

May 16, 2013

WRIA 8 2014 Budget – Management Committee Recommendation

Background

Since 2000, 27 local governments in WRIA 8 have partnered to recover ESA-listed threatened Chinook salmon. Through the WRIA 8 Interlocal Agreement (ILA), each local government pays King County for salmon recovery coordination services through annual cost shares, which are based on each jurisdiction's population, assessed value, and area.

The total annual WRIA 8 cost share amount has remained unchanged at \$501,063 since its inception. Meanwhile, operating costs have continued to rise. Adjusting the cost share for inflation means that \$501,063 in 2001 is equivalent to \$658,577 in 2013 dollars, or an increase of 31% (using the U.S. Bureau of Labor Statistics Consumer Price Index).

In past years, base revenues from the ILA cost share and state Lead Entity grant were sufficient to fund staff and operating costs, and excess ILA revenue supplemented grants to provide capacity to advance high priority WRIA 8 work (e.g., Green Shorelines outreach, Land Cover Change Analysis, wadeable stream surveys, etc.). While WRIA 8 has successfully secured grants to supplement base revenues and advance important WRIA 8 Plan priorities, these additional revenues typically have limited duration, do not often align with the ILA-funded body of work, and are not consistent.

WRIA 8 expects additional high priority demands on staff in the near future, including:

- Coordinate the 10-Year WRIA 8 Plan update, including development of a monitoring and adaptive management framework and plan
- Provide technical assistance and project development for priority capital projects
- Support implementation of Green Shorelines and riparian area stewardship strategies

In 2013, WRIA 8 operating costs exceeded base revenues, and a one-year grant from the Puget Sound Partnership filled the funding gap. In 2014, operating costs are projected to exceed base revenue by \$36,839. Deferred salary savings and some one-time grant funds may be an option for bridging this shortfall in 2014. Even so, relying on ephemeral funding sources to support base-level services is unsustainable in the long-run, and is unlikely to cover the anticipated revenue shortfall in 2015.

Management Committee Recommendation

Approve the 2014 draft WRIA 8 Budget and Workplan, including a 3% increase to the ILA cost share to help address a portion of the revenue shortfall for staffing/operating costs. Fill the remaining 2014 revenue shortfall with deferred staff salary savings. Additionally, approve up to a 5% increase to the ILA cost share in the 2015 budget to completely cover the anticipated revenue shortfall for staffing/operating costs.*

** Note that the percent increase for 2015 will ultimately depend on the size of the revenue shortfall, but will not exceed a 5% increase. A separate 2015 budget will still need to be developed and approved by the WRIA 8 Salmon Recovery Council, but this decision will enable partners to plan for the increase in their 2015 budgeting processes.*