

Feb. 1, 2023
Ad Hoc
Finance
Committee
Meeting

The items and recommendations that follow were discussed by the Ad-Hoc Finance Committee at their February 1, 2023, meeting with the below attendees present:

SBCCOG Board Members:

- John Cruikshank, Rancho Palos Verdes
- Rodney Tanaka, Gardena
- Bill Uphoff, Lomita
- Bea Dieringer, Rolling Hills
- Bernadette Suarez, Lawndale

City Managers:

- Ara Mihranian, Rancho Palos Verdes
- Von Norris, Hawthorne



Dues & Assessment

Overview

- Last dues increase FY 2019-2020
- FYs 2016-2020 Dues were increased by a total of \$20,000 per year split among each member by formula to fund reserve
- Planning Assessment FYs 2021-22 and 2022-23



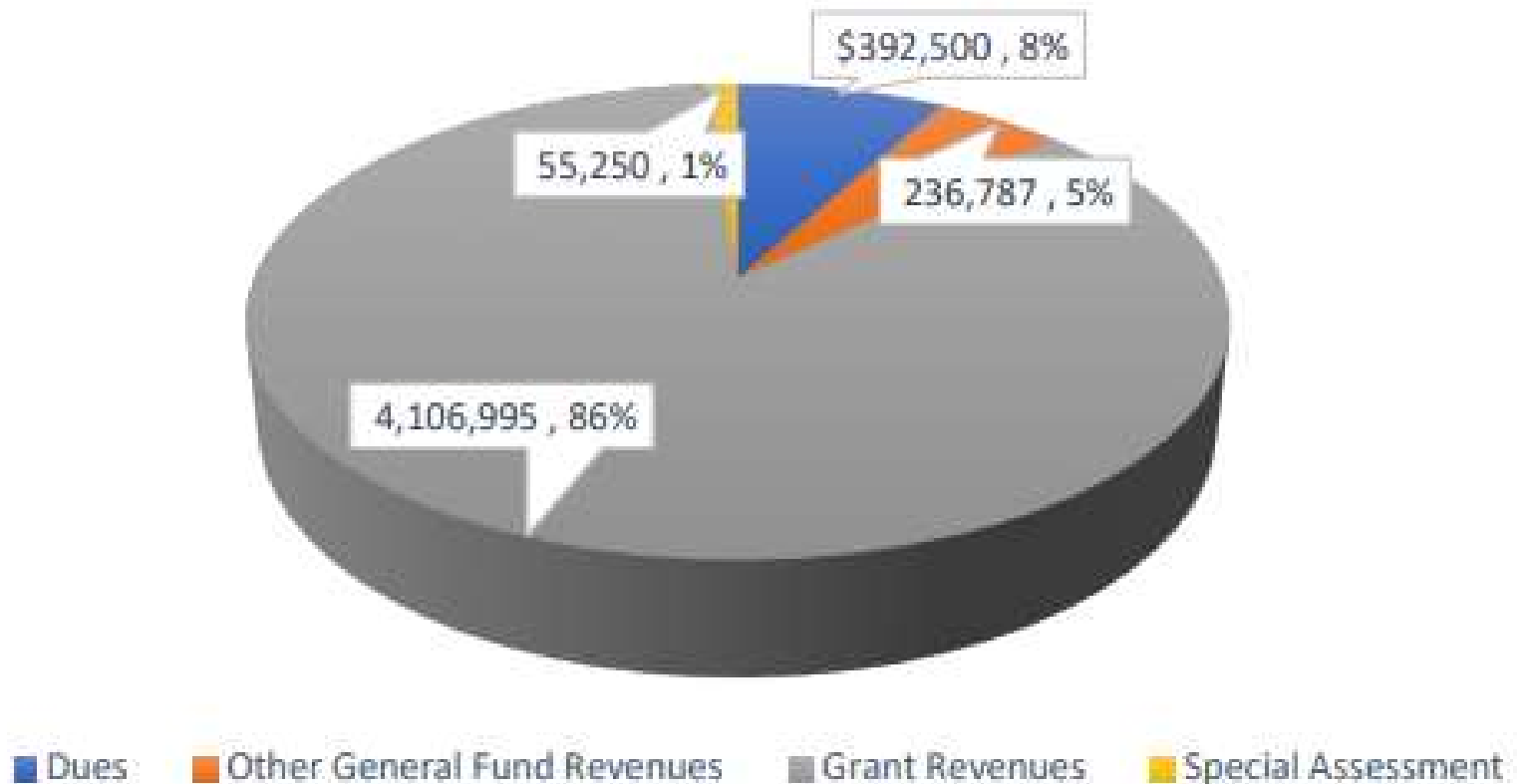
Dues History

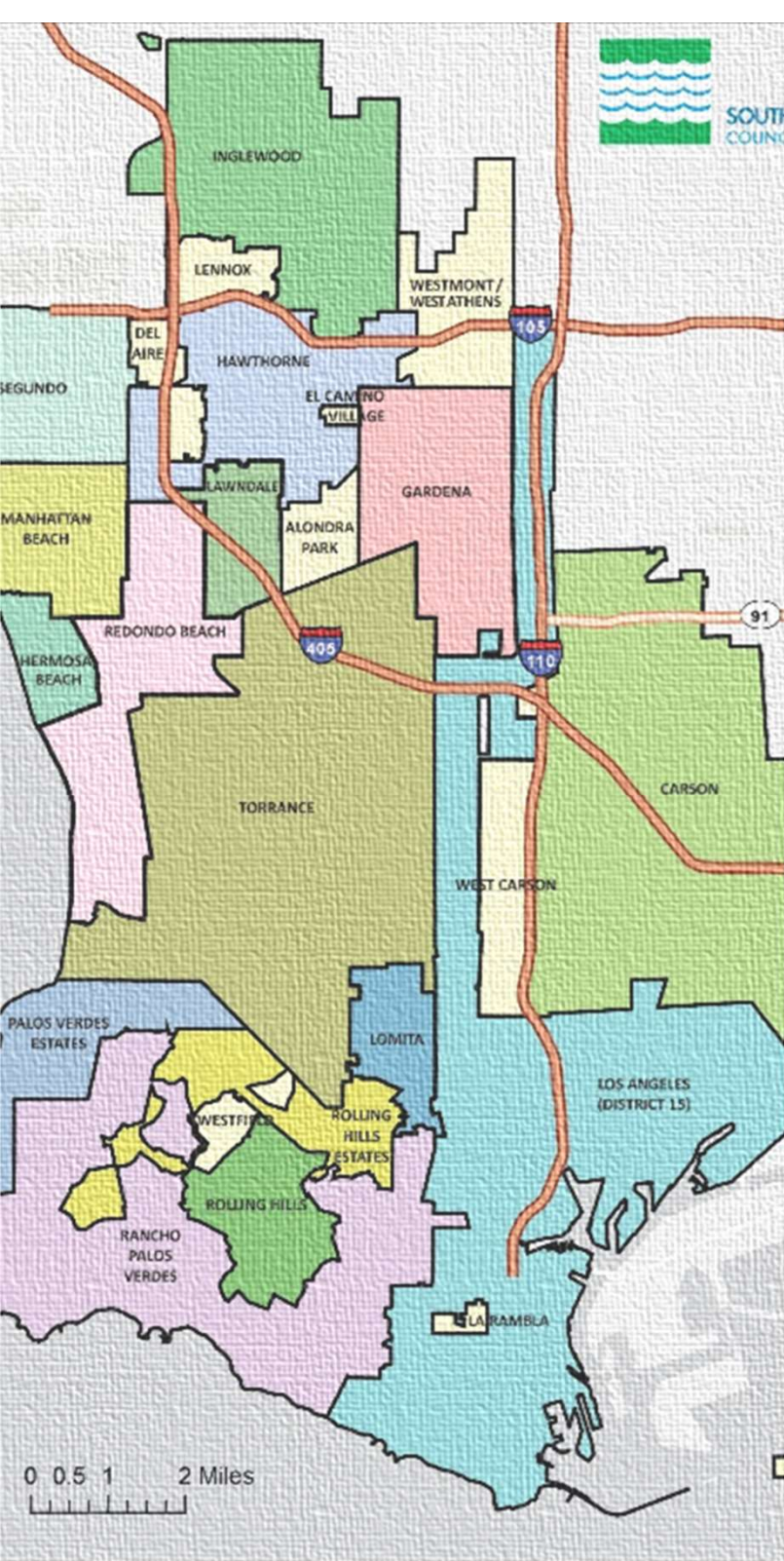
City/Agency	2015-2016 Increase \$20,000/yr.	2016-2017 Increase \$20,000/yr.	2017-2018 Increase \$20,000/yr.	2018-2019 Increase \$20,000/yr.	2019-2020 Increase \$20,000/yr.
CARSON	\$ 21,360	\$ 22,727	\$ 24,094	\$ 25,461	\$ 26,828
EL SEGUNDO	\$ 13,178	\$ 14,021	\$ 14,865	\$ 15,708	\$ 16,551
GARDENA	\$ 17,358	\$ 18,469	\$ 19,580	\$ 20,691	\$ 21,802
HAWTHORNE	\$ 21,817	\$ 23,214	\$ 24,610	\$ 26,006	\$ 27,403
HERMOSA BEACH	\$ 9,608	\$ 10,223	\$ 10,837	\$ 11,452	\$ 12,067
INGLEWOOD	\$ 32,344	\$ 34,414	\$ 36,484	\$ 38,554	\$ 40,624
LAWNDALE	\$ 11,398	\$ 12,127	\$ 12,856	\$ 13,586	\$ 14,315
LOMITA	\$ 8,555	\$ 9,103	\$ 9,650	\$ 10,198	\$ 10,745
LOS ANGELES	\$ 36,758	\$ 39,111	\$ 41,463	\$ 43,816	\$ 46,168
MANHATTAN BEACH	\$ 13,880	\$ 14,768	\$ 15,656	\$ 16,545	\$ 17,433
PALOS VERDES ESTATES	\$ 8,077	\$ 8,594	\$ 9,111	\$ 9,628	\$ 10,145
RANCHO PALOS VERDES	\$ 12,361	\$ 13,153	\$ 13,944	\$ 14,735	\$ 15,526
REDONDO BEACH	\$ 19,294	\$ 20,529	\$ 21,764	\$ 22,999	\$ 24,234
ROLLING HILLS ESTATES	\$ 7,143	\$ 7,601	\$ 8,058	\$ 8,515	\$ 8,972
ROLLING HILLS	\$ 4,942	\$ 5,259	\$ 5,575	\$ 5,891	\$ 6,207
TORRANCE	\$ 36,758	\$ 39,111	\$ 41,463	\$ 43,816	\$ 46,168
COUNTY OF LOS ANGELES	\$ 37,668	\$ 40,078	\$ 42,489	\$ 44,900	\$ 47,311
Total Dues:	\$ 312,500	\$ 332,500	\$ 352,500	\$ 372,500	\$ 392,500



Dues Vs Outside Funding

ESTIMATED REVENUES FY 2022-2023: \$4,791,532





Programs & Activities Fully or Partly Funded with General Funds

- SBCCOG Board & Steering Committee & Working Groups
- Board Education, Networking, & Go-See Trips
- Legislative tracking & Advocacy
- General Assembly
- Board Special Projects (examples: coyotes, housing trust, solar, big data)
- Electric Vehicle infrastructure & adoption
- Climate Action & Adaptation
- SBCCOG Organizational Promotion - website, newsletter, social media
- All New Program Development
- Volunteer Program
- Grant Development & Applications

Unfunded Opportunities

Missing opportunities that we don't have resources to work on:

- Placer A.I. (data)
- Legislative tracking & Advocacy – lobbyist that cities could share
- Board Special Projects (examples: coyotes, housing trust, solar, big data)
- Electric Vehicle Infrastructure & Adoption
- Renewable Energy – Solar
- Micro-grid
- Climate Action & Adaptation
- SBCCOG Enhanced Organizational Promotion - website, newsletter, social media
- New Program Development/Grant Opportunities
- Growing Volunteer Program
- Grant Development & Applications – grant writer



Dues & Assessment - CPI

CPI for All Urban Consumers (CPI-U) 12-Month Percent Change

Calendar

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2020	3.1	3.4	1.9	0.7	0.9	1.4	1.9	2.0	1.2	0.7	1.0	1.5	1.6
2021	0.9	1.0	2.2	3.6	3.9	4.0	3.9	4.0	4.6	5.4	6.0	6.6	3.8
2022	7.5	7.4	8.5	7.9	8.0	8.6	7.7	7.6	7.8	7.5	6.0	4.9	7.4

The basis for computing adjustments is the Consumer Price Index (CPI) for All Urban Consumers for "Los Angeles - Anaheim - Riverside" as published by the U.S. Bureau of Labor Statistics.

Reference: <https://www.bls.gov/regions/west/factsheet/consumer-price-index-data-tables.htm>

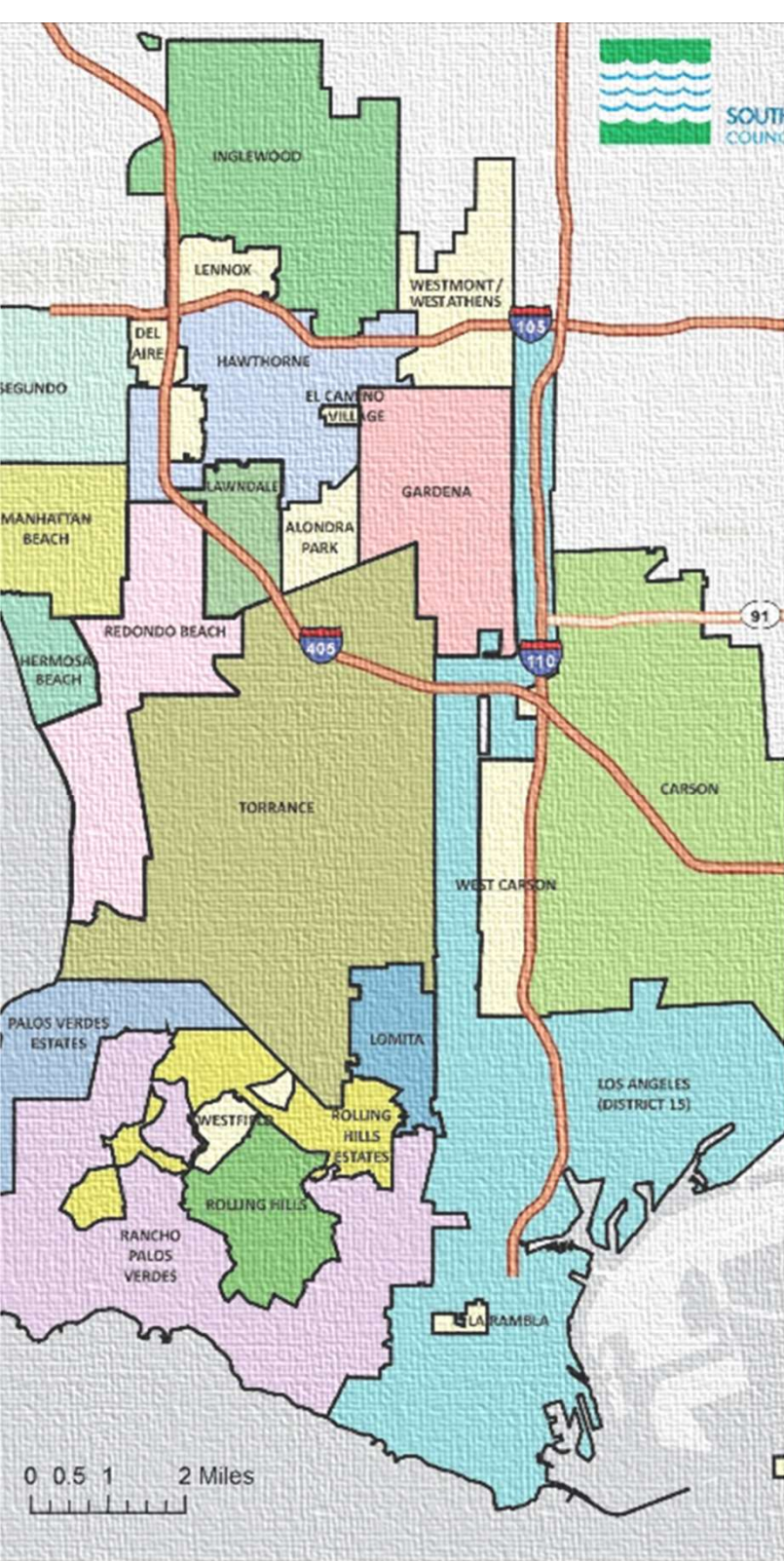
The U.S. Bureau of Labor Statistics recommends using July for calculating escalation for organizations following a July - June fiscal year.



Dues & Assessment - Options

Population	City/Agency	FY 2022-2023 NO DUES INCREASE SINCE FY 2019-20			Future/Systematic Membership Dues Increase Options			
		Current Assessment Fee	Current Membership Dues	Current Assessment Fee + Membership Dues	Option 1 <u>Dues & Assessment</u> 2020-2021 CPI Increase* of 3.9% 2021-2022 CPI Increase* of 7.7%	Option 2 <u>Dues Combined w/ Assessment</u> (Existing Formula) \$20,000 total increase	Option 3 <u>Option 2 +</u> Average CPI Increase for 2020-2022 (4.5%)	Option 4 <u>Assessment Fee +</u> Membership Dues
Under 30,000	El Segundo	2,000	16,551	18,551	20,703	19,714	20,601	18,551
	Hermosa Beach	2,000	12,067	14,067	15,699	14,373	15,020	14,067
	Lomita	2,000	10,745	12,745	14,223	12,798	13,374	12,745
	Palos Verdes Estates	2,000	10,145	12,145	13,554	12,084	12,627	12,145
	Rolling Hills	2,000	6,207	8,207	9,159	7,393	7,726	8,207
	Rolling Hills Estates	2,000	8,972	10,972	12,245	10,686	11,167	10,972
30,000 - 75,000	Gardena	3,250	21,802	25,052	27,958	25,968	27,137	25,052
	Lawndale	3,250	14,315	17,565	19,603	17,050	17,818	17,565
	Manhattan Beach	3,250	17,433	20,683	23,082	20,764	21,699	20,683
	Rancho Palos Verdes	3,250	15,526	18,776	20,954	18,493	19,325	18,776
	Redondo Beach	3,250	24,234	27,484	30,672	28,865	30,164	27,484
Over 75,000	Carson	4,500	26,828	31,328	34,962	31,954	33,392	31,328
	City of Los Angeles	4,500	46,168	50,668	56,545	54,990	57,464	50,668
	County of Los Angeles	4,500	47,311	51,811	57,821	56,351	58,887	51,811
	Hawthorne	4,500	27,403	31,903	35,604	32,639	34,108	31,903
	Inglewood	4,500	40,624	45,124	50,358	48,387	50,564	45,124
	Torrance	4,500	46,168	50,668	56,545	54,990	57,464	50,668
		55,250	392,499	447,749	499,688	467,499	488,536	447,749



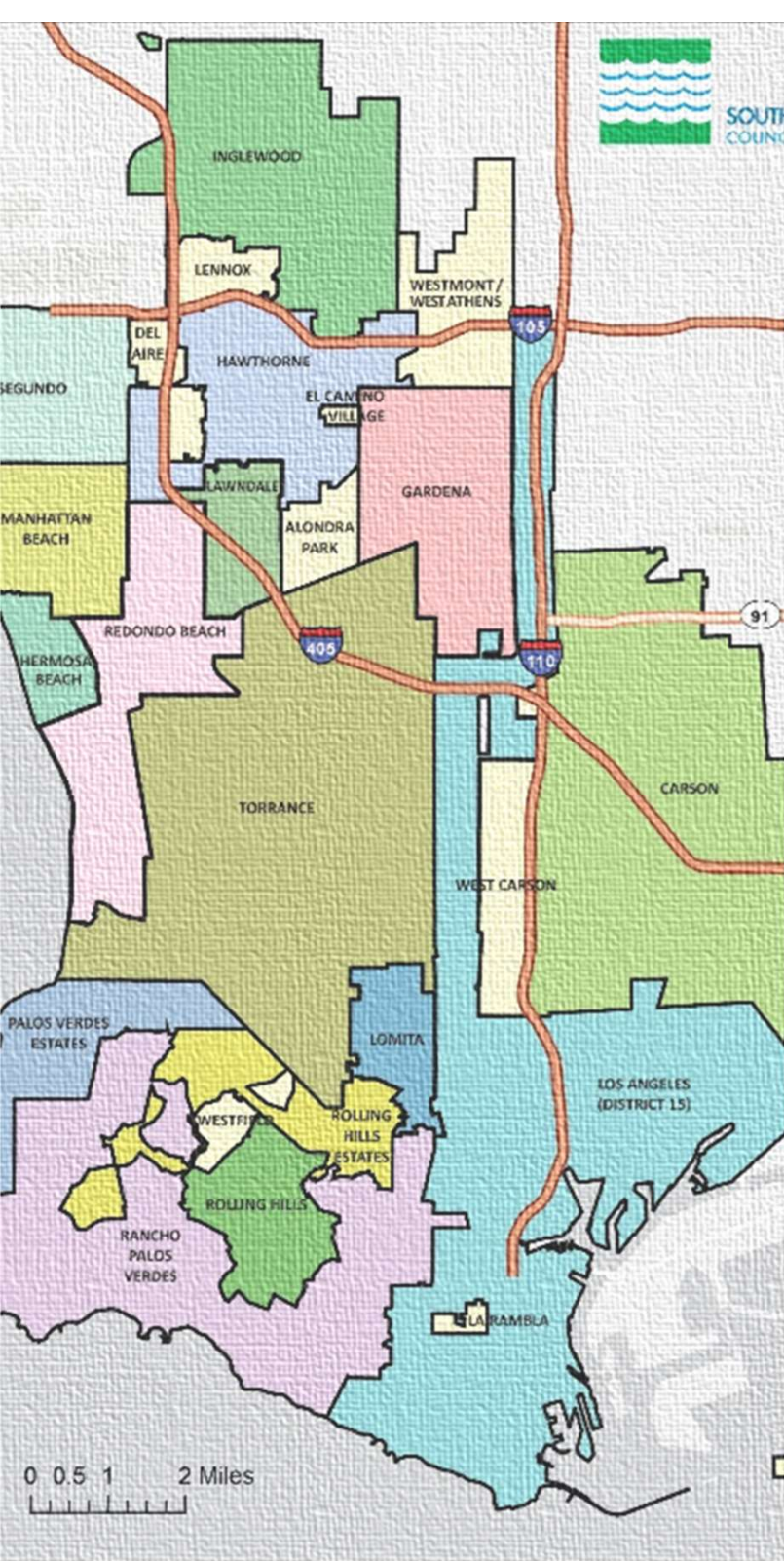


Recommendation – Dues & Assessment

- Recommend Scenario #3 for FY 2023-24
 - Combines the special assessment into the dues formula
 - Adjusts budget to begin to account for CPI
 - Consider budget adjustment annually based on CPI capped at 5%
- FY 2023-24: Re-evaluate reserve amount by looking at shutdown costs per policy to do this every 5 years

MOTION TO RECOMMEND:

Uphoff/Cruikshank - Dieringer no



Schedule – Dues & Assessment

- **Action:** Adopt dues scenario for budget preparation at April 2023 Steering Committee meeting
- Discussion of Budget at May 2023 Board meeting
- **Action:** Budget Adoption at June 2023 Board meeting