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DATE: August 15, 2023
TO: Mayor and Members of the City Council
THROUGH: Kyle Knopp, City Manager
FROM: Travis Sanborn, Finance Director
SUBJECT: Adopt Resolution 1589-2023 Approving Revised Billable Rates for Staff Time for Fiscal Year 2023-24

IT IS RECOMMENDED THAT THE CITY COUNCIL:

Adopt Resolution 1589-2023 Approving Revised Staff Billable Rates for Fiscal Year (FY) 2023-24 and Rescinding Resolution 1551-2022.

BACKGROUND AND DISCUSSION

To ensure the City is recovering the cost of providing services the Finance Department is revising the FY 2023-24 billable rates to reflect Council approved changes in compensation and benefits.

From time to time City staff is involved in activities and projects that require billing an outside party. In these circumstances the Finance Department prepares an invoice detailing all direct and indirect costs incurred by the City. The City bills for staff time actually spent, which is calculated using the approved billable rates. An updated billable rate for each position has been calculated using the following formula:

Total Billable Rate: Hourly Rate + Hourly Rate (Benefit Cost % + Overhead %)

Hourly Rate: Depending on position classification the hourly rate is set by various employment contract agreements and is based on job title and step.

Benefit Cost %: Benefits/Salary + Annual Leave Hours/Annual Paid Hours

Overhead %: Average Total Overhead by Department/Total Department Salary and Benefit Costs

Overhead expenses are all costs in the budget except for direct labor, direct materials, and direct expenses. Overhead includes items such as: advertising, insurance, interest, legal fees, rent, general maintenance and repairs, supplies, taxes, telephone bills, travel expenditures, and utilities.

ATTACHMENT

Resolution 1589-2023 Approving Revised Billable Rates for Staff Time for Fiscal Year 2023-24