

June 13, 2018

To: Board of Trustees
From: Mitchel R. Weinbaum, General Manager
Subject: Amended 2018-2019 Budget

Honorable Trustees:

Attached you will find the Amended Budget for the 2018-2019 fiscal year. It continues to build off the excellent work that we have undertaken over the past year to protect the public's health from mosquito-borne diseases. By increasing the frequency, quality, and overall number of avenues for our public education outreach, we have taken definitive strides toward our goal of reaching all residents throughout the District.

Financially, the District is in excellent shape thanks to our continued thanks to our continued fiscal responsibility and careful budgetary planning. Of the \$290,000 budgeted for the 2017-2018 fiscal year, the District ended the fiscal year with a \$25,000 surplus. Furthermore, while many public agencies are struggling to meet their PERS retirement obligations, the District's retirement account is 184% funded thanks to our prudent planning.

The Proposed Budget is an increase of 3.8% from the prior fiscal year for a total of \$536,700. Accounts concerning the District's Modernization Project (MP) are included in this budget as the District continues work to complete this program.

Highlights of this Proposed Budget are:

- The General Manager will receive his last pay increase, 8.27% to reach the agreed upon top tier.
- The District's Seasonal Technician has been with the District for more than 20 years and I am proposing to increase his pay 6.7% to \$20.00 per hour.
- Laundry fees have been increased to reflect actual costs.
- Maintenance of the building has been increased to fund two, one-time repairs – 1. the sign on the front of the District needs repair/replacement and 2. Construction of a cage over the fishponds for protection against birds.
- Memberships increased because of the District's membership in the National Association of City and County Health Officers.
- Professional Services decreased to reflect costs.
- To fund the Modernization Project, the yearly payment amount has been increased to reflect proposed costs.
- The District's vehicles require routine maintenance and fuel and this account is increased to reflect costs.

- The account to pay the District's legal bill relative to Assembly Bill 1290 has been deleted, this matter has been settled.

BENEFIT ASSESSMENT

Historically, the District has kept costs down by keeping equipment and materials in good working order and utilizing them correctly to ensure a long-life span such as the District's spray vehicle, a 2007 Jeep.

The prior seven years, the District has kept its benefit assessment charge at \$ 9.00 to resupply its reserve funds to proper levels to ensure that the District would be able to operate normally in case of any fiscal or public health emergency. At the end of the 2017-2018 fiscal year, the District will have approximately \$700,000 in reserves which equates to two years of operating expenses in reserves.

This year staff proposes and recommends to the Board to keep the benefit assessment charge at the same rate as the prior fiscal year to fund the District's modernization project and to ensure that, no matter the circumstance, the District will be able to perform its primary function, the protection of its residents from mosquitoes and mosquito-borne diseases.

AMENDED BUDGET 2018-2019

<u>ACCOUNT NUMBER</u>	<u>MONTHLY SALARY</u>	<u>POSITION</u>	
#6100	\$ 8,333.33 \$ 20.00 per hour	MANAGER	SEASONAL \$ 120,000.00
	MAINTENANCE and OPERATIONS	2017-2018	2018-2019
#6102	TRUSTEE FEES	\$ 6,000.00	6,000.00
#6110	FICA	8,500.00	9,200.00
#6111	HEALTH INSURANCE	1,500.00	2,400.00
#6120	WEST NILE VIRUS	10,000.00	10,000.00
#6121	UNEMPLOYMENT INSURANCE	1250.00	1,250.00
#6130	MAINTENANCE OF EQUIPMENT	1,200.00	1,200.00
#6131	LAUNDRY	3,100.00	4,200.00
#6132	MAINTENANCE of BUILDING	1,500.00	14,000.00
#6140	MEMBERSHIPS, DUES	4,700.00	5,500.00
#6141	MISCELLANEOUS	400.00	400.00
#6142	OFFICE EXPENSE	5,500.00	5,500.00
#6143	MVCAC RESEARCH FEES	500.00	500.00
#6145	PUBLIC EDUCATION	73,000.00	73,000.00
#6150	PROFESSIONAL SERVICES	49,550.00	50,300.00
#6151	DISTRICT MODERNIZATION PROJECT	132,450.00	132,450.00
#6152	DISTRICT MODERNIZATION PAYMENT	10,000.00	25,000.00
#6155	GASB 45 FUNDING	0	0

#6157	VACATION REIMBURSEMENT	3,500.00	4,000.00
#6160	INSECTICIDES	1,000.00	1,200.00
#6162	GAS, OIL & VEHICLE MAINT.	8,500.00	11,000.00
#6165	SCIENTIFIC	500.00	500.00
#6170	TAX COLLECTION EXPENSE	10,500.00	10,500.00
#6171	TRAVEL & TRANSPORTATION	21,000.00	21,000.00
#6172	UTLITIES	4,500.00	4,500.00
#6180	PERS – RETIREMENT	7,200.00	7,900.00
#6190	INSURANCE – GENERAL	13,500.00	13,000.00
#6191	INSURANCE – RETRO ADJUSTMENTS	3,000.00	1,000.00
#6195	EQUIPMENT PURCHASE	<u>0</u>	<u>0</u>
		\$ 498,050.00	\$ 536,700.00

COMPTON CREEK MOSQUITO ABATEMENT DISTRICT

ESTIMATED BUDGET 2018 – 2019

Salaries.....	\$ 120,000
Maintenance & Operations.....	241,250
Capital Outlay.....	<u>157,450</u>
	\$ 518,700

Estimated Budget & Reserves

Estimated Budget.....	\$ 518,700
Restricted Reserves.....	50,000
Assigned Reserves.....	<u>300,000</u>
	\$ 868,700

Funds to be Raised by Taxes

Estimated Budget & Reserves.....	\$ 868,700
----------------------------------	------------

Less Estimated Cash – 06/30/18.....	\$ 670,000
-------------------------------------	------------

Estimated Revenue from Property

Taxes.....	\$ 133,000
------------	------------

Amount to be raised by the

Benefit Assessment.....	\$ 207,000
-------------------------	------------

Total to be raised by taxes and

other sources.....	\$ 337,000
--------------------	------------

To continue the building of the District’s reserves and after having kept the Benefit Assessment (BA) charge the same the previous seven years, it is proposed that the BA be kept at \$9.00 per parcel this fiscal year.

Please note: The Benefit Assessment charge will vary depending upon parcel size and land usage.

#6111 HEALTH INSURANCE

The General Manager does not receive health insurance from the District. The cost of providing health insurance for the District's Seasonal Technician for the year is approximately:

\$ 400.00 – cost of premium
x 6 months
\$2,400.00 needed for the year.

#6120 WEST NILE VIRUS

This account is dedicated to any extra operational funds needed for control and surveillance of the West Nile virus. I recommend that the Board continue this funding for the foreseeable future while the West Nile virus threat is with us.

\$ 10,000 needed for the year.

#6121 UNEMPLOYMENT INSURANCE

This amount is determined by each employee's first \$7,000.00 earned in the calendar year. This amount is then multiplied by a percentage factor determined by the State's Employment Development Dept. This year's percentage factor remains the same at 6.2%.

\$ 20,000.00 – subject wages
x 6.2%
\$ 1,240.00 = \$1,250 needed for the year

#6130 MAINTENANCE OF EQUIPMENT

Anticipated expenses for the year:

Computer service	\$	500.00
Typewriter service		400.00
Copy Machine service		200.00
Spray Fogger service		<u>100.00</u>
	\$	1,200.00 – needed for the year.

#6131**LAUNDRY**

The District has a contract with Cintas through 2019. When obtaining quotes from uniform companies last year, Cintas was by far the lowest, one of the reasons being that the District has been with Cintas for so long.

Last fiscal year, the District spent \$3,800 for this account. An anticipated 10% increase in rate will bring the total to:

$$\begin{array}{r} \$ 3,800.00 \\ \times \quad 10\% \\ \hline \$ 380.00 \end{array}$$

$$\begin{array}{r} \$ 3,800.00 \\ + \quad 380.00 \\ \hline \$ 4,180.00 = \$4,200 \text{ needed for the year} \end{array}$$

#6132**MAINTENANCE OF BUILDING**

Two one-time issues need to be addressed in 2018-2019. The sign on the front of the building needs refurbishing or replacement and a bird cage needs to be constructed over the fishponds.

Sign – replacement	\$	5,000.00
Birdcage		7,500.00
Building alarm + permit		600.00
Fire bottle service		400.00
Miscellaneous		<u>500.00</u>
	\$	14,000.00

#6140**MEMBERSHIPS, DUES**

MVCAC corporate dues fluctuate each year. Dues are determined by a member's operational expenses for the prior fiscal year multiplied by a factor determined by the Association, .009%.

MVCAC Corporate membership dues	\$	2,500.00
AMCA memberships		500.00
Calif. Special District Assn.		1,100.00
NACCHO		800.00
Employees' State Health Certificates		275.00

LAFCO	<u>150.00</u>
	\$ 5,425.00 = \$5,500

#6141 MISCELLANEOUS

This account is for items or other expenditures that are not covered in the rest of the budget. The amount remains the same as last year, \$400.

#6142 OFFICE EXPENSE

Anticipated expenses for 2018-2019:

Computer supplies, programs	\$ 1,000.00
Postage	400.00
Toner for copier	700.00
Toner for printer	1,000.00
Printing/copying	600.00
Internet/Telephone	1,200.00
Bottled water	100.00
Office supplies	<u>500.00</u>
	\$ 5,500.00

#6143 MVCAC RESEARCH FEES

In 2010-2011, the Mosquito Research Program (MRP) that was supported by the State the UC was discontinued. Historically, the District has donated \$500 for research fees.

#6145 PUBLIC EDUCATION

The District will conduct school education programs at the District's eight middle schools in Compton and North Long Beach. The District will also host its 7th Mosquito Awareness Day event. The District has consultants who are now familiar with public health concerns and are a value to the District.

Printing – educational materials	\$ 7,500.00
Direct Mail Co.	15,000.00
Multi Media account support	38,000.00
Mosquito Awareness Day	7,500.00

Other undetermined materials	<u>5,000.00</u>
	\$ 73,000.00

#6150 PROFESSIONAL SERVICES

Last year, the District budgeted \$49, 500 for this account and spent \$24,000 with most the extra expenses are related to attorney fees for the District Modernization Program.

Anticipated expenses for 2018-2019:

Auditor	\$ 10,000.00
Accountant	2,400.00
Attorney, Consultant	30,000.00
Newspaper publishing	1,500.00
LA County Assessor	1,500.00
Board of Equalization	15,800.00
Training classes/webinars	500.00
CalPERS – GASB 68	700.00
Safe Deposit Box	<u>75.00</u>
	\$ 50,075.00 = \$50,300

#6151 DISTRICT MODERNIZATION PROJECT

This account is created to fund costs associated with the replacement of the District’s current HQ’s building that will not be paid for through financing.

Architectural firm	\$ 90,000.00
Office trailer rental x 6 months	3,100.00
Storage trailer rental x 6 months	1,100.00
Portable fish tank, accessories	1,000.00
Utilities, water	2,000.00
Moving company	1,500.00
Telephone installation company	500.00
Newspaper publishing	2,500.00
Secure building for pesticides **	750.00
** This cost is for the relocation of the current pesticide building	
Furniture + other interior	12,000.00
Equip. for fish pond	<u>18,000.00</u>
	\$ 132,450.00

#6152 DISTRICT MODERNIZATION PAYMENT

This account is created to budget for the cost of repayment of the loan that the District’s will take out to complete the modernization project. Cost per

year will be \$25,000.

#6155 GASB 45 FUNDING ACCOUNT

This account is created to accommodate the funding of this GASB 45 – future retiree and employee health insurance costs. The District pre-funded this account and no amount will be needed this fiscal year.

#6157 VACATION & SICK LEAVE REIMBURSEMENT

This account is dedicated to paying for unused vacation and/or sick leave for the District's General Manager as per the District's Policy Manual. District policy is to buy back vacation and sick leave hours at half-rate \$4,000 is needed for the year.

#6160 INSECTICIDES

Last year, the District spent \$979. The cost of pesticide expenses will be same as the prior fiscal year \$ 1,200

#6162 GAS, OIL & VEHICLE MAINTENANCE

The price of fuel and oil fluctuates rapidly. The District vehicles are maintained regularly so that they function properly and safely. Still, there are unforeseen circumstances, breakdowns, tires, etc... In November, cost of fuel will increase \$.12 per gallon

Last year, the District budgeted \$8,500 on this account and spent \$9,598. This year, staff proposes a 10% increase to \$11,000.00.

#6165 SCIENTIFIC EXPENSES

The District will again perform surveillance operations this year. Shipping materials, equipment to operate the mosquito traps, materials to test dead birds are some of the regular supplies that will be needed throughout the mosquito breeding season. \$500 will be needed to fund this account.

#6170 TAX COLLECTION EXPENSE

Last year the County charged \$10,381 for Tax Collection expenses. This year this account should remain the same to reflect costs, \$10,500 is needed for this account.

#6171 TRAVEL & TRANSPORTATION

The District belongs to four organizations, the Mosquito & Vector Control Association of California, (MVCAC), the American Mosquito Control Association,

(AMCA), the California Special District Association, (CSDA) and the National Association of City and County Health Officers (NACCHO). For members to travel to any of these organizations annual conferences, by policy, the travel amount allocated to each member is \$3,500 per person.

Anticipated travel for 2018-2019:

July 10-12, 2018	NACCHO Annual Conference, New Orleans
Sept 24-27, 2018	CSDA Annual Conference Indian Wells
Oct. 31-Nov 2, 2018	MVCAC BoD, TBD
Feb. 4-5, 2019	MVCAC Annual Conference Burlingame
TBD 2019	AMCA Annual Conference Florida
April 2019	MVCAC Legislative Day Sacramento
May, 2019	AMCA Legislative Days Washington DC
April, 2019	MVCAC BoD TBD

#6172 UTILITIES

Last year, the District budgeted \$4,500 with \$3,709 being spent. This account will remain the same. \$4,500 is needed for this account.

#6180 PERS – RETIREMENT

As per CalPERS, the District’s contribution rate for 2018-2019 will be 8% of affected payroll. To help offset Social Security, \$133.33 is deducted from payroll and contribution amount is calculated accordingly.

\$ 8,333.33

- 133.33

\$ 8,200.00

\$ 8,200.00

X 8%

\$ 656.00 X 12 months = \$7872.00 = \$7,900.00

#6190 INSURANCE – GENERAL

The costs of the District’s insurance policies for 2018-2019 premiums are anticipated to be:

Workers Compensation	\$	5,601
Liability		2,554
Auto Physical Damage		150
Property		284
General Fund		<u>4,251</u>
	\$	12,840 – 13,000 needed for the year

#6191 INSURANCE – RETROSPECTIVE ADJUSTMENTS

The District’s insurance, Vector Control Joint Powers Agency (VCJPA,) after annual actuary valuations performed, will be requiring all members to pay for retrospective adjustments for the prior years. This is the first time in many years the VCJPA will be asking members for funds.

\$ 1,000 needed for this account

#6195 EQUIPMENT PURCHASE

No equipment purchase anticipated for the year