EXPLANATION OF USER CHARGE ALLOCATIONS

**Communications Equipment Replacement Charges:** Departments are charged user charges for the replacement of computer equipment, peripheral equipment, business machines and for a proportionate share of the Information Technology Division costs. The current useful life for personal computers is 3 years, while peripherals range from 4 to 6 years. The useful life for business machines is 7 years. The allocation is distributed based on the following weighted formula:

Annual amortization + percent of Information Technology equipment amortization + percent of total Information Technology Division costs + business machine amortization.

**Equipment Replacement Charges:** Departments are charged user charges for the replacement of vehicles, heavy equipment, general small equipment and for a proportionate share of the Equipment Service Division costs. The useful life for vehicles and heavy equipment ranges from 3 to 25 years. The allocation is distributed based on the following weighted formula:

Percent of Equipment Service Division costs + Department Parts & Fuel + Department vehicle amortization + Department specific services.

**Building Maintenance Charges:** Departments are charged user charges for the maintenance of all City buildings. The allocation for 2019-20 is $101,555 and is distributed based on the square footage occupied by each department. This amount does not provide the full amount needed for all building maintenance but is a step toward providing necessary funds.

**Insurance User Charges:** Departments are charged user charges for liability, worker’s compensation, unemployment, and property and bonds. Costs are allocated using the following weighted formulas:

**Liability**
Percent of losses for 3 years x per cent of payroll + percent of vehicles x Liability Department costs.

**Worker Compensation**
Percent of Payroll x Workers Compensation Department costs.

**Auto/Property/Bonds**
Property – Premium based on percent of occupied square footage.  
Auto – Direct charge for vehicles  
Bonds – Number of employees as ratio of total employees + direct charge for department specific bonds.

**Unemployment**
Percent of Payroll x Unemployment Department costs.