

**DATE:** September 21, 2017

**TO:** Watershed Conservation Authority Governing Board

**FROM:** Salian Garcia, Fiscal Manager

**THROUGH:** Mark Stanley, Executive Officer

**SUBJECT:** Item 11: Consideration of a resolution to approve an update to the WCA Billable Rates for FY 17/18.

**RECOMMENDATION:** That the WCA Governing Board approve an update to the WCA Billable Rates for Fiscal Year 2017/2018.

**BACKGROUND:** The WCA's Standard Rate Plan is a living plan rate structure model that allows for 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 17/18 budget.

#### Salary and Employee Benefits Rate

The Salary and Employee Benefit Rate is based on FY 17/18 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 holiday pay and accrued annual leave.

Classification	FY 16/17 Salary & EB (1) Effective 07/11/16	% Change (1)	FY 17/18 Salary & EB (1) Effective 09/21/17
Deputy Executive Officer	\$54.80	1.8%	\$55.80
Project Manager III	\$44.94	2.1%	\$45.90
Fiscal Manager	\$41.87	-33.0%	\$28.05
Project Manager II	n/a	0.0%	\$45.50
Project Manager I <sup>(2)</sup>	\$37.03	0.9%	\$36.98
Associate PM	\$29.48	-1.5%	\$29.03
Fiscal Analyst	n/a	0.0%	\$33.57
Administrative Clerk	\$24.56	1.6%	\$24.96

**Billable Rate**

The Billable Rate is based on the FY 17/18 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.

<b>Classification</b>	<b>FY 16/17 Billable (2) Effective 07/11/16</b>	<b>% Change (1)</b>	<b>FY 17/18 Billable (2) Effective 09/21/17</b>
Deputy Executive Officer	\$85.36	-2.4%	\$83.31
Project Manager III	\$69.97	-2.1%	\$68.52
Fiscal Manager	\$65.23	-35.8%	\$41.88
Project Manager II	n/a	0.0%	\$67.92
Project Manager I <sup>(2)</sup>	\$57.68	-4.3%	\$55.21
Associate PM	\$45.92	-5.6%	\$43.35
Fiscal Analyst	n/a	0.0%	\$50.11
Administrative Clerk	\$38.26	-2.6%	\$37.26

**Administrative and Billable Rate**

The Administrative and Billable Rate is based on the FY 17/18 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, Fiscal Analyst/Accounting Assistant, and Administrative Clerk are considered primarily administrative or indirect in nature.

<b>Classification</b>	<b>FY 16/17 Admin &amp; Billable (3) Effective 07/11/16</b>	<b>% Change (1)</b>	<b>FY 17/18 Admin &amp; Billable (3) Effective 09/21/17</b>
Deputy Executive Officer	\$103.98	-4.9%	\$98.90
Project Manager III	\$85.24	-4.6%	\$81.35
Fiscal Manager	\$79.46	-37.4%	\$49.72
Project Manager II	n/a	0.0%	\$80.64
Project Manager I <sup>(2)</sup>	\$70.27	-6.7%	\$65.54
Associate PM	\$55.94	-8.0%	\$51.46
Fiscal Analyst	n/a	0.0%	\$59.49
Administrative Clerk	\$46.61	-5.1%	\$44.24

### Consultant Rate

The Consultant Rate is based on the FY 17/18 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 16/17 Consultant (4) Effective 07/11/16	% Change (1)	FY 17/18 Consultant (4) Effective 09/21/17
Deputy Executive Officer	\$120.37	-7.9%	\$110.92
Project Manager III	\$98.70	-7.6%	\$91.23
Fiscal Manager	\$91.98	-39.4%	\$55.76
Project Manager II	n/a	0.0%	\$90.43
Project Manager I <sup>(2)</sup>	\$81.34	-9.6%	\$73.51
Associate PM	\$64.76	-10.9%	\$57.71
Fiscal Analyst	n/a	0.0%	\$66.72
Administrative Clerk	\$53.96	-8.0%	\$49.62

**Note 1-** Percentage changes attributable to the following factors:

- The increase from six to eight staff classifications reduced the majority of billable rates as the spread is greater in administrative and operational expenses, depreciation, and overhead costs.
- Promotion of Associate PM and PMI staff members to PMI and PMII classification, respectively, with associated Merit and COLA increase and all associated costs.
- Fiscal Manager position change from full time to part time status (no longer eligible for benefits).
- Approved 1.97% COLA for all staff and budgeted satisfactory completion of new hire probationary period increase.

**Note 2-** The Project Manager I classification represents the average costs associated with two PMI employees. Changed from two PMI from prior year with the promotion of two staff members (see Note 1).

Example of how an Admin & Billable Rate (3) for the Deputy Executive Officer would be calculated is as follows:

Salary and EB (1) \$55.80 + (\$55.80 x 17.92% Administrative Expenses) + (\$55.80 x 18.02% Operational Expenses) + (\$55.80 x 13.35% Depreciation Expenses) + (\$55.80 x 27.95% Admin Activities Overhead) = \$98.90

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 make the updated Billable Rates effective September 21, 2017 for the payroll period ending October 1, 2017. 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 that 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 2017/2018. As such, this action results in no direct fiscal impact.

September 21, 2017 – Item 11

**RESOLUTION 2017-27**

**RESOLUTION UPDATING THE WCA BILLABLE RATES FOR FY 17/18**

**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 to the WCA Billable Rates for FY 17/18; 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 September 21, 2017.
4. **APPROVES** an update to the WCA Billable Rates for FY 17/18.

*~ End of Resolution ~*

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

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

Resolution 2017-27

Passed and Adopted by the Board of the  
WATERSHED CONSERVATION AUTHORITY  
On September 21, 2017

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M. Janet Chin, Governing Board Chair

ATTEST: \_\_\_\_\_  
David Edsall  
Deputy Attorney General