



May 7, 2020

TO: LOCSD Board of Directors

FROM: Ron Munds, General Manager

SUBJECT: Agenda Item 6H – 5/7/2020 Board Meeting
Approve the Implementation of the Consumer Price Index (CPI) Increase to the Fire Special Tax for the Fiscal Year 2020/2021

President
Charles L. Cesena

Vice President
Christine M. Womack

Directors
Matthew D. Fourcroy
Vicki L. Milledge
Marshall E. Ochylski

General Manager
Ron Munds

District Accountant
Robert Stilts, CPA

Unit Chief
Scott M. Jalbert

Battalion Chief
Paul Provence

Mailing Address:
P.O. Box 6064
Los Osos, CA 93412

Offices:
2122 9th Street, Suite 110
Los Osos, CA 93402

Phone: 805/528-9370
FAX: 805/528-9377

www.losososcsd.org

DESCRIPTION

Request approval of the proposed 2.7% increase, equivalent to \$0.48 per unit of benefit, to the Fire Special Tax for Fiscal Year 2020/2021.

STAFF RECOMMENDATION

This item will be approved along with the Consent Calendar unless it is pulled by a Director for separate consideration. If so, Staff recommends that the Board adopt the following motion:

Motion: I move that the Board approve the implementation of the Consumer Price Index (CPI) increase to the Fire Special Tax for Fiscal Year 2020/2021.

DISCUSSION

The attached memorandum from Wallace Group Senior Project Analyst Lonnie Lepore dated April 21, 2020, outlines the calculation of the 2.7% proposed annual CPI increase for Fiscal Year 2020/2021, equivalent to \$0.48 per unit of benefit to the Fire Special Tax. The increase would bring the assessment to \$18.28 per unit of benefit.

The ability to increase the Fire Special Tax by the CPI was approved by the voters within the District.

FINANCIAL IMPACT

There is no direct cost increase to the District for implementation of the CPI increase.

Attachment

MEMORANDUM

Date: April 21, 2020
To: Ron Munds, General Manager
 Los Osos Community Services District
From: Lonnie Lepore, Senior Project Analyst
Subject: Calculation of Proposed Annual CPI Increase – FY 2020-21



- CIVIL ENGINEERING
- CONSTRUCTION MANAGEMENT
- LANDSCAPE ARCHITECTURE
- MECHANICAL ENGINEERING
- PLANNING
- PUBLIC WORKS ADMINISTRATION
- SURVEYING / GIS SOLUTIONS
- WATER RESOURCES
- WALLACE SWANSON INTERNATIONAL

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 ten years due to the unavailability of June 30 CIP data until a couple of months after the fiscal year closes.

The proposed increase would be 2.70%, equivalent to forty eight cents (\$0.48) per unit of benefit, to the Fire Special Tax. The increase would bring the assessment to \$18.28 per unit of benefit (FY 2019-20 approved amount was \$17.80 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 \$1.44 to \$2.40 per household.

	United States	San Francisco CMSA	Los Angeles CMSA	Average
Average as of Dec. 31				
2018	251.233	289.896	267.631	278.763
2019	256.974	297.007	275.553	286.28
% Change	2.29%	2.45%	2.96%	2.70%

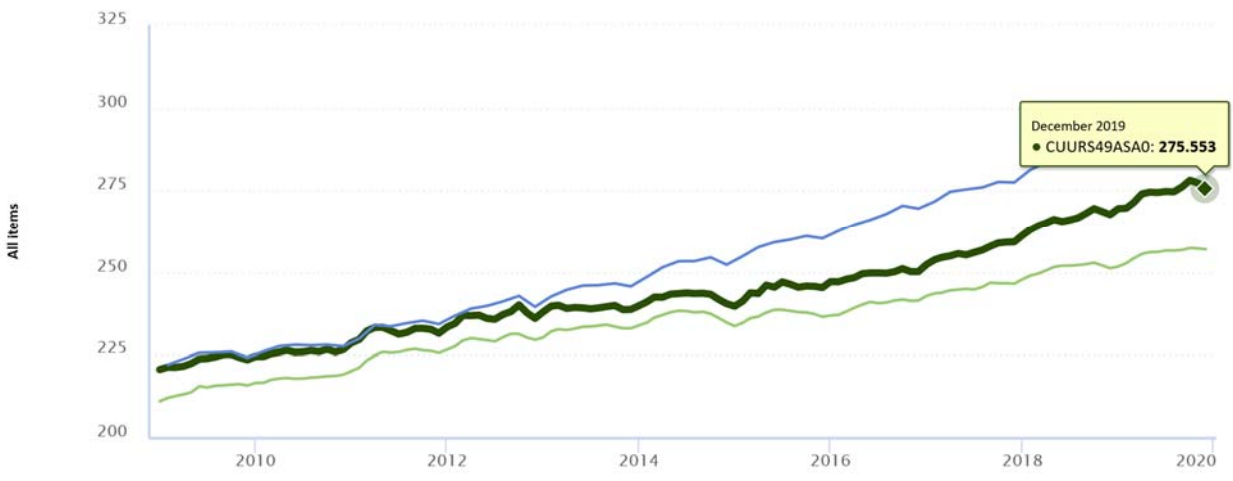
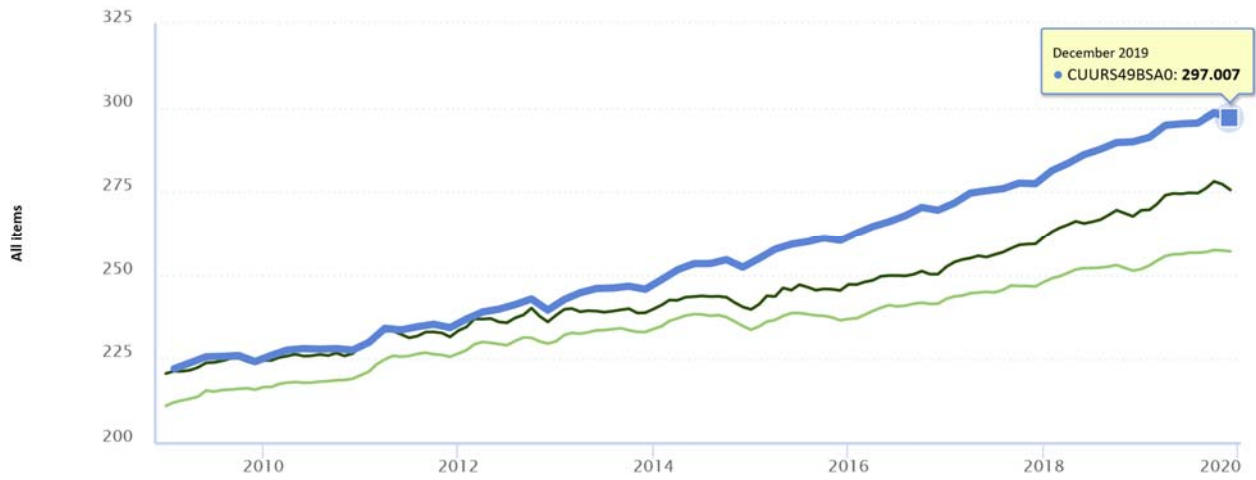
Cc: Rob Miller, Wallace Group

WALLACE GROUP
 A California Corporation

 612 CLARION CT
 SAN LUIS OBISPO
 CALIFORNIA 93401

 T 805 544-4011
 F 805 544-4294

www.wallacegroup.us



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