



CITY OF FORT BRAGG

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FINANCE AND ADMINISTRATION COMMITTEE

MEETING DATE: October 5, 2016
TO: Finance and Administration Committee
AGENDA ITEM TITLE: **Cost Allocation Methodology for Facilities Maintenance & Repair Internal Service Fund and FY 2016/17 Budget Amendment**

BACKGROUND AND OVERVIEW:

On June 27, 2016, the Fort Bragg City Council adopted the City's Fiscal Year 2016-17 budget. At that meeting, the Council directed staff to revisit the Facilities Repair and Maintenance Internal Service Fund allocation as presented in the adopted Budget. Staff was asked to reassess the Water and Wastewater Enterprise funds' allocations for projects funded by the Facilities Repair and Maintenance Internal Service Fund. Staff has completed the reassessment and found a reasonable basis to increase the General Fund's contribution to the Internal Service Fund by \$45,409.19 with a corresponding \$22,704.09 decrease in contribution for each of the Enterprise Funds (see attached summary of recalculated allocation). It should be noted that the General Fund contributed a lump sum of \$400k to the Internal Service Fund in FY 2014-15. This initial outlay was credited to the General Fund projects prior to allocating the remaining costs.

RECOMMENDATION:

Recommend that City Council accept reallocation as presented and approve associated budget amendment to reflect revised allocation methodology.

ALTERNATIVES:

1. Provide direction to staff for further modification of Internal Service Fund allocations.

ATTACHMENTS:

1. Summary of Recalculated Facilities ISF allocation