

THE AMERICAN LEGION, DEPARTMENT OF MICHIGAN

RESOLUTION: 06-17-C
SUBMITTED BY: Department Finance/Personnel Committee
SUBJECT: Dues Increase

RESOLUTION

WHEREAS, Department has not approved a dues increase in thirteen years; and

WHEREAS, The cost of doing business in the Department of Michigan has increased significantly in those thirteen years; and

WHEREAS, According to the Bureau of Labor Statistics the Consumers Price Index has increased by 40.4% from 1993 through 2005; and

WHEREAS, The Department's proposed budget for the year 2006-2007 places the Department of Michigan again in a deficit posture, this year in the amount of \$134,243, which will be taken from invested funds; and

WHEREAS, Using invested funds to balance yearly budgets diminishes the interest income to the Department of Michigan from those investments; and

WHEREAS, The last time Department approved a balanced budget was in the 2002-2003 Legion year, with the last three years deficit budgets totaling in excess of \$640,000, which had to be taken from invested funds; and

WHEREAS, Income from fundraising continues to suffer a loss due to lack of participation, decreasing membership, as well as the National Organization going into the fundraising business, which draws income from our fundraising programs; and

WHEREAS, The reserve posture of the Department of Michigan will rapidly diminish within a few years, if annual expenses continue to exceed anticipated income; and

WHEREAS, The V. A. & R. supplement from the State of Michigan has not increased since 2001, and it is not anticipated that the State supplement will realize an increase in the foreseeable future; and

WHEREAS, Department has had to supplement the V. A. & R. program with several hundred thousand dollars in dues money each year;

WHEREAS, If the National dues raise of \$4.50 passes, effective January 10, 2007, Department will then owe National an additional \$81,792 after January 10, 2007; and

WHEREAS, Due to declining membership and fuel costs, District and Zone Commanders, whose travel and reserve budgets are based on membership within their respective Districts and Zones, have not had funds enough to cover their assigned areas; and

WHEREAS, Increasing Zone Commanders' per member reserve from ten cents to twenty cents per member and increasing District Committeemen's per member reserve from sixteen cents to thirty cents per member would allow these officers to be more effective; and

WHEREAS, The Michigan Legionnaire has not had a per capita increase since the early 1980's, operating on \$1.00 per member for 8 issues per year of the Legionnaire, placing the Michigan Legionnaire with a yearly deficit of nearly \$90,000; and

WHEREAS, Our Boys' State program continues to have a deficit budget in the \$40,000 range with less boys participating, and continuing rising costs at Michigan State University, where the program is held each year. If some dues money could be allocated to this program, the deficit could be eliminated; and

WHEREAS, Department Headquarters is operating with a reduced number of employees, not replacing employees who retire; and

WHEREAS, Department Headquarters employees have been financially prudent, having contributed to cost-saving suggestions, many of which have been implemented; and

WHEREAS, The Department Finance/Personnel Committee at their June 15, 2006 meeting recommended a \$4.00 dues increase for the above reasons; and, be it

RESOLVED, By The American Legion, Department of Michigan, assembled in annual Department Convention in Lansing, Michigan June 15-18, 2006, That a \$4.00 Department dues increase be approved over and above the National increase, effective January 1, 2007.