

RESOLUTION 2018-017: NOACA MEMBER DUES

**Board of Directors
June 8, 2018**

ACTION REQUESTED

Request that the Board of Directors approve Resolution:

- 2018-017, which approves FY2019 member dues of \$944,747, an increase of \$238,000 over FY2018 dues, primarily to support the water quality program

PREVIOUS ACTION

- Resolution 2008-013 (June 2008) increased member dues from \$706,747 to \$743,851.
- Resolution 2008-024 (August 2008) postponed due to the poor economy.
- Presented to Finance and Audit, Governance and Executive Committees in May 2018
- The Finance and Audit Committee recommended \$100,000 more to support lobbying
- The Executive Committee removed the \$100,000 and recommended this action

BACKGROUND

Member dues are NOACA's primary source of local funds which are relied on for:

- Local match to Federal operating funds (OCPG)
- Local match to additional Federal discretionary grants
- Local water quality program
- Expenditures not permissible by Federal regulations (such as lobbying)
- Capital outlays (they are recaptured through depreciation)

BACKGROUND

Member dues have not kept pace with local funding needs

Average Annual increases from 1991 to 2017:

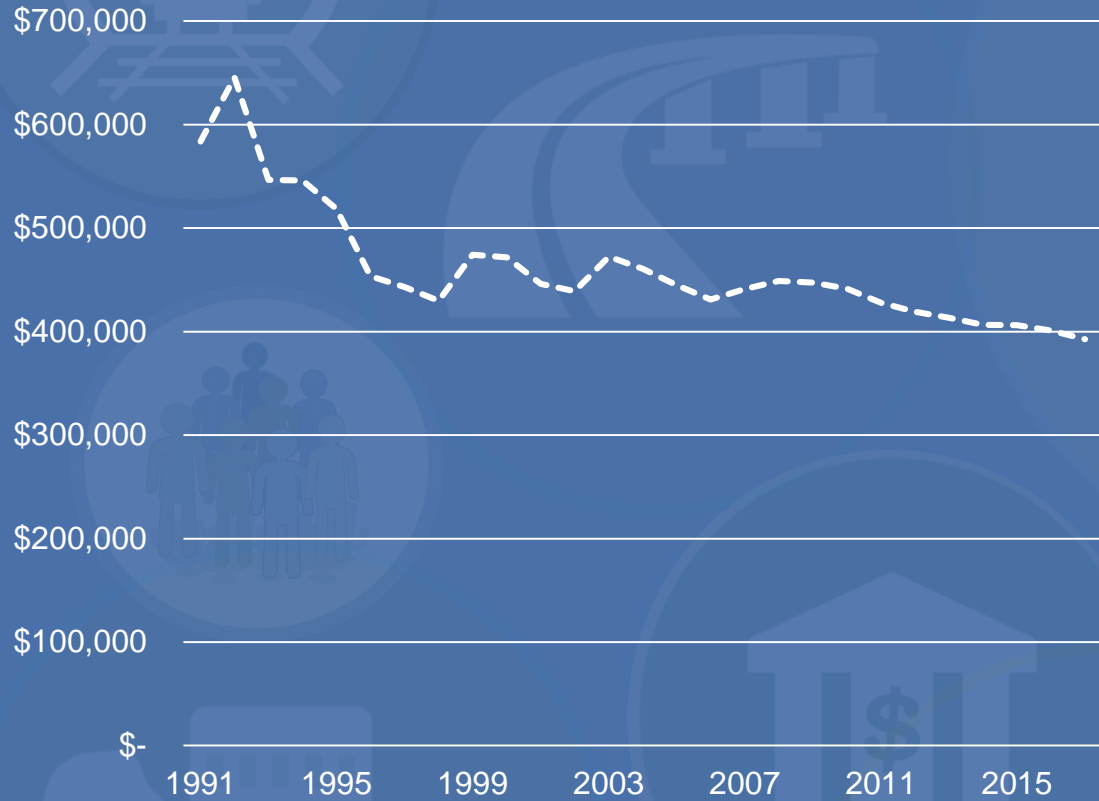
- Member dues <1%
- Needs >9%



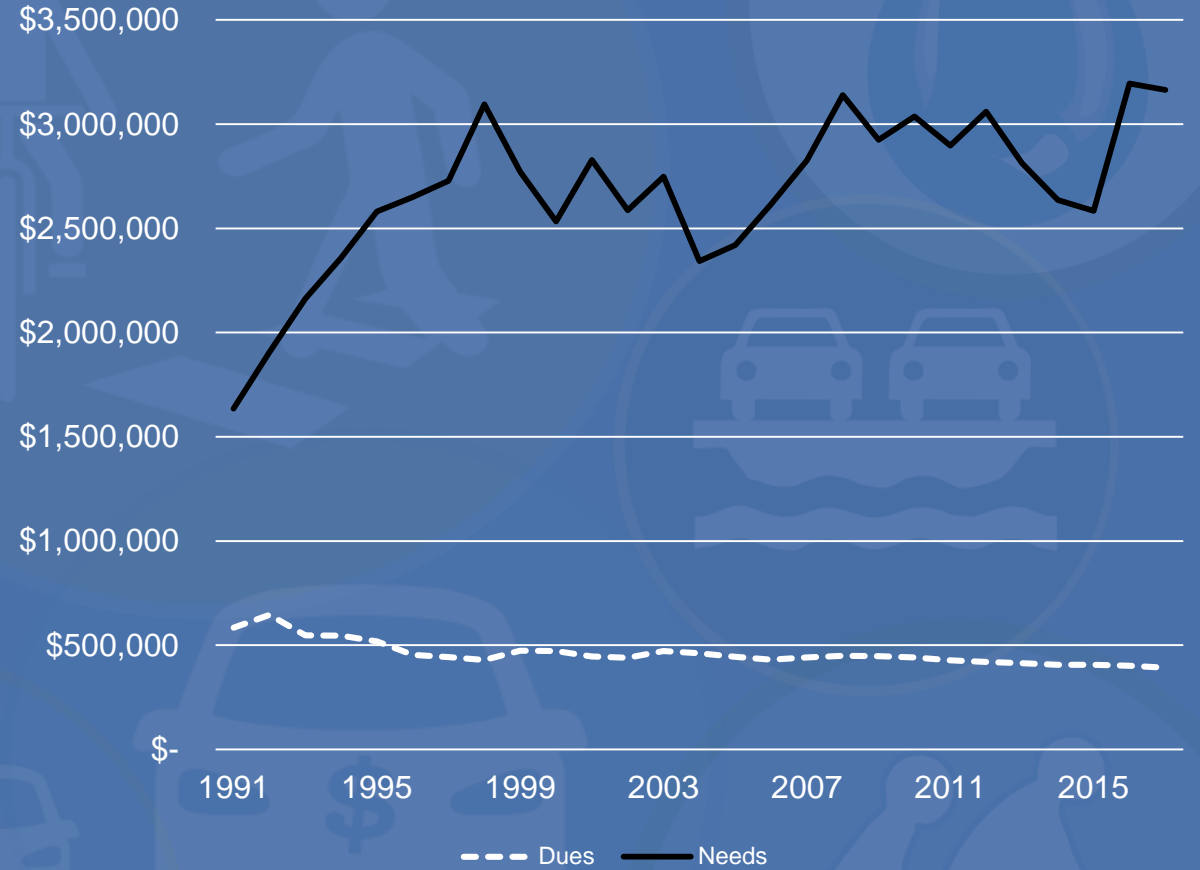
When adjusted for inflation, member dues have declined over the period while needs have almost doubled.

BACKGROUND

DUES 1991-2017



NEEDS AND DUES 1991-2017



BACKGROUND

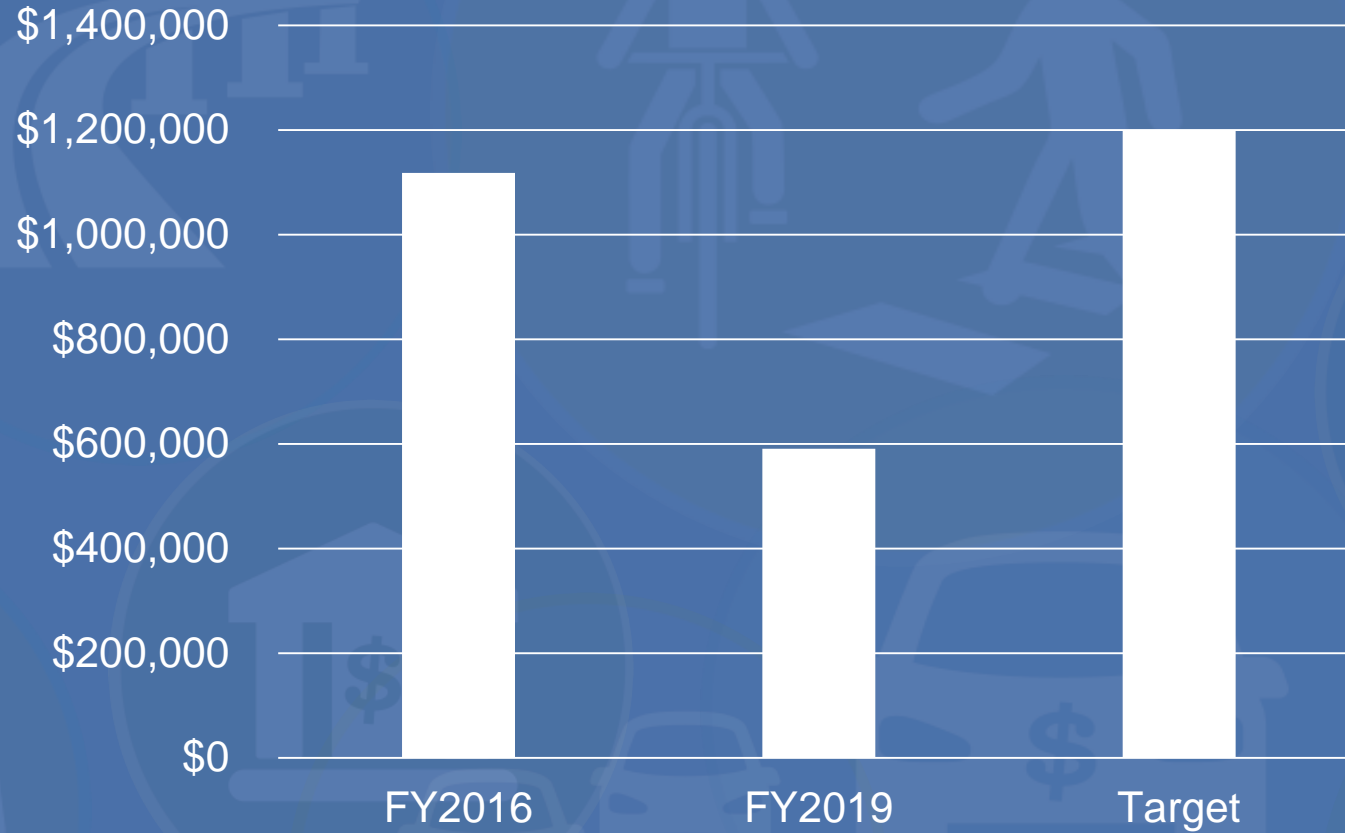
Member dues have not been raised in ten years. At that time, interest revenues were over \$100,000 per year vs. less than \$10,000 currently.

FISCAL YEAR TIMELINE	ANNUAL DUES
1991 Level	\$580,000
1996 – 1998 10% Reduction	\$522,000
1999 – 2002 Returned to prior level	\$580,000
2001 Dues were increased 10% for FY2003	\$638,000
2006 Dues were increased 5.25% for WQ for FY2007	\$671,495
2007 Dues were increased 5.25% for WQ for FY2008	\$706,747
2008 Dues were increased 5.25% for WQ for FY2009 but was postponed	\$706,747



FINANCIAL IMPACT

RESERVES

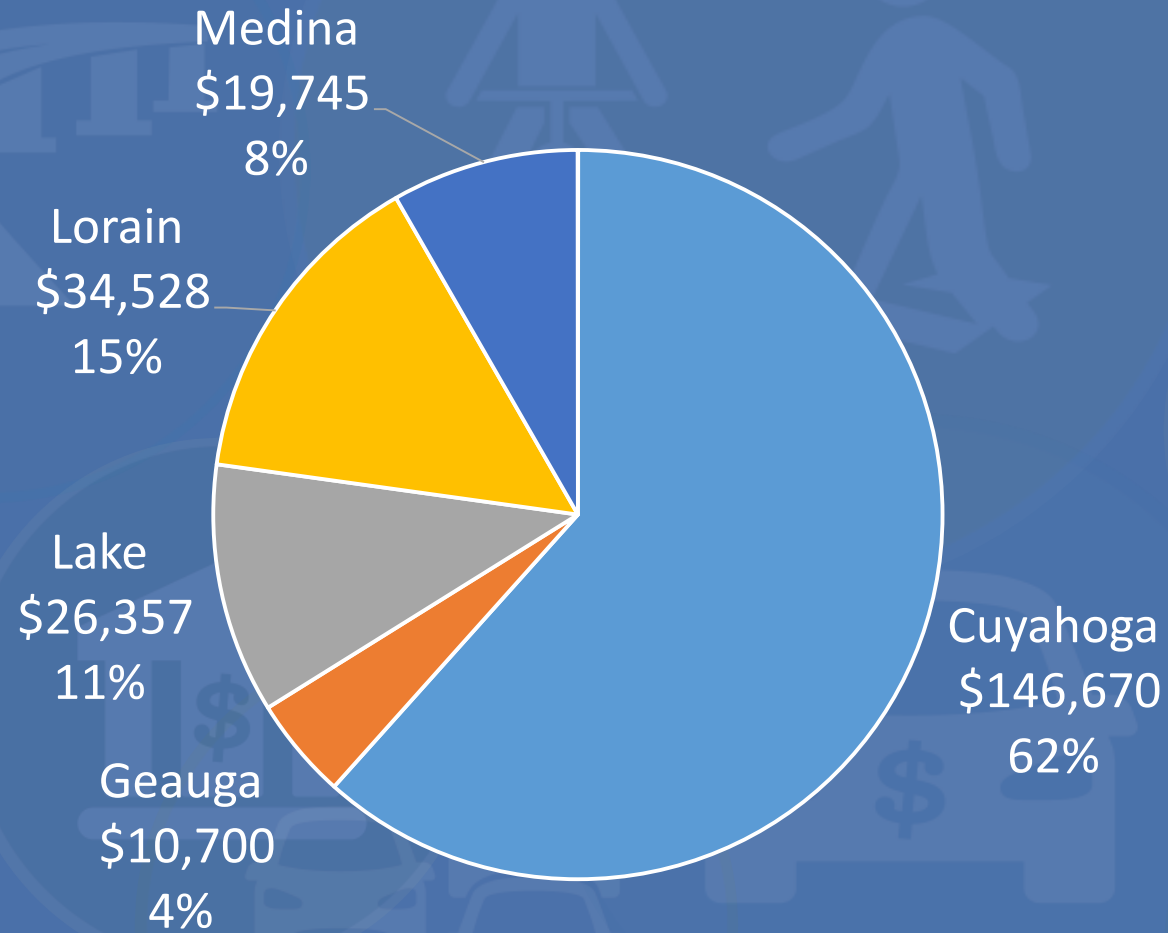


FINANCIAL IMPACT

NOACA MEMBER DUES INCREASES REQUIRED TO SUPPORT OWP & BUDGET AND LOCAL RESERVES			
Cost of local water quality program	\$257,000		
Prior dues increases to support WQ	(69,000)		
Total unsupported amount		\$188,000	
Approved but postponed increase for WQ	\$37,000		Permanent
New increase for WQ	151,000		Permanent
Subtotal		\$188,000	
Increase to replenish reserves	\$50,000		5-Year increase
Total Increase		\$238,000	

FINANCIAL IMPACT

DUES INCREASE



NEXT STEPS

Pending Board approval, FY 2019 member dues will be invoiced as follows:

July 2018	Current amount	\$706,747
January 2019	Increase	\$238,000



ACTION

Approval of Resolution 2018-017, which approves FY2019 Member Dues of \$944,747, an increase of \$238,000 over FY2018 dues



Motion
Second
Discussion
Put the Question



50 YEARS OF PLANNING

1968 - 2018



NOACA will **STRENGTHEN** regional cohesion, **PRESERVE** existing infrastructure, and **BUILD** a sustainable multimodal transportation system to **SUPPORT** economic development and **ENHANCE** quality of life in Northeast Ohio.

