

## **DISCUSSION ITEM 6.A. – 2019 PROPOSED DUES AND INITIAL BUDGET**

### Document History

MEETING	DATE	TYPE OF ITEM	STAFF CONTACT	PHONE
Board of Directors	July 18, 2018	Discussion	<a href="#">Kevin Murphy</a>	360-416-7871

### **RECOMMENDED ACTION**

NA

### **FISCAL IMPACT**

Proposed dues increase for 2019 is 3%, or \$3,971 higher than 2018 dues.

Initial 2019 budget is approximately \$42,000 increase from 2018 budget.

### **DISCUSSION**

Each year SCOG establishes the annual dues in August to provide members information for upcoming budget development. Two years ago, the Board of Directors suggested dues should increase by a small amount each year to avoid large increase every few years.

The table below shows the current 2018 dues and recommended 2019 dues with updated population and retail sales tax data.

Below is a summary of the initial 2019 budget. The final budget will be adopted in the late fall, usually at the October or November meeting. The initial 2019 budget includes current staffing levels, direct costs consistent with the current adopted Unified Planning Work Program and current staffing and agency operational costs.

### **BACKGROUND**

The local dues pay for the match requirements on the federal and state transportation grant expenditures adopted in the Unified Planning Work Program (UPWP). In addition, dues covers 100% of the local costs associated with non-grant funded work such as economic and housing planning.

#### **Dues Allocation Formula**

The dues to members are established by an allocation method, starting with the total dues amount established by the Board. The proposed 2019 dues are \$136,306. This amount is allocated based on the following:

1. 78 percent of the total is to be supported by county, cities, and towns. Dues are allocated to each by the percent distribution of population and retail sales tax for each jurisdiction.

Population is weighted by a factor of two. ((% population distribution x 2) + % retail sales tax distribution)/3 = percent distribution of the \$106,440).

2. Distribute the remaining \$29,864 by the following percent distribution. Percentages were based on historical levels and adjusted in 2014 to have Skagit PUD dues equal to the tribes and adjusted to have both Ports contribute the same starting in 2018.
  - a. PUD, Samish, and Swinomish each - 4.7%
  - b. Port of Anacortes and Port of Skagit each - 33.2%
  - c. Skagit Transit - 19.5%

**2019 Dues and Comparison to Current 2018 Dues**

2019 Proposed			
Member	Current 2018	2019 Proposed	Difference
Anacortes	14,130	14,723	593
Burlington	14,532	14,856	324
Concrete	534	518	-16
Hamilton	220	214	-6
La Conner	1,100	1,067	-33
Lyman	292	292	0
Mount Vernon	27,081	27,987	906
Sedro Woolley	7,772	8,114	342
Skagit County	37,679	38,670	991
P.U.D.	1,353	1,394	41
Samish Tribal Nation	1,353	1,394	41
Swinomish Tribe	1,353	1,394	41
Port of Anacortes	9,634	9,923	289
Port of Skagit	9,634	9,923	289
Skagit Transit	5,667	5,837	170
<b>Total</b>	<b>132,335</b>	<b>136,306</b>	<b>3,971</b>



<b>2019 Proposed Budget</b>			
<b>Presented to the Board of Directors for Review</b>			
<b>July 18, 2018</b>			
	<b>2018</b>	<b>2019</b>	
	<b>Amended 6/20/2018</b>	<b>Proposed 7/18/2018</b>	<b>Increase or Decrease</b>
<b>REVENUE</b>			
Local Dues and Other	\$ 158,334	\$ 162,304	
State	69,556	81,154	
Federal	643,832	653,927	
RLF Interest & Fees (also Federal)	-	-	
<b>Total Revenue</b>	<b>\$ 871,722</b>	<b>\$ 897,385</b>	<b>\$25,663</b>
<b>EXPENSES</b>			
Salaries	\$ 339,411	\$ 331,347	
Payroll Taxes & Benefits	\$ 164,084	\$ 166,643	
<b>Total Salaries, Payroll Taxes &amp; Benefits</b>	<b>\$ 503,495</b>	<b>\$ 497,990</b>	<b>(\$5,505)</b>
<b>Other Expenses</b>			
Operating Expenses	\$ 220,185	100,085	\$ (120,100)
Professional Services	115,500	257,005	141,505
<b>Total Other Expenses</b>	<b>\$ 335,685</b>	<b>\$ 357,090</b>	<b>\$21,405</b>
<b>Total Expenses</b>	<b>\$ 839,180</b>	<b>\$ 855,080</b>	<b>\$15,900</b>
<b>Net Increase (Decrease) in Cash</b>	<b>\$ 32,542</b>	<b>\$ 42,305</b>	