

Instructions

Operating & Maintenance Expense Analysis

The purpose of this section of the PRF is to identify increases or reductions in operating and maintenance expenses connected with the requested project. Such costs or savings may be associated with new personnel, with recurring and non-recurring expenses, and/or with increases or decreases in revenues attributable to the project. All operating expenses must be realistically identified starting in FY 2028 and looking forward through FY 2032.

The point is to realistically identify operating costs. It is not constructive to provide capital funding for projects that cannot be staffed or maintained.

Examples of operating and maintenance expenses may include:

- A new or expanded community center may require an increase in staff, but fees for services may offset some of those operating impacts. In contrast, renovations of a community center may not require an increase in staff, and may well improve operating costs through energy conservation.
- The addition of new parks may require an increase in the number of staff required to maintain the park. Renovation of a park, however, may improve inefficiency by reducing water use and the number of staff hours required to maintain faulty irrigation systems.
- Streetscape projects, whether median improvements or area enhancements like the landscaping on Lead and Coal Street rebuild project, may require an increase in maintenance staff, or some contracted maintenance service.

■ **Total Full Time Equivalent (FTE) Positions**

Enter the total number of full time equivalent (FTE) positions required to fully implement this project, even if these positions are not yet authorized. Decimal points are acceptable.

■ **Operating Budget Impact**

If your project completion is the middle of a year, calculate the expected annual cost and divide the result by 12 to get the monthly cost. Multiply the monthly cost by the number of months remaining in the FY for the first year's impact. Use the far right hand column for explanatory remarks.

A. Budget Change: Wages/Salaries and Fringe Benefits @ 50.04%

Enter the total increase / (decrease) in wages, salaries and fringe benefits for all personnel associated with the requested projects. Wages/salaries with fringe benefits must be manually calculated. For the "out years" assume that positions will be budgeted at the first non-probationary step of the current pay scale. (Decreases) should be entered based on the real or anticipated reduction in cost.

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B. Budget Change: Recurring Expense

Enter the total increase / (decrease) in recurring expenses. A recurring expense is one which may be expected to be incurred routinely year after year. Such increased expenses may include, but are not limited to: repairs, maintenance, supplies, printing, training, professional or contractual services, utilities (telephone, electricity, heating & air conditioning,) routine recurring travel and per diem, rent, and transfers (worker's compensation, insurance, vehicle maintenance, fuel) etc.

On the other hand, a rehabilitation or renovation project may result in decreasing recurring expenses. For example: utility costs could be reduced; new vehicles might get significantly better mileage, etc.

Enter the increase/ (decrease) in recurring utility expenses on the first line. Enter other recurring expenses on the second line.

C. Non-Recurring Expense Change

Enter the total increase (decrease) in non-recurring expenses. A non-recurring expense is one that occurs once. Such expenses may include, but are not limited to: non-capital costs associated with opening a new facility, small equipment for on-going maintenance, furnishing and fixtures, moving costs, or any other one-time cost to bring the new project on line. Provide a brief explanation in far right column.

D. Sub-total

Total will automatically update.

E. Changes in Operating Revenue

The requested project may create an increase or a decrease in fees, user charges, etc. Enter the amount of the expected increase or decrease in revenue.

F. Net Cost Impact

An **increase** in revenue should be **subtracted** from Line D to arrive at the net cost impact. A **(decrease)** in revenue should be **added** to Line D to arrive at the net cost impact.

G. Cost Avoidance

It is **required** that savings from upgraded, energy efficient systems, or from water conservation be calculated. It is also **required** that productivity savings, usually from more efficient use of staff, be calculated.

H. Total Cost Avoidance

Add to get the total amount of savings associated with cost avoidance.