

**DIRECT AND INDIRECT SERVICE COST ALLOCATIONS
2013 BUDGET METHODOLOGY**

Cost Category Code:							
B	Building and Ground						
R	Reserves / Recoveries						
C	Cost Allocations						
Cost Category	Description	Account	Locked	Standard Budget Methodology	2013 Budget Calculation	Basis for 2013 Actual Chargeback	
	DIRECT SERVICE COSTS			Direct inputs used in the provision of service. Should be measurable and charged to all departments.			
B	IP Telephony	56147	Yes	Based on the number of telephones (MAC Device number) in each department using the Call Manager database maintained by Information Services.	Calculated using June 2012 Call Manager Database distribution containing 4,454 MAC devices. Total City telephone costs to be recovered for budget purposes reduced in 2013 to more accurately reflect expenditures incurred by IS (2013 = \$600,000, 2012 = \$740,120). Cost per phone = \$135 (\$600,000 / 4,454).	Monthly chargeback based on actual telephone costs incurred by Information Services and number of MAC devices per deptid.	
R	Mapping Services	59432	Yes	No budget...charges to users based on requests to Information Services.	Not Applicable.	Based on actual cost of job requests submitted to Information Services.	
R	Hardware Lease / Mtce	59433	Yes	Based on current year desktop / notebook computer inventory records and lease costs maintained by Corporate Services. Leases under the old computer contract that have not yet expired are based on a 3 year amortization period. Leases that have expired or new Dell units delivered by June 30, 2012 are based on a 4 year amortization period. Excludes Library computers which are no longer budgeted under this cost allocation account.	Annualization of desktop / notebook equipment lease charges from January 1 to June 30, 2012.	Monthly chargeback based on actual computer lease charges amortized over asset life cycle (majority of units are based on a 4 year amortization period).	
R	Ricoh Printers	59434	Yes	Based on Ricoh Contract costs incurred by Information Services. Includes lease rate, overage charge and maintenance costs. Costs will vary by department depending on the printer / copier model used and the associated features (i.e. black & white vs colour).	April 1 to June 30, 2012 print volumes / costs per deptid annualized over 12 months.	Monthly chargeback based on actual printer / copier usage by employee in each department.	
R	Application Server / Mtce	59435	Yes	Based on current year lease server costs incurred by Information Services and charged back to departments. Budget calculation based on June 2012 list of active servers.	June 2012 monthly lease server costs annualized.	Monthly chargeback based on actual server lease charges amortized over asset life cycle.	
R	Image Processing	59436	Yes	Based on previous year image processing costs charged back to departments by City Clerk.	Budget based on 2012 actual image processing costs charged to departments.	Monthly chargeback based on actual microfiche jobs processed.	
R	Agendas	59437	Yes	Based on current year scheduled Council and Committee meetings X unit price. Unit prices based on size of the various agendas. Number of agendas, unit price and department distribution provided by Legislative section in City Clerk. 2013 calendar of Council / Committee meetings not approved until October.	Based on number of 2012 Council / Committee meetings x unit price of the agenda. AFA \$6, Emergency & Community Services \$5, Public Works \$7, Health \$5, GIC \$5, Planning \$14, Council \$6.	Monthly chargeback based on actual agenda distribution.	

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R	Vehicle Insurance	59445	Yes	Represents the budgeted Fleet Services insurance costs as apportioned from the working papers for cost allocation account 59446. The total fleet insurance costs are allocated to select deptids using current year vehicle inventory records and a 5 year history of fleet claim costs. The vehicle inventory records identify the number and type (i.e. light commercial vs heavy units) of vehicles assigned to each deptid which is the basis for allocating the premium component of the insurance costs.	Budget calculated and prorated to departments using July 2012 Fleet inventory records and 2013 Fleet insurance costs. Premium expenses allocated using number and type of vehicles per deptid x 2012-2013 premium rates. 2013 Fleet claim costs prorated based on five year weighted rolling average of Fleet claim expenses for the period 2007 to 2011. Risk Management administration costs prorated based on sum of 2013 budgeted premium and claim costs.	Monthly chargeback based on budget.	
R	Insurance	59446	Yes	Summation of the following three insurance costs: Premiums, Claims and Risk Management Administration. Premium expenses are apportioned across all deptids using the same percentage allocation used in the previous year budget calculation. Claim costs are prorated from a 5 year weighted rolling average of claims paid for each City department as provided by Risk Management. Risk Management administration costs for the coming year are added based on a calculation that takes the weighted average of current year (2013) claim expenses and the previous year (2012) administration costs budgeted.	Premium expenses are prorated based on the 2012 premium allocation; Claim costs are prorated using a 5 year weighted rolling average of claims paid from 2007 to 2011; Administration costs are prorated using a weighted average of 2013 claim costs and 2012 administration costs. Claim costs recovered from departments has remained fixed for several years at \$6,904,866 which is approximately \$2 million below the actual claims paid out amount. Total 2013 insurance costs charged back to departments is net of \$300K in funding from the Tax Stabilization Reserve.	Monthly chargeback based on budget.	
R	Facilities	59450	Yes	Based on building costs that will include: employee related expenses for Facilities staff, contractual costs such as building cleaning, building repairs, operating supplies, elevator maintenance, blue box and waste pickup, snow removal, grounds maintenance, etc.	Based on 2013 budget for each facility as determined by Public Works.	Monthly chargeback based on actual Facility costs.	
R	Postage/Freight/Courier	59460	No	Budget amount established by user departments.	2012 base budget adjusted as necessary by user departments.	Monthly chargeback based on actual requests to City Clerk.	
R	Printing & Reproduction	59461	No	Budget amount established by user departments.	2012 base budget adjusted as necessary by user departments.	Monthly chargeback based on actual requests to City Clerk.	
INDIRECT SERVICE COSTS				Indirect program support costs charged only to departments where there is a direct benefit to the tax budget. These costs are incurred globally and do not exist as a result of the provision of a specific service.			
C	Human Resources	59401	Yes	# of FTEs per Dept ID (except for HECFI, Police & Library)	1% increase to 2012 budget base	Monthly chargeback based on budget.	
C	Fin Accounting Services	59410	Yes	# of journal lines AAA_STATS_GL_JOURNAL_LINES;	1% increase to 2012 budget base	Monthly chargeback based on budget.	

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C	Fin Application Support	59411	Yes	# of transaction lines (AP, AR, Payroll and other journals) - PS Query	1% increase to 2012 budget base	Monthly chargeback based on budget.		
C	Fin Payroll	59412	Yes	# of distribution lines per chq & deposits - PS Query	1% increase to 2012 budget base	Monthly chargeback based on budget.		
C	Fin Accounts Payable	59413	Yes	# of distribution lines per chq (excl tax) AAA_STATS_AP_INV	1% increase to 2012 budget base	Monthly chargeback based on budget.		
C	Fin Purchasing	59414	Yes	# of PO lines (PS Query & Policy 11 reports) AAA_STATS_PS_REQ_COUNT_SUM	1% increase to 2012 budget base	Monthly chargeback based on budget.		
C	Fin Accounts Receivable	59415	Yes	# of lines on AR invoices AAA_STATS_AR_ITEMSCOUNT	1% increase to 2012 budget base	Monthly chargeback based on budget.		
C	Treasury Services	59420	Yes	time spent, equally split - and then allocated to recoverable areas	1% increase to 2012 budget base	Monthly chargeback based on budget.		
C	Current Budgets	59421	Yes	gross operating budgets (excl Debt & Corp Financials)	1% increase to 2012 budget base	Monthly chargeback based on budget.		
C	FP&P recovery	59422	Yes	time spent, equally split - and then allocated to recoverable areas	1% increase to 2012 budget base	Monthly chargeback based on budget.		
C	Information Services	59430	Yes	# of network connections i.e. PCs, notebooks, tablets, printers (per database extract as of 'cutoff date') - except for Library & Police	1% increase to 2012 budget base	Monthly chargeback based on budget.		
C	Legal Services	59440	Yes	% of time spent (TimeKM reports)	1% increase to 2012 budget base	Monthly chargeback based on budget.		
C	Internal Courier	59462	Yes	# of FTEs (excluding Public Health)	1% increase to 2012 budget base	Monthly chargeback based on budget.		
C	Legislative	59501	Yes	% of gross operating budget - Levy vs Rate	1% increase to 2012 budget base	Monthly chargeback based on budget.		
C	City Manager	59505	Yes	% of gross operating budget - Levy vs Rate	1% increase to 2012 budget base	Monthly chargeback based on budget.		
C	Call Centre	59515	Yes	Historical - based on estimated FTEs for after-hours call centre. Charges posted to Corporate Services (Customer Service), Public Works (Water / Wastewater) and Public Health.	1% increase to 2012 budget base	Monthly chargeback based on budget.		
C	CMS Finance & Admin	59520	Yes	% of F&A staff time spent (in recoverable areas)	1% increase to 2012 budget base	Monthly chargeback based on budget.		
C	Corp Serv GM Recovery	59530	Yes	% of GM time spent, equally split and then allocated to recoverable areas	1% increase to 2012 budget base	Monthly chargeback based on budget.		
C	Clerks	59535	Yes	% of gross operating budget - Levy vs Rate	1% increase to 2012 budget base	Monthly chargeback based on budget.		
C	Provincial Offences – RLC	59540	Yes	Red Light Camera infractions are \$325. POA receives \$41.25, Province receives \$60 and the balance to Traffic (deptid 461010). The Justice of the Peace can convict (or accept a walk in plea of guilty) at an amount lower than \$325, which will impact the fine collected and victim surcharge amount that goes to the Province.	1% increase to 2012 budget base	Monthly chargeback based on actual fine revenue collected.		