

**GRANDVIEW CITY COUNCIL
STUDY SESSION MINUTES
JANUARY 26, 2016**

1. CALL TO ORDER

Mayor Norm Childress called the study session to order at 5:30 p.m. in the Council Chambers at City Hall.

Present were: Mayor Norm Childress and Councilmembers Gaylord Brewer, Dennis McDonald, Bill Moore and Joan Souders. Councilmember Javier Rodriguez arrived at 5:40 p.m. Gloria Mendoza arrived at 5:45 p.m. Councilmember Mike Everett arrived at 5:55 p.m.

Staff present were: City Administrator/Public Works Director Cus Arteaga, City Attorney Quinn Plant, Assistant Public Works Director Santos Trevino, City Treasurer Matt Cordray and City Clerk Anita Palacios.

2. HLA ENGINEERING & LAND SURVEYING, INC., RE: INDIRECT COST RATE FOR OVERHEAD CALCULATION

Present on behalf of HLA Engineering & Land Surveying, Inc., were Michael Battle, PE, President and Theodore Pooler, PE, Vice-President.

At the January 12, 2016 Council meeting, Councilmember Everett requested that the President of HLA Engineering and Land Surveying, Inc., attend the next Council meeting to explain the calculation of the indirect cost rate for overhead as identified on Exhibit D-1 of the Consultant Agreement.

President Battle distributed a document outlining HLA's experience with the City and the calculation of their overhead rate for engineering services, a copy of which is attached hereto and incorporated herein by reference.

3. GRANDVIEW CITY COUNCIL PROCEDURES MANUAL

At the January 12, 2016 study session, Council began the review of the Council Procedures Manual.

Upon review, the Council recommended the following changes and/or additions:

3.11 Presiding Officers-Discretion:

The ~~presiding officer of the Council~~ **Mayor** may, at his discretion, call any member to take the chair, to allow him to address the Council, ~~make a motion~~, or discuss any other matter at issue.

3.12 Motions to Table:

Motions to lay any matter on the table shall be first in order; and on all questions, the last amendment, the most distance day, and the largest sum shall be put first. **All motions to table will be to a time certain.**

3.13 **Abstentions:** City Attorney to research and provide clarification.

Any member not voting is deemed to be voting with the majority, except as to matters with respect to which such council member has a disqualifying interest.

3.14 **Adjournment:** No notable changes

3.15 **Rules-Changes:** No notable changes

3.16 **Committee-Reports:** No notable changes

3.17 **Attendance of Staff:**

The City Administrator, City Clerk, City Attorney, City Treasurer, Police Chief, Fire Chief, Public Works Director, Parks and Recreation Director, Library Director and such other officers or employees of the City shall, when requested, attend all meetings of the Council.

3. **ADJOURNMENT**

The study session adjourned at 6:55 p.m.



Mayor Norm Childress



Anita Palacios, City Clerk

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HLA Engineering and Land Surveying

- ◆ Have enjoyed providing municipal engineering services to communities in Central Washington for over 40 years.
- ◆ Provide a full range of municipal services including funding applications, environmental documentation and regulatory compliance, water and sewer system plans, utility rate studies, design engineering of street, water, and sewer projects, and a complete array of services during construction including survey staking, inspection, labor document review, and funding program administration.
- ◆ Have been Grandview’s City Engineer since 1989 (27 years).
 - Ted Pooler began work at HLA in 1989 and;
 - Mike Battle has worked at HLA since 1993.
- ◆ Have assisted the City in applying for and receiving over \$23,700,000 in funding for its infrastructure, since 1999.

Overhead Rate

- ◆ Overhead (OH), or indirect costs, are all costs on the income statement except direct labor, direct materials, and direct expenses. OH typically includes, administrative staff, office equipment and supplies, accounting fees, insurance, legal fees, rent or lease, repairs, supplies, taxes, telephone, travel and utilities., etc.
- ◆ All projects funded by federal funds and some Washington State funding programs require a Federal Acquisition Regulation (FAR) overhead rate.
- ◆ A certified independent CPA firm audits HLA financials annually to determine its OH rate.
- ◆ WSDOT reviews the prepared audit and provides a letter of OH approval (also termed indirect cost rate or ICR).
- ◆ Following are the audited and WSDOT approved OH rates for HLA, Inc. over the last five years:

Year	Overhead Rate (OH)
2014	129.21%
2013	152.32%
2012	146.14%
2011	147.17%
2010	136.78%

- ◆ HLA’s 2015 financials will be Audited in May/June 2016 and approved by WSDOT around September 2016, which will result in a new OH Rate at that time.

- ◆ Following are OH Rates provided by the City of Yakima for multiple consultants they are currently using:

City of Yakima Recent Consultant OH Rates	
Consultant 1	149.14%
Consultant 2	146.62%
Consultant 3	187.70%
Consultant 4	158.23%
Consultant 5	150.00%

- ◆ Following are OH Rates provided by the City of Ellensburg for multiple consultants they are currently using:

City of Ellensburg Recent Consultant OH Rates	
Consultant 1	175.42%
Consultant 2	147.17%
Consultant 3	173.40%
Consultant 4	165.00%

- ◆ The following pages show national survey data specific to OH Rates developed using the Federal Acquisition Regulation (FAR).

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**The following information is provided by PSMJ Resources Inc.
for Architectural and Engineering Firms**

Overhead Rate (FAR Format)

	<i>Overhead Rate, Government Format (FAR)</i>			
	25 th Percentile	Median	Mean	75 th Percentile
Overall	154.8%	182.3%	183.9%	210.0%
Staff Size 1 to 20	138.6	173.1	184.4	209.9
Staff Size 21 to 50	136.5	163.1	178.9	219.7
Staff Size 51 to 100	164.1	181.3	185.4	207.4
Staff Size 101 to 200	174.1	193.9	191.3	212.2
Staff Size 201 to 350	160.0	185.8	178.3	198.4
Staff Size 351 to 750	170.2	194.9	184.4	213.6
Staff Size over 750	158.7	198.0	196.4	220.3
Architectural	188.2	223.3	226.7	246.5
Architectural/Interiors	145.7	170.1	179.8	219.1
Engineering (Prime)	156.6	181.4	178.2	204.2
Engineering (Subconsultant)	132.4	171.7	172.0	195.4
Engineering (Survey)	159.9	176.6	187.7	198.4
A/E	156.0	185.2	187.2	209.6
Landscape Architecture	138.2	177.5	184.0	229.0
Environmental	148.1	198.8	187.2	224.9
All U.S.	158.9	187.7	192.8	215.1
Northeast	161.9	181.4	190.5	206.4
South	152.0	179.0	182.6	199.5
Midwest	156.0	188.2	196.7	219.8
Southwest	162.4	187.6	186.3	214.4
Mountain	146.3	179.2	182.8	216.3
West	156.0	187.7	181.3	208.8
Canada	80.7	111.8	123.1	164.0
Private	143.1	172.6	179.5	205.6
Government	159.7	183.7	183.8	210.4
Mixed	161.2	191.4	192.3	214.9
Transportation	150.0	175.0	175.0	192.5
Government (Buildings)	160.1	191.0	194.0	223.3
Water/Wastewater	158.8	188.4	179.3	204.7
Industrial	113.6	139.7	168.2	194.8
Energy-Utilities	134.3	181.2	171.9	207.2
Commercial (Users)	154.6	200.2	212.7	265.2
Commercial (Developers)	153.5	173.0	177.3	208.4
Housing	104.1	145.8	151.9	186.1
Healthcare	158.0	189.5	188.7	222.8
No Specialty	160.8	184.2	187.0	214.8

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The following information is provided by PSMJ Resources Inc.
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Overhead Rate (FAR Format) by State

	Median	Mean		Median	Mean
Alabama	184.1%	187.1%	Nebraska	184.4%	194.0%
Alaska	189.2	197.8	Nevada	185.1	186.1
Arizona	188.0	194.5	New Hampshire	180.2	188.4
Arkansas	187.7	197.4	New Jersey	181.7	188.7
California	183.1	185.2	New Mexico	187.9	189.4
Colorado	184.2	188.1	New York	185.8	190.2
Connecticut	180.9	185.6	North Carolina	181.8	183.6
Delaware	181.1	186.9	North Dakota	188.0	193.5
Florida	184.4	193.4	Ohio	182.6	190.2
Georgia	182.5	191.0	Oklahoma	184.3	183.4
Hawaii	188.1	189.7	Oregon	185.8	190.4
Idaho	188.6	193.3	Pennsylvania	182.3	189.8
Illinois	178.3	184.4	Rhode Island	180.2	185.4
Indiana	184.1	192.9	South Carolina	180.9	186.0
Iowa	187.7	193.7	South Dakota	187.9	197.7
Kansas	186.1	192.2	Tennessee	182.5	189.9
Kentucky	181.7	185.0	Texas	186.0	189.0
Louisiana	183.6	187.9	Utah	187.8	192.0
Maine	180.9	185.7	Vermont	180.2	186.9
Maryland	181.3	185.4	Virginia	183.4	187.1
Massachusetts	181.3	182.7	Washington	185.1	187.4
Michigan	186.9	190.3	West Virginia	182.3	187.5
Minnesota	187.1	192.0	Wisconsin	184.3	188.4
Mississippi	182.0	185.6	Wyoming	188.4	191.9
Missouri	186.9	193.5			
Montana	188.6	194.7	District of Columbia	187.8	194.2