

South Bay Cities Council of Governments

March 23, 2017

TO: SBCCOG Board of Directors

FROM: SBCCOG Steering Committee

SUBJECT: 2017-2018 Dues – Notice of Intention to Consider an Increase

Adherence to Strategic Plan:

Goal D: Organizational Stability. Be a high performing organization with a clear path to long-term financial health, staffing continuity and sustained board commitment.

BACKGROUND

It is necessary at this time to ratify the amount for next year's dues so that the draft 2017-2018 budget can be prepared for presentation to the Board at the May meeting.

Following the recommendation of the Ad Hoc Finance Committee which met during the FY2014-2015 period and the consensus of city managers at that time, dues were to be increased just under 7% - or \$20,000 - each year for 5 years to build the SBCCOG's reserves.

The attached table shows the allocation to each city of the \$20,000 increase to the total dues collected for the FY2017-2018. Each city will share in equal proportion with a 6% increase.

Per the Bylaws, which require a 60 day notice for any increase in the dues, the requested action is to approve a notice of intention to consider a dues increase at the March 23, 2016 Board of Directors meeting so that the 2017-2018 budget presented to the Board in May reflects the dues revenue projected.

The actual Bylaws provision reads as follow: *Dues. The Members of the Council shall be responsible for the payment to the Council annually, of dues and the amounts periodically budgeted by the Governing Board, as and for the operating costs of the Council ("Dues"). Sixty (60) days' notice shall be provided to Members of the date of the meeting at which any increase in the Dues is to be determined for the following year. If an increase in dues is proposed from the previous year, an affirmative vote of two-thirds (2/3) of the total voting membership of the Governing Board is required to set the new dues.*

RECOMMENDATION

The Steering Committee recommends that the Board state its intention to consider a 6% dues increase for the coming year for a total of \$20,000 per the attached table.

SBCCOG DUES Calculations for FY 2017-2018
based upon proportional increase of 6%
Increases dues total by \$20,000

| | | | NEW DUES 2017-2018 | |
|----|-----------------------|--|--------------------------|--|
| | CITY | Current Amount invoiced to Member Agencies in FY 16-17 | Increase \$20,000/yr. | Proposed increase 2017- 2018 (% change) |
| 1 | CARSON | \$ 22,727 | \$ 24,094 | 6.0% |
| 2 | EL SEGUNDO | \$ 14,021 | \$ 14,864 | 6.0% |
| 3 | GARDENA | \$ 18,469 | \$ 19,580 | 6.0% |
| 4 | HAWTHORNE | \$ 23,213 | \$ 24,609 | 6.0% |
| 5 | HERMOSA BEACH | \$ 10,223 | \$ 10,838 | 6.0% |
| 6 | INGLEWOOD | \$ 34,414 | \$ 36,484 | 6.0% |
| 7 | LAWDALE | \$ 12,127 | \$ 12,857 | 6.0% |
| 8 | LOMITA | \$ 9,103 | \$ 9,651 | 6.0% |
| 9 | LOS ANGELES | \$ 39,111 | \$ 41,464 | 6.0% |
| 10 | MANHATTAN BEACH | \$ 14,768 | \$ 15,656 | 6.0% |
| 11 | PALOS VERDES ESTATES | \$ 8,594 | \$ 9,111 | 6.0% |
| 12 | RANCHO PALOS VERDES | \$ 13,152 | \$ 13,943 | 6.0% |
| 13 | REDONDO BEACH | \$ 20,529 | \$ 21,764 | 6.0% |
| 14 | ROLLING HILLS ESTATES | \$ 7,600 | \$ 8,057 | 6.0% |
| 15 | ROLLING HILLS | \$ 5,258 | \$ 5,574 | 6.0% |
| 16 | TORRANCE | \$ 39,111 | \$ 41,464 | 6.0% |
| 17 | COUNTY OF LOS ANGELES | \$ 40,079 | \$ 42,490 | 6.0% |
| | | \$ 332,500.00 | \$ 352,500.00 | |