

In May 2012 the WBMD electorate approved the following measure for the General Mill Levy:

BALLOT ISSUE A:

SHALL WILLOW BROOK METROPOLITAN DISTRICT TAXES BE INCREASED \$210,000 ANNUALLY IN 2012 (REPRESENTING A TOTAL INCOME OF \$210,000 BRINGING THE DISTRICT BACK TO 2010 COLLECTIONS), AND BY THAT AMOUNT PLUS INFLATION AND LOCAL GROWTH IN EVERY YEAR THEREAFTER, OR BY SUCH LESSER ANNUAL AMOUNT AS MAY BE NECESSARY TO PAY THE DISTRICT'S OPERATIONS, MAINTENANCE, AND OTHER EXPENSES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED WITHOUT LIMITATION OF RATE OR WITH SUCH LIMITATIONS AS MAY BE DETERMINED BY THE DISTRICT BOARD, AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL INCREASE SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE DETERMINED BY THE DISTRICT BOARD; AND SHALL THE PROCEEDS OF SUCH TAXES AND INVESTMENT INCOME THEREON CONSTITUTE VOTER-APPROVED REVENUE CHANGE IN 2013 AND EACH YEAR THEREAFTER AND BE COLLECTED AND SPENT BY THE DISTRICT EACH YEAR, WITHOUT LIMITING OR AFFECTING THE COLLECTION OR EXPENDITURE OF OTHER REVENUES, AND WITHOUT REGARD TO ANY SPENDING, REVENUE-RAISING, TAX REDUCTION OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, SECTION 29-1-301, COLORADO REVISED STATUTES, OR ANY OTHER APPLICABLE LAW?

The ballot question did not specify how inflation is to be measured and implicitly left this to the board to decide. This is only proper, as indices from the Federal Government change over time and the district needs to be flexible to adjust how inflation will be measured.

In Colorado the following web site (as of June 7, 2018) gives some guidance:

<https://www.colorado.gov/pacific/dola/inflation-denver-aurora-lakewood-consumer-price-index>

The Denver-Aurora-Lakewood CPI figure is released annually near the end of February. Local governments recognize the timing of its release makes it too late for use actual numbers for annual budgetary preparation which must be completed in December. Accordingly most local governments find it necessary to use current year forecasts which are made available quarterly through both the [Governor's Office of State Planning and Budgeting \(OSPB\)](#) and the [Colorado Legislative Council](#).

Many local officials use the forecasts to calculate TABOR limitations. Doing so necessitates recalculation of limits after the release of the actual Denver-Aurora-Lakewood CPI number to compare amounts approved in the budget document and make amendments if necessary.

In January 2018, the Bureau of Labor Statistics introduced a new geographic area for the CPI. The local CPI changed from Denver-Boulder-Greeley to Denver-Aurora-Lakewood. The [Bureau](#)

[of Labor Statistics CPI](#) provides more information, and past actual numbers for the calculation of the index.

Going to the BLS web site

https://data.bls.gov/timeseries/CUURS48BSA0?amp%253bdata_tool=XGtable&output_view=data&include_graphs=true

The index CUURS48BSA0 is “relatively” new as they redefined the Denver Metro area:

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2008													209.903	208.741	211.066
2009													208.548	207.444	209.652
2010													212.447	210.978	213.916
2011													220.288	219.055	221.521
2012													224.568	222.960	226.177
2013													230.791	229.142	232.439
2014													237.200	235.736	238.664
2015													239.990	238.086	241.895
2016													246.643	245.191	248.095
2017											258.614		254.995	252.760	257.230
2018	259.907		260.595												

They put out updates every other month starting with last November.

What I propose as we have more flexibility than some government entities the following

- 1) Baseline is defined as the 2012 Annual number: 224.568
- 2) In August of each year we take May number and use that to adjust for inflation. For the sake of argument here let us use the March number. The index adjustment would therefore be $260.595/224.568$ which is 1.160. Take this number and multiply \$210,000 by it and are maximum number we can tax would be \$243,600 for fiscal year 2019.

By using the previous year’s number, we do not have to do a budget amendment in February.

The resolution therefore would look something like this

Be it resolved that for the WBMD General Fund the index of inflation shall be defined and applied as follows

- 1) The index used shall be BLS Series ID CUURS48BSA0 - non seasonally adjusted - This is the CPI-U for the Denver metro area
- 2) The baseline of the index shall be the 2012 Annual number 224.568
- 3) The current number shall be chosen of August each year and will be the last monthly entry available on Aug 1 of each year.
- 4) The multiplier against the 2012 ballot measure allowing \$210,000 shall be the ratio of the number in paragraph 3 divided by the number in paragraph 2. This will then define the maximum amount of money for the following fiscal year that the WBMD may tax on the General Fund.