



Requested Action:

Approve the Authority Board membership dues covering Authority general and administrative costs estimated to not exceed \$470,000 in fiscal year 2023, which equates to dues per member of \$50,000 (9 members total) and \$5000 per Associate Member (2 members total). Authorize release of invoices in January 2023.

Detailed Description/Background:

Authority Board dues are reassessed annually, and the 2023 dues need to be established for invoicing Authority Board members in January. This year's assessment used an updated evaluation to separate project agreement costs from general and administrative costs in accordance with Section 5 of the Joint Powers Agreement.

Revenue Assumptions:

Authority revenue consists entirely of Authority Board dues. The following assumptions were used to establish dues.

1. Membership dues are recommended to be decreased by \$5,000 to \$50,000 per year for a seat and remain the same of \$5,000 per year for an associate membership.
2. Membership levels remain unchanged from 2022: 9 Seats and 2 Associate Member (non-voting) positions.

Expense Assumptions:

Authority Board general and administrative costs are a function of direct expenses (i.e., cost of the Maxwell office) and shared expenses (i.e., Board Clerk and a share of ED time).

This year's evaluation incorporated a fresh look at the approach being taken in allocating costs. This was done for two reasons 1) the AB and RC will be conducting joint meetings starting in 2023, which means the cost of running a standalone AB meeting is eliminated, and 2) as the project grows, the shared expense categories are largely project related with a fixed component for general and administrative cost. If this year's assessment methodology is acceptable, Staff expects future annual assessments would primarily consist of inflationary adjustments since the assessment assumes fixed amounts of the

shared expenses and the direct expenses, barring any unforeseen major future changes in the administration of the AB.

Prior Authority Board Action:

December 2021: Approved the Authority Board membership dues for Authority-funded activities in fiscal year 2022, which occurs between January 1, 2022 and December 31, 2022, and authorized release of invoices.

Fiscal Impact/Funding Source:

The reduced AB dues revenue within the remainder of the A3 work period is expected to be approximately \$100,000. This reduction can be accommodated within the overall work plan budget without an impact.

Staff Contact:

Trapasso

Primary Service Provider:

Project Controls.

Attachments:

None