

**CITY COUNCIL AGENDA ITEM**  
CITY OF SHORELINE, WASHINGTON

<b>AGENDA TITLE:</b>	Discussing the Repeal of Resolution 312 – Reduction of Regional and Statewide Association Dues
<b>DEPARTMENT:</b>	City Manager’s Office
<b>PRESENTED BY:</b>	Scott MacColl, Intergovernmental Relations Program Manager
<b>ACTION:</b>	<input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input type="checkbox"/> Motion <input checked="" type="checkbox"/> Discussion <input type="checkbox"/> Public Hearing

**PROBLEM/ISSUE STATEMENT:**

Council has received notice that two City-supported associations are proposing dues increases for the next year: the Puget Sound Regional Council (PSRC) and the Puget Sound Clean Air Agency (PSCAA). The PSCAA board voted on April 27<sup>th</sup> to implement the increase. Mayor Roberts will be representing the City at the PSRC membership meeting in May, where the membership votes on the budget. Council needs to provide direction for Mayor Roberts to cast the City’s vote on the PSRC budget.

The most recent Council direction regarding association dues was adopted in 2011 (Resolution No. 312), which encouraged City-supported associations to work toward reducing their budgets and membership dues for that year and future years. The resolution was in response to many associations proposing dues increases during the recession that, at that time, cities, and Shoreline specifically, were faced with reducing their expenditures.

As cities’ financial outlooks have changed significantly in the intervening six years, changing Council policy and direction first requires rescinding Resolution No. 312 and then enacting a new policy. Staff has proposed guiding principles for considering association dues increases to guide council decisions for both the PSRC and PSCAA dues increase proposals and moving forward for future proposals as they arise.

**RESOURCES/FINANCIAL IMPACT:**

Supporting the dues increases for the PSRC and the PSCAA will result in a dues increase of \$787 and \$751, respectively, for Shoreline.

**RECOMMENDATION**

Staff recommends that the City Council repeal Resolution No. 312 and adopt the associated Guiding Principles for Supporting External Association Dues Increases.

Approved By:            City Manager **DT**    City Attorney **MK**

## **BACKGROUND**

Council has received notice that two City-supported associations are proposing dues increases for the next year: the Puget Sound Regional Council (PSRC) and the Puget Sound Clean Air Agency (PSCAA). The PSCAA board voted on April 27<sup>th</sup> to implement the increase. Mayor Roberts will be representing the City at the PSRC membership meeting in May, where the membership votes on the budget. Council needs to provide direction for Mayor Roberts to cast the City's vote on the PSRC budget.

The most recent Council direction regarding association dues was adopted in 2011 (Resolution No. 312), which encouraged City-supported associations to work toward reducing their budgets and membership dues for that year and future years. Resolution No. 312 (Attachment A) was in response to many associations proposing dues increases during the recession at that time. Council was concerned about supporting association increases when Shoreline, along with many cities, was faced with reducing its expenditures.

The City is a member of numerous associations that are funded through dues the City pays. It is likely that other associations will present dues increases within the next year or two. The City pays dues to the following associations:

- Sound Cities Association (SCA)
- Shoreline Chamber of Commerce (Shoreline Chamber)
- National League of Cities (NLC)
- Association of Washington Cities (AWC)
- Puget Sound Clean Air Agency (PSCAA)
- Puget Sound Regional Council (PSRC)
- Seashore Transportation Forum (SeaShore)
- Enterprise Seattle
- Water Resources Inventory Assessment Area 8 (WRIA 8)

## **DISCUSSION**

The regional financial picture has changed significantly since Resolution No. 312 was passed, and each association has a different situation. As noted above, the City has received notice that two associations are or have proposed to increase their dues – PSCAA and PSRC.

### **PSRC Dues Proposal**

PSRC is proposing to increase dues by 4% both in 2018 and 2019 to address replenishing their reserve fund. Their policies include a reserve fund policy with a target reserve fund balance of two months of operating expenditures. Currently, the agency's reserve fund balance is approximately 63% of the recommended target. In order to build the reserve fund to the recommended target level, the additional local funds would be generated by a 4% dues increase in each of the fiscal years 2018 and 2019.

### **PSCAA Dues Proposal**

The Puget Sound Clean Air Agency (PSCAA) Board adopted assessment rates for 2018, including a proposed increase to the per capita assessment to cities of \$0.01, from \$0.81 to \$0.82, at its April 27 meeting.

The per capita increase is combined with any rate adjustments driven by changes to total population and assessed value to arrive at the total fee per jurisdiction. The stated purpose for the proposed per capita rate increase is to address inflationary pressures on expenses and to support PSCAA's work to implement their strategic plan, including a stronger emphasis on greenhouse gas emissions reductions.

### **Draft Guiding Principles for Supporting External Association Dues Increases**

Council needs to decide whether or not they support these dues increase proposals. Currently, Resolution No. 312 would dictate opposing any increases. However, simply repealing the resolution means that Council would have to take a position every time an association proposes a dues increase. In lieu of that path, staff is proposing that Council adopt guiding principles for what would be acceptable reasons for dues increases moving forward. Those principles would provide direction to Councilmembers and staff when presented with proposed dues increases in the future.

Below are a proposed set of Guiding Principles for Council consideration. The draft principles recognize that these associations face the same pressures cities face (e.g. increases in costs, drawn down reserves), and that the associations need to be mindful of the pressures that face the cities that make up their membership.

#### **The draft Guiding Principles are as follows:**

1. Recognize that cities have a 1% limit in property tax growth and as such, membership organizations should recognize that their member resources are likely growing at a pace less than inflation.
2. Regular, moderate increases that are tied to an index to maintain service levels should be the practice as opposed to large one-time increases to catch up.
3. Agencies should have written and adopted financial reserve policies and the agencies dues structure should incorporate these policies.
4. Dues or assessment increases to support a higher level of service needs to be in response to membership agencies requesting the higher level of service.
  - a. Discussion with membership/boards on alternatives (lower level of service within existing membership rates vs. the higher level of service).
5. Change in assessment due to changes in assessment factors (e.g. population or assessed valuation) need to reflect
  - a. An adopted method of allocation of proportional share; and
  - b. A methodology that provides stability and predictability for costs year to year for member agencies.
6. Dues/Assessment increases that are in excess of inflation, and not a result of a change in adopted assessment factors, should be brought to the Council for discussion.

If adopted, these policies would provide Mayor Roberts direction to support the PSRC proposed increase at the membership meeting in May. As well, these Guiding Principles would be used by the Mayor and Council when facing future dues increases for other associations.

### **RESOURCES/FINANCIAL IMPACT**

Supporting the dues increases for the PSRC and the PSCAA will result in a dues increase of \$787 and \$751, respectively, for Shoreline.

### **RECOMMENDATION**

Staff recommends that the City Council repeal Resolution No. 312 and adopt the associated Guiding Principles for Supporting External Association Dues Increases.

### **ATTACHMENTS**

Attachment A: Resolution No. 312

RESOLUTION NO. 312

A RESOLUTION OF THE CITY COUNCIL, CITY OF SHORELINE, WASHINGTON, REQUESTING THAT CITY DUES SUPPORTED REGIONAL AND STATEWIDE ASSOCIATIONS WORK TOWARD REDUCING THEIR BUDGETS AND MEMBERSHIP DUES FOR 2011 AND FUTURE YEARS.

WHEREAS, Shoreline and cities across King County are facing significant loss of revenue; and

WHEREAS, Shoreline and cities are struggling to continue to provide services while trying to keep up with increasing costs; and

WHEREAS, Shoreline and other cities have made significant budget cuts that affect needed services; and

WHEREAS, Shoreline is committed to finding additional efficiencies and cost savings; and

WHEREAS, city-supported associations add value both to the city and to the region and state; and

WHEREAS, some associations funded by local governments demonstrated leadership by cutting their dues by up to 15%; and

WHEREAS, city supported associations should also cut costs and pass along those savings to cities; **NOW THEREFORE**

**THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON, HEREBY RESOLVES:**


Section 1. The Shoreline City Council encourages city-supported associations to work toward reducing budgets and membership dues and assessments for 2011 and future years.

Section 2. Shoreline staff and elected officials shall work with these associations and their directors as appropriate to achieve these cost reductions for the benefit of Shoreline taxpayers.

**ADOPTED BY THE CITY COUNCIL ON FEBRUARY 28, 2011.**

  
Keith A. McGlashan, Mayor

**ATTEST:**

  
Scott Passey, City Clerk