

DATE: October 25, 2018

TO: Watershed Conservation Authority Governing Board

FROM: Nicole Law, Fiscal Manager

THROUGH: Mark Stanley, Executive Officer

SUBJECT: Item 14: Consideration of a resolution to approve an update to the WCA Billable Rates for FY 2018/2019.

RECOMMENDATION: That the WCA Governing Board approve an update to the WCA Billable Rates for Fiscal Year 2018/2019.

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. After approval of the annual budget, staff brings before the Board an update to the WCA Billable Rates to bring the rates in accordance with the FY 18/19 budget, while a meaningful change from planned events may warrant a midyear update to the billable rates and update to the current fiscal year budget.

MATERIAL UPDATES: In October 2018, the Authority's Fiscal Analyst II was promoted to Fiscal Manager after the former Fiscal Manager resigned. In December 2018, the Authority plans to hire an additional Project Manager III. Due to these changes in staffing mix, the FY 2018/2019 billable rates require a midyear update and are reflected in the charts below.

Salary and Employee Benefits Rate

The Salary and Employee Benefit Rate is based on FY 18/19 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 18/19 Salary & EB (1) Effective 07/23/18	% Change	FY 18/19 Salary & EB (1) Effective 10/25/18
Deputy Executive Officer	\$58.58	0.0%	\$58.57
Project Manager III	\$0.00	100.0%	\$47.86
Fiscal Manager ⁽²⁾	\$28.61	38.0%	\$39.57
Project Manager II	\$45.57	0.0%	\$45.57
Project Manager I	\$39.00	0.0%	\$38.99
Associate PM ⁽³⁾	\$33.65	0.0%	\$33.65
Fiscal Analyst ⁽²⁾	\$29.85	-100.0%	\$0.00
Administrative Clerk ⁽⁴⁾	\$26.11	4.0%	\$27.13

Billable Rate

The Billable Rate is based on the FY 18/19 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 18/19 Billable (2) Effective 07/23/18	% Change (1)	FY 18/19 Billable (2) Effective 10/25/18
Deputy Executive Officer	\$94.27	-6.0%	\$88.70
Project Manager III	\$0.00	100.0%	\$72.48
Fiscal Manager ⁽²⁾	\$46.05	30.0%	\$59.93
Project Manager II	\$73.35	-6.0%	\$69.02
Project Manager I	\$62.77	-6.0%	\$59.05
Associate PM ⁽³⁾	\$54.16	-6.0%	\$50.96
Fiscal Analyst ⁽²⁾	\$48.04	-100.0%	\$0.00
Administrative Clerk ⁽⁴⁾	\$42.03	-2.0%	\$41.08

Administrative and Billable Rate

The Administrative and Billable Rate is based on the FY 18/19 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.

Classification	FY 18/19 Admin & Billable (3) Effective 07/23/18	% Change (1)	FY 18/19 Admin & Billable (3) Effective 10/25/18
Deputy Executive Officer	\$112.52	-7.0%	\$104.24
Project Manager III	\$0.00	100.0%	\$85.18
Fiscal Manager ⁽²⁾	\$54.97	-28.0%	\$70.43
Project Manager II	\$87.55	-7.0%	\$81.11
Project Manager I	\$74.92	-7.0%	\$69.39
Associate PM ⁽³⁾	\$64.65	-7.0%	\$59.89
Fiscal Analyst ⁽²⁾	\$57.34	-100.0%	\$0.00
Administrative Clerk ⁽⁴⁾	\$50.16	-4.0%	\$48.28

Consultant Rate

The Consultant Rate is based on the FY 18/19 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 18/19 Consultant (4) Effective 07/23/18	% Change (1)	FY 18/19 Consultant (4) Effective 10/25/18
Deputy Executive Officer	\$126.02	-8.0%	\$115.83
Project Manager III	\$0.00	100.0%	\$94.66
Fiscal Manager (2)	\$61.56	27.0%	\$78.27
Project Manager II	\$98.06	-8.0%	\$90.13
Project Manager I	\$83.92	-8.0%	\$77.11
Associate PM (3)	\$72.41	-8.0%	\$66.55
Fiscal Analyst (2)	\$64.22	-100.0%	\$0.00
Administrative Clerk (4)	\$56.18	-5.0%	\$53.65

Note 1- The addition of Project Manager III classification results in a reduction of most of the billable rates due to administrative and operational expenses, depreciation and overhead costs being distributed over greater number of billable hours.

Note 2- The Fiscal Analyst II was promoted to Fiscal Manager after the former Fiscal Manager resigned. The Fiscal Manager classification changes from part time to full time status, effective October 1, 2018

Note 3- The Associated Project Manager classification represents the average costs associated with two APM employees.

Note 4- Temporary 5% salary increase for Administrative Clerk classification, effective July 9, 2018 until on or before March 31, 2019.

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

Salary and EB (1) \$39.57 + (\$39.57 x 18.22% Administrative Expenses) + (\$39.57 x 20.24% Operational Expenses) + (\$39.57 x 12.98% Depreciation Expenses) + (\$39.57 x 26.54% Admin Activities Overhead) = \$70.43

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 October 25, 2018 for the payroll period ending October 28, 2018. 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 follows 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 2018/2019. Due to the Authority plans to hire an unbudgeted Project Manager in December 2018, an updated FY 2018/2019 budget will be brought to the January 2019 Board meeting for approval.

Fiscal Year 2018/2019 Budget					
Classification	Salary & EB (1)	Billable (2)	Admin & Billable (3)	Consultant (4)	
Deputy Executive Officer	\$58.58	\$94.27	\$112.52	\$126.02	
Project Manager III	\$0.00	\$0.00	\$0.00	\$0.00	
Fiscal Manager	\$28.61	\$46.05	\$54.97	\$61.56	
Project Manager II	\$45.57	\$73.35	\$87.55	\$98.06	
Project Manager I	\$39.00	\$62.77	\$74.92	\$83.92	
Associate PM	\$33.65	\$54.16	\$64.65	\$72.41	
Fiscal Analyst	\$29.85	\$48.04	\$57.34	\$64.22	
Administrative Clerk	\$26.11	\$42.03	\$50.16	\$56.18	

Fiscal Year 2018/2019 Budget Update					
Classification	Salary & EB (1)	Billable (2)	Admin & Billable (3)	Consultant (4)	
Deputy Executive Officer	\$58.57	\$88.70	\$104.24	\$115.83	
Project Manager III	\$47.86	\$72.48	\$85.18	\$94.66	
Fiscal Manager	\$39.57	\$59.93	\$70.43	\$78.27	
Project Manager II	\$45.57	\$69.02	\$81.11	\$90.13	
Project Manager I	\$38.99	\$59.05	\$69.39	\$77.11	
Associate PM	\$33.65	\$50.96	\$59.89	\$66.55	
Fiscal Analyst	\$0.00	\$0.00	\$0.00	\$0.00	
Administrative Clerk	\$27.13	\$41.08	\$48.28	\$53.65	

% Change	Salary & EB (1)	Billable (2)	Admin & Billable (3)	Consultant (4)	
Deputy Executive Officer	0%	-6%	-7%	-8%	
Project Manager III	100%	100%	100%	100%	
Fiscal Manager	38%	30%	28%	27%	
Project Manager II	0%	-6%	-7%	-8%	
Project Manager I	0%	-6%	-7%	-8%	
Associate PM	0%	-6%	-7%	-8%	
Fiscal Analyst	-100%	-100%	-100%	-100%	
Administrative Clerk	4%	-2%	-4%	-5%	
Average % Change	5%	1%	-1%	-1%	

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RESOLUTION 2018 - 23

**RESOLUTION TO APPROVE BILLABLE RATES FOR FISCAL YEAR
2018/2019**

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 2018/2019; 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 October 25, 2018.
4. **APPROVES** an update to the WCA Billable Rates for FY 2018/2019.

~ End of Resolution ~

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Motion: _____ Second: _____

Ayes: _____ Nays: _____ Abstentions: _____

Resolution 2018-23

Passed and Adopted by the Board of the
WATERSHED CONSERVATION AUTHORITY
On October 25, 2018

M. Janet Chin, Governing Board Chair

ATTEST: _____
David Edsall
Deputy Attorney General