

San Geronio Pass Water Agency

DATE: January 17, 2023
TO: Board of Directors
FROM: Lance Eckhart, General Manager
BY: Tom Todd, Jr., Chief Financial Officer
SUBJECT: COST OF LIVING UPDATE

This information is being presented at the request of Treasurer Chander Letulle

PREVIOUS CONSIDERATION

- Board of Directors – May 23, 2022: The Board reviewed, discussed and approved a cost-of-living adjustment (COLA) increase of 10%.

BACKGROUND

The Board considers a COLA for employees of the Agency in April or May each year, in conjunction with the consideration of the budget for the coming year. COLA is closely linked to inflation.

In May 2022, inflation was unusually high, and the Board was concerned at that time that the high level of inflation might continue through the rest of the year. This report is presented to give the Board updated information about the amount of inflation from May 2022 through November 2022 (the latest available data).

ANALYSIS

The calculation presented to the Board each year includes two indices, one for all U.S. Cities, and one for the Riverside-San Bernardino-Ontario statistical region.

For the U.S. Cities calculation, the index in May 2022 was 292.296; in November 2022 it was 297.711. The index change was 5.415, which represents a 1.85% change in seven months. Converted to an annual figure, this shows an inflationary increase of 3.2%.

For the Riverside-San Bernardino-Ontario statistical region, the index in May 2022 was 123.893; in November 2022 it was 125.983. The index change was 2.090, which represents a 1.69% change in seven months. Converted to an annual figure, this shows an inflationary increase of 2.9%.

ACTION

Staff have no recommendation.