



**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

9-12

January 27, 1998

**To:** Board of Directors (Organization and Personnel Committee--Information)

**From:** *on* General Manager

**Submitted by:** Izetta E. Birch  
Director of Human Resources

*Edward J. Mac...*  
*Izetta E. Birch*

**Subject:** Report on Metropolitan Water District Staffing Trends for Temporary Personnel

**RECOMMENDATION(S)**

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For Information only.

**EXECUTIVE SUMMARY**

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This letter is being presented to the Organization and Personnel Committee in response to a request made by committee members for information concerning Metropolitan's historical and projected usage of temporary staffing. Metropolitan utilizes two types of temporary staffing: District temporary employees and temporary service agency personnel. Temporary service agency personnel are employees of an agency contracted to provide temporary staffing services to Metropolitan.

Throughout the last decade, in order to ensure a reliable source of high quality water for its customers, Metropolitan has undertaken a series of capital improvement projects that have often required an increase in funding for temporary staffing. However, the design phases for many of these capital improvement projects are now nearing completion. Therefore, many of the projects are reaching a stage at which funding requirements for temporary staffing have either peaked and are beginning to exhibit a downward trend or will stay the same for a few months before a downward trend begins. This is dependent on the stage of the project. The following report reviews the temporary employee staffing trend for Metropolitan over the last four fiscal years and forecasts the trend for FY 97/98 through the year 2004.

**DETAILED REPORT**

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**Temporary Staffing Expenditures**

Exhibit A illustrates the actual dollars spent for temporary staffing since FY 92/93 and projected through FY 2003/04. These dollars have not been adjusted for the effects of inflation. Because Metropolitan's budget is comprised of two main categories: Operations and Maintenance (O&M) and Capital, the actual dollars spent are broken down by these two categories. It should be noted that while O&M expenditures have remained fairly level since FY 92/93, the trend for capital expenditures has been to steadily climb as Metropolitan's multi-billion dollar capital improvement program unfolds. Throughout the capital improvement program, temporary personnel have been strategically deployed to provide staffing flexibility and to allow Metropolitan to acquire the specialized skill sets necessary to match diverse engineering work requirements. It has also allowed Metropolitan to avoid being overstaffed at the end of the capital improvement program. The capital program completed in the 1970's used regular employees instead of temporaries. The result was a major demoralizing layoff where Metropolitan lost many young promising engineers due to the seniority based layoff system. Management projects that our FY 2003/04 expenditures for temporary staffing will be below Metropolitan's FY 93/94 usage. Exhibit A also reflects the anticipated decline in temporary staffing expenditures as the current capital improvement program winds down. While Metropolitan's temporary staffing expenditures peaked in FY 96/97, they are projected to decrease by the year 2004. Additionally, total expenditures for temporary staffing as a percent of payroll decreased from 18.75% in FY 96/97 to a projected 15.81% for FY 97/98.

Metropolitan management has made it a consistent practice to conservatively monitor the bottom-line dollar of its temporary staffing expenditures. Temporary staffing requirements are regularly reviewed and approved by the Board of Directors for each division as a part of the annual budget process. In addition, each Division Manager must include the duration for which temporary staffing personnel will be utilized. Consequently, the recent trend of reductions in regular positions has also been accompanied by a decrease in the costs for temporary staffing.

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Attachments

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# Metropolitan Water District Temporary Staffing Expenditures 12 Year Trend

