

FERRY ADMINISTRATIVE ALLOCATION EXPENSES - 2011

PWA Payroll Costs	Ferry	Ferry Alloc
Accounting Technician	2%	1,390
Clerk/Receptionist	20%	10,730
Financial Accountant	5%	3,782
Clerk/Receptionist	20%	9,771
PW Director	20%	36,100
Administrative Assistant	2%	1,486
Accounting Supervisor	25%	25,746
Safety Specialist	25%	16,437
Safety Extra Help	25%	3,095
		<u>108,537</u>

PWA Non Payroll Costs		
PW Admin		31,256
PW Accounting		5,827
Safety/Training	25%	29,037
		<u>66,119</u>

Allocation - Public Works Administration: \$174,657

Allocation - Current Expense Fund: 14,824

Allocation - Administrative Services Fund: 32,705

Total Administrative Allocations to Ferry Fund: \$222,186

October 29, 2010

Ferry Administrative Allocation Expenses – Summary for 2011

PWA Payroll Costs:

Accounting Technician (2%) – Accounts Payable data entry, payroll data entry

Clerk/Receptionist (20% each)– Two positions, work includes telephone communications/reception, direct sales of ferry passes, ferry usage data base entry, ensuring auditing process related to cash handling for ferry tickets.

Financial Accountant (5%)– Contract payment processing, cost account coding, work order reports, payroll backup, budget data entry, preparation of ferry deficit report.

PW Director (20%)– Facilitating communication (websites, meetings, email, telephone contacts, Council, Executive Office, etc.), assuring compliance with regulations and requirements from the Coast Guard, Corp of Engineers, WSDOT, and other agencies. Organizes resources to respond to multiple requests for information, budget decisions, repair/replacement decisions, emergency response decisions, emergency response documentation/compliance with process, personnel decisions, contract decisions. The Ferry does not operate by itself and requires management. Performing the duties of the Ferry Manager position that currently does not exist. It is the intent to **reduce** the Directors time spent on Ferry issues to 20% in 2011 and beyond.

Administrative Assistant (2%)– Council and Executive Office document processing, agenda bills, contracts, correspondence, tracking documents.

Accounting Supervisor (25%)– Financial reporting compliance, financial analysis, budget preparation, oversight/review of accounting activities related to Ferry, coordination of and response to all auditing functions (state & local).

Safety Specialist (25%)– Management of drug/alcohol testing program/compliance, multiple training/tracking coordination, incident report evaluation, investigation, recommendation, professional services coordination. Approximately 18.5% of all Public Works incidents investigated are Ferry related and approximately 26.5% of all Public Works settlement costs are associated with Ferry incidents.

Safety Extra Help (25%)– Used only when necessary to stay in compliance with any of the extensive compliance requirements via Coast Guard, Corp of Engineers, WSDOT, or others.

PWA Non-Payroll Costs:

PW Admin, PW Accounting, Safety/Training – This is the Ferry Operations portion of the non-payroll costs billed for all Public Works Administrative support functions. These are the basic operational costs to provide support to the Ferry Operations. Examples are the cost of office space, janitorial services, telephones, office equipment, printers, building maintenance, etc.

Allocation – Current Expense Fund:

The Current Expense allocation distributes the cost of the internal audit function, the Prosecuting Attorney's civil section, the Treasurer's cash receipting function, the Executive Office's administrative function (the portion of the deputy administrator position charged to the Executive's Office) and the cost of any county wide computer system upgrades. Internal audit, Prosecuting Attorney's civil section and Executive Administration are allocated based budget dollars. Treasurer's cash receipting is based on number of cash receipting transactions. I-series costs are allocated based on CPU minutes. Networks costs are allocated based on number of P.C.s.

Allocation – Administrative Services Fund:

The Administrative Services allocation distributes the cost of Finance, Human Resources, and other County-wide functions provided by the Administrative Services department. Finance allocations are based on the numbers of contracts, number of departmental FTE's for payroll, number of vouchers processed for accounts payable and other budgeted dollars for purchasing and asset management.. Human Resources costs for employee and labor relations, employment, record management, risk management, and all benefits programs are allocated based upon departmental FTE's.

Summary Notes:

The total cost of the Administrative Allocation represents approximately 8.3% of the proposed Ferry Operations budget for 2011. The costs are indirect and, therefore, are more difficult to understand. The costs are, however, an accurate and necessary part of the Ferry Operations. The fact that some of these costs were not identified in previous budget years does NOT indicate that they did not exist. The Department is simply getting much better at identification of all costs associated with every operation and those costs are being assigned to those specific operations – the Ferry is no exception.

These are not hidden costs and “redistribution” will not make the costs go away. They will simply be paid elsewhere, as in the past, or they will be part of the operation that generated the cost. The Department does *not* desire to consume the resources it would take to recover the expenditures of prior years that were not charged to the Ferry Operations.

As all budgets become less flexible, the true costs of all these services become clear. Better decisions result from a higher level of awareness related to the true costs of every operation. To be sure – debating, discussing, and disagreeing with the costs is healthy BUT the costs do not go away and must be paid. The direct question is what cost center operation should pay.

Frank Abart
Public Works Director
