



and Associates

PLANNING, LAND USE
AND DEVELOPMENT SERVICES

Memorandum

Date: November 25, 2014
To: Project Management Team, Shoreline Master Program Updates
From: Bill Stalzer, Project Team Leader *BS*
Re: Grant Budget 2014 Summary and 2015 Projections

Last year in December we reviewed the charges for 2013 and discussed the budget for 2014. To keep everyone abreast of the status of the budget for the remaining six months of our 2-year grant, I have prepared a number of documents for discussion at the meeting and some recommendations for amendments to the contract with The Watershed Company and to the Ecology grant budget.

Summary of 2014 Hours and Charges

Hours: As the attached spreadsheet "Walla Walla County Shoreline Master Program Project Management, 2014 Yearly Hours Status" indicates, the actual hours for 2014 are substantially below what our budgeted hours indicated. Through October 31st, project management hours totaled 208 hours compared to the yearly budgeted total of 330 hours. Project coordination took fewer hours than projected while Task 5 "Shoreline Inventory, Analysis and Characterization" took considerably more hours than projected due to the unplanned time spent on the SMP designation of Dry Creek, Whetstone Hollow Creek and Yellowhawk Creek. Even with November and December hours, I expect that the yearly total will be about 100 hours less than projected.

Charges: As the attached spreadsheet "Walla Walla County Shoreline Master Program Project Management Monthly Invoice Charges 1/1/2014-10/31/2014" indicates, the total expended on project management services was \$22,538.90 for fee through October 31st and \$2,059.81 for expenses (primarily travel) for a total of \$24,598.71. I expect to have November charges by the date of our meeting, and I expect that December charges will be minimal as I will be on vacation for ten days and the first draft of materials for discussion in January are not due from The Watershed Company until late December. To provide some perspective, the charges for the first six months of the project in 2013 totaled \$30,614.66.

Status of Ecology Grant Budget

The status of the Ecology grant as of October 31st is contained on the sheet entitled "Walla Walla County Shoreline Master Program Updates Grant Budget Status, October 31, 2014". It indicates a balance of \$175,990 available for The Watershed Company's work and \$45,737 available for project management services, both to June 30th of next year which is the closeout date for the first two years of the grant. Total remaining grant funds to prepare and submit a draft SMP are \$221,726.

As noted on the spreadsheet, Task 5 "Shoreline Inventory, Analysis and Characterization" ran a deficit of \$8,283 of the total budget for that task of \$111,670 again due to the reasons cited above. The PMT deficit (\$5,992) is somewhat overstated as charges for the regional working group's work on Task 5 were budgeted for Task 3 Public Participation but inadvertently charged to Task 5. Actions for The Watershed Company's Task 5 deficit (\$2,991) are discussed in the Recommendations section at the end of this memorandum..

2015 Hours and Budget

Tracking of the hours in 2013 and 2014 has proved to be valuable in projecting hours for 2015. The original budget we discussed last December included 619 hours for the first six months of 2015. After reviewing the hours for the past 16 months and considering the work of the regional working group, responses in the public meetings, and the remaining \$45,737 for project management services, I have updated the hours for 2015 on the attached spreadsheet entitled "Walla Walla County Shoreline Master Program Updates Project Team Leader Updated 2015 Monthly Hours Budget".

I have projected 400 hours for the first six months of 2015, down from the original 619. While this is a dramatic reduction, I do not think it is unrealistic given our experience of the first 16 months. However, the next six months are typically one of the most difficult periods in the SMP update process, as draft standards are prepared and receive the first public review. As a result, I have budgeted the greatest number of hours (149) for the regional working group's review of the draft SMP and another 70 hours for project coordination activities.

The budget ramification is that the 400 hours of project management services should total about \$43,200 at an average rate of \$108/hour. I also project that nine trips and a budget of approximately \$4,200 will be needed for project management team, regional working group, and planning commission meetings. The PMT total for Task 6 comes to \$47,400 while the remaining budget is \$45,737 for a deficit of approximately \$1,700.

Recommendations

Reduce The Watershed Company's contract budget for Task 6 by \$2,291, increase their budget for Task 5 by \$2,291 and adjust the Grant budget accordingly.

The Watershed Company's budget for Task 6 was based on the expectation that this task would be very involved given the four jurisdictions. With the removal of Whetstone Hollow Creek from SMP jurisdiction, very few properties in Prescott will be affected thereby simplifying the task of preparing the first SMP for Prescott. Similarly the removal of Dry Creek means that numerous properties in the county will no longer be affected. While the addition of Yellowhawk Creek expands the scope of Task 6 beyond what was originally envisioned, it should not require the same level of effort that was anticipated with the two creeks that have been removed.

Based on discussions with Dan Nickel, there should be a savings of about \$10,000 in their budget for Task 6. Reducing that budget by \$2,291 would leave approximately \$7,700 of the \$10,000 expected savings available. However, the first indications of the level of effort that could be needed for this Task will not be known until the first regional working group meetings in January, February and March of next year, so the existing savings might still be needed for that Task.

Cover the PMT deficit for Grant Task 5 by transferring funds from Grant Task 3.

The Ecology grant manager has the latitude to transfer a limited amount of funds among tasks based on a request from the county. Given that some of the charges to Task 5 should have been charged to Task 3; that the expected effort for Task 3 in the first six months of 2015 requires fewer hours than originally projected; that the expected effort for Task 6 in the first six months of 2015 will require nearly all of the remaining Task 6 budget; and that reducing the budget for Task 3 by \$5,992 to \$18,003 should leave sufficient funds for the expected level of effort for the first six months of 2015 as well as the remaining months for this year.