



April 18, 2019

TO: LOCSD Board of Directors
FROM: Renee Osborne, General Manager
SUBJECT: **Agenda Item 11F – 5/2/2019 Board Meeting**
Approve the Implementation of the Consumer Price Index (CPI)
Increase to the Fire Special Tax for the Fiscal Year 2019/2020

President
Marshall E. Ochylski

Vice President
Charles L. Cesena

Directors
Matthew D. Fourcroy
Vicki L. Milledge
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General Manager
Renee Osborne

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DESCRIPTION

Request approval of the proposed 3.89% increase, equivalent to \$0.66 per unit of benefit, to the Fire Special Tax for Fiscal Year 2019/2020.

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 2018/2019.

DISCUSSION

The attached memorandum from Wallace Group Senior Project Analyst Lonnie Lepore dated March 25, 2019, outlines the calculation of the 3.89% proposed annual CPI increase for Fiscal Year 2019/2020, equivalent to \$0.66 per unit of benefit to the Fire Special Tax. The increase would bring the assessment to \$17.80 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: March 25, 2019
To: Renee Osborne, General Manager
 Los Osos Community Services District
From: Lonnie Lepore, Senior Project Analyst
Subject: Calculation of Proposed Annual CPI Increase – FY 2019-20



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

LOCSO 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 nine 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 3.89%, equivalent to sixty six cents (\$0.66) per unit of benefit, to the Fire Special Tax. The increase would bring the assessment to \$17.80 per unit of benefit (FY 2018-19 approved amount was \$17.14 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 \$1.98 to \$3.30 per household.

	United States	San Francisco CMSA	Los Angeles CMSA	Average
Average as of Dec. 31				
2017	246.524	277.414	259.220	268.317
2018	251.233	289.896	267.631	278.763
% Change	1.91%	4.50%	3.24%	3.89%

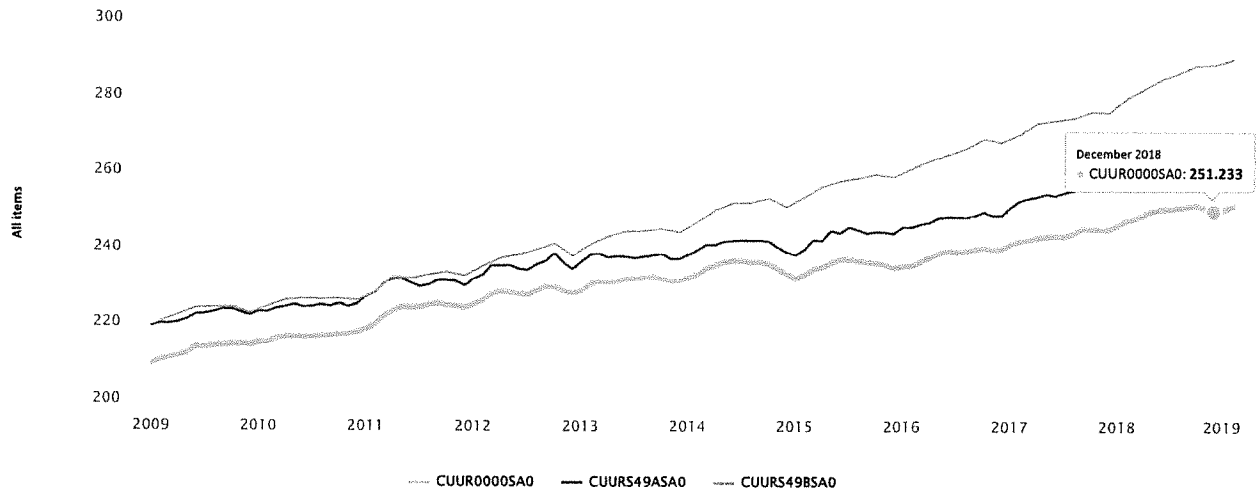
Cc: Rob Miller, Wallace Group

WALLACE GROUP
 A California Corporation

612 CLARION CT
 SAN LUIS OBISPO
 CALIFORNIA 93401

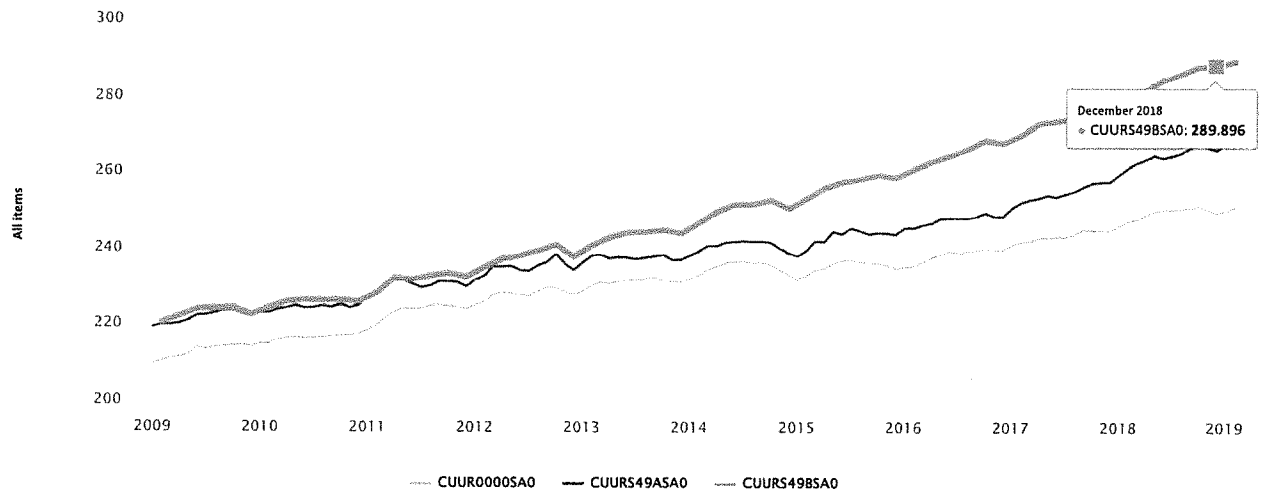
T 805 544-4011
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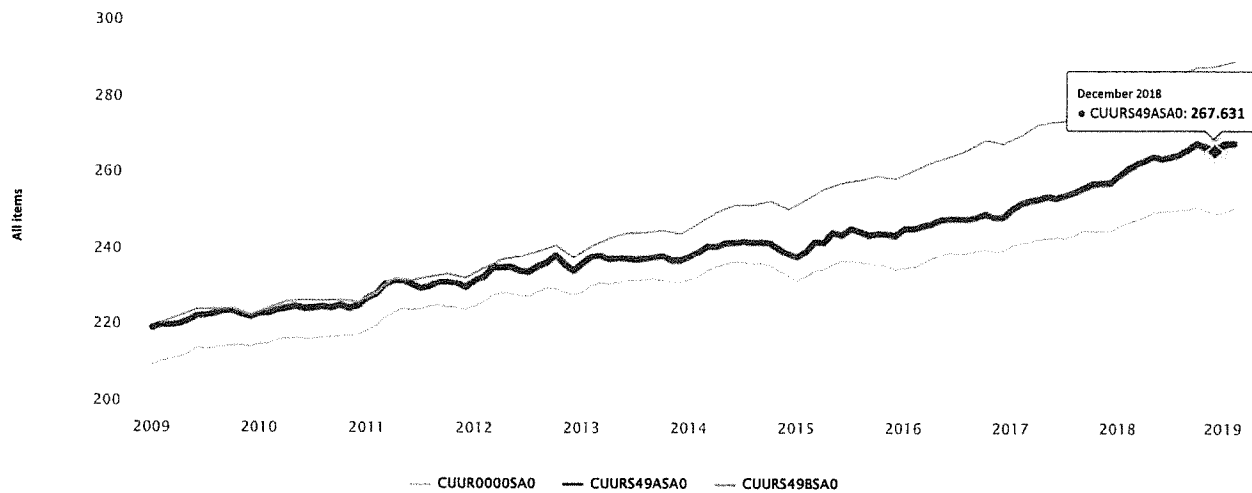
Click and drag in the plot area to zoom in. Hover over chart to view data.
Source: U.S. Bureau of Labor Statistics.





Click and drag in the plot area to zoom in. Hover over chart to view data.
Source: U.S. Bureau of Labor Statistics.





Click and drag in the plot area to zoom in. Hover over chart to view data.
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