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To: Lemoore City Council
From: Nancy Cota, Finance Director
Date: March 17, 2006
Subject: Cost Allocation Plan Update

Item # 6/9

Discussion:

City staff has prepared this update of the Cost Allocation Plan (CAP) for the 2005/06 fiscal year. The purpose of this plan is to update the overhead costs to functional departments. This is the second CAP in this format; the updated information based on the same compilations as the 2004/2005 plan developed by MuniFinancial in 2004.

The primary changes from the previous CAP are the increase in the contribution from the Redevelopment Agency to include the new Redevelopment activities in the city operations. Additionally, we have increased the Sewer/Storm Drain transfer to include the ponding basins maintained by the Parks Department, changes made to reflect the effect of the organizational structure of city operations, the space rental rates based on current market status, and the streets maintenance cost changes.

General Fund Transfer from (fund)	Current 2004/05 Transfer	Proposed 2005/06 Transfer	Difference
(040) Fleet Maintenance	\$ 80,034	\$ 86,433	\$ 6,399
(050) Water	\$260,182	\$ 319,713	\$ 59,531
(056) Refuse	\$321,810	\$ 488,803	\$166,993
(060) Sewer/Storm Drain	\$196,585	\$ 342,291	\$145,706
(065) Streets Capital	\$ 8,236	\$ 18,648	\$ 10,412
(066) Law Enforcement Capital	\$ 1,002	\$ 644	(\$ 358)
(067) Fire Facilities Capital	\$ 456	\$ 300	(\$ 156)
(068) General Facilities Capital	\$ 17,350	\$ 6,024	(\$ 11,326)
(069) Storm Drain Capital	\$ 3,765	\$ 3,440	(\$ 325)
(070) Water Capital	\$ 9,026	\$ 4,097	(\$ 4,929)
(071) Sewer Capital	\$ 5,578	\$ 3,311	(\$ 2,267)
(072) Streets Capital	\$ 680	\$ 453	(\$ 227)
(074) Parks & Rec. Capital	\$ 3,798	\$ 4,743	\$ 945
(076) Refuse Capital	0	\$ 311	\$ 311
(078) LLMD	\$ 21,824	\$ 31,892	\$ 10,068
Total	\$930,326	\$1,311,103	\$ 380,777

Budget Impact:

As described in the table above, acceptance of this update in the CAP results in an additional \$380,777 transfer into the General Fund from other funds for the 2005/2006 fiscal year, and will be the basis for the 2006/07 year as well.

Recommendation:

That the City Council, by motion, accept the attached Cost Allocation Plan update.