

**DATE:** July 23, 2015

**TO:** Watershed Conservation Authority Governing Board

**FROM:** Jennifer Thompson, Fiscal Manager

**THROUGH:** Mark Stanley, Executive Officer

**SUBJECT:** Item 12: Consideration of a resolution updating the WCA Billable Rates for FY 15/16.

**RECOMMENDATION:** That the WCA Governing Board approve an update to the WCA Billable Rates for FY 15/16.

**BACKGROUND:** The WCA's Standard Rate Plan includes a rate structure model that is purposed to be a living plan to allow for the Fiscal Manager to perform periodic updates to reflect material changes in personnel, policies, and fiscal budgets and grant program requirements. At the start of each fiscal year alongside approval of the budget, staff brings before the Board an update to the WCA Billable Rates to bring the rates in accordance with the FY 15/16 budget.

#### **Salary and Employee Benefits Rate**

The Salary and Employee Benefit Rate is based on FY 15/16 budgeted salary and benefits. The Salary and Employee Benefit Rate, was derived by combining all costs associated with direct employee salaries and benefits. The rate utilized salary costs in addition to employer federal and states taxes, unemployment insurance, workers' compensation insurance, other insurance benefit costs, retirement contributions, and costs associated with holidays and accrued annual leave.

<b>Classification</b>	<b>FY 14-15 Salary &amp; EB (1) Revised 1/2015</b>	<b>% Change</b>	<b>FY 15-16 Salary &amp; EB (1)</b>
Deputy Executive Officer	\$51.43	3%	\$53.08
Project Manager III	\$0.00	N/A	\$50.70
Fiscal Manager	\$39.08	4%	\$40.49
Project Manager I	\$33.85	3%	\$34.87
Associate PM	\$0.00	N/A	\$27.07
Administrative Clerk	\$22.20	5%	\$23.27

#### **Billable Rate**

The Billable Rate is based on the FY 15/16 budgeted salary and benefits plus allowable administration and operational overhead. OMB compliant administrative and operational costs associated with conducting business and operating the WCA offices such as information technology, office supplies, audit, insurance, and depreciation costs are included.

Classification	FY 14-15 Billable (2) Revised 1/2015	% Change	FY 15-16 Billable (2)
Deputy Executive Officer	\$95.83	(15%)	\$81.39
Project Manager III	\$0.00	N/A	\$77.73
Fiscal Manager	\$72.82	(15%)	\$62.08
Project Manager I	\$63.08	(15%)	\$53.46
Associate PM	\$0.00	N/A	\$41.51
Administrative Clerk	\$41.36	(14%)	\$35.68

### **Administrative and Billable Rate**

The Administrative and Billable Rate is based on the FY 15/16 budgeted salary and benefits, allowable administration and operational overhead plus the costs associated with staff providing administrative and managerial time to the operation of the WCA. Employee positions such as the Fiscal Manager and Administrative Clerk are considered primarily administrative or indirect in nature.

Classification	FY 14-15 Admin & Billable (3) Revised 1/2015	% Change	FY 15-16 Admin & Billable (3)
Deputy Executive Officer	\$118.14	(16%)	\$99.13
Project Manager III	\$0.00	N/A	\$94.68
Fiscal Manager	\$89.78	(16%)	\$75.61
Project Manager I	\$77.74	(16%)	\$65.11
Associate PM	\$0.00	N/A	\$50.55
Administrative Clerk	\$50.98	(15%)	\$43.45

### **Consultant Rate**

The Consultant Rate is based on the FY 15/16 budget and includes all administrative, operational, and depreciation costs associated with conducting business at the WCA offices and is intended to be applied to instances where all overhead costs can be recovered such as in a consulting capacity.

Classification	FY 14-15 Consultant (4) Revised 1/2015	% Change	FY 15-16 Consultant (4)
Deputy Executive Officer	\$137.01	(15%)	\$116.79
Project Manager III	\$0.00	N/A	\$111.55
Fiscal Manager	\$104.12	(14%)	\$89.08
Project Manager I	\$90.16	(15%)	\$76.75
Associate PM	\$0.00	N/A	\$59.56
Administrative Clerk	\$59.13	(13%)	\$51.20

**Note 1-** Percentage Change Increases for the Deputy Executive Officer, Fiscal Manager, Project Manager I, and Administrative Clerk positions is attributable to the following:

-Salary and EB Rate: The rate increase is attributable to the 1.5% Cost of Living Adjustment (COLA) awarded to employees in FY 15/16.

-Billable Rate: The rate decrease is attributable to decreases in the administrative budget in the area of fiscal service-auditor-controller and slight decreases in the operational budget for water system operation at El Encanto. Additionally, costs are being spread amongst additional positions that have been added, thereby reducing expenditures applied to the previous existing positions.

-Admin and Billable Rate: The rate decrease is attributable to the same decreases mentioned in the Billable Rate.

-Consultant Rate: The rate decrease is attributable to the same decreases in the Admin and Billable Rate, offset by increases in FY 15/16 budgeted costs for funding opportunities and building maintenance and repair at El Encanto.

**Note 2-** For the Salary and EB Rate- Because a higher compensated position receives a larger increase when the 1.5% COLA is applied, the percentage changes may differ slightly amongst positions. In similar cases for the Billable, Admin & Billable, & Consultant rates, decreases in certain budgetary elements included in these calculations will also cause differences in percentage decreases amongst positions because a higher compensated position carries a larger spread or share of the overhead expenditures and results in a large increase/decrease in percentage differences.

A Billable Rate for the Deputy Executive Officer would be calculated as follows:

*Salary and EB (1) \$53.08 + (\$53.08 X 18.85% Administrative Expenses) + (\$53.08 X 17.64% Operational Expenses) + (\$53.08 X 16.84% Depreciation Expenses) = \$81.39*

This rate could be used to bill towards grants that allow OMB compliant indirect and overhead costs to be recovered.

The four rates developed best reflect reporting and reimbursement requirements under the Agency's current portfolio of projects. As grant agreements dictate allowable indirect costs, approved modifications to the rates may be required in future periods to comply with the grant agreement.

If approved, staff plans to enact the updated Billable Rates to the subsequent payroll period ending July 26, 2015. Once adopted, the updated Billable Rates will be implemented in conjunction with WCA staff, Department of Public Works fiscal services, and the Auditor-Controller's Office as appropriate.

**FISCAL INFORMATION:** This action adopts a Standard Rate Plan and policies which will allocate the WCA's staffing and operational costs in an efficient and effective manner consistent with the fiscal year budget and funding source requirements for FY 2015/16. As such this action is consistent with the current fiscal year budget resulting in no direct fiscal impact.

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**RESOLUTION 2015-28**

**RESOLUTION OF THE WATERSHED CONSERVATION AUTHORITY UPDATING TO THE WCA BILLABLE RATES FOR FY 15/16.**

**WHEREAS**, The Watershed Conservation Authority has been established as a joint powers agency between the Rivers and Mountains Conservancy (RMC) and the Los Angeles County Flood Control District (District); and

**WHEREAS**, the Watershed Conservation Authority (WCA) has further been established to focus on projects which will provide open space, habitat restoration, and watershed improvement projects in both the San Gabriel and Lower Los Angeles Rivers watershed; and

**WHEREAS**, this action will approve an update the WCA Billable Rates for FY 15/16; and

**WHEREAS**, the proposed action is exempt from the provisions of the California Environmental Quality Act; NOW

*Therefore be it resolved that the WCA hereby:*

1. **FINDS** that this action is consistent with the purposes and objectives of the WCA.
2. **FINDS** that the actions contemplated by this resolution are exempt from the environmental impact report requirements of the California Environmental Quality Act (CEQA).
3. **ADOPTS** the staff report dated July 23, 2015.
4. **APPROVES** an update to the WCA Billable Rates for FY 15/16.

*~ End of Resolution ~*

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Motion \_\_\_\_\_ Second: \_\_\_\_\_

Ayes: \_\_\_\_\_ Nays: \_\_\_\_\_ Abstentions: \_\_\_\_\_

Passed and Adopted by the Board of the  
**WATERSHED CONSERVATION AUTHORITY**  
On July 23, 2015

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Brian Mejia, Governing Board Chair

ATTEST: \_\_\_\_\_  
Terry Fujimoto  
Deputy Attorney General