



Association of Washington Cities

AWC

2017 Annual Report

ADVOCACY | EDUCATION | SERVICES



Our mission

Serving our members through advocacy, education, and services

Banding together for stronger cities

AWC has served Washington's cities and towns for more than eight decades. We have a rich history, one that was born out of the need for cities to band together and tell the Legislature with a single, unified voice that a strong partnership and support for cities cannot be overlooked. We continue efforts to this day to tell the state why it should be in lockstep with its cities. Strong cities make a great state, and the historic partnership has proven that to be true.

The 2017 legislative session was the longest in state history, and the Washington Supreme Court's mandate that the state fully fund education exacerbated the state's budget woes. In 1933, cities banded together in order to tell the Legislature that they must share liquor revenues with cities. We did it again in 2017 to tell the Legislature it cannot and must not balance its budget at the expense of Washington's cities. At times, it was uncertain if the Legislature would solve its own budget problems at the expense of cities, but after effective and deliberate advocacy efforts by AWC and its members, cities ultimately came out whole.

The year also marked an election cycle for mayors and councilmembers. AWC welcomed nearly 400 new elected officials to the city family, and 352 individuals participated in our Elected Officials Essentials workshop to learn the most critical legal and functional responsibilities of local elected office.

Although AWC membership is voluntary, I am proud to report that AWC continues to maintain 100 percent participation of all Washington cities and towns. Whether cities engage and rely on our advocacy efforts, participate in one of our Member Pooling Programs, find value in our data, or engage in our valuable education opportunities, AWC's programs and services are unparalleled.

Thank you to the AWC Board, mayors and councilmembers, city staff, and engaged community members throughout the state for making our cities great places to call home.

It has been my pleasure to serve as your AWC President.

Sincerely,

Pat Johnson
AWC President
Mayor, Buckley



Our vision

AWC is a highly respected voice of cities and towns before the Legislature, Congress, government agencies, and others. We are the leader in providing valuable services and continuing education for our membership. We are the catalyst for promoting communication between cities and towns and for developing a broad public understanding of the important roles of cities and towns across the state.

Diverse programs and services for diverse cities and towns

AWC programs and services are diverse, just like our 281 cities and towns. This past year was marked by enhancing and expanding AWC's many programs and services. We did this by providing our long-standing advocacy efforts, always-relevant training and education, fact-based research and publications, and by pooling programs that keep costs lower and more predictable for our members.

AWC closed 2017 in strong financial position. We also accomplished the following:

- The historically long 193-day legislative session came to an end and mostly addressed city issues, including an operating budget that retained almost all critical state-shared revenues and created some important new revenues for cities.
- AWC partnered with the business, counties, and ports associations to produce a comprehensive report on the state of Washington's infrastructure. The report was used in Washington D.C. to position Washington for federal investment.
- Nearly 2,600 people attended an AWC conference, workshop or webinar.
- The newly-launched GIS Consortium attracted 17 members by year end. In its second year, the consortium continued to increase cities' capacity to utilize GIS technology and increase internal efficiency, boost community engagement, and improve service delivery.
- Our Member Pooling Programs all had strong participation, rolling out new services to members, and continuing to focus on cost savings, prevention, and excellent customer service.

This report provides more information about our accomplishments from the past year, none of which would have occurred without your ongoing support and commitment to our cities and towns. AWC exists to serve our members, and I welcome your input, comments, and questions.

Sincerely,

A handwritten signature in black ink that reads "Peter B. King". The signature is fluid and cursive, with a small flourish at the end.

Peter B. King
Chief Executive Officer
Association of Washington Cities



Advocating for strong cities

AWC represents the interests of Washington's diverse cities and towns. We listen to what matters most to our members and then advocate on their behalf in Olympia and Washington, D.C.

2017 legislative session



The Legislature adjourned a historically long session without passing a capital budget, but overall, city issues were mostly addressed. An operating budget was unveiled and passed within hours of the state's fiscal year nearly ending without a budget. Thankfully, it did contain almost all critical state-shared revenues and some important new revenues for cities.

Highlighted session outcomes

\$123.9 million in liquor profits and taxes

\$36.9 million in municipal criminal justice support

\$30 million in marijuana mitigation funding (shared with counties)

\$20.2 million in streamlined sales tax mitigation

\$13.6 million in small city and county assistance

\$9.4 million in fire insurance premium tax that supports fire fighter pension costs

National focus on infrastructure

AWC partnered with the local business, counties, and ports associations to issue a comprehensive report about Washington State's infrastructure needs and the importance of investment to grow a strong economy.

The report was shared with congressional representatives and senators in Washington D.C. to demonstrate that Washington State is ready for investment.



Report highlights

\$70 billion The dollar amount of goods that Washington moves through its ports annually

\$300 billion Washington's annual contribution to the U.S. economy

\$190 billion Estimate of Washington's total infrastructure needs

Exploring Washington's Cities and Towns

AWC issued this publication as a tool for cities to quickly and visually educate residents about what Washington's city governments do and why it matters. The publication covers how cities budget, how city funds are used, and what city governments do.





Training that is mobile, meaningful, and manageable

AWC targets education for municipal leadership, offering trainings and resources that are online and in person, meaningful to their work, and manageable for a busy schedule.

2,596 people attended an AWC training or conference in 2017

94 percent of attendees rated their experience as good or excellent

196 Small City Scholarships provided

429 city officials and partners attended AWC Annual Conference

464 labor relations professionals attended Labor Relations Institute

357 attendees advocated for City Action Days

Elected Officials Essentials

AWC offers this popular live broadcast each municipal election year to welcome newly-elected officials and introduce them to the most critical legal and functional responsibilities of local elected office.



2017 Elected Officials Essentials



Certificate of Municipal Leadership

Our CML program recognizes city elected officials for expanding their leadership skills by accomplishing training in four core areas:

Effective local leadership

Community planning and development

Public sector resource development

Roles, responsibilities, and legal requirements





Research

AWC's wealth of resources and research tools help city leaders as they manage day-to-day operations, evaluate results of past practices, and explore new ways to approach issues. Valuable data is available on AWC's Open Data Portal and through data collection efforts including the *Salary and Benefits Survey* and the *Tax and User Fee Survey*.

18 data visualizations produced on topics such as city comparables, sales tax revenue, election results and ballot initiatives, homelessness, and job creation

90 percent response to the annual *Salary and Benefits Survey*



Cityvision magazine

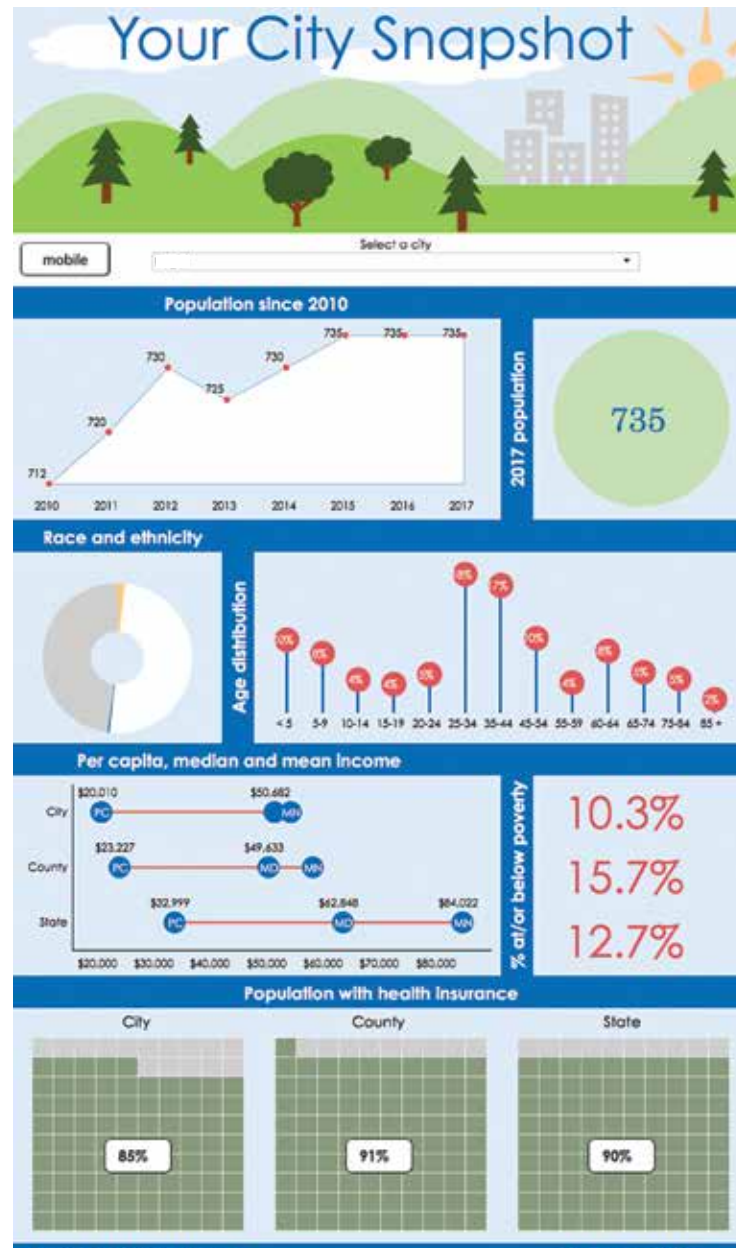
AWC's *Cityvision* magazine explores the topical issues cities face.

6 issues published exploring shared economy, forecasting the economy, culture and heritage, tribal relations, sustainable investments and broadband

AWC GIS Consortium

The AWC GIS Consortium increases the capacity of cities and towns to utilize Geographic Information System (GIS) technology. Now in its second year, the consortium uses collective buying power to help cities with projects like improving the operation of utility networks, analyzing the value of land and associated improvements, maintaining right-of-way assets, developing and sharing public safety response plans, and promoting sustainable communities.

17 members, including two non-city entities



119 Members in
Workers' Comp
Retro Program

140 Members in
D&A Consortium

273 Members in
Employee
Benefit Trust

99 Members
in RMSA

Member Pooling Programs

Cities, towns, and public sector Associate Members may apply to join any of AWC's Member Pooling Programs. These member-driven programs emphasize cost savings, prevention, and excellent customer service. Programs were created especially for cities, towns, and quasi-municipal entities needing quality benefits and services at a reasonable cost. The pooling of similar employers keeps overall costs lower and more predictable.



AWC Workers' Comp Retro Program

The AWC Workers' Comp Retro Program (Retro) provides training and tools that empower employers to lower risks for on-the-job injuries and reduce overall workers' compensation costs. Member benefits include Washington State Department of Labor & Industries (L&I) claims management, on-site loss prevention consultation, regional trainings, and hearing test reimbursements.

The AWC Executive Committee serves as the AWC Retro Board.

2017 highlights

68 members in the Retro Pool

51 members in the Safety Alliance, the service-only program

New Retro Program Policies implemented

Launched WorkSafe Employer Award Program, emphasizing employee safety through highly engaged upper management.



AWC Drug & Alcohol Consortium

AWC's Drug & Alcohol Consortium helps members comply with federally-mandated U.S. Department of Transportation drug and alcohol testing requirements for commercial driver license employees, transit drivers, and gas utility workers. Benefits include sample drug and alcohol policy and procedures, training, access to substance abuse professional services, a Medical Review Officer, and more.

2017 highlights

4 specialized trainings for members: Drug and Alcohol Supervisor training, Designated Employer Representative (DER) training, CDL driver awareness training, and Drug-Free Workplace training.

Outside legal counsel updated the template drug and alcohol policies to incorporate changes in state and federal regulations.

Responding to the opioid epidemic and marijuana laws, customizable training developed for members with an emphasis on employer Drug-Free Workplace policies. For a low fee, it focuses on employee personal choice, prescriptions and work expectations.

\$510,000+
In Stay at Work reimbursements
returned to members

54 Attendees for
final year of
Retro Safety
Academy

236
Trained at Drug and Alcohol
Supervisor Training

550
Employees trained at Drug-Free
Workplace Training



AWC Employee Benefit Trust

The AWC Employee Benefit Trust (Trust) is the premier provider of benefit programs and services to Washington’s cities, towns, and other local governments. Health plans are designed for municipalities, their employees, family members, and retirees. Benefits include medical, dental, vision, health promotion, Employee Assistance Program, tax-favored account administration, and more.

The AWC Trust Board of Trustees is the governing authority for the Trust’s self-insured programs (Health Care Program) per the Trust’s interlocal agreement, as well as the governing authority of the Employee Benefit Trust fully-insured programs and overall fund operations. The Board has a fiduciary obligation to administer the fund on behalf of the contributing members. The Board of Trustees contracts with AWC for professional administrative services.

2017 highlights

115 employers earned the WellCity Award, earning a 2% discount on medical premiums in 2018

Transitioned to a new health and benefits portal, allowing employees easier access to meaningful wellness information and programs and providing specific benefit plan information

300 site visits completed, an increased number assisting members with plan transitions



AWC Risk Management Service Agency

The AWC Risk Management Service Agency (RMSA) is the full-service risk management choice for Washington’s cities, towns, and special districts. RMSA offers comprehensive coverage for property and liability needs with a focus on proactive loss prevention, comprehensive claims management and member training.

RMSA is member-owned, and governed by an interlocal agreement, bylaws, and the RMSA Board of Directors. The RMSA Board sets policy and has fiduciary responsibility for the pool. The Board contracts with AWC for professional administrative services.

2017 highlights

New line of pollution coverage added

115 percent claims closure rate

51 members utilized pre-litigation services

98 members awarded loss prevention grant funding

90 training scholarships awarded to members

RMSA Board of Directors, Operating Committee, staff and vendor partners strategic planning retreat refined RMSA’s strategic long term plan and goals for the future.



CQC AWC Center for Quality Communities

An expanded horizon

Since 2011, the AWC Center for Quality Communities (AWC CQC), a separate 501(c)(3) organization, has awarded scholarships to high school students. In 2016, the foundation expanded its efforts to partner with public and private organizations and other nonprofits to focus on community empowerment.

Growing the green economy: Exploring an Eco-Nomic Center

Tomorrow's healthy community depends on today's vision and leadership. Part of the AWC CQC mission is working with cities as environmental stewards, creating a framework that supports a thriving green economy. In 2017, AWC CQC took that concept to the drawing board and started working with partners from universities, the public and private sectors, non-government organizations, and community organizations to explore the possibilities of creating a green economy in Washington.



Strategic partnerships to strengthen communities

Western Washington University's Sustainable Communities Partnership and the University of Washington's Livable City Year matched students with citywide projects. Based on the University of Oregon's Sustainable Cities Initiative, these university programs bring together students from interdisciplinary courses and relevant city projects, giving students hundreds of hours of real-life experience and providing cities with cutting-edge technical assistance and creative thinking.

Local Investment Networks build grassroots economic vitality

Working with Washington State University Extension program, AWC CQC continued to pilot the innovative local investment networks with the Thurston County Economic Development Council and a variety of smaller communities to develop a training guide and tool kit.

Leadership Innovation Lab: Taking an upstream economic development approach to addressing poverty

A leadership learning journey created a cohort of local public, and private leaders to examine innovative ways to create a more equitable, sustainable and stable economy. The cohort grew its own leadership skills in preparing for a series of 2018 community conversations.

Recognizing outstanding students

Six Washington high school seniors received scholarships for post-secondary education. Students are nominated by cities and towns based on their engagement with the community and/or city government. AWC CQC received 43 nominations.

2017 Labor Relations Institute – Yakima



2017 Annual Conference – Vancouver



Association of Washington Cities Statement of Financial Position

as of December 31, 2017 and December 31, 2016

	2017	2016
Assets:		
Total current assets	5,488,921	3,440,742
Property and equipment (net of depreciation)	5,283,904	5,438,094
Investments	1,426,625	1,394,194
Total assets	12,199,450	10,273,030
Liabilities and net assets:		
Total current liabilities	1,330,638	1,230,511
Long-term liabilities	2,194,225	434,947
Long-term debt (2010 building addition)	1,732,323	1,834,072
Total liabilities	5,257,186	3,499,530
Net assets	6,942,264	6,773,500
Total liabilities and net assets	12,199,450	10,273,030

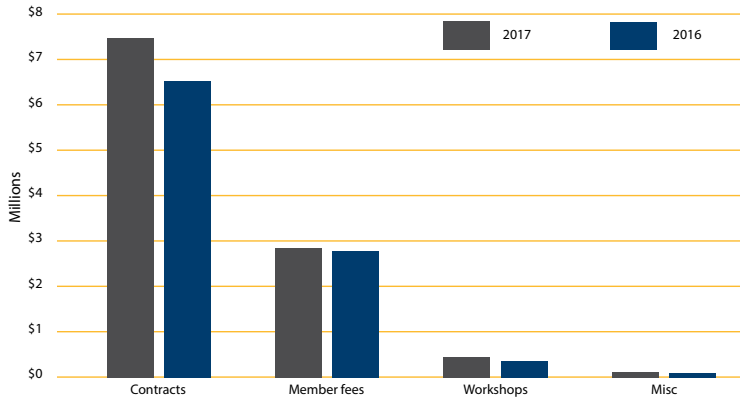
The condensed financial information shown is derived from audited financial statements for 2016 and 2017 and do not include notes and supplemental schedules.

2017 Annual Conference – Vancouver

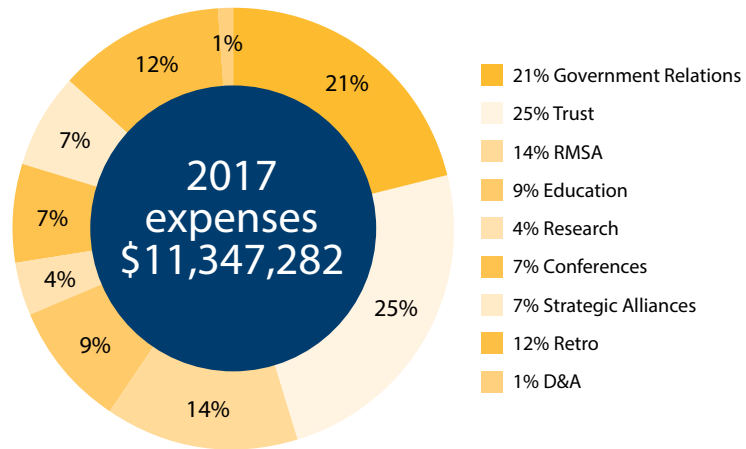
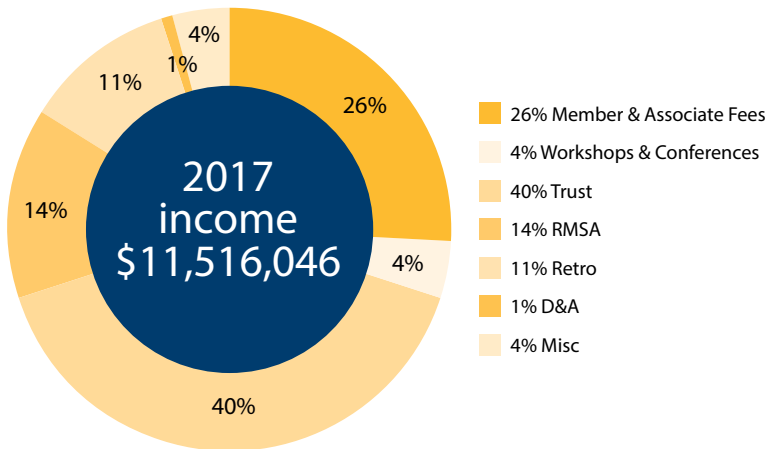
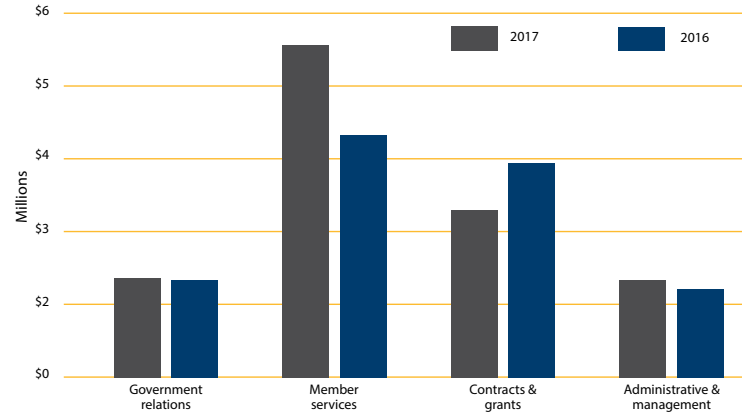


Revenue and expenses for the years ending December 31, 2016 and December 31, 2017

Revenue for the years ending December 31, 2016 and December 31, 2017



Expenses for the years ending December 31, 2016 and December 31, 2017



Officers
Executive
Committee



President
Pat Johnson
Mayor, Buckley



Vice President
Don Britain
Mayor Pro Tem, Kennewick



Secretary & District 12
Ed Stern
Councilmember, Poulsbo



District 1
Micki Harnois
Councilmember, Rockford



District 2
KC Kuykendall
Councilmember, Waitsburg



District 3
Soo Ing-Moody
Mayor, Twisp



District 4
Mario Martinez
Mayor, Mabton



District 5
Sean Guard
Mayor, Washougal

Directors



District 11
Mike O'Brien
Councilmember, Seattle



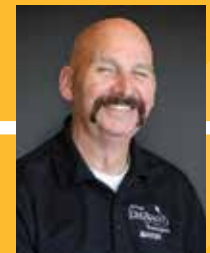
District 13
Claude DaCorsi
Councilmember, Auburn



District 14
Beth Munns
Councilmember, Oak Harbor



At-Large #1 (Western)
Kent Keel
Mayor Pro Tem,
University Place



At-Large #2 (Western)
Jerry Phillips
Mayor, Long Beach



Immediate Past President
Jim Restucci
Mayor, Sunnyside



Past President
Paul Roberts
Councilmember, Everett



**Large City Representative
& District 11**
Sally Bagshaw
Councilmember, Seattle



District 6
Cynthia Pratt
Deputy Mayor, Lacey



District 7
Will Hall
Councilmember, Shoreline



District 8
Jon Nehring
Mayor, Marysville



District 9
David Condon
Mayor, Spokane



District 10
Ryan Mello
Deputy Mayor, Tacoma



At-Large #3 (Eastern)
Carmen Méndez
Assistant Mayor, Yakima



**At-Large #4
(Eastern <5,000 pop)**
Dorothy Knauss
Mayor, Chewelah



WCMA President
Derek Matheson
Chief Administrative Officer,
Kent



WCMA Past President
David Cline
City Administrator,
Tukwila



Chief Executive Officer
Peter B. King



Association of Washington Cities

AWC

2017 Annual Report

A D V O C A C Y | E D U C A T I O N | S E R V I C E S

Association of Washington Cities
1076 Franklin Street SE
Olympia, WA 98501-1346

wacities.org
1.800.562.8981
360.753.4137