

May 5, 2016

To: Board of Trustees
From: Mitchel R. Weinbaum, General Manager
Subject: Amended 2016-2017 Budget

Honorable Trustees:

I herewith present the Proposed Budget for fiscal year 2016-2017. As always, through uncertain fiscal times within all levels of government, the District has been able to provide all vital resources in the protection of the public's health from mosquito-borne diseases and have increased public awareness/education efforts in the District while keeping the cost to the taxpayer to a minimum.

This 2016-2017 Proposed Budget is increased by 46% from the 2015-2016 Amended Budget and this is due to pay for costs associated with the District's modernization project such as costs for the architect, temporary trailers for District employees to work from and other items explained in the line items under this new line item, District Modernization Project. Also included is the cost associated with financing this project. Excluding the costs for the modernization project, the District's operational budget stayed virtually the same as the prior year. Adjustments in some of line items in the budget have been amended to reflect actual costs to the District.

Highlights from this Proposed Budget are:

- A 10% pay increase for the General Manager
- A 5% increase for the District's Seasonal Technician
- A decrease in building maintenance because of the modernization project
- Memberships & Dues will increase this year. Dues are calculated on agencies expenditures during the fiscal year and the District's will be substantially higher because of costs associated with the modernization project.
- Professional services is increased due to the modernization project.
- Travel & Transportation will decrease due to all association conferences being held in San Diego this fiscal year.

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.

The prior three years, the District has kept its benefit assessment charge at \$ 9.00to resupply its reserve funds to proper levels to ensure that the District would be able to operate normally in case of any fiscal emergency. At the end of the 2015-2016 fiscal year, the District will have approximately \$475,000 in reserves which equates to almost 1 ½ years of reserves.

This year I propose and recommend 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.

AMENDED BUDGET 2016-2017

<u>ACCOUNT NUMBER</u>	<u>MONTHLY SALARY</u>	<u>POSITION</u>	
#6100	\$ 7,026.92 \$ 17.85 per hour	MANAGER	SEASONAL \$ 102,000.00
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	MAINTENANCE and OPERATIONS	2015-2016	2016-2017
#6102	TRUSTEE FEES \$	6,000.00	6,000.00
#6110	FICA	7,700.00	7,800.00
#6111	HEALTH INSURANCE	1,500.00	1,500.00
#6120	WEST NILE VIRUS	25,000.00	10,000.00
#6121	UNEMPLOYMENT INSURANCE	1000.00	1,250.00
#6130	MAINTENANCE OF EQUIPMENT	1,200.00	1,150.00
#6131	LAUNDRY	2,750.00	2,700.00
#6132	MAINTENANCE of BUILDING	2,450.00	1,300.00
#6140	MEMBERSHIPS, DUES	3,900.00	5,600.00
#6141	MISCELLANEOUS	400.00	400.00
#6142	OFFICE EXPENSE	7,100.00	9,600.00
#6143	MVCAC RESEARCH FEES	1,500.00	500.00
#6145	PUBLIC EDUCATION	57,000.00	52,000.00
#6150	PROFESSIONAL SERVICES	19,650.00	27,350.00
#6151	DISTRICT MODERNIZATION PROJECT	0	132,450.00
#6152	DISTRICT MODERNIZATION PAYMENT		20,000.00
#6155	GASB 45 FUNDING	0	0

#6157	VACATION REIMBURSEMENT	3,500.00	3,200.00
#6160	INSECTICIDES	1,000.00	600.00
#6162	GAS, OIL & VEHICLE MAINT.	8,500.00	7,500.00
#6165	SCIENTIFIC	1,000.00	500.00
#6170	TAX COLLECTION EXPENSE	11,000.00	10,500.00
#6171	TRAVEL & TRANSPORTATION	21,000.00	21,000.00
#6172	UTLITIES	3,500.00	4,800.00
#6180	PERS – RETIREMENT	5,000.00	6,500.00
#6190	INSURANCE – GENERAL	11,500.00	12,000.00
#6191	INSURANCE – RETRO ADJUSTMENTS	. 0	0
#6195	EQUIPMENT PURCHASE	<u>0</u>	<u>0</u>
		\$ 299,500.00	\$ 448,200.00

#6100

SALARIES

A 10% increase is proposed for the General Manager.
The Seasonal Technician has not had a pay increase in three years. A 5% Increase is proposed.

General Manager:	\$ 6,388.11 per month	
	<u>x 10%</u>	
	\$ 638.81	
	\$ 6,388.11	\$ 7,026.92
	<u>\$ + 638.81</u>	<u>x 12 months</u>
	\$ 7026.92 per month	\$84,323.04
Seasonal:	\$ 17.00 per hour	\$ 17.85
	<u>x 5%</u>	<u>x 990 hours</u>
	.85	\$ 17,671.50
Total:	\$ 84,323.92	
	<u>+ 17,671.50</u>	
	\$101,944.54 = \$ 102,000 needed for the year	

#6102

TRUSTEE FEES

Per State Law, Trustees are paid \$100.00 per month in lieu of expenses.
Five Trustees equals \$6,000 for the year.

#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.

\$ 101,944.54
<u>x 7.65%</u>
\$ 7,798.75 - = \$7,800.00 needed for the year

#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:

\$ 250.00 – cost of premium
x 6 months
\$1,500.00 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 increases from 3.1% to 6.2%.

\$ 20,000.00 – subject wages
x 6.2%
\$ 1,240.00 = \$1250.00 needed for the year

#6121

MUNICIPAL BOND REPAYMENT

This account is created to budget for the cost of repayment of the municipal bonds that were sold for the District’s restructuring project. Cost per year will be \$ 20,000

#6130

MAINTENANCE OF EQUIPMENT

Anticipated expenses for 2016-2017:

Computer service \$ 750.00
Typewriter service 200.00
Copy Machine service 200.00
\$ 1,150.00 – needed for the year

#6131 LAUNDRY

The District has a contract with Cintas through 2016. 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 year the District spent \$2,435 on uniforms. This year we anticipate a regular 7% increase in rates again this year. \$2,700 needed for the year

#6132 MAINTENANCE OF BUILDING

Anticipated expenses for 2016-2017:

Building alarm + permit	600.00
Fire bottle service	200.00
Miscellaneous	<u>500.00</u>
	\$ 1,300.00

#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	\$ 3,800.00
AMCA memberships	500.00
Calif. Special District Assn.	1000.00
Employees' State Health Certificates	250.00
LAFCO	<u>75.00</u>
	\$ 5,625.00

\$ 5,600 needed for the year

#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 2016-2017:

Computer supplies, programs	\$3,500.00
Postage	400.00
Toner for copier	700.00
Toner for printer	1,300.00
Printing/copying	600.00
Internet/Telephone	2,500.00
Bottled water	100.00
Office supplies	<u>500.00</u>
	\$ 9,600.00

#6143**MVCAC RESEARCH FEES**

In 2010-2011, the Mosquito Research Program (MRP) that was supported by the State and the UC was discontinued. Historically, the District normally gives \$500 to the MRP 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 fourth Mosquito Awareness Day event. This account includes a social media management company to manage its media outlets.

Printing – educational materials	\$ 10,000.00
Direct Mail Co.	23,000.00
Multi Media account support	12,000.00
Mosquito Awareness Day	6,000.00
Other undetermined materials	<u>1,500.00</u>
	\$ 52,000.00

#6150**PROFESSIONAL SERVICES**

Last year, the District budgeted \$19, 650 for this account and spent \$14,142

Anticipated expenses:

Auditor	\$	8,500.00
Accountant		2,400.00
Attorney, Consultant		15,000.00
Training classes/webinars		200.00
Case Anywhere		480.00
CalPERS valuation		700.00
Safe Deposit Box		<u>50.00</u>
	\$	<u>27,330.00 = 27,350</u>

#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>
	\$	<u>132,450.00</u>

#6152**DISTRICT MODERNIZATION PAYMENT**

This account is created to separate the repayment for the sale of the Municipal Bonds that will fund the modernization project with all other accounts. Cost of repayment each year will be approximately \$20,000.

#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.

#6160 INSECTICIDES

Last year, the District spent \$650. The cost of pesticide expenses will be same as the prior fiscal year \$ 1,000

#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...

Last year, the District budgeted \$8,500 on this account and spent \$6,246. This year, I propose to lower this account to \$7,500.00.

#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 \$10,378 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 three organizations, the Mosquito & Vector Control Association of California, (MVCAC), the American Mosquito Control Association, (AMCA) and the California Special District Association, (CSDA). For members to travel to any or all of these organizations annual conferences, by policy, the travel amount allocated to each member is \$3,500 per person.

Anticipated travel for 2016-2017:

July 23, 2015	MVCAC Summer Board of Directors (BoD), Santa Ana
Oct 10-13, 2016	CSDA Annual Conference Sheraton San Diego
Oct. 26-27, 2016	MVCAC BoD, Embassy Suites, Seaside
Feb. 12-16, 2017	AMCA Annual Conference Town & Country, San Diego
Mar. 26-29, 2017	MVCAC Annual Conference Hyatt Regency, San Diego
April 2017	AMCA Legislative Days Wash DC
May, 2017	MVCAC Legislative Day Sacramento
Apr. 30-May 2, 2016	MVCAC BoD To be Determined

#6172

UTILITIES

Last year, the District budgeted \$3,500 with \$4,316 being spent. This account needs to increase to reflect current usage. \$4,800 is needed for this account.

#6180

PERS – RETIREMENT

As per CalPERS, the District's contribution rate for 2016-2017 will be 7.809 of affected payroll. To help offset Social Security, \$133.33 is deducted from payroll and contribution amount is calculated accordingly.

\$ 7,026.92
 - 133.33
 \$ 6,893.59

 \$ 6,893.59

x 7.809 contribution rate
 \$ 538.32 per month

 \$ 538.32
 x 12 months
 \$ 6,459.84 = \$6,500.00 needed for the year

#6190 INSURANCE – GENERAL

The costs of the District’s insurance policies for 2015-2016 premiums are anticipated to be:

Workers Compensation	\$	4,475	
Liability		2,248	
Auto Physical Damage		0	
Property		836	
General Fund		<u>4,441</u>	
	\$		12,000 needed for the year

#6191 INSURANCE – RETROSPECTIVE ADJUSTMENTS

The District has sufficient funds in its account with the Vector Control Joint Powers Agency (VCJPA) to cover any adjustments.

#6195 EQUIPMENT PURCHASE

No equipment purchase anticipated for the year