenue of the funds:

- Light & Power – 61% (60% when ambulance included)
- Water – 20%
- Sewer – 16%
- Storm – 3%
- Ambulance-1% (only for specific utility type of expenses)

Public Works Only Expenditures: For allocation of expenditures by the public works employees are split by:

- Water – 43%
- Sewer – 29%
- Storm – 17%
- Streets – 7%
- Parks – 2%
- Cemetery-2%

All City Fund Expenditures Equal Use: (take into account fund revenue splits for budgeting and review of actual usage):

- Current Expense – 13%
- Light & Power – 50%
- Water – 18%
- Sewer – 16%
- Storm – 2 %
- Streets – 1%

Legal Services: Employees and revenue used -

- Current Expense – 25%
- Light & Power – 45%
- Water – 15%
- Sewer – 15%

Adopted by Council on:_____

Clerk-Treasurer Attest:_____