

SKAGIT COUNCIL OF GOVERNMENTS BOARD OF DIRECTORS MEETING

Wednesday, October 17, 2018

Anticipated start time is 2:30 p.m. following the Transportation Policy Board meeting

[Burlington City Council Chambers](#)

833 South Spruce Street, Burlington, WA 98233

AGENDA

1. **Call to Order and Roll Call**
2. **Public Comment** (three minute limit per person)
3. **Chair's Report**
4. **Executive Director's Report**
5. **Consent Agenda**
 - a. Approval of [September 19, 2018 Board of Directors Meeting Minutes](#)
 - b. Approval of [Accounts Payable Vouchers](#) and Payroll Certification
AP voucher batch #125359 and #125525 in an amount totaling \$39,416.67; and
payroll certification for September 2018 in the amount of \$26,902.28.
 - c. Resolution 2018-06 To Appoint Auditing Officer for 2019
6. **Discussion Items**
 - a. Economic Development Alliance of Skagit County Update – *John Sternlicht, EDASC*
 - b. [Proposed 2019 Budget](#) – *Kevin Murphy*
7. **Roundtable and Open Topic Discussion**
8. **Next Meeting:** Wednesday, November 21, 2018, 2:00 PM, *Burlington City Council Chambers*
9. **Adjourned**

Information:

[SCOG Financial Update](#)

[Meeting Packet](#)

Title VI Notice: SCOG fully complies with Title VI of the Civil Rights Act of 1964 and related statutes and regulations. For more information, or to obtain a Title VI Complaint Form, visit SCOG's website at <http://scog.net/about/nondiscrimination/>.

Notificación del Título VI: El SCOG cumple plenamente con el Título VI de la Ley de Derechos Civiles de 1964, así como los estatutos y reglamentos relacionados. Si desea más información o tener acceso al formulario de denuncia del Título VI, visite la página web del SCOG <http://scog.net/about/nondiscrimination/>.



BOARD OF DIRECTORS OFFICERS

Mayor Jason MillerChair

Mayor Laurie GereVice-Chair

BOARD OF DIRECTORS MEMBERSHIP AND VOTES

Anacortes.....1
 Burlington1
 Concrete.....1
 Hamilton.....1
 La Conner1
 Lyman1
 Mount Vernon1

Port of Anacortes.....1
 Port of Skagit.....1
 Samish Indian Nation.....1
 Sedro-Woolley1
 Skagit County3
 Skagit Public Utility District.....1
 Swinomish Indian Tribal Community1

QUORUM REQUIREMENT

A quorum consists of a simple majority (9) of the total votes (16).

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**SKAGIT COUNCIL OF GOVERNMENTS
BOARD OF DIRECTORS
MEETING MINUTES**

Wednesday, September 19, 2018
Anacortes City Council Chambers
Anacortes, Washington

MEMBERS PRESENT

Mayor Jason Miller, Town of Concrete, Chair; Mayor Laurie Gere, City of Anacortes, Vice-Chair; Mayor Joan Cromley, Town of Hamilton; Mayor Ramon Hayes, Town of La Conner; Commissioner Lisa Janicki, Skagit County; Treasurer Katie Jungquist, Skagit County; Mayor Julia Johnson, City of Sedro-Woolley; Mayor Steve Sexton, City of Burlington; and Commissioner Ron Wesen, Skagit County.

STAFF PRESENT

Kevin Murphy, Executive Director; Mark Hamilton, Senior Transportation Planner; and Katie Bunge, Intern.

MEMBERS OF PUBLIC PRESENT

Six members of the public attended the meeting.

MINUTES

1. Call to Order: Mayor Miller called the meeting to order at 2:48 PM.
Roll Call: Roll was taken with a quorum present.
2. Public Comment: There were no public comments.
3. Chair's Report: Mayor Miller had nothing to report.
4. Executive Director's Report: Kevin Murphy shared with the Board that the open planning position at SCOG has closed with 27 applications received. SCOG staff will be interviewing candidates in the coming week, with an expected offer for the position in early October. An announcement for the new staff person is expected at the October Board of Directors meeting.
5. Consent Agenda
 - a. Approval of the August 15, 2018 Board of Directors Meeting Minutes
 - b. Approval of Accounts Payable Vouchers and Payroll Certification
AP voucher batch #124941 and #125162 in an amount totaling \$16,341.57; and payroll certification for August 2018 in the amount of \$26,674.21.
Mayor Gere moved approval of the consent agenda and Mayor Johnson seconded the motion. The motion carried unanimously.
6. Action Items
 - a. Resolution 2018-05 to Amend Public Records Policy: Kevin Murphy said that the Public Records Policy has not been amended since the Washington State Legislature changed public records requirements. SCOG staff recommends changes to the policy, including clarifying

that SCOG will adopt the Legislature’s fees and costs for records requests, and that the title of Executive Director be included in the policy instead of a specific individual’s name.

Mayor Hayes moved to amend the Public Records Policy as presented. Mayor Gere seconded the motion. The motion carried unanimously.

- 7. Roundtable and Open Topic Discussion: The Board of Directors discussed participation at the next Board of Directors meeting.
- 8. Next Meeting: Wednesday, October 17, 2018, 2:00 PM, Burlington City Council Chambers
- 9. Adjourned: 2:55 PM

Information Items: The Board of Directors were provided with a monthly financial update.

Approved,

Kevin Murphy, Executive Director
Skagit Council of Governments

Dated: _____

Mayor Jason Miller, Town of Concrete
Board of Directors Chair
Skagit Council of Governments

Dated: _____

SKAGIT COUNCIL OF GOVERNMENTS

BATCH NUMBER: 125359

SEPTEMBER 2018

BATCH TOTAL: \$6,359.21

NO.	Vendor Name	Invoice Number	Invoice Date	GL Code	Inv Amount
2018177	Employee Healthcare Benefits Association of WA Cities	10-2018	09/24/18	501 2400	\$6,359.21

BATCH NUMBER: 125525

OCTOBER 2018

BATCH TOTAL: \$33,058.46

NO.	Vendor Name	Invoice Number	Invoice Date	GL Code	Inv Amount
2018178	Supplies US Bank Visa		09/06/18	501 4910	\$37.81
2018179	Travel Expense US Bank Visa		09/18/18	501 4910	\$12.50
2018180	Travel Expense US Bank Visa		09/19/18	501 4910	\$12.50
2018181	Travel Expense US Bank Visa		09/20/18	501 4910	\$9.00
2018182	Travel Expense US Bank Visa	357870	09/20/18	501 4910	\$631.98
2018183	Professional Services US Bank Visa	262	09/27/18	501 4910	\$2,425.00
2018184	Public Notice Skagit Publishing	1809997	09/11/18	501 4910	\$306.28
2018185	Supplies Crystal Springs	91618	09/16/18	501 4910	82.07
2018186	Professional Services KFH Group, Inc.	5605(1810-3)	09/17/18	501 4910	\$18,554.01
2018187	Printing Thomas Printing Company Inc.	28227	09/18/18	501 4910	\$6,219.81
2018188	Professional Services Shred-It	8125652440	09/22/18	501 4910	\$31.03
2018189	Copier Lease & Printing Ricoh USA, Inc.	101140744	09/25/18	501 4910	\$403.34
2018190	Expense Reimbursement Kevin Murphy		09/30/18	501 4910	\$93.21
2018191	Expense Reimbursement Mark Hamilton		09/30/18	501 4910	\$17.99
2018192	Expense Reimbursement Pam Carlson		09/30/18	501 4910	\$476.92
2018193	Professional Services Green Valley Clean	223	09/30/18	501 4910	\$265.00
2018194	Utilities City of Mount Vernon		09/30/18	501 4910	\$20.94
2018195	Utilities Waste Management	570143-0043-8	10/01/18	501 4910	\$71.21
2018196	Professional Services Buri Funston Mumford & Furlong PLLC	2493	10/02/18	501 4910	\$92.00
2018197	Utilities Puget Sound Energy	Suite 100	10/02/18	501 4910	\$60.16
2018198	Utilities Puget Sound Energy	Suite 101	10/02/18	501 4910	\$35.70
2018199	Rent NECA	November	10/31/18	501 4910	\$3,200.00

DISCUSSION ITEM 6.B. – PROPOSED 2019 BUDGET

Document History

MEETING	DATE	TYPE OF ITEM	STAFF CONTACT	PHONE
Board of Directors	August 15, 2018	Discussion	Pam Carlson	360-416.7875
Board of Directors	October 17, 2018	Discussion	Kevin Murphy	360-416.7871

RECOMMENDED ACTION

N/A

FISCAL IMPACT

N/A

DISCUSSION

The Proposed 2019 Budget has estimated expenditures in the amount of \$860,518 which compares to the 2018 Amended Budget of \$839,180. The revenue components are as follows: federal funds 72%, state funds 9% and local funds and other 19%. Major budget assumptions include dues increase of 3%, continued Growth Management Act support and a 3.3% cost of living for staff.

The most significant expense categories are Salaries and Benefits, Professional Services, and Operating Expenses.

- Salaries and Benefits: \$487,856 is budgeted for salaries and benefits in the Proposed 2019 Budget. This figure is \$15,639 (3%) lower than the 2018 budgeted amount. The direct salary component is estimated to be \$9,911 lower and consists of current salary for current staff, plus 3% step increase for eligible staff, revised salary corresponding to a reduction in work week hours for the Finance Manager, a cost of living adjustment of 3.3%, and a part-time summer intern. Benefits are expected to decrease by about 3% which results in a decrease of \$5,728.
- Pass Through Funding: Pass Through Funding in the amount of \$0 (zero) in the Proposed 2019 Budget is \$80,000 lower than in 2018. \$80,000 was included in the Proposed 2018 Budget for an Origin and Destination Study which is not scheduled to be done at this time.
- Professional Services: Professional services, in the amount of \$267,327 in the Proposed 2019 Budget, are \$151,827 higher than the 2018 Amended Budget. Professional Services in the Proposed 2019 Budget include the following:

- Professional Services
 - Annual Audit (1 year financial)**\$15,000
 - Skagit County Auditing Services.....\$3,827
 - Skagit County Information Systems\$24,000
 - Accounting Consultant\$1,000
 - Legal Services\$4,000
 - Human Resources Support.....\$2,000
 - Traffic Counts\$24,000
 - Household Travel Demand Survey.....\$190,000
 - Janitorial Service.....\$3,500

** Annual Audit: The State Auditor’s Office gave SCOG the option to be on a 3 accountability audit. And, SCOG is no longer required to have a single audit or a program specific audit because expenditure of federal awards is below \$750,000. At the March 21, 2018 Board of Directors Meeting, the Board voted to approve a 2 year financial audit cycle and a 2 year accountability audit cycle. The 2017 and 2018 records will be audited during calendar year 2019.

Operating Expenses: Operating expenses in the 2019 Proposed Budget, in the amount of \$105,335, is \$114,850 lower than the 2018 Amended Budget. The type of expenses included in this category are; pass through funding, conferences, computer and software, equipment lease, fees, insurance, utilities, supplies and travel. The 2018 Amended Budget included one-time expenses associated with moving to new office space.

The areas of the budget most likely to change between now and adoption are the amount budgeted for benefits when the 2019 rates are posted, carryover amounts on contracts in progress and the professional services budget.

The 2019 Proposed Budget follows on the next page. The budget will be presented to the Board of Directors for approval in November 2018.



2019 Proposed Budget			
Presented to the Board of Directors for Review			
October 17, 2018			
	2018	2019	
	Amended 6/20/2018	Proposed 10/17/2018	Increase or Decrease
REVENUE			
Local Dues and Other	\$ 158,334	\$ 166,304	
State	69,556	81,154	
Federal	643,832	650,343	
RLF Interest & Fees (also Federal)	-	-	
Total Revenue	\$ 871,722	\$ 897,801	\$26,079
EXPENSES			
Salaries	\$ 339,411	\$329,500	
Benefits	164,084	158,356	
Total Salaries & Benefits	\$ 503,495	\$ 487,856	(\$15,639)
Other Expenses			
Operating Expenses	\$ 220,185	105,335	\$ (114,850)
Professional Services	115,500	267,327	151,827
Total Other Expenses	\$ 335,685	\$ 372,662	\$36,977
Total Expenses	\$ 839,180	\$ 860,518	\$21,338
Net Increase (Decrease) in Cash	\$ 32,542	\$ 37,283	

Financial Position

For the Month Ended:	9/30/2018	08/31/201	7/31/2018	6/30/2018	5/31/2018	4/30/2018	3/31/2018	2/28/2018	1/31/2018	12/31/2017
General Fund Balance	297,439	271,792	276,281	243,706	267,267	285,845	304,063	246,164	255,633	231,689
Accounts Receivable	74,192	65,505	88,812	93,493	61,655	74,411	52,494	109,939	108,823	43,149
Accounts Payable	(32,830)	(1,740)	(8,775)	(10,110)	(9,260)	(29,211)	(29,850)	(32,498)	(49,201)	(6,705)
Net Working Capital	338,801	335,557	356,318	327,089	319,662	331,045	326,707	323,605	315,255	268,133