

# South Bay Cities Council of Governments

March 9, 2015

TO: Steering Committee

FROM: Jacki Bacharach, Executive Director

SUBJECT: 2015-2016 Dues

On the recommendation of the Ad Hoc Finance Committee and last month's Steering Committee, Lomita City Manager Michael Rock led the City Managers in a discussion of the 2015-2016 dues at their February meeting. He explained that the SBCCOG budget was rather complex since it has to account for not just the SBCCOG activities but also the SBESC and our grants with revenues of almost \$3 million a year and yet dues are only \$230,000. He reminded the group that the dues have not changed since 2001.

With handouts, he explained that the SBCCOG needs to have more help from the cities. Cash flow and reserves are exacerbated by the low amount of dues.

While the current dues formula is based on the 2000 census, it was felt that the increases for the cities would be easiest if any increase was based on the existing dues and not an updated formula. Also, it was recommended that there be no separate assessment.

Michael Rock expressed the strong recommendation of the Ad Hoc Finance Committee that the Board institute slow increases and not do one time 'shock' increases after long periods of time to catch up.

The City Managers came to a consensus that a dues increase of 7% for the next 5 years using the existing formula be approved with the assessment eliminated. (See attached table) It was agreed that this recommendation would be sent to all of the city managers so that those that were not present would be notified. This was done on February 18. Only one city manager expressed concern but it is not clear whether that city remembers that it has paid its assessment early for next year so that amount would be credited against any dues increase and therefore, their dues for next year would be lower than this year.

## RECOMMENDATION

That the Board of Directors approve a 7% increase for the next 5 years using the existing formula with no separate assessment per attached table.

**SBCCOG DUES Calculations based upon proportional increases - Increase \$100,000 over 5 year period**

	CITY	2010 CENSUS POPULATION	POPULATION %	2012 BUDGETS	EXP %	Current Dues based on year 2000 data plus assessment	SCENARIO #2					% change proposed dues increase 2015-2016	Current Dues based on year 2000 data plus assessment	CITY BUDGETS Year 2000	% Change City Operating Budgets 2000 to 2012	SCENARIO #2	
							NEW DUES - 2015-2016	NEW DUES - 2016-2017	NEW DUES - 2017-2018	NEW DUES - 2018-2019	NEW DUES - 2019-2020					% change proposed dues increase 2015-2016 (first year)	% change proposed dues increase by 2019-2020 (after 5 years).
							Increase \$20,000/yr.	Increase \$20,000/yr.	Increase \$20,000/yr.	Increase \$20,000/yr.	Increase \$20,000/yr.						
1	CARSON	91,714	0.088450	78,718,066	0.05035	\$ 19,989.00	\$ 21,360	\$ 22,727	\$ 24,094	\$ 25,461	\$ 26,828	7%	\$ 19,989.00	42,575,144	85%	7%	34%
2	EL SEGUNDO	16,654	0.016061	87,793,379	0.05616	\$ 12,332.00	\$ 13,178	\$ 14,021	\$ 14,865	\$ 15,708	\$ 16,551	7%	\$ 12,332.00	61,943,954	42%	7%	34%
3	GARDENA	58,829	0.056736	68,544,017	0.04384	\$ 16,244.00	\$ 17,358	\$ 18,469	\$ 19,580	\$ 20,691	\$ 21,802	7%	\$ 16,244.00	48,389,565	42%	7%	34%
4	HAWTHORNE	84,293	0.081293	92,515,065	0.05918	\$ 20,417.00	\$ 21,817	\$ 23,214	\$ 24,610	\$ 26,006	\$ 27,403	7%	\$ 20,417.00	53,091,394	74%	7%	34%
5	HERMOSA BEACH	19,506	0.018812	27,313,810	0.01747	\$ 8,991.00	\$ 9,608	\$ 10,223	\$ 10,837	\$ 11,452	\$ 12,067	7%	\$ 8,991.00	20,850,226	31%	7%	34%
6	INGLEWOOD	109,673	0.105770	180,375,719	0.11538	\$ 30,268.00	\$ 32,344	\$ 34,414	\$ 36,484	\$ 38,554	\$ 40,624	7%	\$ 30,268.00	138,572,801	30%	7%	34%
7	LAWNDALE	32,769	0.031603	14,968,417	0.00957	\$ 10,666.00	\$ 11,398	\$ 12,127	\$ 12,856	\$ 13,586	\$ 14,315	7%	\$ 10,666.00	9,830,277	52%	7%	34%
8	LOMITA	20,256	0.019535	15,752,474	0.01008	\$ 8,006.00	\$ 8,555	\$ 9,103	\$ 9,650	\$ 10,198	\$ 10,745	7%	\$ 8,006.00	8,008,369	97%	7%	34%
9	LOS ANGELES	145,438	0.140262	258,394,355	0.16528	\$ 34,399.00	\$ 36,758	\$ 39,111	\$ 41,463	\$ 43,816	\$ 46,168	7%	\$ 34,399.00	161,098,958	60%	7%	34%
10	MANHATTAN BEACH	35,135	0.033885	70,820,376	0.04530	\$ 12,989.00	\$ 13,880	\$ 14,768	\$ 15,656	\$ 16,545	\$ 17,433	7%	\$ 12,989.00	36,597,175	94%	7%	34%
11	PALOS VERDES ESTATES	13,438	0.012960	15,136,759	0.00968	\$ 7,559.00	\$ 8,077	\$ 8,594	\$ 9,111	\$ 9,628	\$ 10,145	7%	\$ 7,559.00	9,506,340	59%	7%	34%
12	RANCHO PALOS VERDES	41,643	0.040161	22,463,355	0.01437	\$ 11,568.00	\$ 12,361	\$ 13,153	\$ 13,944	\$ 14,735	\$ 15,526	7%	\$ 11,568.00	10,871,607	107%	7%	34%
13	REDONDO BEACH	66,748	0.064373	103,573,993	0.06625	\$ 18,056.00	\$ 19,294	\$ 20,529	\$ 21,764	\$ 22,999	\$ 24,234	7%	\$ 18,056.00	63,833,906	62%	7%	34%
14	ROLLING HILLS ESTATES	8,067	0.007780	7,630,943	0.00488	\$ 6,685.00	\$ 7,143	\$ 7,601	\$ 8,058	\$ 8,515	\$ 8,972	7%	\$ 6,685.00	5,037,202	51%	7%	34%
15	ROLLING HILLS	1,860	0.001794	2,559,483	0.00164	\$ 4,625.00	\$ 4,942	\$ 5,259	\$ 5,575	\$ 5,891	\$ 6,207	7%	\$ 4,625.00	1,203,382	113%	7%	34%
16	TORRANCE	145,438	0.140262	258,394,355	0.16528	\$ 34,399.00	\$ 36,758	\$ 39,111	\$ 41,463	\$ 43,816	\$ 46,168	7%	\$ 34,399.00	161,098,958	60%	7%	34%
17	COUNTY OF LOS ANGELES	145,438	0.140262	258,394,355	0.16528	\$ 35,250.00	\$ 37,668	\$ 40,078	\$ 42,489	\$ 44,900	\$ 47,311	7%	\$ 35,250.00	161,098,958	60%	7%	34%
		1,036,899	1.000000	1,563,348,921	1.000000	\$ 292,443.00	\$ 312,500.00	\$ 332,500.00	\$ 352,500.00	\$ 372,500.00	\$ 392,500.00		\$ 292,443.00				
						Total Dues:	\$ 312,500.00	\$ 332,500.00	\$ 352,500.00	\$ 372,500.00	\$ 392,500.00						

source => <http://www.sco.ca.gov/Files-ARD-Local/LocRep/1112cities.pdf>