

June 12, 2019

To: Board of Trustees
From: Mitchel R. Weinbaum, General Manager
Subject: Amended 2019-2020 Budget

Honorable Trustees:

Attached you will find the proposed budget for fiscal year 2019-2020. This proposed budget continues to build on the work that the District has undertaken in the past year to protect the public's health from mosquito-borne diseases. The District's public education campaign, its number one resource, continues to expand, more presentations have been conducted in the District, increased social media awareness, new coloring and student activities books have been created for students and a larger District-sponsored community event are planned for in this proposed budget.

Financially, the District is in good shape thanks to sound fiscal responsibility and careful budget planning. Fiscal year 2018-2019 finished with a \$47,000 surplus and the District has no outstanding unfunded liabilities. The District's CalPERS retirement account is 184% funded and the Other Post Retirement Benefits (OPEB), namely health insurance for retirees is 155% funded.

This proposed budget is decreased 13% from the 2018-2019 amended budget due to a halt to the District's Modernization project and its anticipated accompanying expenditures.

Notable accounts of the proposed budget:

- A pay increase for the General Manager and the District's Seasonal Technician.
- Maintenance of the building has increased due to planned renovation of the District backyard which will entail removing two unused fishponds, repairing the drainage system of the working fishpond, resurfacing the remaining portion and constructing a bird exclusion cage over the working fishpond.
- Public Education has been increased to reflect planned and unplanned events. The District Mosquito/Earth Day Festival will continue to grow.
- District insurance increased 3.95%
- Many accounts were lowered to reflect actual spending.
- Vehicle Maintenance has been lowered to reflect lowered maintenance costs due to the newer fleet of District vehicles.

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 2007 Jeep spraying vehicle.

The prior eight years, the District has kept its Benefit Assessment charge at \$9.00 per parcel to resupply its reserve fund to proper levels to help ensure that the District would be able to function in protecting the health of its residents from mosquito-borne diseases. At the end of fiscal year 2018-2019, the District will have approximately \$685,000 cash on hand, approximately one and one-half years of operating revenue.

This year staff proposes and recommends to the Board to keep the benefit assessment charge the same as the previous fiscal year, \$9.00.

PROPOSED BUDGET 2019-2020

<u>ACCOUNT NUMBER</u>	<u>MONTHLY SALARY</u>	<u>POSITION</u>
#6100	\$ 9,166.66 \$ 21.00 per hour	MANAGER SEASONAL \$ 131,000.00

	MAINTENANCE and OPERATIONS	2018-2019	2019-2020
#6102	TRUSTEE FEES	\$ 6,000.00	6,000.00
#6110	FICA	9,200.00	10,800.00
#6111	HEALTH INSURANCE	2,400.00	2,400.00
#6120	WEST NILE VIRUS	10,000.00	10,000.00
#6121	UNEMPLOYMENT INSURANCE	1,250.00	1,250.00
#6130	MAINTENANCE OF EQUIPMENT	1,200.00	1,000.00
#6131	LAUNDRY	4,200.00	3,500.00
#6132	MAINTENANCE of BUILDING	14,000.00	52,000.00
#6140	MEMBERSHIPS, DUES	5,500.00	6,400.00
#6141	MISCELLANEOUS	400.00	400.00
#6142	OFFICE EXPENSE	5,500.00	4,800.00
#6143	MVCAC RESEARCH FEES	500.00	500.00
#6145	PUBLIC EDUCATION	73,000.00	130,500.00
#6150	PROFESSIONAL SERVICES	50,300.00	48,000.00
#6151	DISTRICT MODERNIZATION PROJECT	132,450.00	00
#6152	DISTRICT MODERNIZATION PAYMENT	10,000.00	00

#6155	GASB 45 FUNDING	0	0
#6157	VACATION REIMBURSEMENT	4,000.00	4,000.00
#6160	INSECTICIDES	1,200.00	1,200.00
#6162	GAS, OIL & VEHICLE MAINT.	11,000.00	8,500.00
#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	7,900.00	9,500.00
#6190	INSURANCE – GENERAL	13,000.00	13,500.00
#6191	INSURANCE – RETRO ADJUSTMENTS	1,000.00	1,000.00
#6195	EQUIPMENT PURCHASE	<u>0</u>	<u>0</u>
		\$ 536,700.00	\$ 351,750.00

COMPTON CREEK MOSQUITO ABATEMENT DISTRICT

ESTIMATED BUDGET 2019 – 2020

Salaries.....	\$ 131,000
Maintenance & Operations.....	352,250
Capital Outlay.....	<u>0</u>
	\$ 483,250

Estimated Budget & Reserves

Estimated Budget.....	\$ 483,250
Restricted Reserves.....	50,000
Assigned Reserves.....	<u>300,000</u>
	\$ 833,250

Funds to be Raised by Taxes

Estimated Budget & Reserves.....	\$ 833,250
Less Estimated Cash – 06/30/18.....	\$ 685,000
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.....	\$ 285,000

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

#6100

SALARIES

A 10% increase is proposed for the General Manager. The District’s Seasonal Technician has worked for the District for more than twenty years. Staff is proposing a 5% increase to \$21 per hour.

General Manager:	\$ 8,333.33 per month	
	<u>x 10%</u>	
	\$ 833.33	
	\$ 8,333.33	\$ 9,166.66
	<u>+ 833.33</u>	<u>x 12 months</u>
	\$ 9,166.66 per month	\$ 109,999.92
Seasonal:	\$ 20.00 per hour	\$ 21.00
	<u>x 5%</u>	<u>x 990 hours</u>
	\$ 1.00	\$20,790.00
	\$ 20.00	
	<u>+ 1.00</u>	
	\$ 21.00	
Total:	\$ 109,999.92	
	<u>+ 20,790.00</u>	
	\$130,789.92 = total for the year, rounded off to \$131,000	

#6102

TRUSTEE FEES

California Health & Safety Code, Section 2030 reads as follows:

- (a) The members of the board of trustees shall serve without compensation.
- (b) The members of the board of trustees may receive their actual and necessary travelling and incidental expenses incurred while on official business. In lieu of paying for actual expenses, the board of trustees may by resolution provide for the allowance and payment to each trustee a sum not to exceed one hundred dollars (\$100) per month for expenses incurred while on official business. A trustee may waive the payments permitted by this subdivision.
- (c) Notwithstanding subdivision (a), the secretary of the board of trustees may receive compensation in an amount determined by the board of trustees.

(d) Reimbursement for these expenses is subject to Sections 53232.2 and 53232.3 of the Government Code.

\$6000 is needed for this account.

#6110

FICA

This amount is dependent on employees and Trustee salaries. Employers are federally obligated to pay 7.65% of all employee salaries to this fund.

$$\begin{array}{r} \$ 141,000.00 \\ \times \quad 7.65\% \\ \hline \$ 10,786.50 = \text{rounded to } \$10,800 \end{array}$$

#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:

$$\begin{array}{r} \$ 400.00 - \text{cost of premium} \\ \times \quad \underline{6 \text{ months}} \\ \hline \$2,400.00 \text{ needed for the year.} \end{array}$$

#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%.

$$\begin{array}{r} \$ 20,000.00 - \text{subject wages} \\ \times \quad \underline{6.2\%} \\ \hline \$ 1,240.00 = \$1,250 \text{ needed for the year} \end{array}$$

#6130 MAINTENANCE OF EQUIPMENT

Anticipated expenses for 2019-2020:

Computer service	\$	400.00
Typewriter service		400.00
Copy Machine service		100.00
Spray Fogger service		<u>100.00</u>
	\$	1,000.00 – needed for the year

#6131 LAUNDRY

The District has a contract with Cintas through 2024. 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 \$3,217 for this account. An anticipated 7% increase in rate will bring the total to:

$$\begin{array}{r} \$ 3,217.00 \\ \times \quad 7\% \\ \hline \$ 225.19 \end{array}$$

$$\begin{array}{r} \$ 3,217.00 \\ + \quad 225.19 \\ \hline \$ 3,442.19 = \text{rounded to } \$3,500 \text{ needed for the year} \end{array}$$

#6132 MAINTENANCE OF BUILDING

Two one-time issues need to be addressed in 2019-2020. The sign on the front of the building needs refurbishing or replacement and a reconfiguration of the backyard including a bird exclusion cage needs to be constructed over the fishpond.

Sign – replacement	\$	2,000.00
Birdcage		30,000.00
Building alarm + permit		600.00
Fire bottle service		400.00
Fish food		500.00
Miscellaneous		<u>500.00</u>
	\$	52,000.00 needed for the year

#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	\$	3,300.00
AMCA memberships		500.00
Calif. Special District Assn.		1,400.00
NACCHO		800.00
Employees’ State Health Certificates		275.00
LAFCO		<u>150.00</u>
	\$	6,375.00 = \$6,400

#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 2019-2020:

Computer supplies, programs	\$	500.00
Postage		400.00
Toner for copier		300.00
Toner for printer		1,200.00
Printing/copying		600.00
Internet/Telephone		1,200.00
Bottled water		100.00
Office supplies		<u>500.00</u>
	\$	4,800.00

#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 8th Mosquito/Earth Day event. The District has 2 consultants who are now familiar with public health concerns and are a value to the District.

Printing – educational materials	\$	2,500.00
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Direct Mail Co.	15,000.00
Multi Media account support/consultants	60,000.00
Mosquito/Earth Day	70,000.00
Other undetermined materials	<u>1,000.00</u>
	\$ 138,500.00

#6150 PROFESSIONAL SERVICES

Last year, the District budgeted \$49,500 for this account and spent \$32,500. One-time costs associated with the District annexation plan are included in the account.

Anticipated expenses for 2019-2020:

Auditor	\$ 10,000.00
Accountant	2,400.00
Attorney, Consultant	15,000.00
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	1000.00
Safe Deposit Box	<u>75.00</u>
	\$ 47,750.00 = \$48,000

#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 has two new vehicles that are maintained regularly so that they function properly and safely. Still, there are unforeseen circumstances, breakdowns, tires, etc...

Last year, the District budgeted \$8,500 on this account and spent \$6,700. This year, staff proposes the same amount as last fiscal year

#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 2019-2020:

July 9-12, 2019	NACCHO Annual Conference, Orlando, FL
Sept 24-27, 2019	CSDA Annual Conference Anaheim Marriott
Oct. 31-Nov 2, 2019	MVCAC BoD, Emeryville, CA
Feb. 4-5, 2020	MVCAC Annual Conference Mission Bay, San Diego
Feb 26-Mar 1, 2020	AMCA Annual Conference Portland, OR
April 2020	MVCAC Legislative Day Sacramento
May, 2020	AMCA Legislative Days Washington DC

#6172

UTILITIES

Last year, the District budgeted \$4,500 with \$3,609 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 2019-2020 will be 8.665% of affected payroll. To help offset Social Security, \$133.33 is deducted from payroll and contribution amount is calculated accordingly.

\$ 9,166.66

- 133.33

\$ 9,033.33

\$ 9,033.33

X 8.665%

\$ 782.74 X 12 months = \$9,392.86 = \$9,500.00 for the year

#6190

INSURANCE – GENERAL

The costs of the District’s insurance policies for 2019-2020 premiums are:

Workers Compensation	\$	5,904	
Liability		3,076	
Auto Physical Damage		150	
Property		266	
General Fund		<u>3,974</u>	
	\$	13,370	=13,500 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