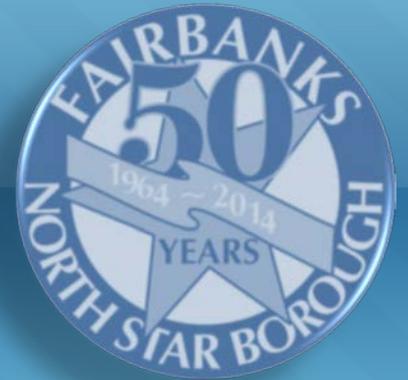


Direct Services Fee Calculation

Presented by: Division of Rural Services





The Direct Services Fee was established by the Assembly in Ordinances 2004-63, 2005-66, and 2014-41

FNSB Code 14.01.161(B) Assembly – Duties

- B.)...“For road, sewer, light and water service areas, the direct services fee shall be limited to no more than the full cost of liability insurance plus the actual expenditures of rural services for the preceding closed fiscal year. “ ...



Direct Services Fee Structure

Current Structure was accepted by ARSAC in September 2005.

- Base fee of \$500 for each Service Area
- Remainder of the fee is calculated based on the average of service area actual expenditures for the previous 5 years.



Direct Services Cost FY16

Use the last closed fiscal year's expenditures (FY 2014)			
		Rural Services Expenditures FY 13/14	\$638,585
		SA Liability Insurance Cost	\$43,790
Direct Services Cost to be distributed to Service Areas			\$682,375
		less \$500 Base Fee per SA, \$500 x 107 (SA)=	(\$53,500)
Portion to distribute per 5-year average expenditures			\$628,875



Calculation - Sample

Birch Hill Service Area

- **Actual Expenditures**

- **FY10 = \$26,946**

- **FY11 = \$31,312**

- **FY12 = \$82,164**

- **FY13 = \$55,783**

- **FY14 = \$60,930**

- **Avg. = \$51,427**

- **All Service Areas Total Expenditures (5-year Avg.)**

- **\$2,009,037**

- **Birch Hill SA % of Total**

- **Total %= $(\$51,427 \div \$2,009,037) \times 100 = 2.560\%$**



Calculation – Sample (cont.)

Birch Hill Service Area

- **Pro-Rated Fee (5-Year Avg.)**

- Fee(1) = $2.560\% \times \$628,875 = \$16,098$

- **Base Fee**

- Fee (2) = $\$500$

- **Direct Services Fee** (Rounded to the nearest 10)

- Total = $\$16,098 + \$500 = \$16,598 = \underline{\underline{\$16,600}}$

Questions

