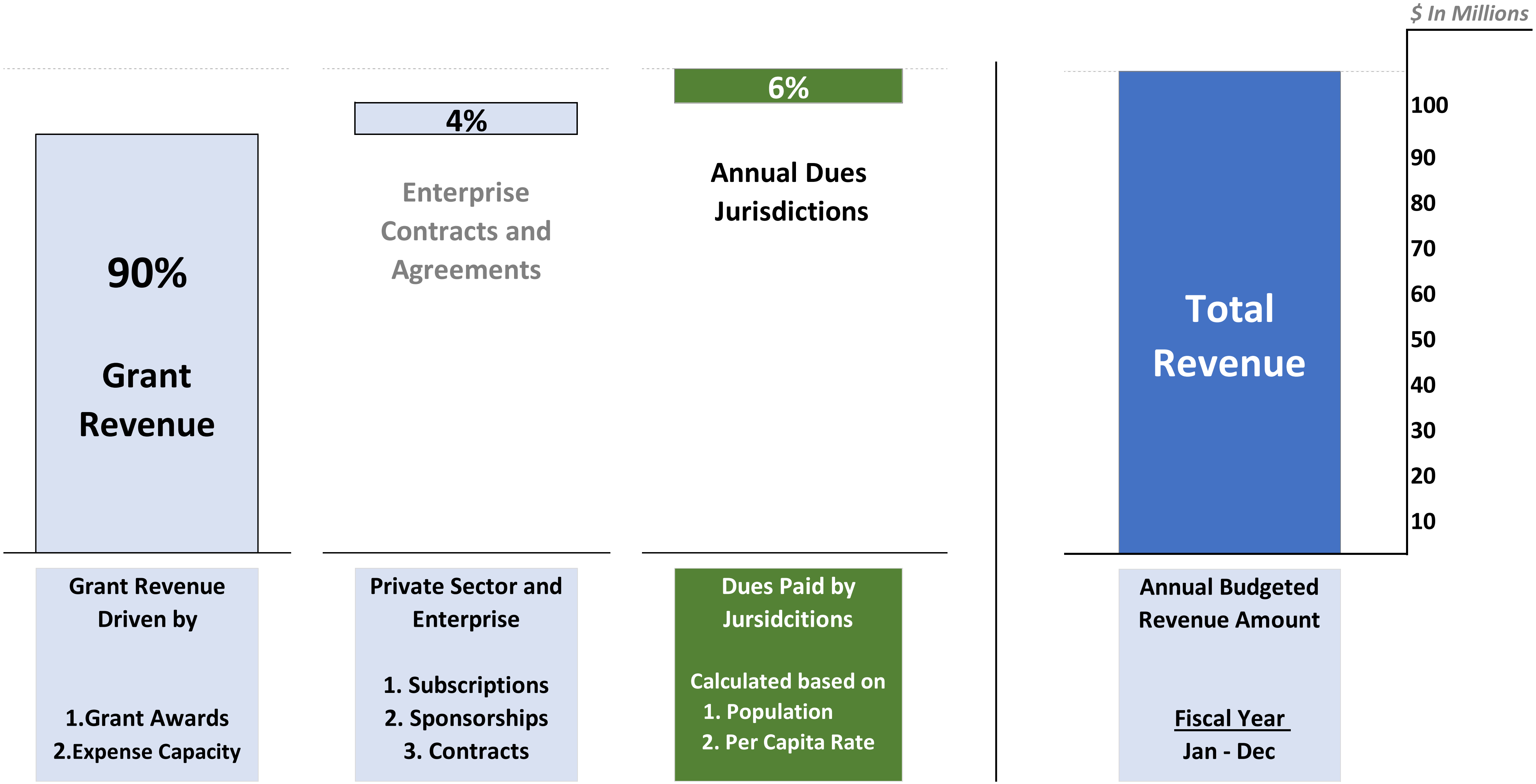
CPI – Adjustment to Annual Dues

August 2026

Agenda

- ARCs Revenue Structure
- CPI- Adjustment to Annual Dues - Statutory Provision
- Financial Stability Strategy
- Financial Pressures
  - Policy Related Areas
  - Organization and Business Areas
  - Estimated Budget Impact 2027
- Projected Impact by Jurisdiction
- Tentative Timeline for CPI-Adjustment

ARC Revenue Structure



2026 Use of Dues Revenue, Interest Income and Fund Balance

Use of Funds

In Millions $

$3.3M
Grant Match

- FHWA
- Multifunded
- EDA

$3.7M
Other Programs

1. LINK
2. RLI
3. State of the Region
4. Natural Resources
5. External Affairs
6. Board Affairs
7. MARC
8. Green Communities

Source of Funds

In Millions $

$7M

$300K Fund Balance

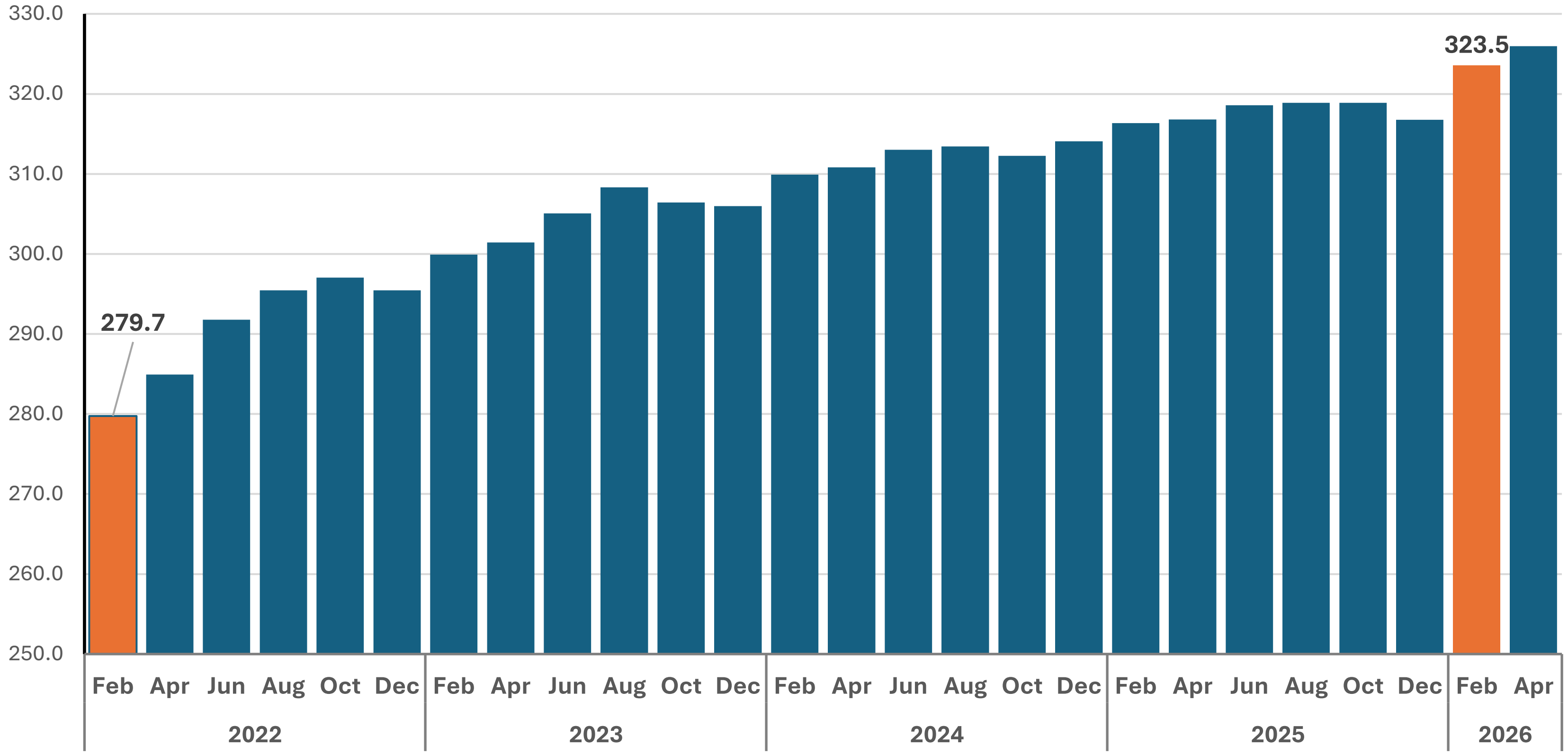
$6.7M
Dues + Interest

CPI – Adjustment : Statutory Provision

- O.C.G.A. § 50-8-101 (D) Provides ARC's Board with the opportunity to approve an incremental **10¢** increase in the rate used to calculate annual operational dues, when the Average Annual Consumer Price Index for All Urban Consumers (CPI-U) exceeds **10%** of the last base year
- The rate was last adjusted from $ 1.10 to $ 1.20 in 2023.
- Dues are ARC's working capital to provide the required match to government grants (Planning Funds, Aging Multi-funded) and cover flagship programs (LINK, SOR, Innovation)
- A CPI adjustment to annual dues will help mitigate a range of policy and organizational pressures while ensuring that ARC's financial stability strategy remains on track

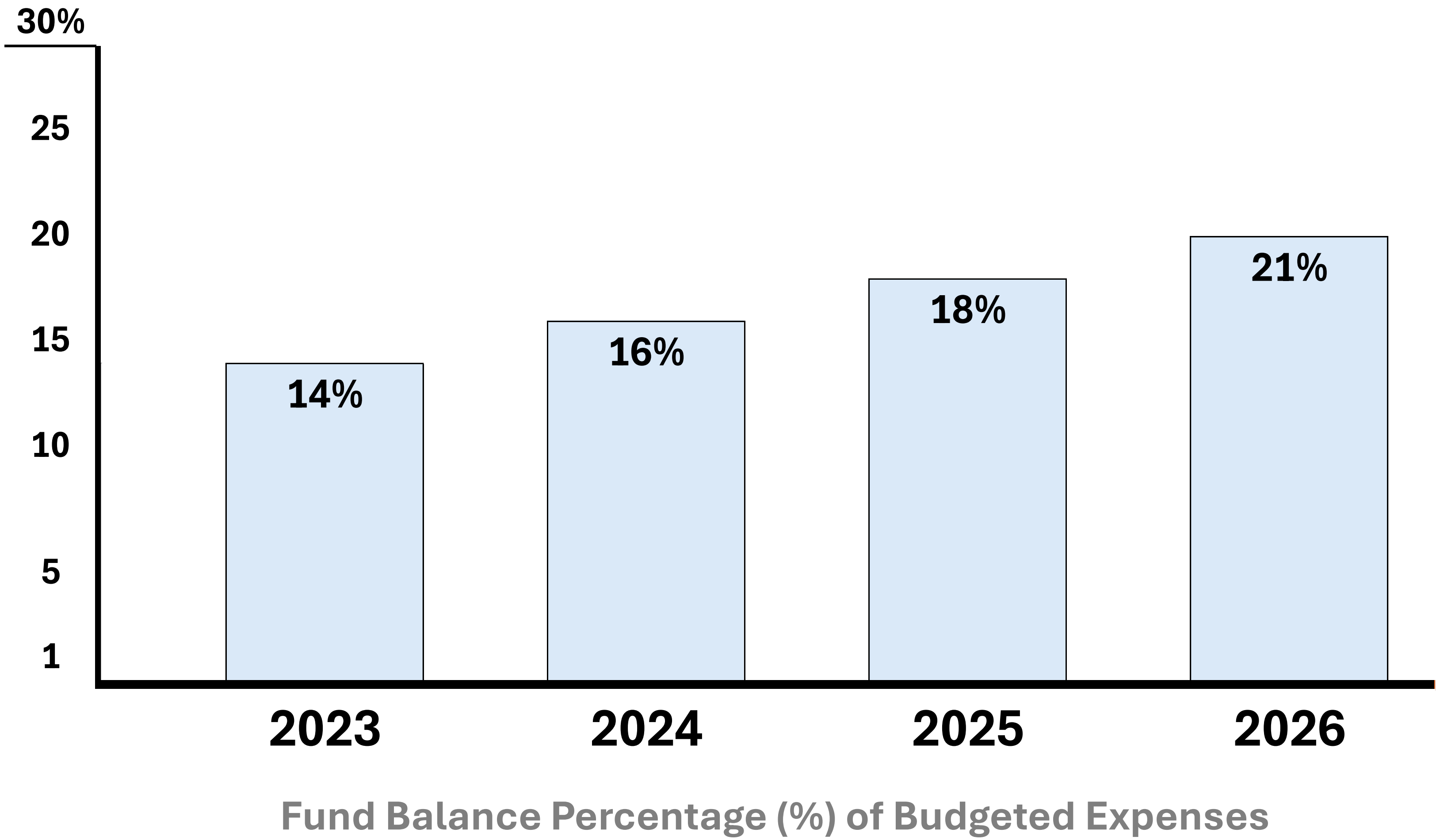
CPI Evaluation and Prospective Adjustment

Consumer Price Index
Atlanta-Sandy Springs-Roswell, GA, all urban consumers, not seasonally adjusted
Feb 2022 to April 2026



- Since the last rate adjustment approval in 2022, the Average Annual Consumer Price Index for All Urban Consumers in the Atlanta-Sandy Springs-Roswell, GA has reached **15.6%**
- Last measurement date was Feb 2017 to Feb 2022
- New measurement date Feb 2022 to Feb 2026
- ARC dues per resident could be adjusted in 2027 by $10 cents from $1.20 to $1.30

Financial Stability Strategy



Strategy Components

- Implementation of stricter budget controls
- Limitation of discretionary spending
- Introduction of EIC (Executive Investment Council) to monitor budgetary affairs
- Optimization of other revenue sources (sponsorships, registrations, interest income)
- **CPI-Adjustment in accordance with statutory provision**

Financial Pressures on the Horizon

- Policy Related Areas

Federal Budget

- **Government Shutdown**
  - Two shutdowns over the past two years (Total shutdown in 2025 for 45 days)
- **Debt Ceiling**
  - Cap expected to be reached in 2027
- **Midterm Elections**
  - Greater gridlock affecting budget and debt ceiling negotiations

Liquidity Challenge

OMB Proposed Changes

- Modifications to the federal framework for managing grants is being considered
- Changes include new requirements regarding
  - Indirect Cost (allocation of administrative expenses)
  - Cost allowability of professional activity and professional licenses (travel, memberships)
  - Outreach activities

Funding Limitations

Federal Priorities

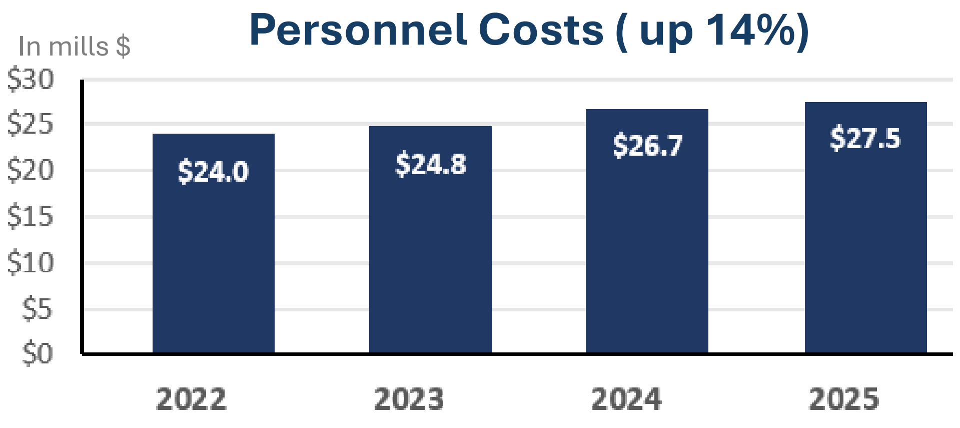
SAVE America Act could directly impact the Urban Area Security Initiative (UASI) by withholding federal counterterrorism grant resources – up to 20%

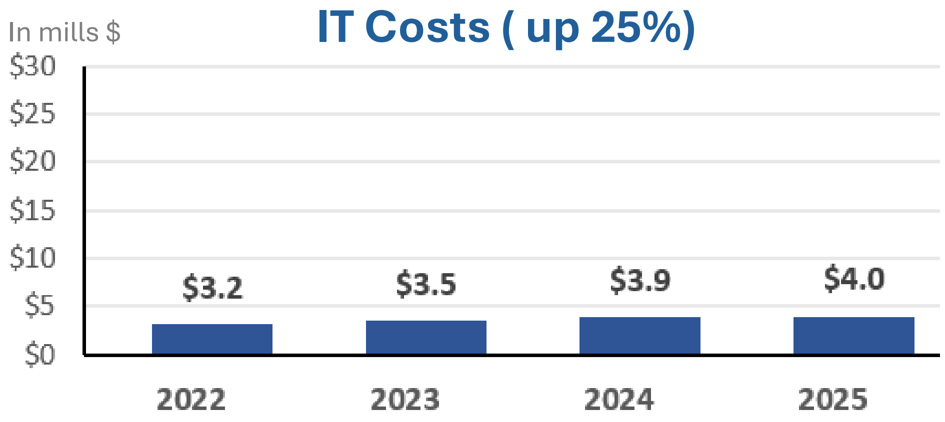
- Unknown if withholding is on award or reimbursement
- Adherence to conditions stipulated by the federal government is outside of ARC’s discretion

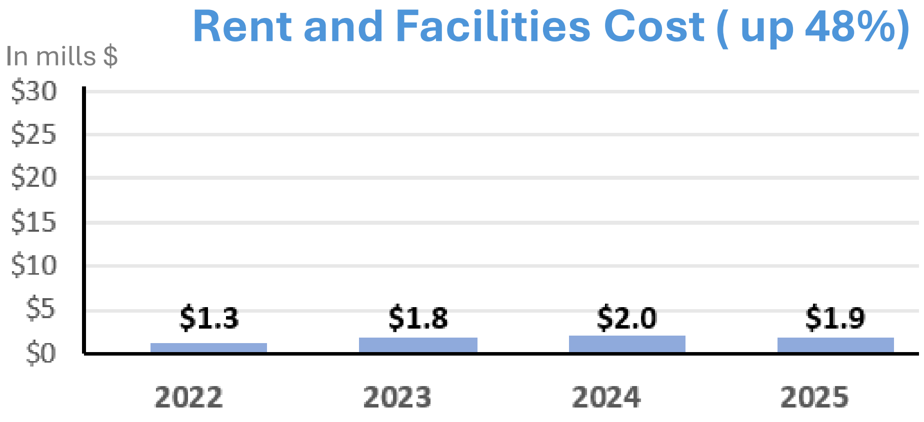
Potential : Additional Match Needed

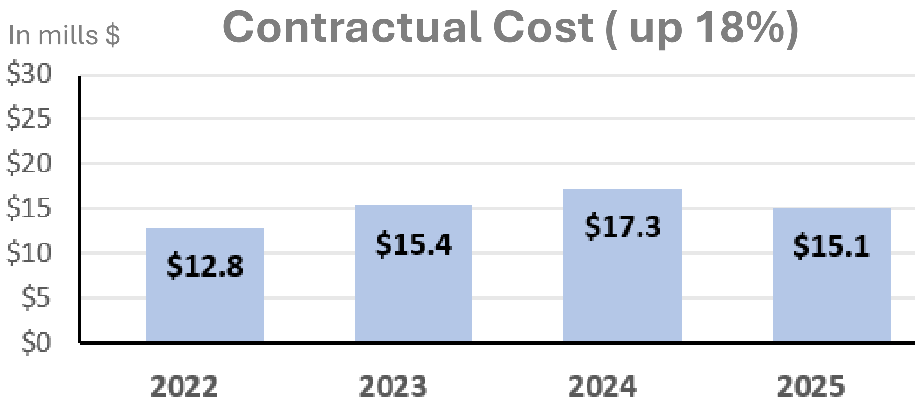
Financial Pressures on the Horizon (continued) - Organization and Business Areas

Key Cost - 2022 to 2025









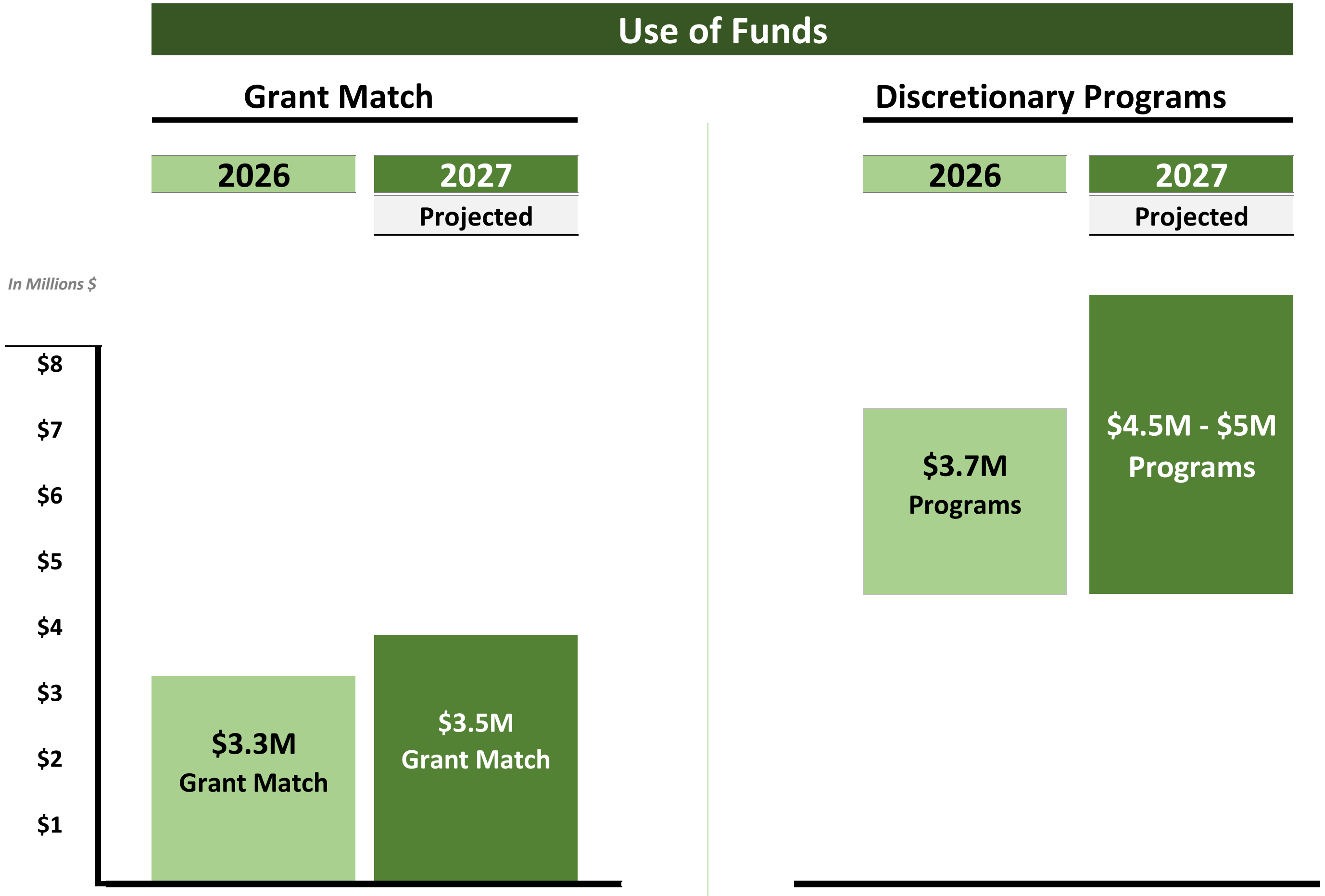
Financial Pressures on the Horizon (continued)
- Organization and Business Areas

Programmatic Demands 2027-Beyond

- **Regional Housing Strategy**
  - Initiative to address affordable housing in the metro area through collaboration and planning among local governments and stakeholders.
- **Economic Mobility**
  - Initiative to improve upward economic mobility across the metro region by expanding access to quality jobs, workforce development, education, entrepreneurship, and other opportunities that promote long-term economic prosperity and financial stability.
- **Regional Assembly**
  - Event that brings together public officials to foster collaboration, share best practices, strengthen regional partnerships, and address common challenges through collective problem-solving.
- **Flagship Program Development**
  - LINK, State of the Region, MARC, Green Communities, RLI and others

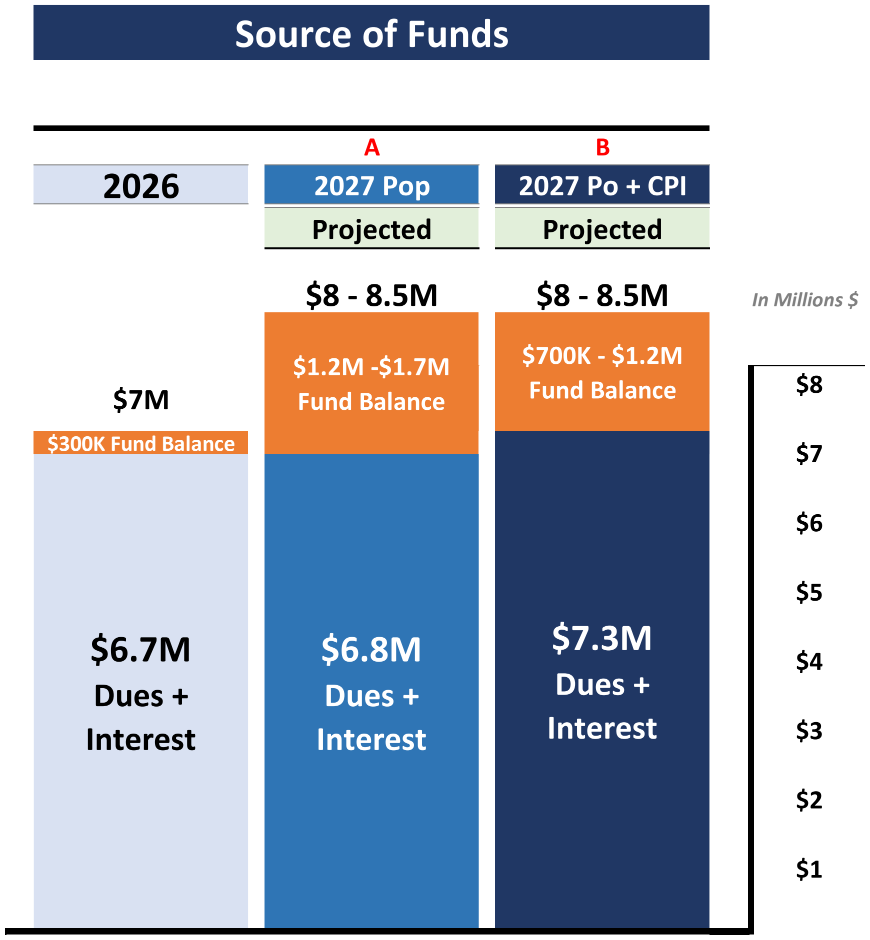
Limited or No Grant Funding

Financial Pressures on the Horizon (continued)
- Estimated Budget Impact



FHWA - Planning
FHWA - 5303
Multifunded - Aging
EDA - Community Development

1. LINK, 2. RLI, 3. SOR
4. MARC, 5. Natural Resources (2026 +2027)
6. Economic Mobility (2027)
7. Regional Assembly (2027)
8. Housing Strategy (2027)



Change in Dues by Jurisdiction

In Millions $		2026 Basis	2027 Pop	2027 Pop. + 10 cents	2026 Vs 2027 Pop. Only	2026 vs 2027 Po.+10C
		A	B	C	B-A	C-A
Counties	Gwinnett County	$1.23	$1.25	$1.35	0.01	0.12
Counties	Fulton County	1.01	$1.03	1.12	0.02	0.11
Counties	Cobb County	0.96	$0.96	1.04	0.00	0.08
Counties	DeKalb County	0.91	$0.92	0.99	0.00	0.08
Counties	Clayton County	0.37	$0.37	0.40	0.00	0.03
Counties	Cherokee County	0.36	$0.37	0.40	0.00	0.03
Counties	Forsyth County	0.34	$0.35	0.37	0.01	0.03
Counties	Henry County	0.32	$0.33	0.35	0.00	0.03
Counties	Douglas County	0.19	$0.19	0.20	0.00	0.02
Counties	Fayette County	0.15	$0.15	0.17	0.00	0.01
Counties	Rockdale County	0.12	$0.12	0.13	0.00	0.01
City	City of Atlanta	0.39	$0.40	0.43	0.01	0.04
	Total	**$6.36**	**$6.43**	**$6.96**	**$0.07**	**$0.60**

Timeline – Dues Adjustment Process

August

Mo	Tu	We	Th	Fr
3	4	5	6	7
10	11	**12**	13	14
17	18	19	20	21
24	25	26	27	28
31				

September

Mo	Tu	We	Th	Fr
	1	2	3	4
7	8	**9**	10	11
14	15	16	17	18
21	22	23	24	25
28	29	30		

October

Mo	Tu	We	Th	Fr
			1	2
5	6	7	8	9
12	13	**14**	15	16
19	20	21	22	23
26	27	28	29	30

November

Mo	Tu	We	Th	Fr
2	3	4	5	6
9	10	11	**12**	13
16	17	18	19	20
23	24	25	26	27
30				

ARC Board Day
Submission of 2027 Budget and Work Program

Road to Dues Adjustment Presentation and Approval

1 **August 12**- Presentation to BARS Committee (Dues and Population Estimates) - Full Board
- Board approval of resolution

2 **October 21** - Submission of 2027 Proposed Budget and Work Program to Board (Including Dues Increase)

3 **November 12** - Approval 2027 Budget and Work Program