

Mutual Aid Box Alarm System – Illinois

Administrative – Finance - Dues

Index #: A-04-05

Adopted: 2/2/2008

Revised: 10/14/2020

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Subject: Annual MABAS Division Dues
Functional Area: Finance / Budget
Category: Policy
Approved By: MABAS Executive Board



PURPOSE

Provide an equitable, affordable and flexible dues structure for MABAS-Illinois agencies for the purpose of generating revenue to be used in funding needed expenses which are not grant reimbursable, but important in fulfilling the statewide preparedness, training, equipment and response of MABAS-Illinois mission.

RESPONSIBILITY

It is the responsibility of the MABAS Leadership Team to monitor dues revenues and expenses and bring matters of policy concern to the MABAS Executive Board. It is the responsibility of MABAS divisions to coordinate, collect and forward MABAS-Illinois dues from their primary member agencies within their division. All are responsible to the fulfillment of this policy's intent and purpose.

ACCOUNTABILITY

Adherence to this policy is the responsibility of the MABAS Leadership Committee, MABAS Executive Board and MABAS-Illinois Divisions.

REPORTING REQUIREMENT

A status of dues revenues and expenses will be provided at MABAS Executive Board meetings by the Treasurer/Comptroller through the assistance of the Administrative Section Chief.

BACKGROUND

Prior to 2006 MABAS had not adopted a recurring dues policy. In 2006 MABAS began receiving DHS-FEMA preparedness and response grant funds. As grants were received and statewide investments were made certain expenses were found non reimbursable through state or federal grant funds. Accordingly, a basic dues structure was established in 2006 with the purpose of creating cash availability for unavoidable operational and administrative expenses related to maintaining a statewide emergency response system.

The 2006 basic dues structure was reviewed by a group of divisional representatives in 2008 and policy adjustments and an increased dues structure was recommended to the MABAS-Illinois Executive Board. The revisions were passed and the new needs policy and dues fee structure was adopted effective January, 2008.

The 2008 dues structure remained in effect and without modification until the fall of 2016. At that time a work group was established and recommendations forwarded to the MABAS Executive Board for dues policy, structure and fee structure amendments. The new dues structure and fee policy would become effective in January, 2017.

MABAS-Illinois remains heavily reliant and dependent upon governmental grants. The need for a progressive, yet amendable, dues structure remains critical in the effective delivery of a statewide mutual aid emergency system. MABAS agency dues allow flexibility and an ability for MABAS-Illinois to adequately meet many expectations and needs of member agencies.

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POLICY

Section 1: General Policy – Division Dues

- 1.01 MABAS member agencies who are primary members of a MABAS division shall pay annual dues to MABAS-Illinois unless a financial hardship waiver is applied in accordance with this policy.
- 1.02 Dues are structured on a sliding scale based on a department's annual expenditure operational budget. Capital expenses should not be included in the budget total used to determine the annual fee for a department's dues.
- 1.03 Fire district budgets are different from municipal fire departments budgets in that fire district's budget have all expenditures reflected. Municipal budgets exclude certain expenditures and costs such as pension. Fire districts should therefore deduct expenditures from their budget total which are unique to a fire district budget. The goal in doing this is to make both municipal and fire district budgets comparable.
- 1.04 Procedurally, the MABAS Executive Board will forward each MABAS division a roster of their member departments. Each division will then complete two columns on the roster; the total expenditure as previously qualified for each department, and second column entering the appropriate dues owed in accordance with the schedule. The division's total annual dues will then be totaled at the bottom of the roster. Hardship waivers should be noted on the roster. (See Section 3 of this policy).
- 1.05 Dues rosters will be mailed to each division twice per year – February and June. Divisions may choose to make two payments within a year reconciling their total dues owed. Annual dues must be paid in-full within ninety (90) days of the second annual rosters mailing (no later than September 30th annually).

Section 2: Dues Structure Methodology

- 2.01 MABAS-Illinois annual dues structure shall be constructed using the following methodologies, logic and timelines.
- 2.02 The MABAS dues fee schedule shall maintain nine (9) rate categories, capturing primary member agency's annual budgets in accordance with Sections 1.02 and 1.03. The nine categories of budgets associated with the sliding scale fee, include:

CATEGORY

1. Departments with an annual budget of less than \$50,000
 2. Departments with an annual budget of \$50,001 to \$100,000
 3. Departments with an annual budget of \$100,001 to \$1,000,000
 4. Departments with an annual budget of \$1,000,001 to \$5,000,000
 5. Departments with an annual budget of \$5,000,001 to \$10,000,000
 6. Departments with an annual budget of \$10,000,001 to \$20,000,000
 7. Departments with an annual budget of \$20,000,001 to \$25,000,000
 8. Departments with an annual budget of \$25,000,001 to \$35,000,000
 9. Departments with an annual budget exceeding \$35,000,001
- 2.03 MABAS-Illinois dues structure will be based on the annual inflation rate of the previous years' experience as published by Consumer Price Index by the Bureau of Labor Statistics (BLS). Rounded up to whole dollar amount ending in five (5) or zero (0).

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- 2.04 MABAS-Illinois member agency dues are applied to all areas of MABAS annual, non-grant related budget. Accordingly, the inflationary factor (positive or negative) will be applied to fund areas of the annual budget, including:

Operations Fund

- Personnel Expense Category
- Commodities Expense Category
- Contractual Expense Category

Reserve Fund

- Capital Expense Category
- Reserve Expense Category
- Replacement Expense Category

The elected committee of the Executive Board has the discretionary authority to distribute dues revenue as required between the funds (2) and categories (6) as priorities may dictate.

- 2.05 2017 One Time Dues Fee Catch Up Formula.

MABAS-Illinois 2016 fees dues structure is identical to 2008 fees - dues structure. Accordingly, the inflation rate between 2008 and 2015 totaled 12.8%. Considering a budget containing two (2) funds (operations and reserves) the inflation rate totals a 25.6% increase total for calendar year 2017. The inflation impact or annual fees – dues for the member agency nine (9) sliding scale schedule is:

	DUES	ONE FUND	TWO FUNDS	2017
	Current 2008 \$	12.8% Increase	25.6% Increase	Dues \$ *
1.	\$15	\$1.93	\$3.86	\$20.00
2.	\$100	\$12.90	\$25.80	\$125.00
3.	\$175	\$22.57	\$45.14	\$225.00
4.	\$250	\$32.35	\$64.50	\$325.00
5.	\$275	\$35.47	\$70.94	\$350.00
6.	\$525	\$67.72	\$135.44	\$650.00
7.	\$775	\$99.97	\$199.94	\$1,000.00
8.	\$1,025	\$132.22	\$264.44	\$1,300.00
9.	\$1,525	\$196.72	\$393.44	\$1,925.00
	Total Dues Increase	\$22,485.00	\$44,970.00	*Rounded

* Rounded up to whole dollar amount ending in five (5) or zero (0)

The matrix above demonstrates the 2017 dues structure fee rate in accordance with Section 2.02 of this policy.

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2.06 Dues Fee Structure for 2021, 2022 and 2023.

The immediate prior year's inflationary annual rate will be added to each of the two funds (prior year's inflation rate doubled, positive or negative total) for the Dues Fee Structure for 2021, 2022 and 2023. In 2023 an Executive Board Work Group will be established by the Board President to review this policy and extend recommendations to amend or extend the dues policy for 2024 and beyond for vote by the MABAS Executive Board.

2.07 MABAS staff will publish a notice of annual dues schedule for each calendar year by the end of February for each calendar year. The published annual dues schedule will be forwarded to all MABAS divisions.

Section 3: Hardship Waiver Clause

3.01 Hardship Clause: A division may certify that a department is experiencing a financial hardship and waive the annual dues for that year. In such cases, the division where the department is a member becomes the validating entity authorizing the annual dues waiver due to hardship.

3.02 Hardship waivers should be noted on the divisional dues payment roster (Section 1.04) as approved by each MABAS Division Executive Board.

Section 4: MABAS Division Dues

4.01 MABAS divisions may implement a dues structure for their own divisional needs, programs, and expenses, including divisionally sponsored and maintained special operations teams. Local division dues structure are regulated exclusively by the primary member agencies of each MABAS division.

Approved by the MABAS Executive Leadership Board on February 2, 2018.