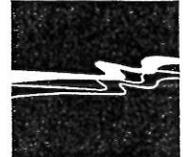


MEMORANDUM



WALLACE GROUP®

Date: April 24, 2014

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

From: Lonnie Lepore, Senior Project Analyst *ll*

Subject: Calculation of Proposed Annual CIP Increase – FY 2014-15

- CIVIL ENGINEERING
- CONSTRUCTION MANAGEMENT
- LANDSCAPE ARCHITECTURE
- MECHANICAL ENGINEERING
- PLANNING
- PUBLIC WORKS ADMINISTRATION
- SURVEYING / GIS SOLUTIONS
- WATER RESOURCES
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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 CIP data until a couple of months after the fiscal year closes.

The proposed increase would be 1.86%, equivalent to twenty-eight cents (\$0.28) per unit of benefit, to the Fire Special Tax. The increase would bring the assessment to \$15.50 per unit of benefit (FY 2013-14 approved amount was \$15.22 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 \$0.84 to \$1.40 per household.

*+ \$0.28*

|                       | United States | San Francisco CMSA | Los Angeles CMSA | <u>Average</u> |
|-----------------------|---------------|--------------------|------------------|----------------|
| Average as of Dec. 31 |               |                    |                  |                |
| 2012                  | 229.601       | 239.533            | 236.042          | 237.788        |
| 2013                  | 233.049       | 245.711            | 238.742          | 242.227        |
| % Change              | 1.50%         | 2.58%              | 1.14%            | <b>1.86%</b>   |

Note: This memo supersedes my previous memo dated 3/24/14 regarding the proposed CIP increase for FY 2014-15.

Cc: Rob Miller, Wallace Group

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