LAFAYETTE CONSOLIDATED GOVERNMENT

City-Parish Funding Source Allocations
April 11, 2023

MGT
Agenda
Lafayette Consolidated Government
City-Parish Funding Source Allocations

Introduction

Project Overview

Project Methodology & Approach

Questions
Nationally recognized public sector consultants

We are respected and experienced leaders in management consulting who equip our clients with innovative solutions so they can better serve their agency, stakeholders, and community.

Bret Schlyer
Vice President

Areas of Expertise:
- Management Consulting
- Client Training
- Performance Audits
- Audit/Negotiations
- Full & Federal Cost Allocation Plans
- Indirect Cost Rates
- User Fee Studies

13 years experience with Lafayette Consolidated Government

2,000 cost allocation plans in last 5 years for local governments

48+ years of service

- Financial Solutions
- Human Capital Mgmt
- Cyber Security
- Strategic Planning
- Diversity Equity & Inclusion
Project Overview

• Goal of the project is to identify an equitable distribution of the operating costs of LCG between the various City and Parish funds.

• Not all funds are included
  • Only 18%

• Result is $5.7M costs funded by City to be paid by Parish
  • Approx 1% of total budget
Project Overview

• Why do we do this calculation?
  • Many functions/services have a shared benefit to both the City and the Parish

• Distribution is accomplished through the preparation of a cost allocation plan
Project Overview

• What is a Cost Allocation Plan:

  • After-the-fact accounting document

  • Identifies the shared operating costs of LCG and who funds them

  • Identifies the most appropriate statistic to distribute the costs between City and Parish Funds

  • Statistics are applied to the shared operating costs
    • City share vs Parish share
Project Methodology & Approach

• General Criteria for allocation – share costs based on relative benefits received
  o Does the service benefit more than just the entity (fund) that funded the service?
  o Would the non-funding entity expend money for the activities if LCG was not consolidated?
  o Is the benefit received by the non-funding entity substantial enough to merit an allocation of costs?

• Evaluate departments using the above criteria

• Identify best available statistical measure for each department
Project Methodology & Approach

• Costs are allocated from departments that allow us to choose different statistical measures for each department.

• 25 unique allocation statistics are utilized in the calculation

<table>
<thead>
<tr>
<th>Allocation Methods</th>
<th>Est % of Staff Time</th>
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<tbody>
<tr>
<td># of Employees</td>
<td>(5100)</td>
</tr>
<tr>
<td># of Employees (Civil Svc)</td>
<td>(5131)</td>
</tr>
<tr>
<td># of Employees ex Utilities</td>
<td>(5132)</td>
</tr>
<tr>
<td>(SC-SP) Non-Dedicated Ad Valorem and Sales Tax Revenue</td>
<td>(5133)</td>
</tr>
<tr>
<td>(SP) Non-Dedicated Ad Valorem and Sales Tax Revenue</td>
<td>(5134)</td>
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<tr>
<td>Alcohol Permits</td>
<td>Fire Ops Respread</td>
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<tr>
<td>Budgeted Expenditures</td>
<td>Hazmat Responses</td>
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<tr>
<td>Direct - City CIP/Special Fund</td>
<td>Non-Dedicated Ad Valorem and Sales Tax Revenue</td>
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<tr>
<td>Direct - City Fund 101</td>
<td>Population (Parish Special)</td>
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<td>Direct - Parish Fund 105</td>
<td>Sales Tax Revenue</td>
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<tr>
<td>Direct - Parish Spc Rev Fund</td>
<td>Traffic Signals</td>
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<tr>
<td>Direct Assignment for Repeat Offender Program</td>
<td>Traffic Signs</td>
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<tr>
<td>Direct Charge</td>
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Project Methodology & Approach

• Example Allocations
  • Chief Financial Officer – allocated based on City/Parish budgeted expenditures
  • CAO Human Resources – allocated based on the # of employees
  • Fire HAZMAT – allocated based on # of hazmat responses
  • Traffic Engineering – allocated based on the # of traffic signs
  • Traffic Signal Maintenance – allocated based on the number of traffic signals
  • Planning – allocated based on the relative population of City vs Parish

• Aggregation of each individual allocation provides the overall results
Questions?
Thank You