

DRAFT 2020 WRIA 8 Budget Options

May 16, 2019

WRIA 8 is in active discussions with Snohomish County to try and bring them back as a WRIA 8 interlocal agreement (ILA) partner in 2020. The table below identifies 2020 WRIA 8 budget options for WRIA 8 Salmon Recovery Council consideration to address the anticipated \$35,327 shortfall between base revenues and base expenditures if Snohomish County does not return as an ILA partner in 2020.

Options	Pros / Cons
<p>1. Continue 2019 approach – Use a portion of available Puget Sound Acquisition and Restoration project development grant funds and/or WRIA 8 carry-forward funds to cover potential revenue shortfall.</p>	<p><u>Pros:</u></p> <ul style="list-style-type: none"> • No reduction in WRIA 8 services; • Adequate balance of PSAR project development grant funding available to cover revenue gap (estimated PSAR grant funds = \$51,000). • Uses carry-forward funds (estimated at \$131,658 as of May 1, 2019) as “rainy day” funding to cover revenue gap; <p><u>Cons:</u></p> <ul style="list-style-type: none"> • Reduces carry-forward fund balance available to support other watershed priorities that are difficult to fund through grants or other sources; • Flexibility in using the funds is limited – PSAR funds must be tied to project development activities and are not available for certain types of staffing costs.
<p>2. Recalculate the WRIA 8 ILA cost share total (including Snohomish County cost share) across 27 remaining ILA partners (11.3% increase over revised 2019 cost shares).</p>	<p><u>Pros:</u></p> <ul style="list-style-type: none"> • No reduction in WRIA 8 services. • Meets full cost recovery for service provider. <p><u>Cons:</u></p> <ul style="list-style-type: none"> • WRIA 8 partner 2020 cost shares increase 11.3%.

<p>3. Incremental ILA cost share increase combined with grant/carryforward funds to achieve full cost recovery over three years (2022):</p> <ul style="list-style-type: none"> • 2020 = increase ILA cost shares 4% (\$573,720) + \$32,640 in grant/carryforward funds • 2021 = increase ILA cost share 5.5% (\$605,275) + \$21,076 • 2022 = increase ILA cost share 6.75% (\$646,131) + ~ \$0 	<p><u>Pros:</u></p> <ul style="list-style-type: none"> • Maintains consistent level of WRIA 8 services and achieves full cost recovery. • Less financial burden to partners than covering full gap through ILA cost share (Option 2). • Gradually increases ILA cost share over three years rather than full increase in first year. <p><u>Cons:</u></p> <ul style="list-style-type: none"> • Requires using grant and/or carryforward funds to off-set amount of shortfall not covered by ILA increase. • Increases annual partner cost shares greater than annual CPI-W estimate.
<p>4. Reduce WRIA 8 staffing commensurate with the shortfall amount</p>	<p><u>Pros:</u></p> <ul style="list-style-type: none"> • No increased costs to WRIA 8 partners. <p><u>Cons:</u></p> <ul style="list-style-type: none"> • Reduced WRIA 8 staffing in 2020 and potential long-term impacts to staff capacity.