



**Cost Allocation Methodology
To Fix or not to Fix?
That is the Question!**



RSMC Compensation Allocation

Member Agency	2011		2012			2013			2014			3-Year Average % (2012-2014)
	Base Contractor	%	Base Contractor	%	+/-	Base Contractor	%	+/-	Base Contractor	%	+/-	
Atherthon	1,529,988	2.96%	1,405,873	2.61%	↓	1,398,175	2.45%	↓	1,493,330	2.60%	↑	2.55%
Belmont	2,964,813	5.73%	3,426,826	6.35%	↑	3,673,264	6.43%	↑	3,641,345	6.33%	↓	6.37%
Burlingame	4,982,914	9.63%	4,978,803	9.23%	↓	5,554,238	9.72%	↑	5,642,840	9.81%	↑	9.59%
East Palo Alto	2,047,591	3.96%	2,117,209	3.92%	↓	2,316,528	4.05%	↑	2,352,562	4.09%	↑	4.02%
Foster City	3,491,936	6.75%	3,314,601	6.14%	↓	3,438,581	6.02%	↓	3,610,222	6.27%	↑	6.15%
Hillsborough	2,519,760	4.87%	2,339,096	4.34%	↓	2,348,261	4.11%	↓	2,403,273	4.18%	↑	4.21%
Menlo Park	5,172,918	9.99%	5,597,855	10.38%	↑	5,778,329	10.11%	↓	5,757,025	10.00%	↓	10.16%
North Fair Oaks	1,610,040	3.11%	1,495,594	2.77%	↓	1,676,530	2.93%	↑	1,684,143	2.93%	—	2.88%
Redwood City	9,281,023	17.93%	9,662,506	17.91%	↓	10,241,678	17.93%	↑	10,163,353	17.66%	↓	17.83%
San Carlos	4,147,397	8.01%	4,736,219	8.78%	↑	5,218,114	9.13%	↑	5,176,752	9.00%	↓	8.97%
San Mateo	11,520,053	22.26%	11,880,599	22.02%	↓	12,327,620	21.58%	↓	12,457,969	21.65%	↑	21.74%
West Bay	781,687	1.51%	911,366	1.69%	↑	1,069,442	1.87%	↑	984,382	1.71%	↓	1.76%
Unincorporated County	1,711,790	3.31%	2,079,813	3.86%	↑	2,088,143	3.66%	↓	2,177,995	3.78%	↑	3.76%
Total	51,761,910	100%	53,946,360	100%		57,128,903	100%		57,545,191	100%		100%

Factors that influence year over year variances in cost allocations:

- ❖ Relief Drivers
- ❖ Traffic/Road Conditions
- ❖ Equipment Breakdowns
- ❖ Seasonality
- ❖ Increases in Service Levels
- ❖ New Developments
- ❖ Robust Economy
- ❖ Downturn in the Economy
- ❖ **Cost Allocation Variance Examples**

