



January 11, 2022

To: Executive Committee
From: Brenda Wilson
Subject: FY23 Member Dues Rates

Action Recommended: Recommend FY23 Member Dues Rates to LCOG Board

Background:

Member Dues are an essential part of sustaining the LCOG Budget and are used fund items where no other funds are available. Member Dues also help keep our Indirect and Overhead costs down which benefits all members and allows us to use more of our Senior and Disability state and federal funding to provide services to all of Lane County. Member Dues also helps keep costs down in our Business Loan Program and Transportation Planning Program – which allows more funds to be used in the region.

At the end of each calendar year, the LCOG Board is asked to adopt new member rates for the next fiscal year. For all but Special Districts, the dues amount is calculated on population, enrollment numbers, or customer numbers. Then, as soon as certified population and school enrollment figures are in hand, those figures are used to generate the dues amounts.

Currently, the LCOG Member Dues structure has a \$500 minimum and provides:

- Representation on the LCOG Board of Directors.
- Subscription to the Regional Land Inventory Database, valued at \$850.

- 12 hours of LCOG professional staff time each fiscal year valued at approximately \$1,200. Note that this staff time does not include direct service contracts that LCOG has with our members.

For FY22, the Dues structure includes 2 levels of membership with a minimum \$500 base amount for Level 1 and a \$1,000 minimum base amount for Level 2 for Special Districts and small cities. For level 2, members receive the items listed above; for Level 1, members received all but the 12 hours of staff time. For all other members, the base rates for FY22 were: 0.230 for the County; 0.414 for cities; 0.113 for school districts and utilities.

Note that for all but Special Districts, the dues amount is calculated on population, enrollment numbers, or customer numbers and we will not have these updated numbers until after the beginning of the year. I have inserted the projected population numbers from Portland State for the County and the cities; for all others I have updated the Dues Schedule to include a 1% decrease in the “population” numbers for schools and a 1% increase in customer account numbers for utilities. Once we have the actual numbers, we will update the numbers and calculate the actual Dues amounts.

History:

These base rates and structure have been “re-set” several times over the last 45 years to reduce Member Dues for most members without accounting for inflation or increased costs for LCOG. And while the new rates sometimes reflected an increase in dues, most members’ dues amounts are now less than the amounts were in the 1980s and 1990s.

So, in 2014, a Member Dues committee was created to look at Member Dues. Three main issues were identified:

1. How dues are calculated.
2. What should be included in the services a member receives with their dues.
3. Whether the Lane Transit District should be allowed to join LCOG as a dues-paying (voting) member.

The Member Dues Committee members were Faye Stewart (Lane County), Chris Pryor (city of Eugene), Steve Paulson (city of Lowell), and Steve Recca (Fern Ridge Library District).

1. How dues are calculated: In 2014, Member Dues had been “frozen” for four years. The Committee decided dues should be unfrozen and there should be a minimum Member Dues amount. They discussed the value of membership and decided the base minimum should be \$500. The Committee also decided that rates should be slightly increased to remove the reduction that was put into place at the County’s request but did not want to raise dues amounts significantly all at once. At that time, the Committee proposed a rate of 0.22 for the County; a rate of 0.4 for cities; a rate of 0.1 for school districts; and a rate of 0.1 for utilities. This action would “re- set” Member Dues rates and eliminate the reduction – even though the new rates would be less than without the reduction in place. The idea was to look at rates every year to determine if the base rates should be revised based on current circumstances.

2. What should be included in the services a member receives with their dues. All LCOG members receive the following member services benefits every year:
 - Representation on the LCOG Board of Directors.
 - 12 hours of LCOG professional staff time each calendar year, which equates to about \$1,000 in value depending on staff used.
 - Subscription to the Regional Land Inventory Database (RLID), valued at \$720/year with a \$150 set-up fee. (public agencies receive a discount; the regular cost of RLID is \$1,080 to \$2,400/year plus set-up fee depending on desired usage.)

These member service benefits do not include direct service contracts that LCOG has with our members. The question is whether a set of member service benefits should be developed that more adequately represents the dues being paid without some members subsidizing other members to such a large extent.

The Committee discussed the value of being a member and different options for membership – like levels of membership where members would “buy” into the level of services they needed. The decision was to set the minimum dues amount at \$500 for basic membership and an

RLID subscription; a second “level” of membership would have a minimum rate of \$1,000 which would include an RLID subscription and 12 hours of staff time. Both “levels” would include representation on the Board. In some years, additional services have been included, like a web-based town hall platform when available.

3. Whether the Lane Transit District should be allowed to join LCOG as a dues-paying (voting) member. The LCOG Charter provides under Article III, Membership, Section 1 that “membership in the Council is open to any public agency that has an operating budget, is located in Lane County, has a service area wholly or primarily in Lane County, and has a policy-level governing body comprised of officials elected directly to that body by popular vote.” [emphasis added]. While LTD is a member of the Board, they are not voting members and do not pay member dues because their policy Board members are appointed by the Governor – not “elected by popular vote.” LTD had requested the Board review the Membership provisions of the Charter and allow LTD to become full-voting members of the Board.

At the same time the Member Dues Committee was meeting, a Bylaw Committee was also meeting. The Bylaw Committee was also discussing LCOG membership. The Bylaw Committee discussed the LTD’s membership issue at length and came to no resolution. There was discussion about the concern of having non-elected officials as voting members. The issue being if voters do not like the action a policy body is taking, they can vote them out but can’t do that if they are not elected. The Bylaw Committee discussed some of the regional conflict around LTD and thought allowing LTD’s appointed officials to be voting members of LCOG may send the wrong message. It was pointed out by a Committee member that if LTD was allowed to become a voting member they would have only one vote on a Board of 33. It was also pointed out that while LTD Board members are appointed, they are appointed by the Governor and ratified by the Oregon Senate – which are all elected officials. There was also acknowledgement that LTD has two voting members on the Metropolitan Policy Committee, a policy committee which has been delegated its authority by the LCOG Board.

At the end of the first discussion, the Committee felt they could not recommend that LTD be allowed to become a voting member, but there were only 3 of the 5 members present. At the second meeting, the

Committee decided that they could not make a recommendation to the Board.

The Member Dues Committee, however, decided if a transit district was not prohibited from being a member of a Regional or Council of Government (COG), then LTD should be allowed to be a full-voting and dues-paying member of LCOG. State statute provides that transit districts may be members of COGs and there is no prohibition, except in the LCOG Charter, against those districts being full-voting members. Accordingly, the Member Dues Committee recommended that LTD be allowed to become a full-voting and dues-paying member of LCOG. The recommendation and discussion went to the full LCOG Board. At that time, a majority of Board members were against having appointed officials as voting members of the Board.

There was also discussion by the Committee about whether the University of Oregon (UO) was also eligible to be a member of LCOG. Since the UO is a public entity under statute, the Committee felt it should be allowed membership if it wanted to become a member.

Notes		FY20	FY21	FY22	FY23
					Total
	Dues Revenue	\$ 231,203	\$ 236,000	\$ 224,000	\$ 237,444
	Expenditures				
1	Executive Director	\$ 112,427	\$ 107,310	\$ 110,310	\$ 114,171
2	Gov Services Director	\$ 68,052	\$ 86,120	\$ 89,207	\$ 76,327
3	Capital Expenses	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
4	Board Support	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000
5	Member Time	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000
6	Misc Expense	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
	Total expenditures	\$ 227,479	\$ 240,430	\$ 246,517	\$ 237,498
	Balance	\$ 3,724	\$ (4,430)	\$ (22,517)	\$ (54)

1. Executive Director funded at .40 FTE; includes salary, fringe, and Indirect.
2. Government Services Director funded at .40 FTE; includes salary, fringe, and Indirect.
3. Cost of Copiers, office equipment, etc.
4. Support for LCOG Board, Executive Committee, Audit and Budget Committee, advisory committee meetings.
5. Cost of 12 hours member service time.
6. State and federal grant match, training, travel, appreciation dinner expense, subscriptions, advertising, etc.

Fiscal Year 2023:

As you can see from the table on the previous page, the Dues amount has not covered all expenses for the past two fiscal years. This has not been an issue because of additional revenue in the General Fund from loan payments of approximately \$43,000 a year from the Park Place Building. That loan, however, will be paid off in FY22, leaving Member Dues the General Fund's only main source of revenue.

For Fiscal Year 2023, I recommend keeping the same structure, but increasing the base rates for all members. This includes increasing the County's rate from 0.230 to 0.239 to keep the base rate in line with the city base rate. The County's rate has remained relatively steady while other member's rates have increased over time. This would bring the County's rate more in line with other members. *See Attachment B.*

The total dues amount is estimated to be about \$237,444 – an increase of about \$13,000 over last FY due to some increased costs and lower dues for some members due to changes in population. These numbers will be adjusted accordingly once we have final numbers.

Suggested Action: Recommend Board Adopt the FY23 Member Dues Rates as discussed.