

SKAGIT COUNCIL OF GOVERNMENTS BOARD OF DIRECTORS MEETING

August 20, 2025

Anticipated start time is 9:15 a.m. following the Transportation Policy Board meeting

In Person: [Burlington City Council Chambers](#), 833 South Spruce Street, Burlington, WA 98233

Remote: [GoToMeeting](#)

Dial In: 1 (877) 309-2073

Access Code: 111-728-949

AGENDA

1. Call to Order and Roll Call
2. Written Public Comments – *Grant Johnson*
3. Verbal Public Comments
4. Consent Agenda
 - a. Approval of [May 21, 2025 Board of Directors Meeting Minutes](#)
 - b. Approval of [Accounts Payable Vouchers](#) and Payroll Certification
AP voucher batch #154639, and AP voucher batch #154741 in an amount totaling \$167,524.26; and payroll certification for May 2025 in the amount of \$49,586.99; AP voucher batch #154886, AP voucher batch #155118, and AP voucher batch 155262 in an amount totaling \$95,429.09; and payroll certification for June 2025 in the amount of \$47,452.74. AP voucher batch #155314, AP voucher batch #155418, and Inter Governmental Transfer IGT-2025Q2-23 in an amount totaling \$86,331.65; and payroll certification for July 2025 in the amount of \$49,028.95.
5. Action Items
 - a. [2026 Proposed Dues](#) – *Kevin Murphy*
 - b. [Resolution 2025-05 Amending 1998 Resolution Designating the Skagit Watershed Council as Lead Entity](#) – *Kevin Murphy and Will Honea, Skagit County*
6. Discussion Items
 - a. [Initial 2026 Budget](#) – *Kevin Murphy*
7. Chair's Report
8. Executive Director's Report
9. Roundtable and Open Topic Discussion
10. Next Meeting: October 15, 2025, Time TBD, *Burlington City Council Chambers and Remote*
11. Adjourned

Information Items:

[Year to Date Actual vs. Budget – January through June 2025](#)
[Quarterly Financial Update](#)

[Meeting Packet](#)

BOARD OF DIRECTORS OFFICERS

Mayor Matt Miller..... Chair

Mayor Peter Donovan..... Vice Chair

BOARD OF DIRECTORS MEMBERSHIP AND VOTES

Anacortes..... 1
Burlington 1
Concrete..... 1
Hamilton..... 1
La Conner..... 1
Lyman 1
Mount Vernon 1

Port of Anacortes1
Port of Skagit1
Samish Indian Nation.....1
Sedro-Woolley1
Skagit County.....3
Skagit Public Utility District.....1
Swinomish Indian Tribal Community1

QUORUM REQUIREMENT

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

Title VI Notice to the Public: The Skagit Council of Governments fully complies with Title VI of the federal Civil Rights Act of 1964 and related statutes, and does not discriminate on the basis of race, color or national origin. For more information, or to obtain a Title VI Complaint Form, visit SCOG's website at <http://scog.net/about/nondiscrimination/>.

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SKAGIT COUNCIL OF GOVERNMENTS BOARD OF DIRECTORS MEETING MINUTES

May 21, 2025
Burlington City Council Chambers and Remote

MEMBERS PRESENT

Mayor Matt Miller, City of Anacortes, Chair; Mayor Peter Donovan, City of Mount Vernon, Vice Chair; Mayor Bill Aslett, City of Burlington; Commissioner Peter Browning, Skagit County; Chairman Steve Edwards, Swinomish Indian Tribal Community; Commissioner Corrin Hamburg, Skagit PUD; Mayor Marna Hanneman, Town of La Conner; Commissioner Lisa Janicki, Skagit County; Mayor Julia Johnson, City of Sedro-Woolley; Commissioner Ron Wesen, Skagit County; and Chairman Tom Wooten, Samish Indian Nation.

STAFF PRESENT

Kevin Murphy, Executive Director; Debbie Carter, Executive Assistant and Clerk of the Board; Ron Cubellis, Accountant; Mark Hamilton, Senior Transportation Planner; Grant Johnson, Associate Planner; Sarah Ruether, Associate Planner.

OTHERS PRESENT

Will Honea, Skagit County Prosecuting Attorney's Office, and 20 members of the public attended the meeting.

AGENDA

1. Call to Order: Mayor Miller called the meeting to order at 9:39 a.m.

Roll Call: Roll was taken with a quorum present.
2. Written Public Comments: Mr. Hamilton stated that a public comment period for the meeting was held from May 14–20, and comments were received during that timeframe. Written public comments received were listed by Mr. Hamilton during the meeting and posted to SCOG's website following the meeting.
3. Verbal Public Comments: Verbal public comments were provided at the meeting and can be accessed via a video recording of the meeting posted to SCOG's website.
4. Consent Agenda
 - a. Approval of February 19, 2025 Board of Directors Meeting Minutes
 - b. Approval of April 16, 2025 Board of Directors Special Meeting Minutes

c. Approval of Accounts Payable Vouchers and Payroll Certification

AP voucher batch #153565, and AP voucher batch #153727 in an amount totaling \$48,387.70; and payroll certification for February 2025 in the amount of \$47,604.73. AP voucher batch #153901, and AP voucher batch #154068 in an amount totaling \$22,357.44; and payroll certification for March 2025 in the amount of \$47,380.42. AP voucher batch #154280, AP voucher batch #153238, and AP voucher batch #154068 in an amount totaling \$122,507.42, and Inter Governmental Transfer IGT-2025Q1-23 in the amount of \$11,992.72; and payroll certification for April 2025 in the amount of \$47,829.04.

Mayor Donovan moved to approve the Consent Agenda. Mayor Aslett seconded the motion and it carried unanimously.

5. Action Items

- a. Resolution 2025-04 to Approve Electronic Funds Transfer Policies and Procedures: Mr. Cubellis presented this action item. As part of the most recent SCOG accountability audit, Washington state auditors recommended SCOG adopt electronic transfers policies and procedures. The proposed policies and procedures document in the meeting packet is in response to that recommendation.

Mayor Johnson moved to adopt Resolution 2025-04 to Approve Electronic Funds Transfer Policies and Procedures. Mayor Hanneman seconded the motion and it carried unanimously.

- b. Comprehensive Economic Development Strategy Steering Committee Bylaws: Mr. Murphy presented this action item. In November 2022, the Board of Directors created an ad-hoc committee, the Comprehensive Economic Development Strategy (CEDS) Steering Committee, to guide the development of a new CEDS. The Board of Directors adopted the CEDS in December 2024, and within the recommendations and actions was continuing the CEDS Steering Committee to assist in guiding implementation, actions and monitoring. SCOG's Governance Agreement and Bylaws allow for the Board of Directors to establish ad-hoc or advisory committees to further the work of the BOD. This action would establish bylaws for the CEDS Steering Committee to function as an advisory body to the BOD and guide the implementation of the CEDS.

Mayor Aslett asked about the CEDS Steering Committee composition and Mr. Murphy answered the question. Commissioner Janicki spoke in support of CEDS action items and the proposed bylaws.

Commissioner Janicki moved to approve Comprehensive Economic Development Strategy Steering Committee Bylaws. Commissioner Browning seconded the motion and it carried unanimously.

- c. Resolution 2025-05 Amending 1998 Resolution Designating the Skagit Watershed Council as Lead Entity for WRIAS 3 and 4 Pursuant to RCW 77.85.050: Commissioner Browning and Mr. Honea presented this action item. Both the 1998 resolution and proposed 2025 resolution were provided in the meeting packet.

Board of Directors members discussed the action item and options they may take. Several members expressed their preference for what action the Board of Directors takes at the meeting and desire for more information.

Mayor Johnson moved to table Resolution 2025-05 Amending 1998 Resolution Designating the Skagit Watershed Council as Lead Entity for WRIAS 3 and 4 Pursuant to RCW 77.85.050 until the August 20, 2025 Board of Directors meeting and Mayor Hanneman seconded the motion. Prior to the vote on the motion, Chairman Wooten provided additional input. Commissioner Wesen and Mayor Donovan also provided additional input. Commissioner Hamburg asked if a special meeting could be held focused on this agenda item prior to the August meeting. Mr. Murphy responded that a workshop can be held on this topic if that is the direction from the Board of Directors. After discussion concluded, Mayor Miller put the motion to a vote and the motion carried. Commissioner Wesen, Commissioner Browning and Mayor Miller opposed the motion.

6. Discussion Items

- a. 2026 Dues: Mr. Murphy presented this discussion item. Annually each year, SCOG dues are set in August for the next calendar year. Mr. Murphy asked if the Board of Directors would like to deviate from past practice in setting dues, which for 2026 would include applying the most recent Seattle Consumer Price Index to the current (2025) dues.

Board of Directors members did not suggest deviating from past practice in setting dues.

7. Chair's Report: Mayor Miller had nothing to report.
8. Executive Director's Report: Mr. Murphy gave an update on the recruiting process for the next Executive Director.
9. Roundtable and Open Topic Discussion: Commissioner Wesen moved to hold a special meeting on July 16, 2025 and Mayor Aslett seconded the motion. The motion carried unanimously.
10. Next Meeting: The next regular meeting is August 20, 2025, with the meeting time to be determined, in person at the Burlington City Council Chambers and remote. Additionally, a special meeting will be held July 16, 2025, with the meeting time to be determined, in person at the Burlington City Council Chambers and remote.
11. Adjourned: Mayor Miller adjourned the meeting at 10:55 a.m.

Information Items: Washington Intergovernmental Review Process Uniform Notification Forms; Year to Date Actual vs. Budget - January through March 2025; Quarterly Financial Update; and Annual Report.



Approved,

Kevin Murphy, Executive Director
Skagit Council of Governments

Date: _____

Mayor Matt Miller
Board of Directors Chair
Skagit Council of Governments

Date: _____

DRAFT

No	May-25					
	Vendor Name/Description	Description	Vendor No	Invoice Number	Invoice Date	Invoice Amount
2025073	City of Mount Vernon (enc)	Utiliites	12360	4302025	4/30/2025	\$30.87
2025074	DRS State of WA Department of Retirement Systems (enc)	Fees	23312	1665806	3/27/2025	\$25.00
2025075	Green Valley Clean	Professional Services	31182	1328	4/30/2025	\$305.00
2025076	NECA	Rent	31094	June 2025 Rent	6/1/2025	\$3,200.00
2025077	Puget Sound Energy Suite100 (enc)	Utiliites	14036	5022025	5/2/2025	\$72.44
2025078	Puget Sound Energy Suite 101 (enc)	Utiliites	14036	522025	5/2/2025	\$60.36
2025079	Ricoh (enc)	Printing	27592	5071300167	4/25/2025	\$27.03
2025080	RSG	Professional Services	32359		4/30/2025	\$98,525.42
2025081	Skagit County Public Works	Professional Services	20644	20250302	3/31/2025	\$8,674.24
2025082	Skagit Publishing (enc)	Printing	35013	55070	4/1/2025	\$285.01
2025083	US Bank VISA - DocuSign/KM (enc)	Dues & Subscriptions	25459	111100488304	4/4/2025	\$1,876.81
2025084	US Bank VISA -RTD Denver/MH (enc)	Travel	25459	3282025	3/12/2025	\$10.00
2025085	US Bank VISA - RTD Denver/MH (enc)	Travel	25459	4022025	3/12/2025	\$10.00
2025086	US Bank VISA - Hyatt Place Denver/MH (enc)	Travel	25459	373956	3/28/2025	\$1,093.85
2025087	US Bank VISA - Office Depot/DC (enc)	Office Supplies	25459	4142025	4/14/2025	\$132.95
2025088	US Bank VISA - Rightworks/DC (enc)	Computer & Software	25459	INV03939820	4/10/2025	\$75.00
2025089	Waste Management (enc)	Utiliites	26387	0852346-0043-6	5/1/2025	\$83.66
2025090	Whatcom Council of Governments	Professional Services	23714	1231	3/31/2025	\$1,401.27
2025091	WSP	Professional Services	34241	40186177	5/1/2025	\$37,701.74
	BATCH 154639 Total					\$153,590.65

2025092	Association of WA Cities (enc)	Employee Healthcare Benefits	A0657	69889	5/18/2025	\$13,933.61
	BATCH 154741 Total					\$13,933.61

	Jun-25					
	Vendor Name/Description	Description	Vendor No	Invoice Number	Invoice Date	Invoice Amount
2025093	City of Mount Vernon (enc)	Utiiliites	12360	5312025	5/31/2025	\$30.87
2025094	ESRI (enc)	Computer & Software	23464	900031330	6/2/2025	\$881.28
2025095	Green Valley Clean	Professional Services	31182	1349	5/31/2025	\$305.00
2025096	NECA	Rent	31094	July 2025 Rent	6/1/2025	\$3,200.00
2025097	Puget Sound Energy Suite100 (enc)	Utiiliites	14036	6032025	6/3/2025	\$56.37
2025098	Puget Sound Energy Suite 101 (enc)	Utiiliites	14036	632025	6/3/2025	\$83.41
2025099	Ricoh (enc)	Printing	27592	5071439605	5/23/2025	\$98.04
2025100	RSG	Professional Services	32359	53650	5/7/2025	\$11,503.22
2025101	US Bank VISA - Office Depot/MH (enc)	Office Supplies	25459	4292025	4/29/2025	\$175.36
2025102	US Bank VISA - Rightworks/DC (enc)	Computer & Software	25459	INV03973715	5/10/2025	\$75.00
2025103	Waste Management (enc)	Utiiliites	26387	0857196-0043-0	6/1/2025	\$83.71
2025104	Whatcom Council of Governments	Professional Services	23714	1257	4/30/2025	\$1,103.50
2025105	WSP Transportation Resilience Improvement Plan	Professional Services	34241	40193888	5/16/2025	\$16,064.66
2025106	WSP SS4A Project	Professional Services	34241	40193835	5/16/2025	\$45,888.05
	BATCH 154886 Total					\$79,548.47

2025107	Association of WA Cities (enc)	Employee Healthcare Benefits	A0657	70958	6/18/2025	\$13,933.61
	BATCH 155118 Total					\$13,933.61

	Vendor Name/Description	Description	Vendor No	Invoice Number	Invoice Date	Invoice Amount
2025108	WA Department of Labor & Industries	Payroll tax	22900	2025 Q2	6/30/2025	\$591.79
2025109	WA Employment Security Dept (unemployment)	Payroll tax	20765	2025 Q2	6/30/2025	\$331.38
2025110	WA Employment Security Dept (paid family & medical leave)	Payroll tax	32166	2025 Q2	6/30/2025	\$814.32
2025111	WA Employment Security Dept (Cares long-term care)	Payroll tax	34514	2025 Q2	6/30/2025	\$209.52
	BATCH 155262 Total					\$1,947.01

	Jul-25					
2025112	Assoc of Metropolitan Planning (enc)	Dues and Subscriptions	C5028	26-162	6/29/2025	\$1,030.00
2025113	City of Mount Vernon (enc)	Utiilites	12360	6302025	6/30/2025	\$30.87
2025114	Green Valley Clean	Professional Services	31182	1370	6/30/2025	\$305.00
2025115	Language Exchange Inc. (enc)	Professional Services	12045	LE00290	6/23/2025	\$309.00
2025116	NECA	Rent	31094	August 2025 Rent	7/1/2025	\$3,200.00
2025117	Puget Sound Energy Suite100 (enc)	Utiilites	14036	70325	7/3/2025	\$51.34
2025118	Puget Sound Energy Suite 101 (enc)	Utiilites	14036	7032025	7/3/2025	\$57.71
2025119	Ricoh (enc)	Printing	27592	5071588792	6/23/2025	\$29.32
2025120	Skagit County Public Works	Professional Services	20644	20250504	5/31/2025	\$1,102.12
2025121	Skagit Publishing (enc)	Printing	35013	62546669	6/30/2025	\$335.30
2025122	US Bank VISA - Office Depot/GJ (enc)	Office Supplies	25459	5272025	5/27/2025	\$42.07
2025123	US Bank VISA - Rightworks/DC (enc)	Computer & Software	25459	INV04007587	6/10/2025	\$75.00
2025124	US Bank VISA - GoDaddy/MH (enc)	Dues & Subscriptions	25459	3744259915	5/28/2025	\$91.26
2025125	US Bank VISA - GoDaddy/MH (enc)	Dues & Subscriptions	25459	55853044	6/10/2025	\$27.38
2025126	US Bank VISA - Office Depot/MH (enc)	Office Supplies	25459	6132025	6/13/2025	\$115.28
2025127	Waste Management (enc)	Utiilites	26387	0859542-0043-3	7/1/2025	\$84.89
2025128	Whatcom Council of Governments	Professional Services	23714	1298	5/31/2025	\$2,352.37
2025129	WSP Transportation PROTECT	Professional Services	34241	40203430	6/9/2025	\$12,476.53
2025130	WSP Transportation PROTECT	Professional Services	34241	40215195	7/3/2025	\$8,493.66
2025131	WSP SS4A Project	Professional Services	34241	40211743	6/25/2025	\$28,430.87
	BATCH 1553314 Total					\$58,639.97

2025132	Association of WA Cities (enc)	Employee Healthcare Benefits	A0657	72042	7/18/2025	\$13,933.61
	BATCH 155418 Total					\$13,933.61

IGT-2025Q2-23	Skagit County Information Services	Professional Services (560)		SCOG 2nd QTR 2025 Invoice	7/16/2025	\$13,758.07
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ACTION ITEM 5.A. – 2026 PROPOSED DUES

Document History

MEETING	DATE	TYPE OF ITEM	STAFF CONTACT	PHONE
Board of Directors	05/21/2025	Discussion	Kevin Murphy	360-416-7871
Board of Directors	08/20/2025	Action	Kevin Murphy	360-416-7871

RECOMMENDED ACTION

Skagit Council of Governments (SCOG) staff recommends that the Board of Directors adopt the proposed 2025 dues.

FISCAL IMPACT

Staff is proposing 2.7% dues increase for 2026 of \$4,620 from 2025 and total dues of \$175,756

DISCUSSION

Each year SCOG establishes the annual dues in August to provide members information for upcoming budget development. As discussed at your May 2025 Board meeting, staff are proposing dues increase that is based on the latest Seattle consumer price index rate of 2.7% as of June 2025.

The table below shows the current 2025 dues and recommended 2026 dues with updated population and retail sales and use tax distribution data. Background and discussion on the history of SCOG dues can be found [here](#).

BACKGROUND

The local dues pay for the match requirements on the federal and state transportation grant expenditures adopted in the Unified Planning Work Program. In addition, dues cover 100% of the local costs associated with non-grant funded work such as economic 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 2026 dues are \$175,756. 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 distributions for each jurisdiction. Population is weighted by a factor of two. $((\% \text{ population distribution} \times 2) + \% \text{ retail sales tax distribution}) / 3 = \text{percent distribution of the } \$137,247$.
2. Distribute the remaining \$38,508 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%

2026 Dues and Comparison to Current 2025 Dues

Member	2025	Proposed 2026	Difference
Anacortes	18,180	18,095	-85
Burlington	16,815	17,491	676
Concrete	1,371	1,345	-26
Hamilton	604	438	-166
La Conner	1,288	1,335	47
Lyman	341	357	16
Mount Vernon	33,790	34,562	772
Sedro Woolley	10,961	11,597	636
Skagit County	50,289	52,028	1,739
P.U.D.	1,750	1,797	47
Samish Tribal Nation	1,750	1,797	47
Swinomish Tribe	1,750	1,797	47
Port of Anacortes	12,459	12,795	336
Port of Skagit	12,459	12,795	336
Skagit Transit	7,329	7,527	198
Total	171,136	175,756	4,620

ACTION ITEM 5.B. – RESOLUTION 2025-05 AMENDING 1998 RESOLUTION DESIGNATING THE SKAGIT WATERSHED COUNCIL AS LEAD ENTITY FOR WRIAS 3 AND 4 PURSUANT TO RCW 77.85.050

Document History

MEETING	DATE	TYPE OF ITEM	STAFF CONTACT	PHONE
Board of Directors	5/21/2025	Action - Deferred	Kevin Murphy	360-416-7871
Board of Directors	7/16/2025	Workshop	Kevin Murphy	360-416-7871
Board of Directors	8/20/2025	Action	Kevin Murphy	360-416-7871

DISCUSSION

Note this item was on May 21, 2025, Board agenda for action and was deferred to the August 20 meeting. Since the July workshop the Tribes and Skagit County legal counsels have been working on a new resolution ([SCOG Resolution 2025-05](#)). The proposed resolution presented at the May 21 meeting has been rescinded.

The new resolution amends a [1998 SCOG resolution](#) pertaining to the designation of the Skagit Watershed Council (SWC) as Lead Entity for WRIAS 3 and 4 pursuant to [RCW 77.85.050](#). A key section of RCW 77.85.050 related to this request is:

“(1)(a) Counties, cities, and tribal governments must jointly designate, by resolution or by letters of support, the area for which a habitat project list is to be developed and the lead entity that is to be responsible for submitting the habitat project list.”

The 1998 SCOG resolution represented the County and Cities within Skagit County support of designating the SWC as lead entity for Water Resource Inventory Areas (WRIA) 3 and 4. The new resolution amends the 1998 resolution to include the following:

1. The SCOG Executive Director shall serve as facilitator to assist Skagit County and the relevant Treaty Tribes in negotiating appropriate agreements to update and modernize governance of SWC, in order to preserve its status as the Lead Entity under RCW 77.85.
2. Agreements should address, at minimum: (i) board structure, (ii) board governance, and (iii) a mechanism for appointment of the Lead Entity Citizens Committee (“LECC”).
3. The SCOG Executive Director shall report back to the SCOG board by December 20, 2025 with a status report on the progress of negotiations.

SCOG BOARD RESOLUTION 2025-05

A RESOLUTION OF THE SKAGIT COUNCIL OF GOVERNMENTS BOARD OF DIRECTORS AMENDING 1998 RESOLUTION REGARDING LEAD ENTITY FOR WRIAS 3 AND 4 PURSUANT TO RCW 77.85.050

WHEREAS, the Salmon Recovery Act, Chapter 77.85 RCW, envisions that counties, cities and federally-recognized tribes within each watershed will designate an entity to designate and prioritize habitat restoration projects for public salmon recovery funding, the principal purpose of which is to meet watershed-specific Endangered Species Act recovery goals, *see*, RCW 77.85.005; and

WHEREAS, in 1998, the SCOG Board of Directors, acting on behalf of Skagit County and Skagit cities, submitted one of many designations of the Skagit Watershed Council, a private nonprofit organization, as RCW 77.85 lead entity for the Water Resource Inventory Area (“WRIA”) 3 and 4, the Upper and Lower Skagit watersheds, with the Skagit Watershed Council charged by SCOG with responsibility for “coordinating habitat restoration activities in the Skagit River watershed”.; and

WHEREAS, the SWC has been governed by a board that has included representatives from tribal nations, local governments, and non-profit conservation organizations over the past 27 years; and

WHEREAS, there are changed circumstances in WRIA 3 and 4 that have prompted revisiting the 1998 designation including, but not limited to, the need for greater recognition of tribal co-management authority and responsibility for treaty-reserved rights in habitat protection and of the obligations of Skagit County under the Growth Management Act; and

WHEREAS, the SCOG Board believes that a facilitated process among Skagit County and the relevant Treaty Tribes for discussing concerns with the practices of the Lead Entity program, potential changes to that program that may be allowed under state law, and potentially drafting and adopting agreements regarding that program is an appropriate way to address their concerns and possibly refine oversight of this vital program without interrupting the current salmon recovery funding cycle.

NOW, THEREFORE, BE IT RESOLVED

1. The SCOG Executive Director shall serve as facilitator to assist Skagit County and the relevant Treaty Tribes in negotiating appropriate agreements to update and modernize governance of SWC, in order to preserve its status as the Lead Entity under RCW 77.85.

2. Agreements should address, at minimum: (i) board structure, (ii) board governance, and (iii) a mechanism for appointment of the Lead Entity Citizens Committee (“LECC”).
3. The SCOG Executive Director shall report back to the SCOG board by December 20, 2025 with a status report on the progress of negotiations.

Adopted August 20, 2025

Matt Miller, City of Anacortes
SCOG Chair

Kevin Murphy
Executive Director

DISCUSSION ITEM 6.A. – 2026 INITIAL BUDGET

Document History

MEETING	DATE	TYPE OF ITEM	STAFF CONTACT	PHONE
Board of Directors	August 20, 2025	Discussion	Kevin Murphy	360-416-7871

RECOMMENDED ACTION

N/A

FISCAL IMPACT

The projected initial 2026 budget decreased approximately \$471,000 from the 2025 budget.

DISCUSSION

The initial 2026 budget has estimated total expenditures in the amount of \$1,160,870 which compares to the 2025 budget of \$1,632,547. This large budget decrease is due to the three transportation consulting projects nearing conclusion. These include the Regional Transportation Plan, Regional Safety Action Plan, and the Regional Transportation Resilience Improvement Plan. All the transportation projects are included in the adopted Unified Planning Work Program.

Major budget assumptions include the following.

Revenues:

- 2.7% dues increase for 2026
- All federal and state planning grants at the same level as 2025
- Human Service Transportation Plan \$45,000
- State Consolidated Grant for Regional Mobility \$98,452 expended of total \$338,888 awarded
- Growth Management Act support placeholder amount of \$60,000. This will likely change as the GMA TAC recommends work program in September. The 2025 budget was \$120,000.

Expenditures:

- Same staff levels as in 2025. The new executive director's salary is based on the advertised range
- 2.7% cost of living adjustment for non-contract staff based on Seattle CPI as of June 2025
- Approximately 6% increase in healthcare related benefits and assumption for new Executive Director
- Consultant contracts for the Regional Transportation Plan and Regional Transportation Resilience Improvement Plan – carried forward from 2025

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

- Salaries and Benefits: \$796,220 is budgeted for salaries and benefits in the 2026 budget. This figure is \$47,587 higher than the 2025 budgeted amount. This includes cost of living for existing non-contract staff, new Executive Director, and related benefits.
- Professional Services: Professional services, in the amount of \$224,380 in the 2026 initial budget and represent a decrease of approximately \$560,000. The decrease is due to most of the work for the three grant funded projects the Regional Transportation Plan, Regional Safety Action Plan, and the Regional Transportation Resilience Improvement Plan being completed in 2025. For the budget the following professional services will be expected in 2026:
 - Professional Services
 - Audits (Accountability & F/S)\$0
 - Regional Transportation Plan.....\$35,000
 - Skagit County Auditor\$5,200
 - Skagit County Information Services\$34,520
 - Financial Services (WCOG).....\$30,000
 - Legal Services.....\$1,000
 - Traffic Counts.....\$35,000
 - Resilience Improvement Plan\$100,000
 - Janitorial Service\$3,660
 - Regional Safety Action Plan.....\$0
 - Website Update.....\$15,000
- Operating Expenses: Operating expenses in the 2026 budget, in the amount of \$105,270. The type of expenses included in this category are conferences, computer and software, equipment lease, fees, insurance, office space rent, phones/utilities, supplies and travel.

A summary of the 2026 budget is shown below along with a comparison to the current 2025 budget. The budget will be acted on in October 2025.



	2025	2026	
	As Amended 4/16/2025	Draft as of 8/13/2025	Increase or (Decrease)
REVENUE			
Local Dues and Other	\$ 291,136	\$ 235,759	
State	71,643	87,188	
Federal	1,223,126	915,713	
Total Revenue	\$ 1,585,905	\$ 1,238,660	\$ (347,245)
EXPENSES			
Salaries	\$498,027	\$532,975	
Benefits	250,606	263,246	
Total Salaries & Benefits	\$ 748,633	\$ 796,220	\$47,587
Operating Expenses	98,090	140,270	
Professional Services	785,824	224,380	
Total Other Expenses	\$ 883,914	\$ 364,650	(\$519,264)
Total Expenses	\$ 1,632,547	\$ 1,160,870	(\$471,677)
Net Increase (Decrease) in Cash	\$ (46,642)	\$ 77,789	\$ 124,431

Skagit Council of Governments
Year to Date Actual vs. Full Year Budget
January through June 2025

	<u>Jan - Jun 25</u>	<u>Annual Budget</u>	<u>% of Budget</u>
Revenues			
333 · Federal Grants	\$ 516,053	\$ 1,223,126	42%
334 · State Grants	46,017	71,643	64%
337 · Local	61,213	120,000	51%
361.11 · Investment Interest	8,920	-	100%
368.5 · Dues & Other Local	171,136	171,136	100%
367 · Contributions&Donations Private	-	-	0%
369 · Non-Governmental & Misc. Income	-	-	0%
Total Revenues	<u>\$ 803,339</u>	<u>\$ 1,585,905</u>	<u>51%</u>
Expenses			
505 · Advertising / Legal Notices	\$ 1,174	\$ 2,900	40%
510 · Conferences & Training	833	15,000	6%
515 · Computer & Software Expenses	3,422	7,525	45%
520 · Dues and Subscriptions	4,417	5,290	83%
525 · Equipment & Furniture Purchases	-	1,000	0%
532 · Fees	1,124	1,025	110%
535 · Insurance Expense	9,523	10,000	95%
538 · Meeting Expenses	-	450	0%
550 · Postage	-	-	0%
555 · Payroll Salaries and Wages	245,943	498,027	49%
556 · Payroll Taxes & Benefits	126,154	250,606	50%
557 · Printing	364	-	100%
560 · Professional Services	392,149	785,824	50%
565 · Rent Expense	19,200	38,400	50%
570 · Repairs and Maintenance	-	500	0%
575 · Supplies	412	2,400	17%
580 · Travel	2,397	10,000	24%
585 · Utilities	1,834	3,600	51%
595 · Other Expenses	-	-	0%
Total Expenses	<u>\$ 808,946</u>	<u>\$ 1,632,547</u>	<u>50%</u>
Net Increase (Decrease) in Cash	<u><u>\$ (5,607)</u></u>	<u><u>\$ (46,642)</u></u>	

Financial Position

For the Month Ended:	6/30/24	7/31/24	8/31/24	9/30/24	10/31/24	11/30/24	12/31/24	1/31/25	2/29/2025	3/31/25	4/30/25	5/31/25	6/30/25
General Fund Balance	559,264	588,153	532,743	526,699	495,142	484,338	455,792	586,809	589,939	604,874	585,833	435,488	452,407
Accounts Receivable	127,073	72,653	112,466	120,935	116,760	114,783	175,492	194,940	161,840	226,801	251,692	315,642	253,534
Accounts Payable	(17,244)	(9,403)	(5,458)	(25,027)	(8,067)	(16,254)	(16,347)	(29,881)	(51,337)	(209,373)	(137,944)	(88,856)	(43,065)
Net Working Capital	669,093	651,403	639,751	622,607	603,835	582,867	614,937	751,868	700,442	622,302	699,581	662,274	662,876