

South Bay Cities Council of Governments

January 8, 2018

TO: SBCCOG Steering Committee

FROM: Ad Hoc Dues Formula Committee, Christian Horvath, Chair

SUBJECT: SBCCOG Dues Formula

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.

The Ad Hoc Dues Formula Committee met on January 5. Those present were: Chair & Redondo Beach City Councilmember Christian Horvath, Rolling Hills Estates Councilmember Frank Zerunyan, Manhattan Beach Councilmember Nancy Hersman, Rolling Hills Councilmember Bea Dieringer, and Rolling Hills Estates City Manager Doug Prichard and Hermosa Beach City Manager Sergio Gonzalez. SBCCOG Chair and Torrance Councilmember Kurt Weideman attended as an ex officio member. Jacki Bacharach and Brooke Heri were present from the SBCCOG staff.

At the request of Chair Horvath, Councilmember Zerunyan explained that the concern of his city is the fair allocation of the dues. He stated that the SBCCOG is important to his city and the whole South Bay and that his city does actively participate. He also said that the total amount of the dues is not in question and that he did not see the purpose of this committee micromanaging or second-guessing the Board. However, there is a disproportionate impact on several cities from the current dues formula based on how many people they serve.

PROPOSAL FROM ROLLING HILLS ESTATES

Councilmember Zerunyan presented a proposal which he described as simple and equitable, that would set the dues at \$.38 per capita. This would generate the amount of funds from dues that were anticipated in the year starting July 2019.

Discussion ensued and the following topics were reviewed:

- The SBCCOG benefits residents of cities so per capita is a reasonable standard.
- Dues should pay for essential expenses to operate the SBCCOG.
- The SBCCOG is more than just services. All cities benefit from the information they receive as well as the advocacy for South Bay interests.

CONSENSUS TO PROMOTE EQUITY AND SIMPLICITY

- There should be a minimum base fee to be a member.
- Index dues going forward – there should be CPI adjustment annually.
- Per capita should be based on the 2010 or most current census data. (The dues are currently calculated on the 2000 dues.)

RECOMMENDATION

- Dues should be set at \$.38 per capita based on most current census data.
- Every city should pay a minimum of \$3500
- There should be an annual CPI adjustment on the per capita but not the base.
- The new formula should become effective July 2019 so that there is a transition period. The existing formula will be used for the upcoming budget which will start July 2018.

SBCCOG DUES Calculations based upon per capita w/minimum \$3500

	CITY	2010 CENSUS POPULATION	POPULATION %	Dues based on per capita multiplier	Proposed Dues begin 2019-20	Current Dues based on 5-yr plan 2019-20	Difference
1	CARSON	91,714	0.088450	\$ 34,851	\$ 34,851	\$ 26,828	\$ 8,023
2	EL SEGUNDO	16,654	0.016061	\$ 6,329	\$ 6,329	\$ 16,551	\$ (10,223)
3	GARDENA	58,829	0.056736	\$ 22,355	\$ 22,355	\$ 21,802	\$ 553
4	HAWTHORNE	84,293	0.081293	\$ 32,031	\$ 32,031	\$ 27,403	\$ 4,629
5	HERMOSA BEACH	19,506	0.018812	\$ 7,412	\$ 7,412	\$ 12,067	\$ (4,655)
6	INGLEWOOD	109,673	0.105770	\$ 41,676	\$ 41,676	\$ 40,624	\$ 1,052
7	LAWNDALE	32,769	0.031603	\$ 12,452	\$ 12,452	\$ 14,315	\$ (1,863)
8	LOMITA	20,256	0.019535	\$ 7,697	\$ 7,697	\$ 10,745	\$ (3,048)
9	LOS ANGELES	145,438	0.140262	\$ 55,266	\$ 55,266	\$ 46,168	\$ 9,098
10	MANHATTAN BEACH	35,135	0.033885	\$ 13,351	\$ 13,351	\$ 17,433	\$ (4,082)
11	PALOS VERDES ESTATES	13,438	0.012960	\$ 5,106	\$ 5,106	\$ 10,145	\$ (5,039)
12	RANCHO PALOS VERDES	41,643	0.040161	\$ 15,824	\$ 15,824	\$ 15,526	\$ 298
13	REDONDO BEACH	66,748	0.064373	\$ 25,364	\$ 25,364	\$ 24,234	\$ 1,131
14	ROLLING HILLS ESTATES	8,067	0.007780	\$ 3,065	\$ 3,500	\$ 8,972	\$ (5,472)
15	ROLLING HILLS	1,860	0.001794	\$ 707	\$ 3,500	\$ 6,207	\$ (2,707)
16	TORRANCE	145,438	0.140262	\$ 55,266	\$ 55,266	\$ 46,168	\$ 9,098
17	COUNTY OF LOS ANGELES	145,438	0.140262	\$ 55,266	\$ 55,266	\$ 47,311	\$ 7,956
		1,036,899	1.000000	\$ 394,021.62	\$ 397,249.36	\$ 392,500.00	
				\$ 0.380			

5-year Plan BASED ON CURRENT ADOPTED FORMULA	
2018-19	2019-20
\$ 25,461	\$ 26,828
\$ 15,708	\$ 16,551
\$ 20,691	\$ 21,802
\$ 26,006	\$ 27,403
\$ 11,452	\$ 12,067
\$ 38,554	\$ 40,624
\$ 13,586	\$ 14,315
\$ 10,198	\$ 10,745
\$ 43,816	\$ 46,168
\$ 16,545	\$ 17,433
\$ 9,628	\$ 10,145
\$ 14,735	\$ 15,526
\$ 22,999	\$ 24,234
\$ 8,515	\$ 8,972
\$ 5,891	\$ 6,207
\$ 43,816	\$ 46,168
\$ 44,900	\$ 47,311
\$ 372,500.00	\$ 392,500.00

Notes:
 - LA City and LA county populations were calculated as being the same as Torrance
 - Per Capita will be adjusted based on the CPI annually
 source => <http://www.sco.ca.gov/Files-ARD-Local/LocRep/1112cities.pdf>