



June 26, 2015

TO: LOCSO Board of Directors

FROM: Kathy A. Kivley, General Manager

SUBJECT: **Agenda Item 7B – 7/9/2015 Board Meeting**

Adopt the CPI Rate Increase to the Special Fire Tax for Fiscal Year 2015/2016 and Adopt Resolution to Levy and Approve Collection in the 2015/2016 Tax Rolls

**President**  
R. Michael Wright

**Vice President**  
Marshall E. Ochylski

**Directors**  
Charles L. Cesena  
Jon-Erik G. Storm  
Louis G. Tornatzky

**General Manager**  
Kathy A. Kivley

**District Accountant**  
Michael L. Doyel

**Fire Chief**  
Robert Lewin

**Battalion Chief**  
Phill Veneris

**DESCRIPTION**

Adopt the CPI rate increase and conduct a public hearing to consider all objections or protests to the imposition of an increase to the Fiscal Year 2015/2016 Special Fire Tax assessment of twenty-six cents (\$0.26) per unit of benefit which will result in a total assessment of fifteen dollars and seventy-six cents (\$15.76) per unit of benefit.

The mandated notices have been posted in accordance with legislation.

**STAFF RECOMMENDATION**

After the public hearing is closed, Staff recommends that the Board adopt the following motion:

***Motion: I move that the Board adopt Resolution 2015-22 approving the CPI rate increase and approve the levying and collection of the Special Fire Tax assessments as listed in attached EXHIBIT A and submit to the County of San Luis Obispo for collection in the FY2015/2016 tax rolls.***

**DISCUSSION**

Ordinance No. 2005-01, adopted on February 22, 2005, imposed a special tax on each parcel in the District to fund fire prevention and protection and emergency response services. The Ordinance authorized annual adjustments to the rate limited to the change in the Consumer Price Index (CPI).

The change in CPI is defined as the average of the percentage changes in the Consumer Price Index (CPI) for all items in two demographic areas, namely, Los Angeles-Anaheim-Riverside and San Francisco-Oakland-San Jose. The change in the CPI was determined to be 1.70% which translates to an increase of twenty-six cents (\$0.26) per unit of benefit.

A residential single family dwelling is equivalent to five (5) units of benefit while apartment and mobile homes are equivalent to three (3) units of benefits per residence. This means an increase of \$1.30 for single family dwellings and \$0.78 for apartments and mobile homes. The total increase in the Fire revenue on account of the rate increase is \$8,518.12.

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This action is vital to the Fire Fund's ability to be able to continue to provide fire prevention and protection and emergency response services with the proper and up-to-date equipment. The Emergency Services Advisory Committee (ESAC) reviewed the increase and recommended Board approval.

**Assessments list:** This is attached as EXHIBIT A. Only one copy was produced and is being held by the Board Clerk. This is available for inspection upon request. A copy is also available in electronic format.

**FINANCIAL IMPACT**

Approval of the recommended action will provide additional revenues of approximately \$8,520.00 which equals a 1.70% increase based on CPI which translates to an increase of \$0.26 per unit of benefit. The total projected funding for Fiscal Year 2015/16 is \$516,329.12.

Attachments: Wallace Group Memorandum dated April 16, 2015  
LOCSO Resolution 2015-22 w/Exhibit A

MEMORANDUM

Date: April 16, 2015

To: Kathy Kivley, General Manager  
Los Osos Community Services District

From: Lonnie Lepore, Senior Project Analyst 

Subject: Calculation of Proposed Annual CIP Increase – FY 2015-16

LOCSD Ordinance No. 2005-01, adopted February 22, 2005, imposed a special tax on every parcel within the District for the purpose of funding fire prevention and protection services. The Ordinance also authorized an annual adjustment to the rates after FY 2005/06 limited to the average of the percentage changes in the Consumer Price Index (CPI) for all items in both San Francisco CMSA and Los Angeles CMSA.

The computation is based on a conservative approach using December 31 CPI data. This conservative approach has been consistently used for the last five years due to the unavailability of June 30 CPI data until a couple of months after the fiscal year closes.

The proposed increase would be 1.70%, equivalent to twenty-six cents (\$0.26) per unit of benefit, to the Fire Special Tax. The increase would bring the assessment to \$15.76 per unit of benefit (FY 2014-15 approved amount was \$15.50 per unit of benefit). A residential single family dwelling is equivalent to five (5) units of benefit; multiple dwellings in a parcel except apartments and mobile homes are configured to be four (4) units of benefit per dwelling unit while apartments and mobile homes are configured to be three (3) units of benefit per dwelling unit. Therefore the annual increase from this CPI increase will range from \$0.78 to \$1.30 per household.

	United States	San Francisco CMSA	Los Angeles CMSA	<b>Average</b>
Average as of Dec. 31				
2013	233.049	245.711	238.742	242.227
2014	234.812	252.273	240.475	246.374
% Change	0.76%	2.67%	0.73%	<b>1.70%</b>

Cc: Rob Miller, Wallace Group



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**RESOLUTION NO. 2015-22**

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE LOS OSOS COMMUNITY SERVICES DISTRICT  
APPROVING THE CPI RATE INCREASE FOR THE SPECIAL FIRE TAX  
AND SETTING ASSESSMENTS FOR THE SPECIAL FIRE TAX  
FOR PURPOSES OF FIRE PROTECTION AND PREVENTION  
AND DIRECTING THEIR COLLECTION BY THE COUNTY  
IN THE FISCAL YEAR 2015/2016 TAX ROLL**

**WHEREAS**, the Los Osos Community Services District ("District") pursuant to Government Code §53978 is authorized to provide fire protection services; and

**WHEREAS**, the voters of the Los Osos Community Services District ("District") approved Measure A-05 that adopted Ordinance 2005-01 that repealed the prior special tax and adopted a new special tax for the purposes of obtaining, furnishing, operating and maintaining fire department equipment and/or apparatus, real property and facilities, for fire protection services, rescue services, emergency response services and other services relating to the personnel and for no other purpose; and

**WHEREAS**, Ordinance 2005-01, Section 6 provides as follows:

*MAXIMUM TAX AMOUNTS. The maximum amount of tax imposed on each parcel pursuant to this ordinance shall be determined as follows:*

- A. *Commencing fiscal year 2005/2006 a maximum special tax rate of Thirteen Dollars and Fifty-Two Cents (\$13.52) per unit of benefit, to be adjusted each year thereafter not to exceed the average of the percentage changes in the Consumer Price Index (CPI) for all items for the San Francisco/Oakland/San Jose and the Consumer Price Index for all items in Los Angeles/Anaheim/Riverside at June 30 of the current year over the previous year's average of those indexes on the same date.*

**WHEREAS**, in accordance with the formula contained in the ordinance, several increases have been adopted through the years with an increase of thirty-four cents (\$0.34) adopted for Fiscal Year 2013/14 setting the rate to \$15.22 per unit of benefit; and

**WHEREAS**, in accordance with the formula contained in the ordinance, several increase have been adopted through the years with an increase of twenty-eight cents (\$0.28) adopted for Fiscal Year 2014/2015; and

**WHEREAS**, the average percentage change in the Consumer Price Index for the period from December 31, 2013 to December 31, 2014 has been determined to be an increase of 1.70% or twenty-six cents (\$0.26) setting the rate to fifteen dollars and seventy-six cents (\$15.76) per unit of benefit, exhibited as follows:

**SCHEDULE OF BENEFITS**

<b>Property Classification/Land Use</b>	<b>Number of Benefit Units Per Parcel</b>	<b>Examples for Fiscal Year 2015/16</b>
Residential/Single Family Dwelling	5 Units Per Dwelling Unit	Total of \$78.80 Per Year
Residential/Secondary Dwelling on Parcel	4 Units Per Dwelling Unit	Amount dependent on number of dwellings on parcel
Residential Care Facility	5 Units plus 1/Patient Room	Amount Dependent on Size
Condominium	4 Units Per Dwelling Unit	Amount Dependent on Size
Duplex/Triplex/Fourplex	4 Units Per Dwelling Unit	Amount Dependent on Size
Apartment	3 Units Per Dwelling Unit	Amount Dependent on Size
Mobile Home	3 Units Per Dwelling Unit	Total of \$47.28 Per Year
Commercial/Manufacturing/Storage	1 Unit Per 300 S.F. or Less	Amount Dependent on Size
Schools and Churches	1 Unit Per 300 S.F. or Less	Amount Dependent on Size
Preschools/Daycares	1 Unit Per 300 S.F. or Less	Amount Dependent on Size
Unimproved/Agriculture Property 1 Acre or Less	1 Unit Per Acre or Less	Amount Dependent on Size
Unimproved/Agriculture Property Over 1 Acre	1 Unit/Acre Maximum of 5	Amount Dependent on Size
Property for Vehicle Storage	2 Units Per Acre or Less	Amount Dependent on Size
Barns/Shops Over 300 Square Feet	2 Units Per Building	Total of \$31.52 Per Year
Transit Container Storage	1 Unit Per Container	Total of \$15.76 Per Year
Motel/Hotel/Bed and Breakfast	3 Units Per Rental Room	Amount Dependent on Size
Golf Courses/Recreational Facilities	1 Unit Per Acre/Maximum of 5	Amount Dependent on Size

**WHEREAS**, the Emergency Advisory Committee (ESAC) recommended the rate of fifteen dollars and seventy-six cents (\$15.76) per unit of benefit; and

**WHEREAS**, General Property Taxes that fund fire functions declined for the last five years and although these slightly increased, full recovery of lost tax revenues will take many more years; and

**WHEREAS** the Fire Fund has no other means to fund increases in costs of equipment and materials on account of inflation; and

**WHEREAS**, the Board finds that the funds generated annually by this Special Fire Tax rate is necessary to prudently operate Station 15-South Bay in Fiscal Year 2015/16; and

**WHEREAS**, the Board held a hearing on this date pursuant to a published notice and before the adoption of this resolution to receive public input, including any objections to adopting the proposed increase on the rate and setting the Special Fire Tax rate for Fiscal Year 2015/16.

**NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE LOS OSOS COMMUNITY SERVICES DISTRICT DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:**

- 1. That the findings and recitations in Paragraphs 1 through 10 are true and correct;**



2. That the Board of Directors hereby confirms and levies the Special Fire Tax on all properties within the Los Osos Community Services District a rate of Fifteen Dollars and Seventy-Six Cents (\$15.76) per unit of benefit for the Fiscal Year 2015/16, in accordance with the Schedule of Benefits listed above; and
3. That this special tax on the parcels of real property within the Los Osos Community Services District shall be established, imposed and levied in the amounts as listed in EXHIBIT A and as so confirmed shall appear as separate items on the Fiscal Year 2015/16 tax bill of each parcel of property so listed; and
4. That said special tax shall be collected at the same time and in the same manner as general taxes levied for collection by the County pursuant to Government Code §61115(b).

On the motion of Director \_\_\_\_\_, seconded by Director \_\_\_\_\_,  
and on the following roll call vote, to wit:

Ayes: \_\_\_\_\_  
 Noes: \_\_\_\_\_  
 Absent: \_\_\_\_\_  
 Conflicts: \_\_\_\_\_

The foregoing resolution is hereby passed, approved, and adopted by the Board of Directors of the Los Osos Community Services District this 9<sup>th</sup> day of July 2015.

\_\_\_\_\_  
 R. Michael Wright  
 President, Board of Directors  
 Los Osos Community Services District

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
 Kathy A. Kivley  
 General Manager and Secretary to the Board

\_\_\_\_\_  
 Michael W. Seitz  
 District Legal Counsel

MEMORANDUM

Date: June 19, 2015
To: Kathy Kivley, General Manager
Los Osos Community Services District
From: Lonnie E. Lepore, Senior Project Analyst
Subject: Los Osos Community Services Special District- Zone "9B"
Fire Protection and Prevention Services – Fund No. 1759



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Attached is a draft Exhibit "A" for the above referenced zone.

There were changes to parcels within the special district since the FY 2014-2015 tax roll. A table listing these parcels and the remedy for the parcels are shown in the attached spreadsheet. The fees were based on an assessment of fifteen dollars and seventy six cents (\$15.76) per unit of benefit, and the following criteria:

Table with 2 columns: Property Type and Units per dwelling unit/acre. Includes categories like Residential/Single Family Dwelling, Commercial/Manufacturing/Storage, etc.

The following is a summary of these changes:

FY 2014/15
Number of Parcels = 5,947
Amount Due = \$507,811.00

FY 2015/16
Number of Parcels = 5,947
Amount Due = \$516,329.12

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As with FY 2014/15, parcels not being assessed within the special district fall into the following categories:

- Outside the Los Osos Community Services District
- Owned by a Public Utility or Water Company
- Street
- Being used as the septic system for Bayridge Estates
- South Bay Fire Department



cc: Rob Miller, Wallace Group



**Los Osos Community Services Special District – Zone “9B”  
Fire Protection and Prevention Services - Fund No. 1759**

**Changes in FY 2015/16 Tax Roll from FY 2014/15 Tax Roll**

APN	Owner	Reason for Change	Old APN	Remedy	Fiscal Impact
074-081-038	SHELTZER MICHAEL B	Two (2) APNs merged into one (1) APN	074-081-026 074-081-029	Remove one (1) APN from FY 15/16 Tax Roll	(\$15.76)
038-051-021	DUBBINK FAMILY TRUST	Re # Parcel	038-051-019	Update APN	\$0.00
038-051-022	DUBBINK FAMILY TRUST	Re # Parcel	038-051-016	Update APN	\$0.00
074-083-013 074-083-014	LARSON ERIC E BEAN SANDRA	One (1) APN split into two (2) APNs	074-083-002	Add one (1) APN to FY 15/16 Tax Roll	\$15.76
038-422-054	BERGMAN-CRIZER BETH N	Re # Parcel	038-422-048	Update APN	\$0.00
074-154-047	CADIGAN FAMILY TRUST	Re # Parcel	074-154-040	Update APN	\$0.00
074-154-048	TRAVIS TRUST	Re # Parcel	074-154-012	Update APN	\$0.00

Total APNs in FY 2014/15 = 5,947  
Total APNs in FY 2015/16 = 5,947

Total Tax Roll in FY 2014/15 = \$507,811.00  
Total Tax Roll in FY 2015/16 = \$516,329.12