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DEPARTMENT OF  
FINANCE

BUDGET DIVISION

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CALIFORNIA

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SACRAMENTO, CA  
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June 19, 1991

City Council  
Sacramento, California

Honorable Members in Session:

**SUBJECT: Report Back on SACOG Funding Options and Other Memberships**

**SUMMARY**

This report is in response to a Council request at the May 8, 1991 Operating Budget Hearing regarding funding the Sacramento Area Council of Governments (SACOG) membership dues from non-General Fund sources and on the ramifications of discontinuing the National League of Cities and Local Government Commission memberships.

**BACKGROUND**

During the discussion of the Mayor/Council operating budget, it was suggested that SACOG membership dues be reimbursed to the General Fund from transportation related funds, since SACOG's emphasis this year will be on area-wide transportation issues.

Also, one of the budget reductions proposed for the Mayor/Council Office was the discontinuance of membership in the National League of Cities and Local Government Commission memberships. It was requested that the impact of not renewing these memberships be reviewed.

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## **FINANCIAL**

### **SACOG**

Costs of central support organizations, like the Mayor/Council Office, payroll, purchasing, etc., are allocated to the users of these services. Approximately 70% of the Mayor/Council budget is currently allocated to areas in which the General Fund is reimbursed from enterprise funds and fee revenues. Therefore, the total SACOG membership of \$29,500 is currently offset by \$21,000.

In general, membership fees would not be allowed under Gas Tax, Major Street Construction, or Measure A Sales Tax. Measure A Sales Tax may be allowed if the membership took the form of an agreement in which specific tasks and costs were clearly defined. Approximately 50% of the membership fees could be reimbursed for specific transportation related activities.

Given the current reimbursement level and the requirement to limit the scope of SACOG's services in a formal agreement, changing the funding source is not recommended.

### **OTHER MEMBERSHIPS**

In doing a comparison of the services provided by the National League of Cities and the League of California Cities, there appears to be little, if any, direct benefit from maintaining membership in both organizations. As members of the League of California Cities, the City is still eligible to attend National League Conferences and sit on National League Committees. The City could not hold any offices in the National League.

As budget reductions are necessary and the Mayor and Council actively participate in various activities and utilize the services provided by the California League more than the National League, it is recommended that membership in the National League of Cities be discontinued at this time. The savings from discontinuing membership in the League will be \$9,097 annually and \$500 for the Local Government Commission.

### **MBE/WBE EFFORTS**

No impact.

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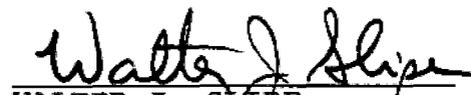
**RECOMMENDATION**

This report is for informational purposes, no action is required.

Respectfully submitted,

  
Michael D. McGrane  
Michael D. McGrane  
Sr. Management Analyst

APPROVED FOR COUNCIL INFORMATION:

  
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June 19, 1990  
All Districts