

January 13, 2011

To: LCOG Executive Committee
From: George Kloeppe, Executive Director
Subject: FY 2011-12 Dues Schedule

Under this item, I am recommending that the Committee reverse the dues rate increase that was approved by the Board in December. I took the dues issue to last year's Executive Committee in November and recommended that a cost-of-living-adjustment (COLA), which had for a number of years been applied to the rates, be reinstated. The adjustment had been laid aside for the past three years in recognition of the fiscal strains being placed upon member agencies. The Committee opted to take no position on the matter, but referred it, without recommendation, to the Board.

At its December 9 meeting, the Board of Directors received my recommendation that a 1.15 percent COLA be applied to the dues rates. That adjustment would have increased the rate-per-capita for cities from \$0.47 to \$0.475 and applied proportional increases to the rates in other membership categories. The Board adopted my recommendation.

Since that action was taken, the precarious financial conditions of some of our membership have become better known. For several, significant layoffs are anticipated with corresponding reductions in service. Yes, there has been some "push-back" from the chief executives, but I now believe that the interests of the region of the LCOG organization will be best served by maintaining the dues rates of the past several years. I also believe that, at some point, it will be important to remind ourselves that inflation—whether at high or low levels—has an impact on the buying power of the COG's revenue base. However, the coming fiscal year is not the ideal time to reapply that principle.

It is recommended that the Committee adopt the rates reflected on the attached Dues Schedule.