

# CITIZENS' WATER ADVISORY COMMITTEE (CWAC)



Thursday, December 3, 2015, 1:30 p.m.  
Director's Conference Room  
Tucson Water, 3<sup>rd</sup> Floor  
310 W. Alameda Street, Tucson, Arizona

## Legal Action Report

### 1. Roll Call:

The meeting was called to order by CWAC Chair, Brian Wong at 1:31 p.m. Those present and absent were:

#### Present:

Brian Wong	Chairperson, Representative, City Manager
Catlow Shipek	Representative, City Manager
Mark Taylor	Representative, City Manager
Mitch Basefsky	Representative, City Manager
Placido dos Santos	Representative, City Manager
Chuck Freitas	Representative, City Manager
Jean McLain	Representative, City Manager
Ryan Lee	Representative, Ward 1
Bruce Billings	Representative, Ward 3
Mark Lewis	Vice Chair, Representative, Ward 5
Kelly Lee	Representative, Ward 6

#### Absent:

Mark Murphy	Representative, Mayor
Mark Stratton	Representative, City Manager
Amy McCoy	Representative, Ward 2
George White	Representative, Ward 4
Albert Elias	Tucson Water, Acting Director, Ex-Officio Member
Jackson Jenkins	Pima County Regional Wastewater Reclamation Department Director, Ex-Officio Member

#### Tucson Water Staff Present:

Sandy Elder	Deputy Director
Scott Clark	Deputy Director
Andrew Greenhill	Intergovernmental Affairs Manager
Melodee Loyer	Water Administrator
Pat Eisenberg	Water Administrator
Britt Klein	Water Administrator
Fernando Molina	Water Program Superintendent
Steven Ritter	Management Coordinator
Theresa Bourne	Lead Financial Accountant
Joaquim Delgado	Public Information Specialist
Rebecca Spry	Staff Assistant
Johanna Hernandez	Staff Assistant
Kris LaFleur	Staff Assistant

#### Others Present:

Chris Avery	City of Tucson, Attorney's Office
Amy Stabler	City of Tucson, Ward 6
Mark Crum	City of Tucson, Ward 6
Steve Arnquist	City of Tucson, Ward 1
Pete Saxton	City of Tucson, Internal Audit
Lee Barr	City of Tucson, Budget
Alan Tonelson	Citizen
Ed Verburo	Citizen

## Citizens' Water Advisory Committee (CWAC)

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2. **Announcements** – None.

3. **Call to Audience** – Chuck Freitas summarized the events of the Arizona Town Hall, and provided a copy of an article on the subject.

4. **Review of November 4, 2015 Legal Action Report and Meeting Minutes** – Committee Vice Chair Lewis motioned to approve the Meeting Minutes of November 4, 2015. Member Billings seconded. Motion passed unanimously by a voice-vote of 11-0.

5. **Adoption of 2016 Meeting Schedule** – Chairperson Wong presented the proposed the 2016 CWAC meeting schedule of the first Wednesday of every month, at 7 a.m., with the Committee taking a summer break in July and August. Member Freitas motioned to adopt the proposed schedule. Member Billings seconded. Motion passed unanimously by a voice-vote of 11-0.

6. **Officer Elections** – Staff explained the process for elections and voting, the positions of Committee Chair (nominees: Wong & Lewis), Committee Vice Chair (nominees: Wong and Lewis), and Conservation and Education Subcommittee Chair (nominee: Shipek) are up for election. Nominees for Chair spoke briefly about their desire to serve as Chair.

Vice Chair Lewis spoke as to his desire for the Committee to improve its role as advocates and specific topics he would like the Committee to address, such as oversight of the conservation fund, review of monies paid to the City general fund, and public information access. Member Lewis also spoke as to administrative aspects of the Committee, such as bylaws, meeting format, meeting locations, and subcommittee designations.

Chair Wong expressed his gratitude for the year he has served as Chair, and conveyed his desire to continue as Chair.

Member Wong was elected chair by ballot vote (Wong -8; Lewis -2; Abstained -1[Wong]). *Correction: the audio recording reflects a vote distribution of 9-1-1, clarification after the meeting corrected that count to 8-2-1.*

Member Billings motioned to summarily elect the sole candidates for Vice Chair (Lewis) and C&E Chair (Shipek). Member Freitas seconded. Member Lewis noted his objection to Member Shipek's nomination for the Chair of C&E due to a possible conflict of interest. The Committee held a discussion regarding conflict of interest and recusal when necessary. Member Lewis rescinded his objection. Motion passed unanimously by a roll-call vote of 11-0.

7. **Director's Report** –

a. **Mayor and Council Items** – In late November, Tucson Water sent a Memorandum regarding the Utility's Low Income program to the Mayor and Council and to CWAC. There was a brief discussion on the content of the Memorandum.

In January, Mayor and Council will consider a Real Estate item for a lease to Latitude Engineering for a portion of Tucson Water's land in Avra Valley.

b. **Department Updates** – Tucson Water currently has 55 vacancies, 11 active recruitments, and 5 pending new hires. The Utility is aggressively pursuing filling its vacancies.

c. **Informational Items** – Potable water production is down about 6%, the decreases are partially accounted for in the Utility's projections for reductions of demand; likewise, reclaimed production is down about 11%.

The CWAC and UCAB are scheduled for the Director's Recruitment Meet and Greet on 12/10/15 from 7:15-8:15 a.m. at Tucson Water. Forms will be supplied for attendees to provide feedback. There will be a press release Monday, December 7<sup>th</sup> announcing the 3 finalists.

Member dos Santos departed at 2:00 p.m.

8. **Subcommittee Reports** –

**Technical, Policy, and Planning Subcommittee** – Member Wong reported that the last TPP meeting was canceled due to lack of quorum.

## Citizens' Water Advisory Committee (CWAC)

### Legal Action Report

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**Finance Subcommittee** – Subcommittee Chair Billings reported the Subcommittee has reviewed the O&M budget; cost allocation and revenue requirements are coming up in the schedule for future meetings.

**Conservation and Education Subcommittee** – Member Shipek reported the Subcommittee is working on a mission statement and revision of the M&C water policies. The Subcommittee will next meet in January.

**Bill Redesign Ad-Hoc** – Subcommittee Chair Freitas reported that the planned focus groups have been delayed to January; a meeting will be scheduled after the focus groups are completed.

**RWRAC Update** – Member Taylor reported that RWRAC has met frequently in the last month. They will continue to work on through the rate process likely through February.

9. **Member Appreciation Award<sup>1</sup>** – The Committee recognized Alan Tonelson for his service and presented him with an award.
10. **Ward 1 Perspectives** – Steve Arnquist expressed the Ward's and Council Member Romero's, appreciation for Alan Tonelson's service on CWAC. Mr. Arnquist directed members to Plan Tucson for the Ward's, and the City's, general water perspectives. Specifically, in regards to rates, CM Romero supports pro conservation, low fixed-high usage rates. The Ward's water priorities are water reliability, municipal and environmental water uses, rainwater harvesting, green infrastructure, maintenance and expansion of the low-income program, continued customer service improvements, and holistic conservation programs not focused on demand reduction. Customer service issues often stem from representative attitudes, language barriers, and levels of comfort approaching Tucson Water. Discussion was held on rates and development of the low-income program.

Member Taylor departed at 2:30 p.m.

Member Lewis departed at 2:39 p.m., returned 2:40 p.m.

11. **Operations and Maintenance Budget (O&M)** – Tucson Water Deputy Director Scott Clark presented a PowerPoint on the O&M Budget. The O&M funds and supports Tucson Water's Water Reliability Program. The Utility's operating request is just over \$188M; an increase of just over \$16M from FY16. Of that, about \$9M is non-discretionary and about \$7M is discretionary. The Utility's assets and employee metrics were discussed. The Utility is requesting funds for eight new positions. A detailed breakdown of the non-discretionary and discretionary requests was reviewed. The next steps include review and approval of the Financial Plan, followed by the review of Cost of Service, and approval rate schedules. A brief discussion was held on the staffing needs of the Utility, and how CWAC might support those needs.
12. **IAPC Report and Recommendation** – IAPC Cost Allocation Subcommittee Chair Jim Hannley summarized the IAPC's process and findings. Mr. Hannley reported that Cost Allocation plans are common, and that the software used by the City is in widespread use across the country. A brief explanation of the two illustrative examples was provided. The Subcommittee concluded, and the Committee concurred, that the Cost Allocation process is equitable, reasonable, and appropriate. It was outside of the Subcommittee's scope to consider comparisons to other cities or private organizations.

Member McLain departed at 3:30 p.m.

13. **Open Meeting Law** – This presentation was deferred to the January meeting.
14. **Future Meetings/Agenda Items** – See projected agenda.
15. **Adjournment** – Meeting was adjourned at 3:33 p.m.

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<sup>1</sup> Item taken out of order

# Delegates push to protect Yuma water rights at forum

By Blake Herzog @BlakeHerzog | Posted: Saturday, November 21, 2015 5:48 pm

A delegation of 10 Yuma County representatives attended the Arizona Town Hall conference last week in Mesa, and many left satisfied with the job they did in protecting the area's interests when it comes to the topic of the summit: water.

It wasn't for lack of trying, said Ken Rosevear, director of AZ Common Sense and formerly of the Yuma County Chamber of Commerce. "I think we did a really good job, we would meet each night and discuss that day and then prepare our position statement for the next day. So we were really well-coordinated, we worked well together as a group," he said.

Yuma County Board of Supervisors Chairman Russell McCloud, another participant, said the message was, "instead of looking to agriculture to solve the state's water supply, that there are other methods of doing so."

The conference ran from Sunday evening through Wednesday afternoon, all geared toward putting together a report to be sent to the Legislature and Gov. Doug Ducey ahead of the new session every January in Phoenix.

"It was an intense conference, I don't mind telling you," said Paul Muthard, of Pasquinelli Produce. "There was a lot of work and a lot of time spent, even during dinners and lunches and breakfasts there were presentations. So it was pretty businesslike, not very much fluff.

"And my general impression is the attendees of this town hall were pretty darn smart about water. There were a lot of professionals."

With the western U.S. in a drought threatening Colorado River shortages and about 70 percent of the state's water going to agricultural uses, according to the Arizona Department of Water Resources, Yumans at the conference realized that industry could end up under scrutiny, so they tried to get the word out while in their breakout groups.

The format, which is similar to Yuma's Southwest Arizona Futures Forum, divides attendees into smaller groups to talk about issues within the broad category of water, such as current usage, meeting future water needs, the impact of technology and conservation measures such as pricing. The facts and suggestions from those groups are then distilled into the final report.

The Yuma area is the source of some 85 percent of the nation's winter vegetables, so representatives emphasized that fact in their groups, said Yuma City Attorney Steve Moore. "I think people have a

much, much better understanding of that, at least in our section. Which is also reflected in the final report that they're drafting up," he said.

The document on the Arizona Town Hall is still just a draft, but its conclusions look to other measures for, as the conference's title puts it, "Keeping Arizona's Water Glass Half Full." The word "agriculture" doesn't appear at all in the action plan it sets for the six priorities it sets, which are:

- Considering actions such as local water planning, funding the state Water Resources Development Fund and addressing demands on the overloaded Colorado River, where most of Yuma's water comes from.
- Coming up with new ways to fund water supply and new infrastructure.
- Funding and staffing the ADWR adequately.
- Education and public awareness.
- Creating a "culture of conservation" and developing additional water sources such as reclaimed water and desalination.
- Legal reforms to streamline and simplify resolution of water rights including tribal rights, "provided that federal claims are adjudicated first and small users are adequately protected."

The last section didn't indicate the report would endorse making it easier to transfer water rights from one part of the state to another, something of particular concern to Yuma as it has some of the most senior, or protected, rights to the Colorado River.

An earlier section of the draft report states any discussion of transferring rights between users "is worth exploring," but called it "a highly sensitive and controversial topic which has the potential to pit regions, communities and industries within Arizona against each other."

Voluntary deals to redistribute water through planning and market-based systems might be another option, it also says.

McCloud said many of the solutions discussed were on the level of low-flow toilets and other small modifications. "I think the thing that really came out about it is we're not going to solve our water issues with one grand idea. It's going to be a lot of really small ideas, good ideas, small incremental improvements in water usage, which put together will add up to significant water savings over time," he said.

Moore said participants at the town hall's final, "plenary" session had the chance to vote items up or down in the final report, and references to potential measures such as leaving land fallow were taken out after the Yuma contingent objected. "Anything critical of ag got taken out of there," he said.

There was one general statement that "Some advocate for limited agricultural use, restricted growth

in water-limited areas or more astute forest and watershed management."

Muthard said some of the Yuma contingent tried to advance the idea of limiting municipal growth in areas with a limited water supply, but that appears to be the only place in the draft report where it shows up.

He said a case study report released in February by the Yuma County Agriculture Water Coalition about efforts to increase water efficiency seemed to have convinced many who attended the conference ahead of time that the area's farmers are good stewards of their supply.

"No one seemed to take much issue that there was much more that Yuma agriculture can do. The case has been pretty convincingly made that Yuma agriculture's very efficient and a world leader, basically, in efficiency, and I didn't get anyone questioning how much more, 'if only ag would do this,'" he said.

A spokeswoman for Arizona Town Hall, Rhonda Bannard, said about 150 representatives from around the state attended, along with presenters, recorders and others who help put the event together. They are generally nominated by members of the Town Hall board or are members of the Town Hall organization, with a goal of representing the state's geographic and ethnic diversity. They have to pay to participate, though scholarships are available.

The other Yuma County participants were John Courtis, executive director of the Yuma County Chamber of Commerce; Shelley Mellon, chair of the Southwest Arizona Futures Forum; Jay Simonton, utilities director for the city of Yuma; Bruce Gwynn of the Yuma Fresh Vegetable Association; Patrick Morgan of the Yuma Mesa Irrigation and Drainage District; and agricultural attorney Stephen Shadle.

Arizona Town Halls have been held for decades, and return to the topic of water about once a decade, most recently in 2004. Rosevear said they sometimes do have an impact on state policy, depending on how important the issue is at the moment.

"This one is especially important, because of the situation in California. We don't want to become a California," he said, referring to the state's water rationing.

Muthard said it appeared to be a productive session for local water rights.

"I walked away from the conference not being too fearful of a revolt, with people saying, 'we're going to take Yuma's water, come hell or high water.' No pun intended," he said.

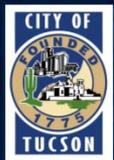
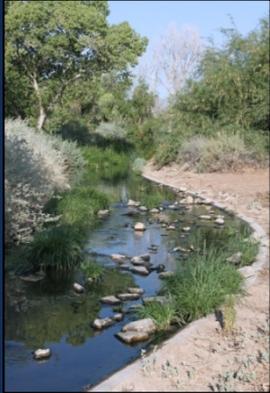
Yuma Sun staff writer Blake Herzog can be contacted at (928) 539-6856 or [bherzog@yumasun.com](mailto:bherzog@yumasun.com).

## Potential Strategic Initiatives (CWAC) Calendar 2016

- 1) Establish a Mission Statement (or similar operational focus) related to the powers and duties of CWAC, including the role of rate payer advocacy to ensure our mandate in City Code 27-61 (c) is being met. *"... Promote the concerns of Tucson Water customers by ensuring that recommended water rate adjustments are kept to the absolute minimum necessary, consistent with adopted mayor and council plans and policies ..."*
- 2) Establish at least a minimum set of By-Laws to ensure that no one member, including the Chair or Vice Chair can take any action in which a majority of members cannot override at a duly called meeting and that any item will be placed on a CWAC agenda if three or more members make such a request in writing. (Basic democracy, 101).
- 3) Restructure the agendas to ensure at least 50% of each full CWAC meeting is set aside to have CWAC members talk with each other, and with staff regarding items submitted by CWAC members for these set aside "discussion items periods". **(Such as these 8 discussion items)**. (Majority at any meeting can waive for that meeting).
- 4) Promote actual "rate payer input" by having at least 2 of the 2016 full CWAC meetings at locations around the service area and through specific invitation to have rate payers participate in such meetings. (Recommend low income areas with meeting time and location that increases the likelihood of participation). Specific suggestion is to have these meetings at City Council offices, with direct Council member participation.
- 5) Confirm clear and concise stewardship of the Conservation Fee (fund) oversight, both in practical terms, such as monthly review of internal financials and tracking methodology, and from the perspective of "appropriate use of funds based on dispersal equity and effectiveness of expenditures".
- 6) Engage in immediate review of all TW expenditures to governmental entities to ensure that rate payer monies being spend on PILOT fee, administrative fees, low income assistance and any/all other related expenditures are known, analyzed by CWAC, with the assistance of outside professionals if deemed necessary by CWAC.
- 7) Establish policies related to CWAC members access to both public documents and operational "work product" documents associated with Tucson Water. Excludes any documents protected by privacy or any other labor union, City, County, State or Federal rules and regulations.
- 8) Establish TPP, CED, Bill Redesign and Finance Committees and all other desired Committees as either Executive, Standing or Sub Committees (per City Code 27-63) and require each to develop their own Mission Statement (or similar operational focus) , for full CWAC approval.

Respectfully Submitted by Mark Lewis 12/3/2015.

# CITIZENS' WATER ADVISORY COMMITTEE OPERATIONS & MAINTENANCE BUDGET • 12.3.2015



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# Budget Team

- Staff
  - Scott Clark – [Scott.Clark@tucsonaz.gov](mailto:Scott.Clark@tucsonaz.gov)
  - Melodee Loyer
  - Steven Ritter
  - Theresa Bourne
  - Suzanna Snyder
- Consultant Services
  - David Cormier
  - Deb Galardi



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# Purpose and Bottom Line

- **Purpose**
  - To familiarize the Citizens Water Advisory Committee with Tucson Water's budget request, highlight substantial changes in non discretionary and discretionary requests, and present the budget development process and schedule, and solicit CWAC's issues and concerns
- **Bottom Line**

Tucson Water's operating request is \$188,220,482.  
A total increase of \$16,150,792 over FY 2106  
\$9,035,378 is non discretionary  
\$7,115,414 is discretionary



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# The Water Reliability Program



Water Supply

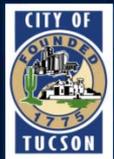
Water Quality

Water  
Customers

Operations  
& Systems

Water Conservation  
& Efficiency

The Water Reliability Program  
includes projects and programs that ensure we have a  
reliable water supply  
and water system – today & in the future

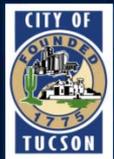


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# Tucson Water maintains \$1B in Assets

- 391 square miles of obligated water service area
- 228,000 active services
- 222 potable wells
- 144 points of entry
- 4,400 miles of pipe
- 68 potable & reclaimed facilities
- 125 boosters
- 123 pressure reducing facilities
- 85,000 flow valves
- 20,900 fire hydrants
- 276 dedicated sampling stations

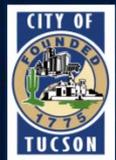


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# O & M: Employee Metrics

- 547 fulltime employees
- Requesting 8 Positions
  - Five Customer Service Reps
  - Two Customer Relations Trainers
  - One PIO – Website Development and Administration
- Modest growth projected in number of services



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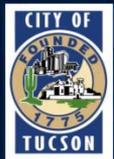
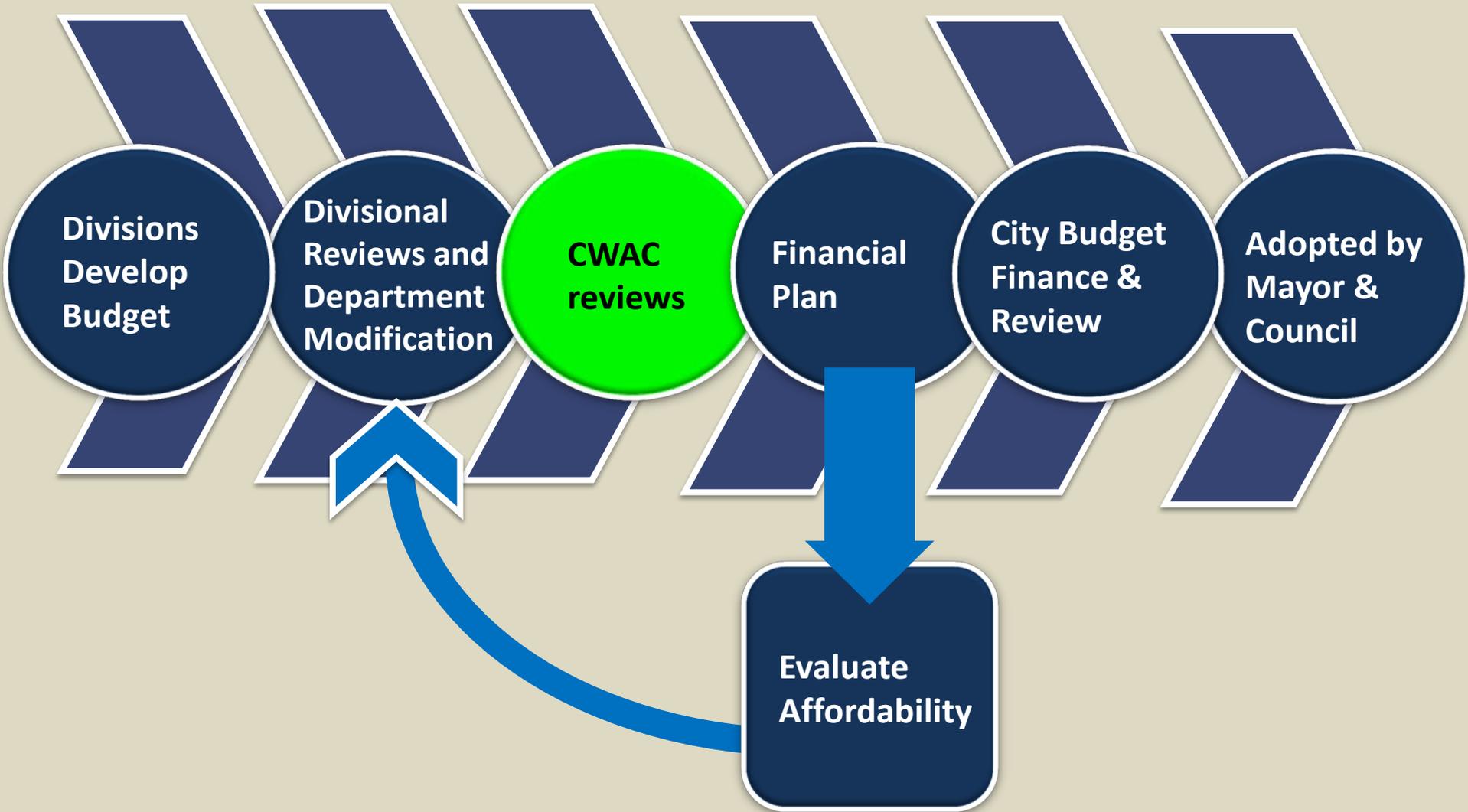
# Employee: Service Ratio Trends



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# Operations & Maintenance Budget Process



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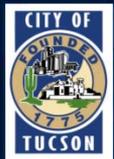
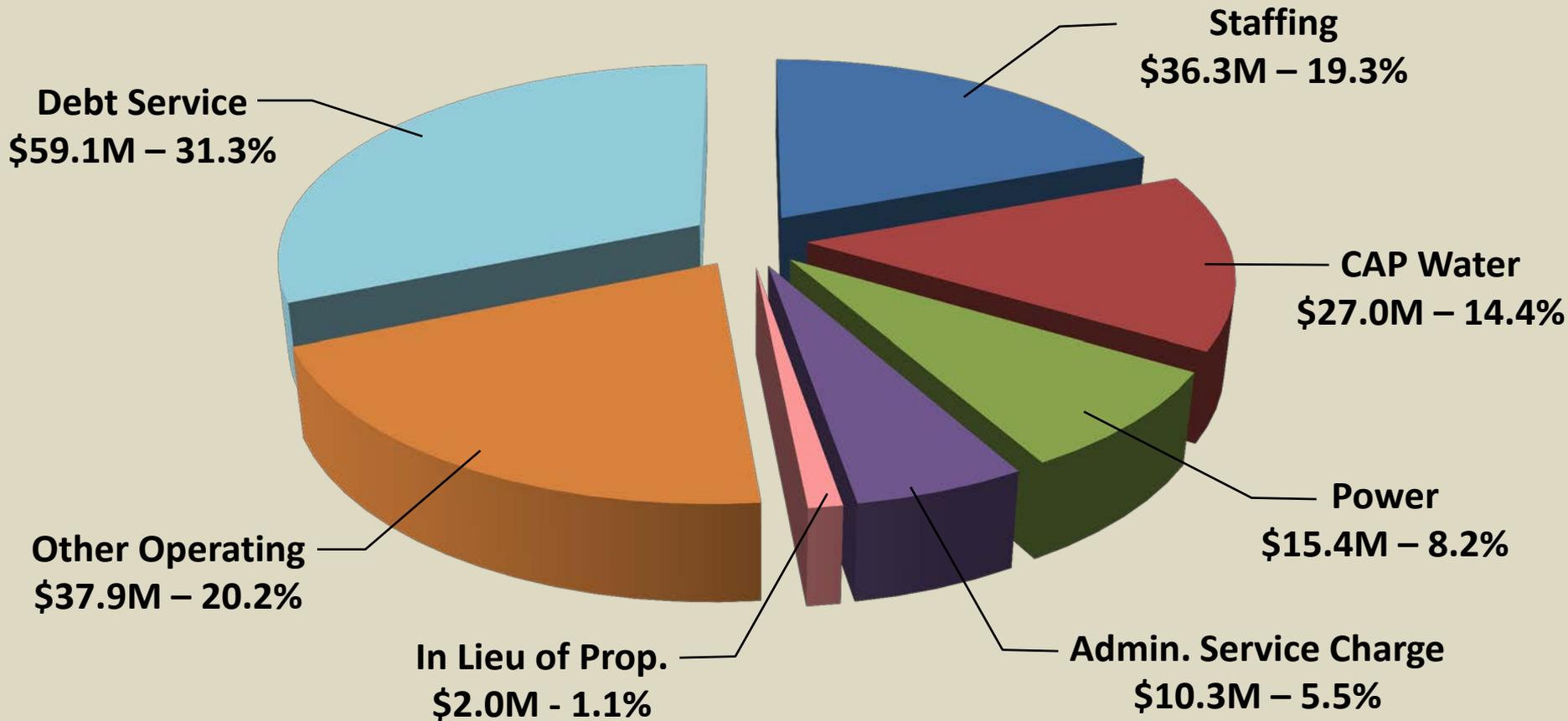


## FY 2017 Operating Budget Request

	FY 2016 Adopted Budget	FY 2017 Requested Budget	<i>Change</i>
<b>Requested O&amp;M Budget</b>	<b>\$172,069,690</b>	<b>\$188,220,482</b>	<b>\$16,150,792</b>
<b>Non Discretionary</b>			
Debt Service	\$53,511,000	\$59,138,890	\$5,627,890
Salaries	35,196,481	36,373,068	1,176,587
CAP	26,316,020	27,035,808	719,788
Power	15,913,825	15,422,421	(491,404)
Admin Service Charge (Direct/Indirect)	9,990,440	10,307,957	317,517
In Lieu property	1,600,000	2,000,000	400,000
Legal	600,000	860,000	260,000
Low Income Program	525,000	900,000	375,000
Low Interest Loan Program*	0	300,000	300,000
Stormwater Neighborhood Projects*	0	350,000	350,000
<b>Total:</b>	<b>\$143,652,766</b>	<b>\$152,688,144</b>	<b>\$9,035,378</b>
<b>Discretionary</b>			
CIPs to O&M		\$3,220,000	\$3,220,000
Additional Vehicles		1,286,000	1,286,000
New CSRs, Customer Service Training, Web Master, AMI PM		576,636	576,636
Utility Billing Upgrades		500,000	500,000
Others include TARP and AOP maintenance management		1,532,778	1,532,778
<b>Total:</b>		<b>\$7,115,414</b>	<b>\$7,115,414</b>
<b>Total FY2017 Increase:</b>			<b>\$16,150,792</b>

\*Conservation Fund

# Operating & Maintaining Tucson Water \$188 million



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# Next Steps

**December**

**Finance Subcommittee reviews revenue forecast & financial plan**

**January**

**CWAC votes on financial plan**

**February**

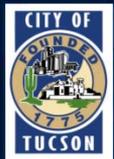
**Mayor and Council review and vote on financial plan**

**March**

**Finance Subcommittee reviews cost of service & rate schedules. CWAC meeting March 2 to vote on rate schedule options**

**April & May**

**Mayor and Council notice of intent and public hearing**



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# Questions or Comments?



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**CAPITAL IMPROVEMENT EXPENDITURES  
VERSUS  
OPERATING & MAINTENANCE EXPENDITURES**

**TUCSON WATER RULES AND GUIDELINES**

In general, expenditures that increase the useful life beyond the original useful life, or that increase the productive capability of capacity should be capitalized. These types of costs are considered to be *improvements*. In contrast, expenditures that restore or maintain an asset to its original condition are expensed and are not capitalized.

**The City of Tucson defines a Capital Improvement Project (CIP) as meeting one of the following three criteria:**

- 1) New construction or expansion of existing facilities, including preliminary planning & surveys, cost of land, staff & contractual services for design, construction & related furnishings/equipment, *or*
- 2) Major *initial* equipment system with a cost of \$100,000 or more and a useful life of at least 6 years. Examples: new City-wide phone system, new acoustic monitoring system for water transmission mains, new radio tower communications system, *or*
- 3) Major renovation or rehabilitation of existing facility that requires an expenditure of \$100,000 or more and will extend the life of the original asset(s) by at least one year.

**GASB<sup>1</sup> and GAAP<sup>2</sup> Rules for Distinguishing Between Capital Improvement Expenditures and Maintenance Expenditures**

A Capital Improvement Expenditure provides **additional value** by:

1. Lengthening an asset's useful life by at least one year, *and/or*
2. Increasing asset's ability to provide service (i.e. greater efficiency and effectiveness)

Examples of CIP expenditures:

- a. Land purchase with all ancillary costs, e.g. title searches, commissions, land clearing, excavation, demolition of existing structures.
- b. New facilities or infrastructure, e.g. reservoir, pipes, disinfection facility, bridge, road, constructed or purchased building.
- c. Fencing, gating, parking lots, plazas, pavilions, water control structures.

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<sup>1</sup>Governmental Accounting Standards Board

<sup>2</sup>Generally Accepted Accounting Principles

- d. Improvements such as conversions of non-usable space to usable space (conversion of basement to usable office space), new structural attachments or permanently attached fixtures or machinery that cannot be removed without impairing the use of the building.

A Repair and Maintenance Expenditure **retains value** rather than creating additional value by:

- a. Allowing an asset to continue to be used during its *originally* established useful life (see box on next page).
- b. Restoring or maintaining an asset to its original condition.

Examples of repair and maintenance expenditures:

- a. Improvements of minimal or no added life expectancy and/or value to the building or facility.
- b. Repainting; replacement of siding, roof, or masonry sections; plumbing and electrical repairs.
- c. Replacement of a part or component with a new part of the same type and has *similar* performance capabilities, e.g. replace old boiler with a new one of the same operating capabilities.
- d. Anything that's considered routine maintenance and general upkeep of the asset as a whole.

Care is sometimes needed to distinguish actions that lengthen the useful life of an asset from those that merely avoid shortening it.

**Example:** A new building is expected to have a useful life of 80 years, but it needs to have the roof repaired after 40 years in service. The cost of the original roof was included in the total value of the building. One might argue the building's useful life would be just 40 years if the roof wasn't replaced (thus capital improvement cost). However, the roof replacement doesn't lengthen the building's originally estimated useful life of 80 years, but simply avoids cutting the useful life in half. The roof ***maintains*** rather than ***extends*** the original useful life, therefore the roof replacement is a maintenance expense.

Tucson Water should use the following Decision Tree to determine whether to capitalize an item or expense the item (See Decision Tree on the next page).

## DECISION TREE

### CAPITAL IMPROVEMENT EXPENDITURE VERSUS OPERATING & MAINTENANCE EXPENDITURE

1. Are you removing something from the capital asset and replacing it with something else? If yes, go to question #2; if no, see decision tree for add on.
2. Will the item be permanently and intrinsically tied to the asset for the duration of the asset's life? If yes, go on to question #3. If no, then expense to operating.
3. Will this asset now perform a function or provide additional capabilities it was unable to perform previously? (This is a new function, not an enhancement of a function performed previously) If no then expense to operating; if yes, then go to add on decision tree.

#### **Questions for Capital Asset add on to existing asset decision tree:**

1. Will the item be permanently and intrinsically tied to the asset for the duration of the asset's life? If yes, go on to question #2a. If no, then expense to operating.
- 2a. Does the item increase the capital asset's capacity, functionality, or operating efficiency?

#### **AND/OR**

- 2b. Does the item extend the capital asset's useful life by at least 1 yr.? If the answer to either is yes then capitalize; if no, then expense to operating.



# WATER UTILITY EXECUTIVE

JANUARY – FEBRUARY 2015



## Special Issue: 2014 UFI Survey Results

### Updated UFI Database Provides New Insights into Utility Finance

Revenue per capita is increasing. Projected rate increases are lower than past annual increases. The increase in median debt per capita took a slight pause in 2014. These are just a few nuggets of information from AMWA's fourth biannual Utility Financial Information (UFI) survey. The survey results were released in January in a new UFI database that provides in-depth financial information on the 102 utilities that participated in the survey in the fall of 2014.

Since the survey closed in December, AMWA's survey contractor Raftelis Financial Consultants (RFC) compiled and analyzed the raw data. Several key analyses are provided in this issue of *Water Utility Executive*, including some analyses that include results from prior surveys conducted in 2008, 2010 and 2012. RFC notes that the trending analyses are not based on the same group of utilities from survey to survey. The intent of these analyses is to indicate potential trends for the industry as a whole, and RFC provides brief editorial comments as part of each analysis.

The selection demonstrates the breadth and depth of analyses possible using the UFI database and represents a wide variety of data for comparison. It is, however, only a small fraction of the analyses possible, and members are encouraged to mine the data for useful statistics and use it to create reports

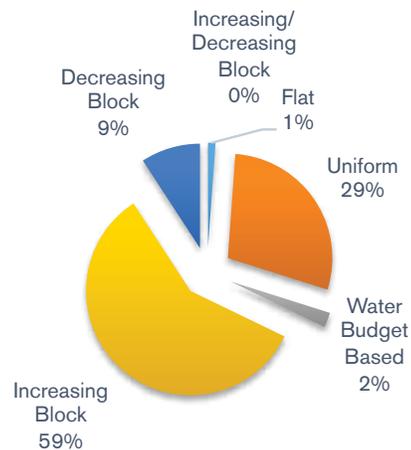
most pertinent to their own operations. Since survey participants include only the nation's largest water agencies, the data is extremely relevant and valuable for comparison.

At a webinar planned for February 24 at 2:00 p.m. ET, RFC will discuss the survey results and provide examples of productive ways to use the data.

### Utility Rate Structure

The majority of responding utilities utilize increasing block rate structures (59%) for residential customers, with uniform structures (29%) being the second most common structure.

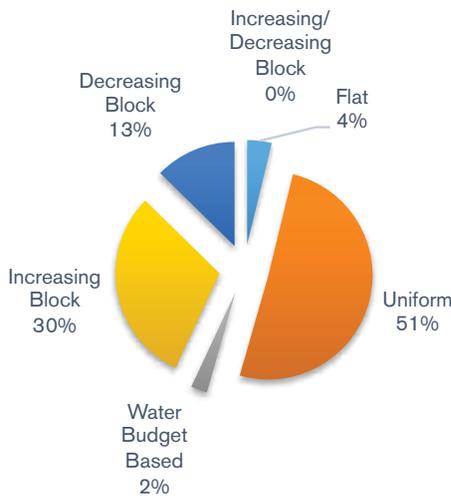
#### Residential Rate Structure





For those responding utilities with distinct charges for commercial customers, uniform rates were most common (51%) followed by increasing block structures (30%).

### Commercial Rate Structure



overall nationwide trend of declining per capita consumption may explain the somewhat flat trend in O&M costs. Less water usage would lead to less chemical and energy costs as well as less supply costs for those utilities that secure a portion of their water supply through purchased water, even as the unit cost for those expenditures inflates over time.

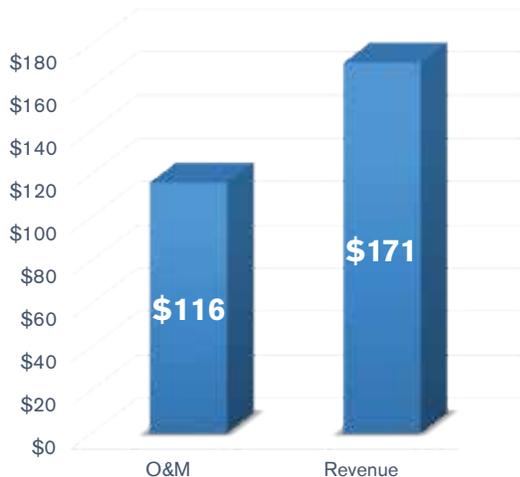
### Median Operating Costs and Revenue per Capita



## Operating Costs and Revenue

The results show that, for the responding utilities, revenue per capita is increasing. The trending analysis also suggests that utilities are attempting to keep operations and maintenance (O&M) costs in check, which further suggests that the increasing total revenue is being spent on rising capital costs. The

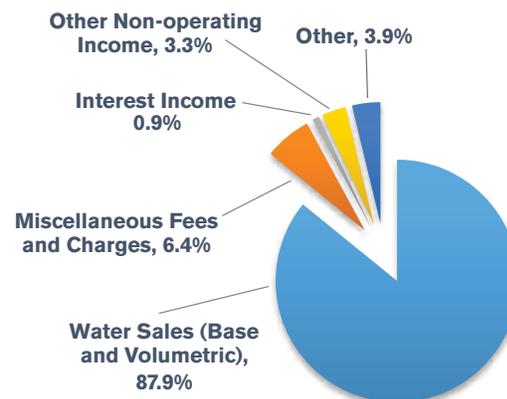
### Median Operating Costs and Revenue per Capita



## Water Revenue

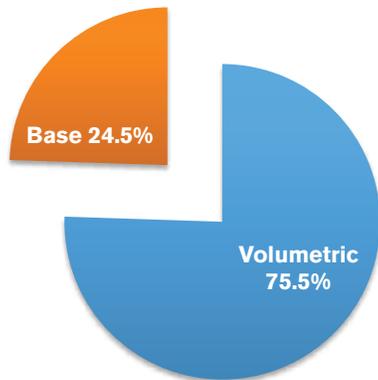
Nearly 88% of a utility's water revenue is generated from base and volume charges while approximately 12% is collected from miscellaneous charges, interest income, etc.

### Average Percentages of Water Revenue

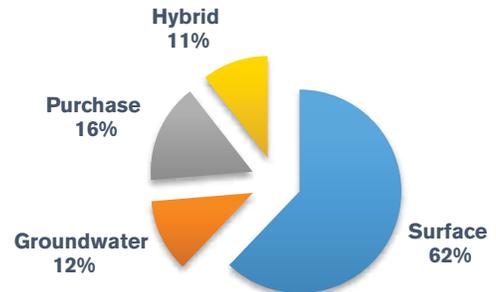


Also of interest are the proportions of water sales that are recovered from base and volumetric charges. Generally, base charges provide more stable revenues but afford the customer less control over their bill, whereas volumetric revenues are often more volatile yet provide the customer incentive to consider the impacts of their usage. For the utilities that responded to this question, the average breakdown of total water sales revenue is 75% from volumetric and 25% from base, or fixed, charges.

### Average Breakdown of Water Sales Revenue



### Percentage of Utilities by Water Source



The median monthly bill is based on 10 hundred cubic feet (Ccf) or approximately 7,480 gallons. In 2014 the hybrid (multiple water source) approach tended to produce the highest customer bill, whereas utilities utilizing more groundwater tended to produce lower customer bills. To classify utilities, it was assumed the utility must obtain over 75% of its water from the particular source to fall in the respective category. If there is no predominant source, the utility is classified as hybrid.

## Water Source

### Impact of Water Source on Median Customer Bill



### Impact of Water Source on Median Customer Bill

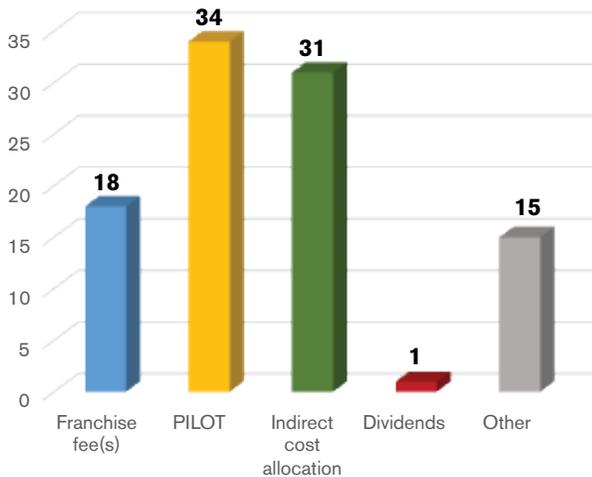


This multi-year chart shows the trending analysis from 2008 to 2014 and evaluates the customer impacts of the median customer bill in relation to the primary type of water source for the utility. The results show that depending on the year, significant increases in the median customer bill are experienced under all types of utility water sources, most recently the hybrid water source.

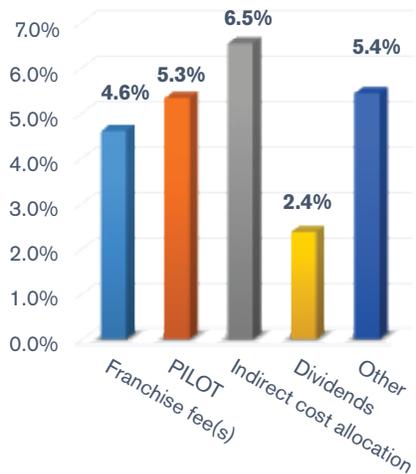


## Budgeted Transfers

Number of Utilities with Type of Transfers



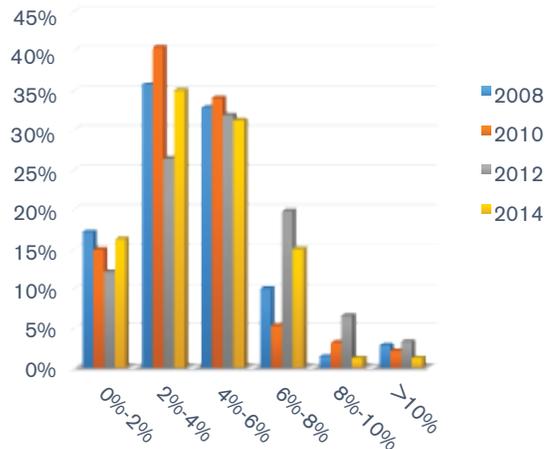
Average % of Transfers of Total O&M



Two-thirds (66%) of responding utilities have some type of budgeted transfer. The median total transfer of all applicable transfers per utility for this group of utilities is 8.6 % of the total O&M Cost. Payments in lieu of taxes (PILOTs) and indirect cost allocations are the most prevalent types of transfers. It should also be noted that while dividends appear to be the most sizeable type of transfer, only one responding utility included an amount of dividend payments. Consequently, though not insignificant, this type of transfer is less representative of the responding utilities.

## Previous Rate Increases

Average Annual Rate Increase Since 2000



Median Average Annualized Rate Increase = 3.9%

The above chart indicates the distribution of the average annual rate increases from each year of the survey. Note that the results are cumulative with each survey providing an additional two years of data. Generally the distribution has consistently centered on 2 to 4% per year increases, with the exception of 2012, with the modal response indicating increases in the 4 to 6% range. While the typical annual increases have been in the 2 to 4% range, there is a significant amount of variability from year to year. Some utilities may have no increase for five years and then increase rates 15% while others may consistently increase rates 3% per year over that same five year period.

## Previous and Projected Future Rate Increases

In the 2014 survey, responding utilities indicated projected rate increases that were less than past annual increases. This is in contrast to the 2010 and 2012 surveys, which indicated that projected rate increases were likely to be higher than past increases.

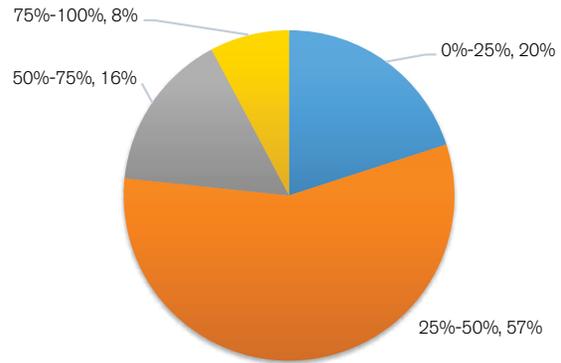
## Median Past vs. Median Future Rate Increases



## Ratio of Capital Cost to Total Budgeted Costs

The data shows that more than half of the utilities that responded (57%) earmarked 25%-50% of their budget for capital projects or payments.

### Capital Spending % of Total Budget



## Capital Improvement Costs

The chart below indicates some volatility in projected capital improvement program (CIP) expenditures. Projecting capital costs in present-day dollars instead of inflated dollars is just one reason for a large amount of variation over the CIP forecast. Note that the median utility is projected to spend around \$25 million per year or \$250 million over the 10 year period, before accounting for any cost inflation.

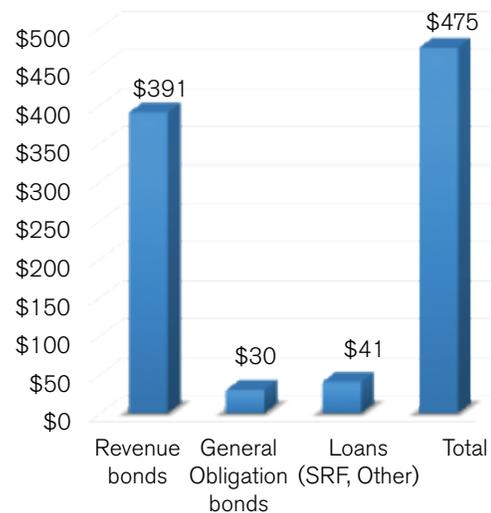
### Trend of Median Projected CIP Costs



## Utility Debt

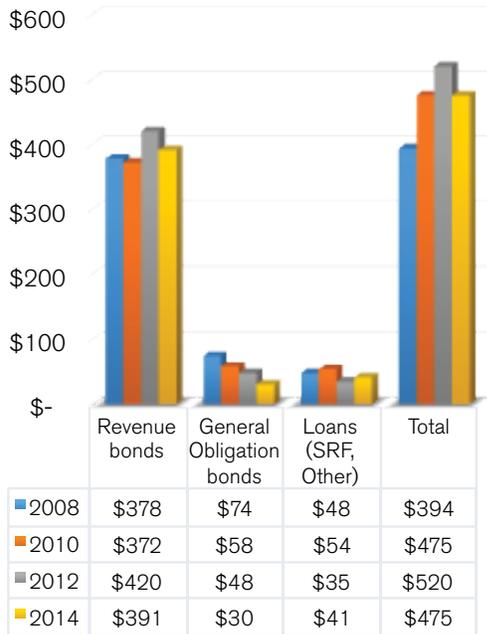
Revenue bonds are the primary means of funding for capital projects. General obligation bonds and loans account for only a small percentage of capital funding utilized by utilities. In general, median debt per capita appears to be increasing, with a slight pause in that increase in 2014.

### Median Debt per Capita





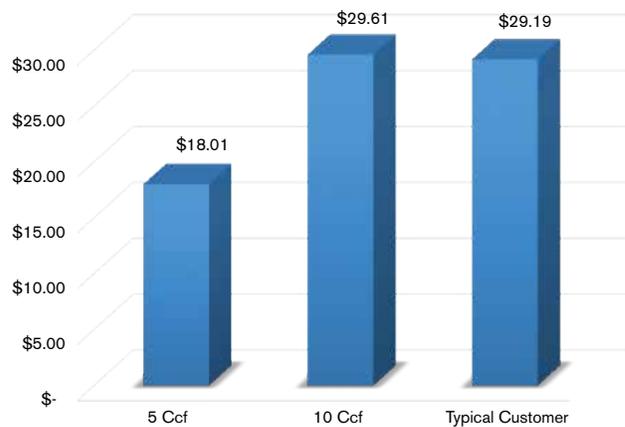
### Median Debt per Capita



### Customer Monthly Bills

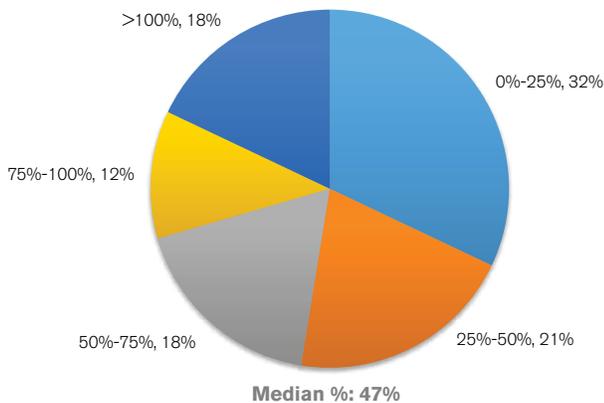
Utilities were asked to provide the monthly bill at the level of consumption for their typical customer. The median bill at this level of consumption along with the median monthly bill at 5 Ccf and 10 Ccf are shown. The median bill at 10 Ccf has steadily increased over the past four surveys as depicted below.

#### Median Customer Monthly Bill



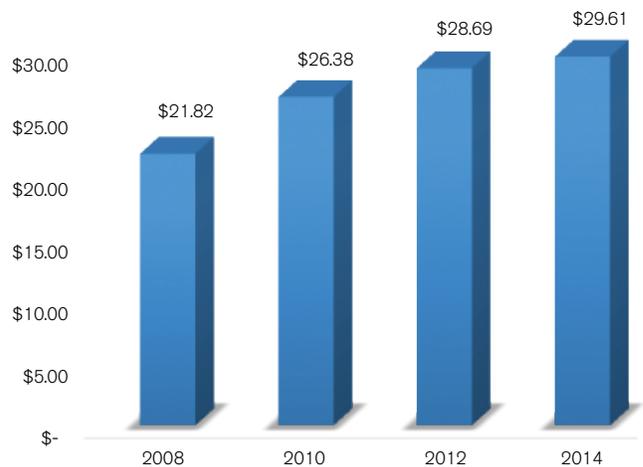
### Utility Unrestricted Reserves

#### Reserves as % of Total Costs



Half of the utilities responded as having 47% or less of the total annual costs in unrestricted reserves. The 2012 survey indicated a median figure of 32%. The most common range reported was 25% or less. Though the circumstances that drive reserve policies are particular to individual utilities, 25% is generally a minimum reserve level targeted by utilities.

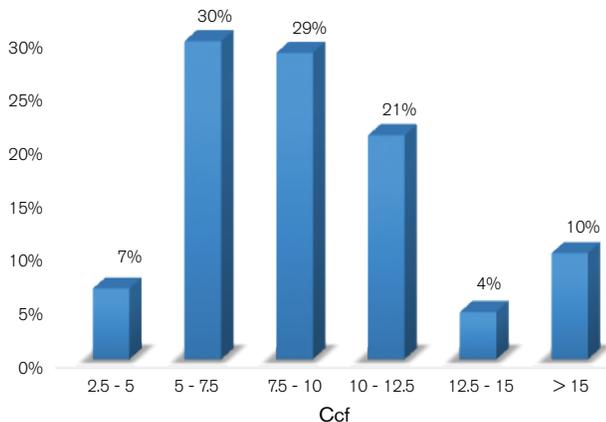
#### Median Customer Monthly Bill (10Ccf)



## Typical Customer Consumption

While 10 Ccf (7,480 gallons) is an often-used level of consumption to represent the typical customer within the industry, the reality is that the “typical” customer and their respective level of consumption varies from utility to utility. Pricing, local conservation efforts, availability of water and many other factors influence the customers’ consumption. The results of the survey show that the median level of consumption among typical customers is 8.24 Ccf (6,168 gallons), and that 60% of utilities have typical customer consumptions between 5 and 10 Ccf. ■

### Typical Customer Monthly Consumption



At [www.amwa.net/ufi](http://www.amwa.net/ufi), utilities that participated in the 2014 survey can access the new database. Details on the February 24 UFI webinar are also found on the UFI webpage. ■

## AMWA Welcomes New Members

AMWA is pleased to welcome as new members City of Bozeman Public Works, represented by **Craig Wollard**, Director of Public Works, and Polk County Board of County Commissioners - Polk County Utilities, represented by **Marjorie Guillory Craig**, Utilities Director. ■

## Register for International Water and Climate Forum

Registration is now open for the 2015 International Water and Climate Forum, scheduled for December 7-9 in San Diego. Focusing on the implementation of climate adaptation and mitigation strategies, the Forum will provide urban water utility managers with ideas, tools and resources for mainstreaming climate change considerations into their strategic planning and operations. ■



The Forum is organized by AMWA, Water Research Foundation, American Water Works Association, International Water Association, Water Services Association of Australia and Water Utility Climate Alliance. ■

Visit [www.waterclimateforum.org](http://www.waterclimateforum.org) for more information. ■

## AMWA Launches 2015 Awards Program

In January, all eligible AMWA members were invited to apply for recognition in the association’s 2015 awards programs: the Gold Award for Exceptional Utility Performance, the Platinum Award for Utility Excellence and the Sustainable Water Utility Management Award. ■

Winners will be recognized at AMWA’s 2015 Annual Executive Management Conference in Savannah, Georgia, October 11-14. The deadline for submitting Gold Award applications is June 1, the Platinum Award deadline is June 15 and Sustainability Award applications are due by July 1, 2015. ■

Additional information is online at [www.amwa.net/awards](http://www.amwa.net/awards). ■

# WATER UTILITY EXECUTIVE

## Bob Woodward, Gina McCarthy Headline 2015 Water Policy Conference



**Bob Woodward,**  
Associate Editor  
*The Washington Post*



**Gina McCarthy,**  
Administrator, U.S.  
Environmental  
Protection Agency

AMWA's 2015 Water Policy Conference will feature a top Washington observer, the head of the U.S. Environmental Protection Agency and key Capitol Hill lawmakers. Scheduled for March 22-25 in Washington, D.C., the meeting will also host interactive discussions on water reuse guidelines, Lead and Copper Rule revisions and EPA's new Water Infrastructure Finance and Innovation Act (WIFIA) loan program.

Headlining the conference will be **Bob Woodward**, Pulitzer Prize-winning associate editor of *The Washington Post*, who will discuss where recent presidential administrations have gone right and wrong in policymaking and will highlight what to look for as President Obama and congressional Republicans stake out their positions in the coming year.

EPA Administrator **Gina McCarthy** will deliver the keynote address on EPA's efforts to help the nation's water utilities improve water quality and quantity, upgrade infrastructure and build resilience in the face of a changing climate. **Peter Grevatt**, Director of the EPA Office of Ground Water and Drinking Water, will provide an update on regulatory actions to expect in 2015 and beyond.

Confirmed guests from Capitol Hill will discuss water issues on the Congressional agenda: House Environment and the Economy Subcommittee Chairman **John Shimkus** (R-Ill.) and Ranking Member **Paul Tonko** (D-N.Y.), House Water Resources and Environment Subcommittee Chairman **Bob Gibbs** (R-Ohio) and Ranking Member **Grace Napolitano** (D-Calif.), Senator **Ben Cardin** (D-Md.) of the Senate Environment and Public Works Committee, and **Rep. Lois Capps** (D-Calif.) of the House Energy and Commerce Committee.

The interactive sessions will offer opportunities for participants to ask specific questions and provide direct feedback to decision makers at EPA. In addition, three sessions are scheduled featuring management subjects of interest to water utility CEOs: **Mark Kim** of DC Water on innovative financing strategies, **Mark LeChevallier** of American Water on the business case for aggressive innovation, and **Steven Bonafonte** of Pullman and Comley on liabilities that may arise from cybersecurity breaches.

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Register for the 2015 Water Policy Conference at [www.amwa.net/2015WPC](http://www.amwa.net/2015WPC).



ASSOCIATION OF  
METROPOLITAN  
WATER AGENCIES

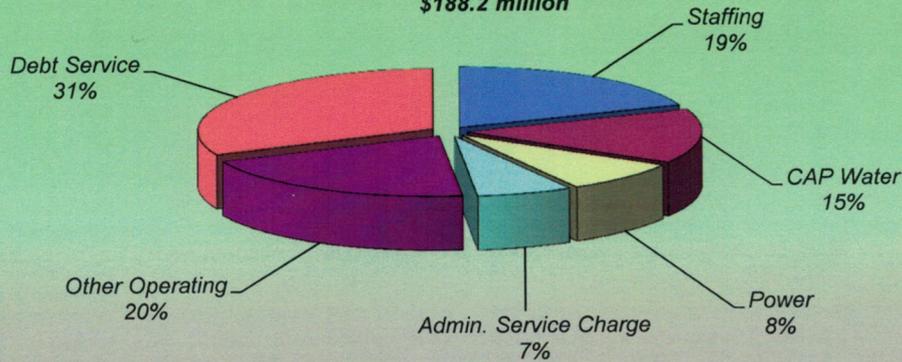
LEADERS IN WATER

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**Tucson Water FY 2017  
Requested O&M Budget  
\$188.2 million**



**FY 2017 Operating Budget Request**

	FY 2016 Adopted Budget	FY 2017 Requested Budget	Change
Requested O&M Budget	\$172,069,690	\$188,220,482	\$16,150,792
Less Debt Service	53,511,000	59,138,890	\$5,627,890
Less Salaries/Wages	35,196,481	36,373,068	1,176,587
Remaining O&M	<u>\$83,362,209</u>	<u>\$92,708,524</u>	<u>\$9,346,315</u>

**Comparison Major O&M Elements**

	FY 2016 Adopted	FY 2017 Request	Change From FY 2016 Adopted
CAP Water -Commodity	22,999,630	\$23,719,418	\$719,788
CAP Water - Capital	3,316,390	3,316,390	0
Power (Electricity/Gas )	15,913,825	15,422,421	(491,404)
Admin. Service Charge (indirect)	7,680,940	7,680,940	0
Admin. Service Charge (direct)	2,309,500	2,627,017	317,517
In-Lieu-of Property Tax	1,600,000	2,000,000	400,000
Legal	600,000	860,000	260,000
Liability Insurance	837,210	848,710	11,500
Consultants and Surveys	3,026,350	3,186,220	159,870
Misc. Professional Services	3,714,840	7,752,400	4,037,560
Cell Phones, Telephone ,Aircards &GPS	612,930	671,010	58,080
Community Relations	161,500	161,500	0
Public Outreach and Advertising	303,660	305,160	1,500
O&M Maint. (Services and Commodities)	8,962,020	10,151,390	1,189,370
Postage	1,550,920	1,550,920	0
Fuel	1,132,530	1,133,430	900
Furniture, Equip & Computers < \$5000	768,360	1,471,498	703,138
Conservation Fund	3,540,250	3,613,950	73,700
Capital Equipment > \$5,000	1,831,000	4,062,800	2,231,800
Software Maintenance & Purchases	1,312,140	975,380	(336,760)
Chemicals	1,597,510	1,192,730	(404,780)
Travel & Training	401,420	457,940	56,520
Other*	(810,716)	(452,700)	358,016
<b>TOTAL</b>	<u>\$83,362,209</u>	<u>\$92,708,524</u>	<u>\$9,346,315</u>

*City of Tucson*  
*Independent Audit and Performance Commission*

**Review of the Administrative Service Charge Assessed to Tucson Water**

November 5, 2015

Honorable Mayor and Council:

**Introduction**

On March 10, 2015 the Independent Audit and Performance Commission (IAPC) received a request from Council Member Kozachik to consider conducting an analysis of the cost allocation methodology used to assess the administrative service charge to Tucson Water (Water). The IAPC appointed a subcommittee to conduct the requested analysis at its April 1, 2015 meeting.

**Background**

The Administrative Service Charge is a comprehensive distribution of city-wide central service administrative costs to certain departments that benefit from these services. It is used by the City of Tucson to recover costs from Water, Environmental Services, Park Tucson, and the Highway User Revenue Fund (HURF). The general fund will recover \$12.9 million for fiscal year 16 from those funds.

The specific distribution of charges to the departments named above, is included on pages 7 and 8 of Appendix A (City of Tucson Allocated Costs by Department dated 6-26-15). This appendix identifies each central service activity which provided service and the corresponding dollar amounts charged.

All departments can be charged for direct and/or indirect costs. Direct costs are for specific assistance from a department. For example, Water requested that they have one additional cashiering station, and that is provided by the Finance Department.

Indirect costs consist of all other central service activities. These costs are allocated on a proportional share of central service usage. For a detailed listing of the basis of allocation that relate to Water see Appendix B (Allocation Basis).

**Scope**

The IAPC Cost Allocation Subcommittee (IAPC-CAS) conducted meetings with staff and reviewed the cost allocation methodology in order to comment on:

1. The current methodology's success in attributing reasonable costs to Water for the central services it consumes; and
2. The appropriateness of the allocation factors used.

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**Discussion**

The Cost Allocation Subcommittee held nine fact-finding meetings for a total of about twenty hours with Joyce Garland, Budget and Internal Audit (BIA) Program Director, Lee Barr, Financial Specialist, Pete Saxton, Internal Audit Manager, Bob Kulze, Interim Internal Audit Manager, and Diane Link, Administrative Assistant. During these meetings, staff provided documents and presentations to the subcommittee members that conveyed complex cost allocation methodologies and procedures. Staff demonstrated clear familiarity with the topic and were patient and forthcoming with the subcommittee as it tackled the difficult subject matter.

Addressing Item #1 in the Scope, the IAPC-CAS learned that cost allocation methodologies are in widespread use by municipal governments. In 1999, The City of Tucson began using proprietary software developed by the Maximus Corporation for which it pays an annual subscription fee. The software produces what is called a “Full Cost Allocation Plan” (FCAP), which is completed by the Office of Budget and Internal Audit bi-annually as part of the budget planning process. The FCAP identifies the cost of central support services using the most current and best data available. For a full explanation of how this is accomplished, please see Appendix C. The current plan, “BY15”, completed in May of 2015 used fiscal year 15 budgeted expenditures and fiscal year 14 actual service activities.

In order to address Item #2 in the Scope, the IAPC-CAS learned that the FCAP seeks to equitably distribute or “allocate” the burden of central service costs among the various departments. There are three principles guiding the allocation process: 1) costs should be necessary and reasonable for the proper performance of a program; 2) the costs should be allocated city-wide according to the relative benefits received; and 3) “direct” and “indirect” costs are consistently classified as “direct” and “indirect”.

**Illustrative Examples**

In order to understand and document a functional example of how the FCAP applies to Water, the IAPC-CAS requested BIA staff to identify data for the following examples. Staff assembled the following data from the FCAP showing the allocation of two items from central service activities to Water. The IAPC-CAS reviewed and commented upon these examples.

**Example #1: Finance Department - Treasury Collections (FTC) allocation to Water of \$823,045**

**Step 1:** Weight the items being processed by FTC to quantify how much more difficult it is to process some types of transactions than others. For example, according to the FTC, an Inspection Permit payment is more complex to process than a Bus Pass payment. The weighting factor is applied to all documents without regard to whom the cost will be attributed. The following table shows the weight applied to various transaction types:

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 Review of the Administrative Service Charge Assessed to Tucson Water

Type of Collection:	Weight of Items
Collections – Specific	
Occ. Liquor	2.0
Miscellaneous Tax Apps	1.0
Alarm Fees	1.0
Inspection Permits	2.0
Sign Code	1.0
Bus Pass	1.0
Environmental Services	1.5
<b>Water</b>	<b>1.5</b>

For the purpose of this example, the weight has already been applied to the various transaction types.

**Step 2:** Evaluate the weighted number of items to determine if it was appropriate as an allocation basis.

Identify each Basis (see Appendix B).

Department:	Allocation Basis:	Allocation Source:	Weighted # of items
Fin-Collections General	Total weighted allocation, less <b>Water</b> and Environmental Services	FY 2015 adopted budget and division records	730,621
Fin-Collections Specific	Number of collection transactions processed	Division records	1,956,343

Fin-Collections General specifically excludes Water and therefore has no further impact on this example.

Attribute the Fin-Collections Specific to the benefiting departments (source is the FTC, which has a procedure to separately identify each transaction processed):

Type of Collection:	Weighted # of Items:	Attributable to:
Fin-Collections Specific		
Occ. Liquor	69,220	General Government
Miscellaneous Tax Apps	3,848	General Government
Alarm Fees	432	General Government
Inspection Permits	31,178	Planning and Development Services
Sign Code	8,444	Planning and Development Services
Bus Pass	8,584	Transportation
Environmental Services	688,223	Environmental Services
<b>Water</b>	<b>1,146,414</b>	<b>Water</b>
Total	1,956,343	

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Using the proportions identified, allocate the cost of the FTC to Water:

Receiving Dept:	Weighted # of Items:	Allocation %:	Total FTC \$ Allocated:
General Government	73,500	3.7570%	\$ 52,768
Planning and Development Serv.	39,622	2.0253%	28,446
Transportation	8,584	0.4388%	6,163
Environmental Services	688,223	35.1791%	494,096
<b>Water</b>	<b>1,146,414</b>	<b>58.5998%</b>	<b>823,045</b>
Total	1,956,343	100.0000%	\$ 1,404,518

The weighted number of items processed is considered to be a reasonable basis, because it is a specific measurement of the number of transactions processed, and represents the amount of staff time it takes to process each type of transaction.

Conclusion of Example 1: In keeping with the principles of the analysis of the allocation process, the IAPC-CAS evaluated the weighted number of items and found it was reasonable as an allocation basis.

**Example #2: Information Technology Department – Enterprise Application allocation to Water of \$1,185,417.**

The FCAP describes the IT – Enterprise Applications activities as:

*The Applications program area provides the analysis, development, implementation, and on-going support of specific and enterprise software applications that run city business processes, ensuring the performance, availability, and stability of those systems[.]*

The accumulated expenditures associated with the IT – Enterprise Applications is allocated in two processes. The first one is a specific allocation, and the second one is a general allocation.

The specific allocation of costs associated with this activity is based on the budgeted costs for the annual maintenance agreements (AMA) for each enterprise application as a percentage of the total budgeted amount for the maintenance cost for all enterprise applications paid by IT.

**Step 1:** Accumulate and attribute the amount of budgeted costs to be used on AMA for software applications paid for by IT. The attribution of each AMA is as follows:

Department	Maintenance Contracts	FY15 Budget	% of Total
Enterprise Wide (ENT)			
ENT	CK Finder (Drupal add-in)	499	
ENT	Crystal - Business Objects	100,800	
ENT	FIN	590,859	
ENT	HRM	295,866	
ENT	PB	96,514	
ENT	Lyris (List Manager)	4,800	

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Department	Maintenance Contracts	FY15 Budget	% of Total
ENT	Microsoft External Connectors	9,000	
ENT	Oracle - Network Database Maint.	309,500	
ENT	Oracle CTM Licenses	4,500	
ENT	SQL Server	34,000	
Subtotal ENT		1,446,338	70.45%
Finance Department (FIN)			
FIN	CA Job Scheduler	8,700	
FIN	TRMS Maintenance	280,000	
Subtotal FIN		288,700	14.06%
Human Resources (HR)	Meridian/Learning Management System (COTEU)	29,233	1.42%
Information Technology (IT)			
IT	Apple IOS Developer Program	110	
IT	Beyond Compare	400	
IT	Books 24x7	2,500	
IT	ERWIN	3,100	
IT	Flash Media Server	1,200	
IT	Misc Software	5,000	
IT	Open Text Connectivity (formerly Hummingbird Exceed)	500	
IT	Star SQL	8,000	
IT	SQLyog Enterprise	400	
IT	TOAD Maint.	3,300	
IT	Visual Studio 2008 Assurance	2,600	
Subtotal IT		27,110	1.32%
Planning & Development Services Department (PDSD)			
PDSD	Accela Permits Plus	74,300	
PDSD	Selectron IVR	9,000	
Subtotal PDSD		83,300	4.06%
Tucson Department of Transportation (TDOT)	Cartegraph	46,658	2.27%
Water			
Water	Loftware Barcode Application Maint.	900	
Water	WAM Synergen Maint.	131,000	
Subtotal Water		131,900	6.42%
TOTAL		2,053,239	100.00%

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The accumulation of attributed AMA is as follows:

Attributed to:	Total AMA attributed:	Percent of total AMA attributed:
Enterprise Wide (ENT)	\$ 1,446,338	70.45%
Finance Department (FIN)	288,700	14.06%
<b>Water</b>	<b>131,900</b>	<b>6.42%</b>
Planning Development Services (PDS)	83,300	4.06%
Tucson Department of Transportation (TDOT)	46,658	2.27%
Human Resources (HR)	29,233	1.42%
Information Technology (IT)	27,110	1.32%
TOTAL	\$ 2,053,239	100.00%

Evaluate if the AMA is a reasonable basis for estimating the relative level of effort required from the IT department – Enterprise Applications to provide support. The AMA is considered to be reasonable because the IT department has noted that there is a correlation between the market value of a computer program and the program’s complexity and size. A program’s complexity and size directly impact the level of effort required to provide adequate support. Therefore, more expensive programs are larger, more complex, and require more IT support. Further, as the cost of each AMA is determined by the vendors and not determined by a City employee, the values are objective.

**Step 2:** The specific allocation process is completed by applying the allocation percentages to the dollars to be allocated in the double step-down allocation (see Appendix C for more information). The specific allocation process can be summarized as follows:

Attributed to:	Percent of total amount attributed*	Amount attributed in Step 1	Amount attributed in Step 2*	Total
Enterprise Wide (ENT)	70.45%	\$ 1,240,094	\$ 0	\$ 1,240,094
Finance Department (FIN)	14.06%	247,491	348,936	596,427
<b>Water</b>	<b>6.42%</b>	<b>113,008</b>	<b>159,329</b>	<b>272,337</b>
Planning Development Services (PDS)	4.06%	71,466	100,760	172,226
Tucson Department of Transportation (TDOT)	2.27%	39,958	56,336	96,294
Human Resources (HR)	1.42%	24,996	35,241	60,237
Information Technology (IT)	1.32%	23,235	0	23,235
Total cost of IT – Enterprise Applications		\$ 1,760,248	\$ 700,602	\$ 2,460,850

\* Due to the double step down allocation process used by the allocation software, the number of departments receiving an allocation has been stepped down (reduced), and therefore the “percent of total amount attributed” is different in Step 2 than in Step 1.

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**Step 3:** The next phase begins the general allocation process. This phase uses a broad allocation basis, the weighted expenditure allocation, to allocate costs associated with the Enterprise Wide function (from above) of activity to benefiting departments as follows:

First, the weighted expenditure allocation is developed by accumulating the operating expenditures for all departments and then modifying the impact of one-time expenditures to reduce their effect on the total. This is the best practice method suggested by the consultants from the Maximus software corporation during initial implementation. The modification reduces the impact of one-time capital purchases so the values more accurately reflect on-going expenditures. The values are as follows:

Department/Division:	Weighted Expenditure Allocation:	Percent of total:
Mayor and Council	\$ 2,566,510	0.3144%
Office of the City Manager	4,196,110	0.5141%
Office of Integrated Planning	1,632,540	0.2000%
City Clerk	2,971,150	0.3640%
City Attorney	9,689,350	1.1870%
City Court	12,137,494	1.4870%
Office of the Public Defender	3,064,940	0.3755%
Budget and Internal Audit	1,462,790	0.1792%
Finance	11,974,320	1.4670%
Procurement	3,216,530	0.3941%
Information Technology	17,462,147	2.1393%
Human Resources	4,503,150	0.5517%
General Services	58,029,272	7.1091%
Police	160,404,800	19.6511%
Tucson Fire Department	91,483,320	11.2076%
Planning and Development Services	9,265,070	1.1351%
Housing and Community Development	75,501,856	9.2497%
Tucson Convention Center	6,032,810	0.7391%
Parks and Recreation	37,747,330	4.6244%
Tucson City Golf	7,996,090	0.9796%
Environmental Services	39,592,311	4.8504%
Transportation	69,018,973	8.4555%
Park Tucson	3,098,567	0.3796%
<b>Water</b>	<b>126,258,626</b>	<b>15.4679%</b>
Non-Departmental	24,221,440	2.9674%
HURF	32,020,620	3.9228%
Pension Fund Admin	714,530	0.0875%
<b>TOTAL</b>	<b>\$ 816,262,646.00</b>	<b>100.0000%</b>

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Second, the percent of the weighted expenditure allocation is applied to the dollars associated with the Enterprise Wide (ENT) line item:

Attributed to:	Percent of total amount attributed*	Amount attributed in Step1	Amount attributed in Step2*	Total
All Other Departments	84.5321%	\$ 3,547,472	\$ 1,406,346	\$ 4,953,818
<b>Water</b>	<b>15.4679%</b>	<b>649,125</b>	<b>263,955</b>	<b>913,080</b>
Total cost of IT – Enterprise Applications		\$ 4,196,597	\$ 1,670,301	\$ 5,866,898

\* Due to the double step down allocation process used by the allocation software, the number of departments receiving an allocation has been stepped down (reduced), and therefore the “percent of total amount attributed” is different in Step 2 than in Step 1.

The total weighted expenditure allocation basis was determined to be reasonable because it approximates the level of effort that the IT – Enterprise Applications provides to each department. For instance, Crystal Business Objects is attributed to the Enterprise Wide function in the specific allocation process above. Crystal Business Objects is a report writing program that allows City employees to write queries and create reports for the SQL databases on the network. There is no direct measurement of departments using queries or obtaining reports. However, since each department is likely to have used at least one query or report which was built on Crystal Business Objects, there needs to be a way to allocate the cost of that activity. The total weighted expenditure allocation basis allows staff to approximate the likelihood that each department will have derived benefit from Crystal Business Objects by noting that larger departments tend to use more queries and more reports than smaller departments.

**Step 4:** As a final step in the process, the specific and the general allocation are summarized as follows:

Specific/General allocated:	Total amount attributed
Specific allocation	\$ 272,337
General allocation	913,080
Total allocation from IT – Enterprise Applications to WATER	\$1,185,417

Conclusion of example 2: In keeping with the principles of the analysis of the allocation process, the IAPC-CAS evaluated the Annual Maintenance Agreement costs and the weighted expenditure allocation and found each one was reasonable as an allocation basis.

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**Findings**

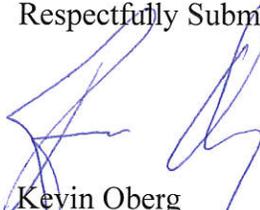
It is clear from our review and analysis with Budget and Internal Audit that the Full Cost Allocation Plan (FCAP) is driven by the best data available; is calculated by software in wide use and is, therefore a reasonable and generally accepted way to allocate internal costs for services between the various City departments. During the budget process, draft results of the FCAP are reported to the affected departments for their review. The FCAP is finalized only after this review process.

The Cost Allocation Subcommittee finds Budget and Internal Audit has been successful in attributing reasonable costs to Water for the central services it consumes. The allocation factors used to determine proportion of costs borne by a department are reasonable and the allocation factors appear to be appropriate.

**Acknowledgements**

The IAPC wishes to thank the subcommittee chairperson: Jim Hannley and subcommittee members: Bob Clark, and Mark Crum, and to thank Ms. Garland, Ms. Barr, Mr. Saxton, Mr. Kulze, and Ms. Link for their patience and preparation.

Respectfully Submitted,



Kevin Oberg  
IAPC Chairperson

- c: Michael Ortega, City Manager
- Martha Durkin, Deputy City Manager
- Albert Elias, Assistant City Manager / Interim Tucson Water Director
- Julianne Hughes, Assistant City Manager
- Ron Lewis, Assistant City Manager
- Sandy Elder, Tucson Water Deputy Director
- Scott Clark, Tucson Water Deputy Director
- Joyce Garland, Budget and Internal Audit Program Director
- Brian Wong, Citizens' Water Advisory Committee Chairperson

**City of Tucson**  
**Allocated Costs By Department**

Central Service Departments	MAYOR & COUNCIL	CMO - EXTERNAL COMMUNICATIONS	CMO - ZONING EXAMINER	CMO - ECONOMIC DEV & ANNEXXATION	CMO - INDEP POLICE REVIEW	HOUSING & COMM DEV	FIN REVENUE - TAX AUDIT
CITY MANAGER	2,665	0	336	1,897	575	104,829	2,745
CMO - COMM & INTERGOV	249,241	243,709	51	360	51	7,532	515
CMO - REAL ESTATE	4,742	0	276	1,124	704	139,510	1,670
CLERK - ADMIN	363,041	0	0	0	0	0	0
CLERK-FIN&ELECTION MGT	806,694	0	0	0	0	0	0
CLERK - LEG&REC MGMT	982,291	0	253	1,031	646	127,944	1,533
IT - ADMIN	0	0	0	0	0	0	0
IT - FACILITIES MGMT	1,338	0	78	317	199	39,369	471
IT-PUBLIC SAFETY	0	0	0	0	0	0	0
IT - SERVICE DESK	29,630	0	0	0	0	70,757	0
IT - GIS SERVICES	1,362	0	79	323	202	40,086	480
IT - ENTERPRISE	18,561	0	1,080	4,400	2,757	546,016	6,539
IT - NETWORK SVCS	68,679	0	848	4,240	848	116,160	11,871
IT - TECHNICAL SVS	15,829	0	248	1,008	631	125,094	1,498
HR - ADMIN	0	0	0	0	0	1,978	135
HR-EMP & COMP	0	0	347	2,427	347	50,707	3,467
HR - EMP BEN & REC	4,286	0	100	698	100	14,576	997
HR - EMP DEV	0	0	0	0	0	18,765	1,283
HR - CLAIMS & WORK	873	0	104	369	64	8,385	471
HR - CENTRAL SFTY &	1,932	0	45	314	45	6,571	450
HR - EQUAL OPPORT PGM	1,787	0	49	347	49	7,261	496
PROC - ADMIN	0	0	0	0	0	0	0
PROC - SAMM	2,619	0	153	621	389	77,037	923
PROC - DESIGN, CONST	0	0	0	0	0	91,875	0
PROC - MAIL SERVICES	2,412	0	22	156	22	38,331	1,335
PROC - PCARD	3,217	0	0	0	0	21,354	0
ATTORNEY - ADMIN	65,031	0	0	0	0	0	0
ATTORNEY - CIVIL	13,396	0	27	33,809	68	71,357	160
ATTORNEY - CRIMINAL	0	0	0	0	0	0	0
ATTORNEY - INT LIT	0	0	0	0	0	0	0
BUDGET & INTERNAL	10,384	0	335	1,888	576	104,677	2,734
FIN - DIRECTOR'S OFFICE	0	0	0	0	0	0	274,651
FIN ACCT - ADMIN	0	0	0	0	0	495	0
FIN ACCT - SERVICES	10,460	0	232	1,307	398	425,408	1,892
FIN ACCT - OPERATIONS	3,887	0	226	922	578	114,365	1,370



City of Tucson  
Allocated Costs By Department

Central Service Departments	MAYOR & COUNCIL	CMO - EXTERNAL COMMUNICATIONS	CMO - ZONING EXAMINER	CMO - ECONOMIC DEV & ANNEXATION	CMO - INDEP POLICE REVIEW	HOUSING & COMM DEV	FIN REVENUE - TAX AUDIT
FIN ACCT - SYSTEMS	7,262	0	423	1,722	1,079	213,638	2,558
FIN TREAS - ADMIN	0	0	0	0	0	0	0
FIN TREAS - COLLECTIONS	2,079	0	121	493	309	61,150	733
FIN TREAS - INVESTMENTS	1,090	0	63	258	162	32,072	384
FIN TREAS - DEBT MGMT	399	0	23	95	59	11,749	141
FIN REVENUE - ADMIN	0	0	0	0	0	0	157,098
FIN - RISK MGT	5,501	0	350	1,242	0	24,670	1,439
FIN - PENSION FUND	11,920	0	331	2,318	331	48,425	3,311
GS - ADMIN	0	0	0	0	0	0	0
GS - FAC MGT	288,114	0	0	65,725	0	3,323	0
GS - FLEET SVCS	1,788	0	0	0	0	20,442	0
GS - COMMUNICATIONS	1,575	0	79	322	202	39,919	478
GENERAL GOVERNMENT	3,054	0	177	724	453	89,839	1,076
TFD - ADMINISTRATION	0	0	0	0	0	0	0
PSPRS	0	0	0	0	0	0	0
TFD - COMMUNICATIONS	0	0	0	0	0	0	0
TFD - HAZARDOUS WASTE	152	0	0	0	0	517	0
OFFICE OF INTEGRATED	0	0	0	92,043	0	159,170	0
Total Allocated	2,987,291	243,709	6,456	222,500	11,844	3,075,353	484,904
Roll Forward	0	0	0	0	0	0	0
Cost With Roll Forward	2,987,291	243,709	6,456	222,500	11,844	3,075,353	484,904
Adjustments	0	0	0	0	0	0	0
Proposed Costs	2,987,291	243,709	6,456	222,500	11,844	3,075,353	484,904



**City of Tucson**  
**Allocated Costs By Department**

Central Service Departments	FIN REVENUE - LICENSE	FIN REVENUE - INVESTIGATIONS	ATTORNEY - VICTIM ASSISTANCE	CITY COURT	PUBLIC DEFENDER	HR - EOP PUBLIC	TCC
CITY MANAGER	4,040	3,479	500	37,320	8,964	0	6,255
CMO - COMM & INTERGOV	773	722	103	7,045	1,648	0	0
CMO - REAL ESTATE	2,368	1,690	248	22,428	5,664	0	11,147
CLERK - ADMIN	0	0	0	0	0	0	0
CLERK-FIN&ELECTION MGT	0	0	0	0	0	0	0
CLERK - LEG&REC MGMT	2,171	1,550	226	20,568	5,194	0	10,223
IT - ADMIN	0	0	0	0	0	0	0
IT - FACILITIES MGMT	668	477	69	6,329	1,598	0	3,145
IT-PUBLIC SAFETY	0	0	0	0	0	0	0
IT - SERVICE DESK	0	0	0	0	0	0	0
IT - GIS SERVICES	680	485	71	125,151	21,669	0	13,046
IT - ENTERPRISE	9,265	6,615	968	6,444	1,628	0	3,203
IT - NETWORK SVCS	18,653	15,262	0	87,776	22,166	0	43,628
IT - TECHNICAL SVS	2,123	1,515	222	150,076	30,524	0	22,045
HR - ADMIN	203	190	27	46,494	8,039	0	18,879
HR-EMP & COMP	5,200	4,854	693	1,701	420	0	0
HR - EMP BEN & REC	1,495	1,395	199	47,430	11,095	0	0
HR - EMP DEV	1,925	1,796	257	13,634	3,189	0	0
HR - CLAIMS & WORK	586	454	60	16,141	3,977	0	0
HR - CENTRAL SFTY &	674	629	90	5,456	1,761	0	1,696
HR - EQUAL OPPORT PGM	745	695	99	6,145	1,438	0	0
PROC - ADMIN	0	0	0	6,791	1,589	203,951	0
PROC - SAMM	1,307	933	137	0	0	0	0
PROC - DESIGN, CONST	0	0	0	12,385	3,127	0	6,156
PROC - MAIL SERVICES	69,963	1,620	3,854	49,471	0	0	24,735
PROC - PCARD	0	0	0	22,243	3,148	0	206
ATTORNEY - ADMIN	0	0	3,404	3,655	1,036	0	1,825
ATTORNEY - CIVIL	227	162	23	0	0	0	0
ATTORNEY - CRIMINAL	0	0	11,830	20,216	543	0	6,733
ATTORNEY - INT LIT	0	0	0	0	0	0	0
BUDGET & INTERNAL	4,023	3,463	498	37,161	8,926	0	6,267
FIN - DIRECTOR'S OFFICE	278,717	285,366	0	0	0	0	0
FIN ACCT - ADMIN	0	0	0	0	0	0	0
FIN ACCT - SERVICES	2,783	2,397	345	31,351	7,151	0	6,362
FIN ACCT - OPERATIONS	1,940	1,385	203	18,385	4,643	0	9,138



**City of Tucson**  
**Allocated Costs By Department**

Central Service Departments	FIN REVENUE - LICENSE	FIN REVENUE - INVESTIGATIONS	ATTORNEY - VICTIM ASSISTANCE	CITY COURT	PUBLIC DEFENDER	HR - EOP PUBLIC	TCC
FIN ACCT - SYSTEMS	3,625	2,588	379	34,344	8,673	0	17,070
FIN TREAS - ADMIN	0	0	0	0	0	0	0
FIN TREAS - COLLECTIONS	1,038	741	108	9,830	2,482	0	4,886
FIN TREAS - INVESTMENTS	544	389	56	5,155	1,302	0	2,563
FIN TREAS - DEBT MGMT	199	142	21	1,888	477	0	939
FIN REVENUE - ADMIN	159,425	163,228	0	0	0	0	0
FIN - RISK MGT	1,787	1,400	771	16,402	5,374	0	6,223
FIN - PENSION FUND	4,966	4,635	662	45,296	10,596	0	0
GS - ADMIN	0	0	0	0	0	0	0
GS - FAC MGT	0	0	0	2,886	0	0	961,132
GS - FLEET SVCS	0	0	0	325	34	0	4,442
GS - COMMUNICATIONS	678	484	71	6,417	1,621	0	20,705
GENERAL GOVERNMENT	1,524	1,089	159	14,442	3,647	0	50,517
TFD - ADMINISTRATION	0	0	0	0	0	0	0
PSPRS	0	0	0	0	0	0	0
TFD - COMMUNICATIONS	0	0	0	0	0	0	0
TFD - HAZARDOUS WASTE	0	0	0	439	155	0	0
OFFICE OF INTEGRATED	0	0	0	0	0	0	7,094
Total Allocated	584,315	511,830	26,353	939,220	193,498	203,951	1,270,270
Roll Forward	0	0	0	0	0	0	0
Cost With Roll Forward	584,315	511,830	26,353	939,220	193,498	203,951	1,270,270
Adjustments	0	0	0	0	0	0	0
Proposed Costs	584,315	511,830	26,353	939,220	193,498	203,951	1,270,270



City of Tucson  
 Allocated Costs By Department

Central Service Departments	PLANNING & DEV SVS	OUTSIDE AGENCIES	GENERAL GOVT - OUTSIDE AGENCIES	RETIREE MEDICAL	TUCSON POLICE	TUCSON FIRE - GRANTEE	GENERAL SERVICES - ADA AND IMPACT	
CITY MANAGER	27,689	4,649	0	0	404,253	205,132	0	0
CMO - COMM & INTERGOV	5,150	0	0	0	67,752	33,683	0	0
CMO - REAL ESTATE	17,120	8,272	0	0	296,385	154,755	0	0
CLERK - ADMIN	0	0	0	0	0	0	0	0
CLERK-FIN&ELECTION MGT	0	0	0	0	0	0	0	0
CLERK - LEG&REC MGMT	15,700	7,586	0	0	271,827	141,927	0	0
IT - ADMIN	0	0	0	0	0	0	0	0
IT - FACILITIES MGMT	4,831	2,334	0	0	83,646	43,671	0	0
IT-PUBLIC SAFETY	0	0	0	0	2,589,420	0	0	0
IT - SERVICE DESK	64,787	0	0	0	877,823	130,679	0	0
IT - GIS SERVICES	4,919	2,377	0	0	85,161	44,466	0	0
IT - ENTERPRISE	239,229	32,375	0	0	1,160,024	605,682	0	0
IT - NETWORK SVCS	96,659	0	0	0	976,761	255,214	0	0
IT - TECHNICAL SVS	44,427	7,417	0	0	972,502	203,110	0	0
HR - ADMIN	1,352	0	0	0	17,770	8,846	0	0
HR-EMP & COMP	34,672	0	0	0	456,108	226,749	0	0
HR - EMP BEN & REC	9,967	0	0	0	131,102	65,180	0	0
HR - EMP DEV	12,830	0	0	0	168,524	83,912	0	0
HR - CLAIMS & WORK	3,871	0	0	0	94,602	48,540	0	77
HR - CENTRAL SFTY &	4,492	0	0	0	59,098	29,382	0	0
HR - EQUAL OPPORT PGM	4,964	0	0	0	65,313	32,468	0	0
PROC - ADMIN	0	0	0	0	0	0	0	0
PROC - SAMM	9,453	4,568	0	0	160,024	85,456	0	0
PROC - DESIGN, CONST	10,601	0	0	0	325,095	0	0	0
PROC - MAIL SERVICES	9,564	0	0	0	45,646	14,527	0	0
PROC - PCARD	2,875	0	0	0	20,291	0	0	0
ATTORNEY - ADMIN	0	0	0	0	0	0	0	0
ATTORNEY - CIVIL	43,971	794	0	0	385,137	83,604	0	0
ATTORNEY - CRIMINAL	170,913	0	0	0	6,152,876	0	0	0
ATTORNEY - INT LIT	0	0	0	0	0	0	0	0
BUDGET & INTERNAL	27,573	4,650	0	0	402,729	204,380	0	0
FIN - DIRECTOR'S OFFICE	0	0	0	0	0	0	0	0
FIN ACCT - ADMIN	0	0	0	0	0	0	0	0
FIN ACCT - SERVICES	22,575	3,354	0	0	306,638	141,446	0	0
FIN ACCT - OPERATIONS	14,034	6,781	0	0	242,971	126,863	0	0



All Monetary Values Are \$ Dollars  
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City of Tucson  
 Allocated Costs By Department

Central Service Departments	PLANNING & DEV SVS	OUTSIDE AGENCIES	GENERAL GOVT - OUTSIDE AGENCIES	RETIREE MEDICAL	TUCSON POLICE	TUCSON FIRE - GRANTEE	GENERAL SERVICES - ADA AND IMPACT
FIN ACCT - SYSTEMS	26,217	12,667	0	0	453,878	236,984	0
FIN TREAS - ADMIN	0	0	0	0	0	0	0
FIN TREAS - COLLECTIONS	35,950	3,626	0	0	129,912	67,833	0
FIN TREAS - INVESTMENTS	3,936	1,902	0	0	68,140	35,578	0
FIN TREAS - DEBT MGMT	1,442	697	0	0	24,960	13,034	0
FIN REVENUE - ADMIN	0	0	0	0	0	0	0
FIN - RISK MGT	12,111	0	0	0	247,098	0	0
FIN - PENSION FUND	33,111	0	0	0	136,981	33,575	0
GS - ADMIN	0	0	0	0	0	0	0
GS - FAC MGT	152	153,820	11,714	0	2,349,690	7,354	7,347
GS - FLEET SVCS	12,280	0	0	0	591,971	84,955	0
GS - COMMUNICATIONS	4,898	2,367	0	0	1,324,713	44,281	0
GENERAL GOVERNMENT	11,025	5,326	1,436,964	276,332	190,868	99,657	0
TFD - ADMINISTRATION	0	0	0	0	0	3,508,945	0
PSPRS	0	0	0	0	91,584	56,121	0
TFD - COMMUNICATIONS	0	834,380	0	0	727,028	5,163,691	0
TFD - HAZARDOUS WASTE	405	0	0	0	5,903	0	0
OFFICE OF INTEGRATED	211,939	100,173	0	0	62,803	80,624	0
Total Allocated	1,257,684	1,200,115	1,448,678	276,332	23,225,007	12,402,304	7,424
Roll Forward	0	0	0	0	0	0	0
Cost With Roll Forward	1,257,684	1,200,115	1,448,678	276,332	23,225,007	12,402,304	7,424
Adjustments	0	0	0	0	0	0	0
Proposed Costs	1,257,684	1,200,115	1,448,678	276,332	23,225,007	12,402,304	7,424



**City of Tucson**  
**Allocated Costs By Department**

Central Service Departments	ENVIRONMENTAL SVCS	TRANSPORTATION	PARK TUCSON	PARKS & REC	TUCSON CITY GOLF	WATER	HURF
CITY MANAGER	80,140	74,744	5,928	122,804	8,304	230,031	78,781
CMO - COMM & INTERGOV	11,125	875	773	23,833	0	28,198	12,979
CMO - REAL ESTATE	6,211	46,454	5,725	69,748	14,775	15,984	59,166
CLERK - ADMIN	0	0	0	0	0	0	0
CLERK-FIN&ELECTION MGT	0	0	0	0	0	0	0
CLERK - LEG&REC MGMT	67,093	116,959	5,251	63,966	13,550	213,957	54,261
IT - ADMIN	0	0	0	0	0	0	0
IT - FACILITIES MGMT	20,644	35,989	1,615	19,683	4,169	65,835	16,696
IT-PUBLIC SAFETY	0	0	0	0	0	0	0
IT - SERVICE DESK	39,359	98,175	0	106,798	0	230,181	0
IT - GIS SERVICES	83,886	100,330	1,645	20,041	4,245	123,366	17,000
IT - ENTERPRISE	286,324	595,427	22,408	272,982	57,827	1,185,417	231,567
IT - NETWORK SVCS	69,527	198,406	13,567	291,673	33,068	429,031	0
IT - TECHNICAL SVS	83,098	453,044	5,134	85,964	13,249	646,418	53,053
HR - ADMIN	2,922	228	203	4,098	0	7,404	3,398
HR-EMP & COMP	74,890	5,894	5,200	105,400	0	189,825	87,371
HR - EMP BEN & REC	21,528	1,694	1,495	30,297	0	54,565	25,115
HR - EMP DEV	27,714	2,156	1,925	38,877	0	70,247	32,231
HR - CLAIMS & WORK	11,352	12,137	538	19,790	0	23,146	0
HR - CENTRAL SFTY &	9,704	764	674	20,790	0	24,598	11,321
HR - EQUAL OPPORT PGM	10,723	843	745	22,974	0	27,181	12,511
PROC - ADMIN	0	0	0	0	0	0	0
PROC - SAMM	3,785	56,746	3,162	38,515	8,158	127,766	32,671
PROC - DESIGN, CONST	106,009	388,701	0	240,287	0	303,893	0
PROC - MAIL SERVICES	14,740	20,842	761	12,494	231	105,326	5,598
PROC - PCARD	11,980	14,429	0	47,160	0	46,053	0
ATTORNEY - ADMIN	0	0	0	0	0	0	0
ATTORNEY - CIVIL	98,149	73,173	550	54,415	1,419	266,115	5,679
ATTORNEY - CRIMINAL	170,913	170,913	0	0	0	170,913	0
ATTORNEY - INT LIT	0	0	0	0	0	0	0
BUDGET & INTERNAL	79,894	74,745	5,911	122,266	8,306	229,418	78,492
FIN - DIRECTOR'S OFFICE	0	0	0	0	0	0	0
FIN ACCT - ADMIN	0	0	0	0	0	0	0
FIN ACCT - SERVICES	69,303	97,061	8,525	122,554	5,750	230,812	54,322
FIN ACCT - OPERATIONS	59,971	104,545	4,693	57,177	12,112	191,248	48,502



**City of Tucson**  
**Allocated Costs By Department**

BY 2015 Full Cost Allocation Plan  
 2015  
 Detail  
 Version 1.0008-2

Central Service Departments	ENVIRONMENTAL SVCS	TRANSPORTATION	PARK TUCSON	PARKS & REC	TUCSON CITY GOLF	WATER	HURF
FIN ACCT - SYSTEMS	112,030	195,295	8,768	106,810	22,625	357,259	90,605
FIN TREAS - ADMIN	0	0	0	0	0	0	0
FIN TREAS - COLLECTIONS	494,096	62,063	2,509	30,572	6,477	823,045	25,934
FIN TREAS - INVESTMENTS	16,818	29,319	1,317	16,035	3,397	53,633	13,602
FIN TREAS - DEBT MGMT	6,161	10,740	482	5,875	1,245	95,524	4,983
FIN REVENUE - ADMIN	0	0	0	0	0	0	0
FIN - RISK MGT	49,196	71,073	2,816	47,096	0	116,726	0
FIN - PENSION FUND	71,520	5,629	4,966	100,659	0	181,289	83,441
GS - ADMIN	0	0	0	0	0	0	0
GS - FAC MGT	74,310	305,617	15,591	2,974,333	13,231	121,820	0
GS - FLEET SVCS	1,138,653	297,418	4,174	78,544	21,442	224,692	0
GS - COMMUNICATIONS	103,032	183,746	1,638	80,634	4,227	196,420	16,930
GENERAL GOVERNMENT	47,110	82,125	3,687	44,915	9,515	150,234	38,101
TFD - ADMINISTRATION	0	0	0	0	0	0	0
PSPRS	0	0	0	0	0	0	0
TFD - COMMUNICATIONS	114,456	205,290	0	84,590	0	0	0
TFD - HAZARDOUS WASTE	18,049	1,042	52	1,193	0	1,913	0
OFFICE OF INTEGRATED	94,119	224,914	0	149,828	0	121,455	0
Total Allocated	3,860,534	4,419,545	142,428	5,735,670	267,322	7,680,938	1,194,310
Roll Forward	0	0	0	0	0	0	0
Cost With Roll Forward	3,860,534	4,419,545	142,428	5,735,670	267,322	7,680,938	1,194,310
Adjustments	0	0	0	0	0	0	0
Proposed Costs	3,860,534	4,419,545	142,428	5,735,670	267,322	7,680,938	1,194,310



City of Tucson  
 Allocated Costs By Department

Central Service Departments	SubTotal	Direct Billed	Unallocated	Total
CITY MANAGER	1,416,070	0	0	1,416,070
CMO - COMM & INTERGOV	696,118	0	0	696,118
CMO - REAL ESTATE	886,166	0	0	886,166
CLERK - ADMIN	363,041	0	0	363,041
CLERK-FIN&ELECTION MGT	806,694	0	0	806,694
CLERK - LEG&REC MGMT	2,125,707	0	0	2,125,707
IT - ADMIN	0	0	0	0
IT - FACILITIES MGMT	353,171	0	0	353,171
IT-PUBLIC SAFETY	2,589,420	0	0	2,589,420
IT - SERVICE DESK	1,808,055	0	0	1,808,055
IT - GIS SERVICES	542,479	0	0	542,479
IT - ENTERPRISE	5,439,033	0	0	5,439,033
IT - NETWORK SVCS	2,803,112	0	0	2,803,112
IT - TECHNICAL SVS	2,788,996	0	0	2,788,996
HR - ADMIN	50,875	0	0	50,875
HR-EMP & COMP	1,312,676	0	0	1,312,676
HR - EMP BEN & REC	381,612	0	0	381,612
HR - EMP DEV	482,560	0	0	482,560
HR - CLAIMS & WORK	234,332	0	0	234,332
HR - CENTRAL SFTY &	179,156	0	0	179,156
HR - EQUAL OPPORT PGM	401,581	0	0	401,581
PROC - ADMIN	0	0	0	0
PROC - SAMM	636,091	58,373	0	694,464
PROC - DESIGN, CONST	1,540,667	0	0	1,540,667
PROC - MAIL SERVICES	373,041	0	0	373,041
PROC - PCARD	173,875	0	0	173,875
ATTORNEY - ADMIN	68,435	0	0	68,435
ATTORNEY - CIVIL	1,159,727	0	0	1,159,727
ATTORNEY - CRIMINAL	6,848,358	0	0	6,848,358
ATTORNEY - INT LIT	0	591,590	0	591,590
BUDGET & INTERNAL	1,419,296	0	0	1,419,296
FIN - DIRECTOR'S OFFICE	838,734	0	0	838,734
FIN ACCT - ADMIN	495	246,000	0	246,495
FIN ACCT - SERVICES	1,552,426	0	0	1,552,426
FIN ACCT - OPERATIONS	1,025,939	0	0	1,025,939



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City of Tucson  
 Allocated Costs By Department

Central Service Departments	SubTotal	Direct Billed	Unallocated	Total
FIN ACCT - SYSTEMS	1,916,499	0	0	1,916,499
FIN TREAS - ADMIN	0	19,600	0	19,600
FIN TREAS - COLLECTIONS	1,765,987	0	0	1,765,987
FIN TREAS - INVESTMENTS	287,715	69,600	0	357,315
FIN TREAS - DEBT MGMT	181,275	0	0	181,275
FIN REVENUE - ADMIN	479,751	0	0	479,751
FIN - RISK MGT	611,275	0	0	611,275
FIN - PENSION FUND	783,962	0	0	783,962
GS - ADMIN	0	0	0	0
GS - FAC MGT	7,356,159	0	0	7,356,159
GS - FLEET SVCS	2,481,160	0	0	2,481,160
GS - COMMUNICATIONS	2,035,437	0	0	2,035,437
GENERAL GOVERNMENT	2,562,560	0	0	2,562,560
TFD - ADMINISTRATION	3,508,945	0	0	3,508,945
PSPRS	147,705	0	0	147,705
TFD - COMMUNICATIONS	7,129,435	899,300	0	8,028,735
TFD - HAZARDOUS WASTE	29,820	0	0	29,820
OFFICE OF INTEGRATED	1,304,162	0	0	1,304,162
Total Allocated	73,879,785	1,884,463	0	75,764,248
Roll Forward	0	0	0	0
Cost With Roll Forward	73,879,785	1,884,463	0	75,764,248
Adjustments	0	0	0	0
Proposed Costs	73,879,785	1,884,463	0	75,764,248



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**City of Tucson**  
**Allocated Costs By Department**

Central Service Departments	MAYOR & COUNCIL	CMO - EXTERNAL COMMUNICATIONS	CMO - ZONING EXAMINER	CMO - ECONOMIC DEV & ANNEXATION	CMO - INDEP POLICE REVIEW	HOUSING & COMM DEV	FIN REVENUE - TAX AUDIT
CITY MANAGER	2,665	0	336	1,897	575	104,829	2,745
CMO - COMM & INTERGOV	249,241	243,709	51	360	51	7,532	515
CMO - REAL ESTATE	4,742	0	276	1,124	704	139,510	1,670
CLERK - ADMIN	363,041	0	0	0	0	0	0
CLERK-FIN&ELECTION MGT	806,694	0	0	0	0	0	0
CLERK - LEG&REC MGMT	982,291	0	253	1,031	646	127,944	1,533
IT - ADMIN	0	0	0	0	0	0	0
IT - FACILITIES MGMT	1,338	0	78	317	199	39,369	471
IT-PUBLIC SAFETY	0	0	0	0	0	0	0
IT - SERVICE DESK	29,630	0	0	0	0	70,757	0
IT - GIS SERVICES	1,362	0	79	323	202	40,086	480
IT - ENTERPRISE	18,561	0	1,080	4,400	2,757	546,016	6,539
IT - NETWORK SVCS	68,679	0	848	4,240	848	116,160	11,871
IT - TECHNICAL SVS	15,829	0	248	1,008	631	125,094	1,498
HR - ADMIN	0	0	0	0	0	1,978	135
HR-EMP & COMP	0	0	347	2,427	347	50,707	3,467
HR - EMP BEN & REC	4,286	0	100	698	100	14,576	997
HR - EMP DEV	0	0	0	0	0	18,765	1,283
HR - CLAIMS & WORK	873	0	104	369	64	8,385	471
HR - CENTRAL SFTY &	1,932	0	45	314	45	6,571	450
HR - EQUAL OPPORT PGM	1,787	0	49	347	49	7,261	496
PROC - ADMIN	0	0	0	0	0	0	0
PROC - SAMM	2,619	0	153	621	389	77,037	923
PROC - DESIGN, CONST	0	0	0	0	0	91,875	0
PROC - MAIL SERVICES	2,412	0	22	156	22	38,331	1,335
PROC - PCARD	3,217	0	0	0	0	21,354	0
ATTORNEY - ADMIN	65,031	0	0	0	0	0	0
ATTORNEY - CIVIL	13,396	0	27	33,809	68	71,357	160
ATTORNEY - CRIMINAL	0	0	0	0	0	0	0
ATTORNEY - INT LIT	0	0	0	0	0	0	0
BUDGET & INTERNAL	10,384	0	335	1,888	576	104,677	2,734
FIN - DIRECTOR'S OFFICE	0	0	0	0	0	0	274,651
FIN ACCT - ADMIN	0	0	0	0	0	495	0
FIN ACCT - SERVICES	10,460	0	232	1,307	398	425,408	1,892
FIN ACCT - OPERATIONS	3,887	0	226	922	578	114,365	1,370



City of Tucson  
Allocated Costs By Department

Central Service Departments	MAYOR & COUNCIL	CMO - EXTERNAL COMMUNICATIONS	CMO - ZONING EXAMINER	CMO - ECONOMIC DEV & ANNEXATION	CMO - INDEP POLICE REVIEW	HOUSING & COMM DEV	FIN REVENUE - TAX AUDIT
FIN ACCT - SYSTEMS	7,262	0	423	1,722	1,079	213,638	2,558
FIN TREAS - ADMIN	0	0	0	0	0	0	0
FIN TREAS - COLLECTIONS	2,079	0	121	493	309	61,150	733
FIN TREAS - INVESTMENTS	1,090	0	63	258	162	32,072	384
FIN TREAS - DEBT MGMT	399	0	23	95	59	11,749	141
FIN REVENUE - ADMIN	0	0	0	0	0	0	157,098
FIN - RISK MGT	5,501	0	350	1,242	0	24,670	1,439
FIN - PENSION FUND	11,920	0	331	2,318	331	48,425	3,311
GS - ADMIN	0	0	0	0	0	0	0
GS - FAC MGT	288,114	0	0	65,725	0	3,323	0
GS - FLEET SVCS	1,788	0	0	0	0	20,442	0
GS - COMMUNICATIONS	1,575	0	79	322	202	39,919	478
GENERAL GOVERNMENT	3,054	0	177	724	453	89,839	1,076
TFD - ADMINISTRATION	0	0	0	0	0	0	0
PSPRS	0	0	0	0	0	0	0
TFD - COMMUNICATIONS	0	0	0	0	0	0	0
TFD - HAZARDOUS WASTE	152	0	0	0	0	517	0
OFFICE OF INTEGRATED	0	0	0	92,043	0	159,170	0
Total Allocated	2,987,291	243,709	6,456	222,500	11,844	3,075,353	484,904
Roll Forward	0	0	0	0	0	0	0
Cost With Roll Forward	2,987,291	243,709	6,456	222,500	11,844	3,075,353	484,904
Adjustments	0	0	0	0	0	0	0
Proposed Costs	2,987,291	243,709	6,456	222,500	11,844	3,075,353	484,904



Central Service Departments	FIN REVENUE - LICENSE	FIN REVENUE - INVESTIGATIONS	ATTORNEY - VICTIM ASSISTANCE	CITY COURT	PUBLIC DEFENDER	HR - EOP PUBLIC	TCC
CITY MANAGER	4,040	3,479	500	37,320	8,964	0	6,255
CMO - COMM & INTERGOV	773	722	103	7,045	1,648	0	0
CMO - REAL ESTATE	2,368	1,690	248	22,428	5,664	0	11,147
CLERK - ADMIN	0	0	0	0	0	0	0
CLERK-FIN&ELECTION MGT	0	0	0	0	0	0	0
CLERK - LEG&REC MGMT	2,171	1,550	226	20,568	5,194	0	10,223
IT - ADMIN	0	0	0	0	0	0	0
IT - FACILITIES MGMT	668	477	69	6,329	1,598	0	3,145
IT-PUBLIC SAFETY	0	0	0	0	0	0	0
IT - SERVICE DESK	0	0	0	0	0	0	0
IT - GIS SERVICES	680	485	71	125,151	21,669	0	13,046
IT - ENTERPRISE	9,265	6,615	968	6,444	1,628	0	3,203
IT - NETWORK SVCS	18,653	15,262	0	87,776	22,166	0	43,628
IT - TECHNICAL SVS	2,123	1,515	222	150,076	30,524	0	22,045
HR - ADMIN	203	190	27	46,494	8,039	0	18,879
HR-EMP & COMP	5,200	4,854	693	1,701	420	0	0
HR - EMP BEN & REC	1,495	1,395	199	47,430	11,095	0	0
HR - EMP DEV	1,925	1,796	257	13,634	3,189	0	0
HR - CLAIMS & WORK	586	454	60	16,141	3,977	0	0
HR - CENTRAL SFTY &	674	629	90	5,456	1,761	0	1,696
HR - EQUAL OPPORT PGM	745	695	99	6,145	1,438	0	0
PROC - ADMIN	0	0	0	6,791	1,589	203,951	0
PROC - SAMM	1,307	933	137	0	0	0	0
PROC - DESIGN, CONST	0	0	0	12,385	3,127	0	6,156
PROC - MAIL SERVICES	69,963	1,620	3,854	49,471	0	0	24,735
PROC - PCARD	0	0	0	22,243	3,148	0	206
ATTORNEY - ADMIN	0	0	3,404	3,655	1,036	0	1,825
ATTORNEY - CIVIL	227	162	23	0	0	0	0
ATTORNEY - CRIMINAL	0	0	11,830	20,216	543	0	6,733
ATTORNEY - INT LIT	0	0	0	0	0	0	0
BUDGET & INTERNAL	4,023	3,463	498	37,161	8,926	0	6,267
FIN - DIRECTOR'S OFFICE	278,717	285,366	0	0	0	0	0
FIN ACCT - ADMIN	0	0	0	0	0	0	0
FIN ACCT - SERVICES	2,783	2,397	345	31,351	7,151	0	6,362
FIN ACCT - OPERATIONS	1,940	1,385	203	18,385	4,643	0	9,138

Central Service Departments	FIN REVENUE - LICENSE	FIN REVENUE - INVESTIGATIONS	ATTORNEY - VICTIM ASSISTANCE	CITY COURT	PUBLIC DEFENDER	HR - EOP PUBLIC	TCC
FIN ACCT - SYSTEMS	3,625	2,588	379	34,344	8,673	0	17,070
FIN TREAS - ADMIN	0	0	0	0	0	0	0
FIN TREAS - COLLECTIONS	1,038	741	108	9,830	2,482	0	4,886
FIN TREAS - INVESTMENTS	544	389	56	5,155	1,302	0	2,563
FIN TREAS - DEBT MGMT	199	142	21	1,888	477	0	939
FIN REVENUE - ADMIN	159,425	163,228	0	0	0	0	0
FIN - RISK MGT	1,787	1,400	771	16,402	5,374	0	6,223
FIN - PENSION FUND	4,966	4,635	662	45,296	10,596	0	0
GS - ADMIN	0	0	0	0	0	0	0
GS - FAC MGT	0	0	0	2,886	0	0	961,132
GS - FLEET SVCS	0	0	0	325	34	0	4,442
GS - COMMUNICATIONS	678	484	71	6,417	1,621	0	20,705
GENERAL GOVERNMENT	1,524	1,089	159	14,442	3,647	0	50,517
TFD - ADMINISTRATION	0	0	0	0	0	0	0
PSPRS	0	0	0	0	0	0	0
TFD - COMMUNICATIONS	0	0	0	0	0	0	0
TFD - HAZARDOUS WASTE	0	0	0	439	155	0	0
OFFICE OF INTEGRATED	0	0	0	0	0	0	7,094
Total Allocated	584,315	511,830	26,353	939,220	193,498	203,951	1,270,270
Roll Forward	0	0	0	0	0	0	0
Cost With Roll Forward	584,315	511,830	26,353	939,220	193,498	203,951	1,270,270
Adjustments	0	0	0	0	0	0	0
Proposed Costs	584,315	511,830	26,353	939,220	193,498	203,951	1,270,270



City of Tucson  
 Allocated Costs By Department

Central Service Departments	PLANNING & DEV SVS	OUTSIDE AGENCIES	GENERAL GOVT - OUTSIDE AGENCIES	RETIREE MEDICAL	TUCSON POLICE	TUCSON FIRE - GRANTEE	GENERAL SERVICES - ADA AND IMPACT	
CITY MANAGER	27,689	4,649	0	0	404,253	205,132	0	0
CMO - COMM & INTERGOV	5,150	0	0	0	67,752	33,683	0	0
CMO - REAL ESTATE	17,120	8,272	0	0	296,385	154,755	0	0
CLERK - ADMIN	0	0	0	0	0	0	0	0
CLERK-FIN&ELECTION MGT	0	0	0	0	0	0	0	0
CLERK - LEG&REC MGMT	15,700	7,586	0	0	271,827	141,927	0	0
IT - ADMIN	0	0	0	0	0	0	0	0
IT - FACILITIES MGMT	4,831	2,334	0	0	83,646	43,671	0	0
IT-PUBLIC SAFETY	0	0	0	0	2,589,420	0	0	0
IT - SERVICE DESK	64,787	0	0	0	877,823	130,679	0	0
IT - GIS SERVICES	4,919	2,377	0	0	85,161	44,466	0	0
IT - ENTERPRISE	239,229	32,375	0	0	1,160,024	605,682	0	0
IT - NETWORK SVCS	96,659	0	0	0	976,761	255,214	0	0
IT - TECHNICAL SVS	44,427	7,417	0	0	972,502	203,110	0	0
HR - ADMIN	1,352	0	0	0	17,770	8,846	0	0
HR-EMP & COMP	34,672	0	0	0	456,108	226,749	0	0
HR - EMP BEN & REC	9,967	0	0	0	131,102	65,180	0	0
HR - EMP DEV	12,830	0	0	0	168,524	83,912	0	0
HR - CLAIMS & WORK	3,871	0	0	0	94,602	48,540	0	0
HR - CENTRAL SFTY &	4,492	0	0	0	59,098	29,382	0	0
HR - EQUAL OPPORT PGM	4,964	0	0	0	65,313	32,468	0	0
PROC - ADMIN	0	0	0	0	0	0	0	0
PROC - SAMM	9,453	4,568	0	0	160,024	85,456	0	0
PROC - DESIGN, CONST	10,601	0	0	0	325,095	0	0	0
PROC - MAIL SERVICES	9,564	0	0	0	45,646	14,527	0	0
PROC - PCARD	2,875	0	0	0	20,291	0	0	0
ATTORNEY - ADMIN	0	0	0	0	0	0	0	0
ATTORNEY - CIVIL	43,971	794	0	0	385,137	83,604	0	0
ATTORNEY - CRIMINAL	170,913	0	0	0	6,152,876	0	0	0
ATTORNEY - INT LIT	0	0	0	0	0	0	0	0
BUDGET & INTERNAL	27,573	4,650	0	0	402,729	204,380	0	0
FIN - DIRECTOR'S OFFICE	0	0	0	0	0	0	0	0
FIN ACCT - ADMIN	0	0	0	0	0	0	0	0
FIN ACCT - SERVICES	22,575	3,354	0	0	306,638	141,446	0	0
FIN ACCT - OPERATIONS	14,034	6,781	0	0	242,971	126,863	0	0



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City of Tucson  
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Central Service Departments	PLANNING & DEV SVS	OUTSIDE AGENCIES	GENERAL GOVT - OUTSIDE AGENCIES	RETIREE MEDICAL	TUCSON POLICE	TUCSON FIRE - GRANTEE	GENERAL SERVICES - ADA AND IMPACT
FIN ACCT - SYSTEMS	26,217	12,667	0	0	453,878	236,984	0
FIN TREAS - ADMIN	0	0	0	0	0	0	0
FIN TREAS - COLLECTIONS	35,950	3,626	0	0	129,912	67,833	0
FIN TREAS - INVESTMENTS	3,936	1,902	0	0	68,140	35,578	0
FIN TREAS - DEBT MGMT	1,442	697	0	0	24,960	13,034	0
FIN REVENUE - ADMIN	0	0	0	0	0	0	0
FIN - RISK MGT	12,111	0	0	0	247,098	0	0
FIN - PENSION FUND	33,111	0	0	0	136,981	33,575	0
GS - ADMIN	0	0	0	0	0	0	0
GS - FAC MGT	152	153,820	11,714	0	2,349,690	7,354	7,347
GS - FLEET SVCS	12,280	0	0	0	591,971	84,955	0
GS - COMMUNICATIONS	4,898	2,367	0	0	1,324,713	44,281	0
GENERAL GOVERNMENT	11,025	5,326	1,436,964	276,332	190,868	99,657	0
TFD - ADMINISTRATION	0	0	0	0	0	3,508,945	0
PSPRS	0	0	0	0	91,584	56,121	0
TFD - COMMUNICATIONS	0	834,380	0	0	727,028	5,163,691	0
TFD - HAZARDOUS WASTE	405	0	0	0	5,903	0	0
OFFICE OF INTEGRATED	211,939	100,173	0	0	62,803	80,624	0
Total Allocated	1,257,684	1,200,115	1,448,678	276,332	23,225,007	12,402,304	7,424
Roll Forward	0	0	0	0	0	0	0
Cost With Roll Forward	1,257,684	1,200,115	1,448,678	276,332	23,225,007	12,402,304	7,424
Adjustments	0	0	0	0	0	0	0
Proposed Costs	1,257,684	1,200,115	1,448,678	276,332	23,225,007	12,402,304	7,424



**City of Tucson**  
**Allocated Costs By Department**

Central Service Departments	ENVIRONMENTAL SVCS	TRANSPORTATION	PARK TUCSON	PARKS & REC	TUCSON CITY GOLF	WATER	HURF
CITY MANAGER	80,140	74,744	5,928	122,804	8,304	230,031	78,781
CMO - COMM & INTERGOV	11,125	875	773	23,833	0	28,198	12,979
CMO - REAL ESTATE	6,211	46,454	5,725	69,748	14,775	15,984	59,166
CLERK - ADMIN	0	0	0	0	0	0	0
CLERK-FIN&ELECTION MGT	0	0	0	0	0	0	0
CLERK - LEG&REC MGMT	67,093	116,959	5,251	63,966	13,550	213,957	54,261
IT - ADMIN	0	0	0	0	0	0	0
IT - FACILITIES MGMT	20,644	35,989	1,615	19,683	4,169	65,835	16,696
IT-PUBLIC SAFETY	0	0	0	0	0	0	0
IT - SERVICE DESK	39,359	98,175	0	106,798	0	230,181	0
IT - GIS SERVICES	83,886	100,330	1,645	20,041	4,245	123,366	17,000
IT - ENTERPRISE	286,324	595,427	22,408	272,982	57,827	1,185,417	231,567
IT - NETWORK SVCS	69,527	198,406	13,567	291,673	33,068	429,031	0
IT - TECHNICAL SVS	83,098	453,044	5,134	85,964	13,249	646,418	53,053
HR - ADMIN	2,922	228	203	4,098	0	7,404	3,398
HR-EMP & COMP	74,890	5,894	5,200	105,400	0	189,825	87,371
HR - EMP BEN & REC	21,528	1,694	1,495	30,297	0	54,565	25,115
HR - EMP DEV	27,714	2,156	1,925	38,877	0	70,247	32,231
HR - CLAIMS & WORK	11,352	12,137	538	19,790	0	23,146	0
HR - CENTRAL SFTY &	9,704	764	674	20,790	0	24,598	11,321
HR - EQUAL OPPORT PGM	10,723	843	745	22,974	0	27,181	12,511
PROC - ADMIN	0	0	0	0	0	0	0
PROC - SAMM	3,785	56,746	3,162	38,515	8,158	127,766	32,671
PROC - DESIGN, CONST	106,009	388,701	0	240,287	0	303,893	0
PROC - MAIL SERVICES	14,740	20,842	761	12,494	231	105,326	5,598
PROC - PCARD	11,980	14,429	0	47,160	0	46,053	0
ATTORNEY - ADMIN	0	0	0	0	0	0	0
ATTORNEY - CIVIL	98,149	73,173	550	54,415	1,419	266,115	5,679
ATTORNEY - CRIMINAL	170,913	170,913	0	0	0	170,913	0
ATTORNEY - INT LIT	0	0	0	0	0	0	0
BUDGET & INTERNAL	79,894	74,745	5,911	122,266	8,306	229,418	78,492
FIN - DIRECTOR'S OFFICE	0	0	0	0	0	0	0
FIN ACCT - ADMIN	0	0	0	0	0	0	0
FIN ACCT - SERVICES	69,303	97,061	8,525	122,554	5,750	230,812	54,322
FIN ACCT - OPERATIONS	59,971	104,545	4,693	57,177	12,112	191,248	48,502



**City of Tucson**  
**Allocated Costs By Department**

BY 2015 Full Cost Allocation Plan  
 2015  
 Detail  
 Version 1.0008-2

Central Service Departments	ENVIRONMENTAL SVCS	TRANSPORTATION	PARK TUCSON	PARKS & REC	TUCSON CITY GOLF	WATER	HURF
FIN ACCT - SYSTEMS	112,030	195,295	8,768	106,810	22,625	357,259	90,605
FIN TREAS - ADMIN	0	0	0	0	0	0	0
FIN TREAS - COLLECTIONS	494,096	62,063	2,509	30,572	6,477	823,045	25,934
FIN TREAS - INVESTMENTS	16,818	29,319	1,317	16,035	3,397	53,633	13,602
FIN TREAS - DEBT MGMT	6,161	10,740	482	5,875	1,245	95,524	4,983
FIN REVENUE - ADMIN	0	0	0	0	0	0	0
FIN - RISK MGT	49,196	71,073	2,816	47,096	0	116,726	0
FIN - PENSION FUND	71,520	5,629	4,966	100,659	0	181,289	83,441
GS - ADMIN	0	0	0	0	0	0	0
GS - FAC MGT	74,310	305,617	15,591	2,974,333	13,231	121,820	0
GS - FLEET SVCS	1,138,653	297,418	4,174	78,544	21,442	224,692	0
GS - COMMUNICATIONS	103,032	183,746	1,638	80,634	4,227	196,420	16,930
GENERAL GOVERNMENT	47,110	82,125	3,687	44,915	9,515	150,234	38,101
TFD - ADMINISTRATION	0	0	0	0	0	0	0
PSPRS	0	0	0	0	0	0	0
TFD - COMMUNICATIONS	114,456	205,290	0	84,590	0	0	0
TFD - HAZARDOUS WASTE	18,049	1,042	52	1,193	0	1,913	0
OFFICE OF INTEGRATED	94,119	224,914	0	149,828	0	121,455	0
Total Allocated	3,860,534	4,419,545	142,428	5,735,670	267,322	7,680,938	1,194,310
Roll Forward	0	0	0	0	0	0	0
Cost With Roll Forward	3,860,534	4,419,545	142,428	5,735,670	267,322	7,680,938	1,194,310
Adjustments	0	0	0	0	0	0	0
Proposed Costs	3,860,534	4,419,545	142,428	5,735,670	267,322	7,680,938	1,194,310



City of Tucson  
 Allocated Costs By Department

Central Service Departments	SubTotal	Direct Billed	Unallocated	Total
CITY MANAGER	1,416,070	0	0	1,416,070
CMO - COMM & INTERGOV	696,118	0	0	696,118
CMO - REAL ESTATE	886,166	0	0	886,166
CLERK - ADMIN	363,041	0	0	363,041
CLERK-FIN&ELECTION MGT	806,694	0	0	806,694
CLERK - LEG&REC MGMT	2,125,707	0	0	2,125,707
IT - ADMIN	0	0	0	0
IT - FACILITIES MGMT	353,171	0	0	353,171
IT-PUBLIC SAFETY	2,589,420	0	0	2,589,420
IT - SERVICE DESK	1,808,055	0	0	1,808,055
IT - GIS SERVICES	542,479	0	0	542,479
IT - ENTERPRISE	5,439,033	0	0	5,439,033
IT - NETWORK SVCS	2,803,112	0	0	2,803,112
IT - TECHNICAL SVS	2,788,996	0	0	2,788,996
HR - ADMIN	50,875	0	0	50,875
HR-EMP & COMP	1,312,676	0	0	1,312,676
HR - EMP BEN & REC	381,612	0	0	381,612
HR - EMP DEV	482,560	0	0	482,560
HR - CLAIMS & WORK	234,332	0	0	234,332
HR - CENTRAL SFTY &	179,156	0	0	179,156
HR - EQUAL OPPORT PGM	401,581	0	0	401,581
PROC - ADMIN	0	0	0	0
PROC - SAMM	636,091	58,373	0	694,464
PROC - DESIGN, CONST	1,540,667	0	0	1,540,667
PROC - MAIL SERVICES	373,041	0	0	373,041
PROC - PCARD	173,875	0	0	173,875
ATTORNEY - ADMIN	68,435	0	0	68,435
ATTORNEY - CIVIL	1,159,727	0	0	1,159,727
ATTORNEY - CRIMINAL	6,848,358	0	0	6,848,358
ATTORNEY - INT LIT	0	591,590	0	591,590
BUDGET & INTERNAL	1,419,296	0	0	1,419,296
FIN - DIRECTOR'S OFFICE	838,734	0	0	838,734
FIN ACCT - ADMIN	495	246,000	0	246,495
FIN ACCT - SERVICES	1,552,426	0	0	1,552,426
FIN ACCT - OPERATIONS	1,025,939	0	0	1,025,939



All Monetary Values Are \$ Dollars  
 MAXCARS © 2015 MAXIMUS, INC.  
 Report Output Prepared By City of Tucson

City of Tucson  
 Allocated Costs By Department

Central Service Departments	SubTotal	Direct Billed	Unallocated	Total
FIN ACCT - SYSTEMS	1,916,499	0	0	1,916,499
FIN TREAS - ADMIN	0	19,600	0	19,600
FIN TREAS - COLLECTIONS	1,765,987	0	0	1,765,987
FIN TREAS - INVESTMENTS	287,715	69,600	0	357,315
FIN TREAS - DEBT MGMT	181,275	0	0	181,275
FIN REVENUE - ADMIN	479,751	0	0	479,751
FIN - RISK MGT	611,275	0	0	611,275
FIN - PENSION FUND	783,962	0	0	783,962
GS - ADMIN	0	0	0	0
GS - FAC MGT	7,356,159	0	0	7,356,159
GS - FLEET SVCS	2,481,160	0	0	2,481,160
GS - COMMUNICATIONS	2,035,437	0	0	2,035,437
GENERAL GOVERNMENT	2,562,560	0	0	2,562,560
TFD - ADMINISTRATION	3,508,945	0	0	3,508,945
PSPRS	147,705	0	0	147,705
TFD - COMMUNICATIONS	7,129,435	899,300	0	8,028,735
TFD - HAZARDOUS WASTE	29,820	0	0	29,820
OFFICE OF INTEGRATED	1,304,162	0	0	1,304,162
Total Allocated	73,879,785	1,884,463	0	75,764,248
Roll Forward	0	0	0	0
Cost With Roll Forward	73,879,785	1,884,463	0	75,764,248
Adjustments	0	0	0	0
Proposed Costs	73,879,785	1,884,463	0	75,764,248



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<b>Allocation basis</b>	
<b>This list shows all department-activities with allocations to Water Dept.</b>	
<b>This list identifies the basis of allocation used in the FCAP</b>	
<u>Department-Function</u>	<u>Allocation basis</u>
IT-Enterprise Applications	Based on software maintenance
IT-Technical Services	Server count per department
IT-Network Services	Number of VOIP devices (phone)
IT-Service Desk	Number of PC's
IT-GIS Services	Estimated level of staff support
IT-Facilities Management	Total weighted exp. allocation
Finance Treas-Collections	"Specific" is the number of transactions processed
Finance Acct-Systems	Total weighted exp. allocation
Finance Acct-Services	Payroll-total FTE's (26.21% of total Services)
	Accounts Payable-number of payment vouchers processed (34.26% of total Services)
	total weighted exp. Allocation (39.53% of total Services)
Finance Acct-Operations	Total weighted exp. allocation
Finance Treas-Debt Mgmt.	Total weighted exp. allocation, except Tor portion directly to Water
Finance Treas-Investments	Total weighted exp. allocation
Finance-Risk Mgmt.	Risk Management transfers-specific budgeted dollar amounts
Finance-Pension Fund Admin	Number of permanent FTE's, excluding elected, appointed, commissioned
Procurement-Design, Const, Purch	Number of contracts & PO's issued
Procurement-Surplus, Auction, Matls Mgmt.	Total weighted exp. allocation
Procurement-Mail Services	Internal mail-number of FTE's
	External-direct charges
Procurement-Pcard	Number of pCard transactions
Attorney-Civil	Estimated level of staff support
Attorney-Criminal	Estimated level of staff support
Clerk-Leg & Records mgmt.	Records center/archives: total weighted exp. allocation
HR-Employ & Compensation	Number of permanent FTE's, excluding M&C
HR-Employee Develop	Number of permanent FTE's, excluding elected, appointed
HR-Employee Benefits & Records	Number of permanent FTE's
HR-Equal Opportunity Pgm	Number of FTE's, excluding elected
HR-Central Safety & Wellness	Number of total FTE's
HR-Claims & Work Comp	Work Comp transfers-specific budgeted dollar amounts
HR-Admin	For Civil Service Commission activity: number of permanent FTE's, excluding elected, appointed
Budget & Internal Audit	50% is allocated using number of total FTE's
	50% is allocated using total weighted exp. allocation
City Manager	50% is allocated using number of total FTE's excluding M&C
CMO-Communications & Intergov Relations	Internal city communications-number of FTE's
CMO-Real Estate	Direct charges for services
General Services-Facilities Mgmt.	Facilities maintenance expenditures
General Services-Arch & Engineer	Expenditures for A&E services
General Services-Fleet Services	Expenditures for fleet services
General Services-Communications	Comm maint ISF expenditures
	Genl comm infrastructure expenditures
	I-Net maintenance: total weighted exp. allocation
Office of Integrated Planning	Estimated level of staff effort
General Government-General	Total weighted exp. allocation
TFD-Hazardous Waste Disposal	Haz Waste transfers-specific budgeted dollar amounts

**City of Tucson**  
**Notes for the Full Cost Allocation Plan**

The Budget Year (BY) 2015 Full Cost Allocation Plan (FCAP) identifies the costs of central support services provided by central service departments of the City of Tucson, Arizona, to its operating departments, special funds and other entities of the City. The BY 2015 FCAP is based on the adopted budget for the fiscal year (FY) ending June 30, 2015. The FCAP was prepared using software developed by MAXIMUS and used under a license agreement with the City.

Three basic principles relating to the allocation of central service support costs to operating departments have been adhered to in the preparation of the FCAP.

1. Costs should be necessary and reasonable for the proper performance of a program.
2. Costs should be charged or allocated to programs in accordance with relative benefits received. A program should only be charged for services it utilizes or benefits from, and should only be charged in relation to benefits derived from the service.
3. Direct and indirect costs should be accorded consistent treatment. A cost should not be allocated to a program as an indirect cost if any other costs incurred for the same purpose in like circumstances have been charged to the program as direct costs.

A consistent approach has been followed in the treatment of costs as direct or indirect costs. Expenditure information was obtained from the City's adopted budget records for the year ending June 30, 2015. Statistics (or allocation bases) used to allocate costs are either from the adopted budget for FY 2015 (FTEs), actual FY 2014 data, or department records.

A double step-down allocation procedure has been used to distribute costs among central services and to other city departments that receive benefits. The double step-down procedure initially requires a sequential ordering of agencies. Department indirect cost allocations are then made in the order selected to all benefiting programs, including cross-allocations to other central services. A second step-down allocation for each central service is made to insure that the

cross-benefit of services among central services is fully recognized. Costs allocated from each central service department consist of the following:

First Allocation - The actual operating costs for the department, plus all allocated costs from other central service agencies which have been identified up to this point.

Second Allocation – The costs from other central services made subsequent to that department's first allocation. With respect to the double step-down methodology, two important points should be noted:

- (1) The initial sequencing of departments was made in consideration of the order which maximizes the benefits of services; and
- (2) After the second allocation of each central service department, that department was "closed" and could not receive any additional allocations from other central services.

The Full Cost Allocation Plan is presented in the following schedules:

- (1) Allocated Costs by Department (Schedule A) - Provides the costs allocated from each central service to each operating program. The central service departments are listed on the left side of the page and the operating departments and funds detailed in the plan are listed across the top with a total at the bottom of the page.
- (2) Summary of Allocated Costs (Schedule C) – A schedule of central service costs allocated to each department and entity.
- (3) Summary of Allocation Basis (Schedule E) - Provides the basis (statistic) used to allocate the costs for each function of every central service department.

Each central service department is presented in the following format:

- (1) Nature and Extent of Services - A narrative description of the central service and each function that was identified. Also described are the allocation bases used for each function and any other relevant information on expenditures.

- (2) Costs to be Allocated (Schedule 2) - Presents the total costs to be allocated based on expenditures from the adopted budget. Allocated additions represent costs allocated to a central service from other central services.
- (3) Costs to be Allocated by Activity (Schedule 3) - Costs for each department are identified by activity (function) in order to insure the application of allocation bases which most closely correlate with the benefits derived to receiving programs. Total costs allocated are the same as reflected on the previous schedule. Functions of the departments are listed across the top of the page and a detailed schedule is provided for each function.
- (4) Detail Activity Allocations (Schedule 4) – A detailed schedule of the allocation of each function is provided on all allocated functions except for General and Administrative (G&A). Costs of General and Administrative are re-allocated to all other department functions based on personnel costs unless otherwise noted.



Citizens' Water Advisory Committee

Projected Agenda



Meeting Date/Agenda Items

Materials Deadline

**\*January 6, 2016**

- TW Financial Plan
- Bond Council
- Fees

**\*December 30, 2015**

**\*February 3, 2016**

- Adoption of Tucson Water Financial Plan
- Fees

**\*January 27, 2016**

**\*March 2, 2016**

- Adoption of Tucson Water Rate Schedule
- Avra Valley Communications Plan

**\*February 24, 2016**

**Future Agenda Items without a Date:**

- Effluent Sales and ground water use Analysis \*\*Wally
- Staff Report on History of Pool Conservation \*\*C&E
- Presentation of CWAC research findings by Julie Brugger (C Freitas)
- CAP/TW Shortage and Drought Presentation \*\*Mitch/Wally (May)
- Green Streets Presentation OIP
- Water Conservation efforts in CA (J Jenkins)
- M&C Water Policies

\*Date subject to change pending approval of 2016 meeting schedule at December's regular meeting