

**BUDGET AND FINANCE MEETING**  
**AGENDA ITEM 1.3**  
**(11/10/23)**

Budget and Finance Committee consider recommending to the RC/AB to approve the 2024 AB membership dues covering Authority general and administrative costs estimated to not exceed \$410,000 in fiscal year 2024. Staff recommends reducing the AB 2023 membership dues from 50,000 to \$45,000 for 2024. In addition, authorize release of invoices in January 2024.

**Background**

Authority Board dues are reassessed annually, and the 2024 dues need to be established for invoicing Authority Board members in January 2024. This year's assessment used an evaluation of the 2023 dues 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 \$45,000 per year for a seat and remain the same at \$5,000 per year for an associate membership.
2. Membership levels remain unchanged from 2023: 9 Seats and 1 Associate Member (non-voting) positions.

**Expense Assumptions**

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

This year's evaluation incorporated a review of the approach taken last year in allocating costs. The review found the Authority's general counsel's 2023 budget was higher than anticipated and some expenses were not directly related to general and administrative costs. General counsel's 2024 AB expenses is expected to be about the same as 2023 AB actual expenses. This allows for a decrease in Authority Board 2024 membership dues.

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.

The reduced AB dues revenue within the remainder of the A3 work period is expected to be approximately \$90,000 total for the next two years (i.e., \$45,000 per year). This reduction can be accommodated within the overall work plan budget without an impact.