

DATE: January 16, 2020

TO: Watershed Conservation Authority Governing Board

FROM: Nicole Law, Fiscal Manager

THROUGH: Mark Stanley, Executive Officer

SUBJECT: Item 17: Consideration of a resolution to update Billable Rates for Fiscal Year 2019/2020.

RECOMMENDATION: That the WCA Governing Board update Billable Rates for Fiscal Year 2019/2020.

BACKGROUND: The WCA's Standard Rate Plan is a living plan rate structure model that allows 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 2019-2020 budget.

MATERIAL UPDATES: Two material changes have been made: First, the Authority plans to hire a Project Manager III to replace a Project Manager I and a Project Manager II that resigned in November 2019 and January 2020 respectively. Second, the Authority's Medical Benefit Plan expense increased 5.08% over our previous budget estimate for Fiscal Year 2019/2020. As a result, the billable rates require a mid-year update which are reflected in the charts below.

Salary and Employee Benefits Rate

The Salary and Employee Benefit Rate is based on FY 2019/2020 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 19/20 Salary & EB (1) Effective 07/18/19	% Change	FY 19/20 Salary & EB (1) Effective 01/20/20
Deputy Executive Officer	\$60.43	0.0%	\$60.68
Project Manager III ⁽¹⁾	\$0.00	100%	\$46.28
Fiscal Manager	\$40.83	0.0%	\$40.83
Project Manager II ^(1,2)	\$45.91	-2.0%	\$45.12
Project Manager I ⁽¹⁾	\$37.87	-5.0%	\$35.88
Associate PM	\$32.02	0.0%	\$32.03
Administrative Clerk	\$27.22	3.0%	\$28.07
Project Coordinator	\$26.93	1.0%	\$27.17

Billable Rate

The Billable Rate is based on the FY 2019/2020 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 19/20 Billable (2) Effective 07/18/19	% Change	FY 19/20 Billable (2) Effective 01/20/20
Deputy Executive Officer	\$94.62	3.0%	\$97.18
Project Manager III ⁽¹⁾	\$0.00	100%	\$74.12
Fiscal Manager	\$63.93	2.0%	\$65.39
Project Manager II ^(1,2)	\$71.89	0.0%	\$72.26
Project Manager I ⁽¹⁾	\$59.31	-3.0%	\$57.47
Associate PM	\$50.14	2.0%	\$51.31
Administrative Clerk	\$42.62	5.0%	\$44.96
Project Coordinator	\$42.16	3.0%	\$43.52

Administrative and Billable Rate

The Administrative and Billable Rate is based on the FY 2019/2020 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 19/20 Admin & Billable (3) Effective 07/18/19	% Change	FY 19/20 Admin & Billable (3) Effective 01/20/20
Deputy Executive Officer	\$109.61	3.0%	\$112.85
Project Manager III ⁽¹⁾	\$0.00	100%	\$86.07
Fiscal Manager	\$74.06	3.0%	\$75.93
Project Manager II ^(1,2)	\$83.28	1.0%	\$83.92
Project Manager I ⁽¹⁾	\$68.70	-3.0%	\$66.73
Associate PM	\$58.08	3.0%	\$59.58
Administrative Clerk	\$49.37	6.0%	\$52.21
Project Coordinator	\$48.84	3.0%	\$50.53

Consultant Rate

The Consultant Rate is based on the FY 2019/2020 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 19/20 Consultant (4) Effective 07/18/19	% Change	FY 19/20 Consultant (4) Effective 07/18/19
Deputy Executive Officer	\$121.03	3.0%	\$125.04
Project Manager III ⁽¹⁾	\$0.00	100%	\$95.37
Fiscal Manager	\$81.77	3.0%	\$84.14
Project Manager II ^(1,2)	\$91.96	1.0%	\$92.98
Project Manager I ⁽¹⁾	\$75.86	-3.0%	\$73.94
Associate PM	\$64.13	3.0%	\$66.01
Administrative Clerk	\$54.52	6.0%	\$57.85
Project Coordinator	\$53.93	4.0%	\$55.99

Note 1- The replacement of PM I & II budgeted positions with a new PM III, including all associated costs.

Note 2- The PM II classification represents the average costs associated with two current PM II employees and a third future PM II.

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

Salary and EB (1) $\$40.83 + (\$40.83 \times 20.06\% \text{ Administrative Expenses}) + (\$40.83 \times 26.77\% \text{ Operational Expenses}) + (\$40.83 \times 13.34\% \text{ Depreciation Expenses}) + (\$40.83 \times 25.83\% \text{ Admin Activities Overhead}) = \75.93

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 January 16, 2020 for the payroll period ending January 19, 2020. 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 the remainder of FY 2019/2020. As such, this action results in no direct fiscal impact.

Fiscal Year 2019/2020 Budget		Effective 07/18/2019			
Classification	Salary & EB (1)	Billable (2)	Admin & Billable (3)	Consultant (4)	
Deputy Executive Officer	\$60.43	\$94.62	\$109.61	\$121.03	
Project Manager III	\$0.00	\$0.00	\$0.00	\$0.00	
Fiscal Manager	\$40.83	\$63.93	\$74.06	\$81.77	
Project Manager II	\$45.91	\$71.89	\$83.28	\$91.96	
Project Manager I	\$37.87	\$59.31	\$68.70	\$75.86	
Associate PM	\$32.02	\$50.14	\$58.08	\$64.13	
Administrative Clerk	\$27.22	\$42.62	\$49.37	\$54.52	
Project Coordinator	\$26.93	\$42.16	\$48.84	\$53.93	

Fiscal Year 2019/2020 Budget		Effective 01/16/2020			
Classification	Salary & EB (1)	Billable (2)	Admin & Billable (3)	Consultant (4)	
Deputy Executive Officer	\$60.68	\$97.18	\$112.85	\$125.04	
Project Manager III	\$46.28	\$74.12	\$86.07	\$95.37	
Fiscal Manager	\$40.83	\$65.39	\$75.93	\$84.14	
Project Manager II	\$45.12	\$72.26	\$83.92	\$92.98	
Project Manager I	\$35.88	\$57.47	\$66.73	\$73.94	
Associate PM	\$32.03	\$51.31	\$59.58	\$66.01	
Administrative Clerk	\$28.07	\$44.96	\$52.21	\$57.85	
Project Coordinator	\$27.17	\$43.52	\$50.53	\$55.99	

% Change	Salary & EB (1)	Billable (2)	Admin & Billable (3)	Consultant (4)	
Deputy Executive Officer	0.4%	2.7%	3.0%	3.3%	
Project Manager III	100.0%	100.0%	100.0%	100.0%	
Fiscal Manager	0.0%	2.3%	2.5%	2.9%	
Project Manager II	-1.7%	0.5%	0.8%	1.1%	
Project Manager I	-5.3%	-3.1%	-2.9%	-2.5%	
Associate PM	0.0%	2.3%	2.6%	2.9%	
Administrative Clerk	3.1%	5.5%	5.8%	6.1%	
Project Coordinator	0.9%	3.2%	3.5%	3.8%	
Average % Change	12.2%	14.2%	14.4%	14.7%	

January 16, 2020 – Item 17

RESOLUTION 2020-08

**RESOLUTION TO APPROVE BILLABLE RATES FOR FISCAL YEAR
2019/2020**

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 approves an update to the WCA Billable Rates for FY 2019/2020; 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 January 16, 2020.
4. **APPROVES** an update to the WCA Billable Rates for FY 2019/2020.

~ End of Resolution ~

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Motion: _____ Second: _____

Ayes: _____ Nays: _____ Abstentions: _____

Resolution 2020-08

Passed and Adopted by the Board of the
WATERSHED CONSERVATION AUTHORITY
On January 16, 2020

Herlinda Chico
Governing Board Chair

ATTEST: _____
David Edsall, Jr.
Deputy Attorney General