

June 15, 2015

To: Board of Trustees
From: Mitchel R. Weinbaum, General Manager
Subject: Amended 2015-2016 Budget

Honorable Trustees:

I herewith present the Proposed Budget for fiscal year 2015-2016. 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 2015-2016 Proposed Budget is decreased 5% from the 2014-2015 fiscal year and this is due to adjustments in some of line items in the budget to reflect actual costs to the District.

Highlights from this Proposed Budget are:

- A 5% pay increase for the General Manager
- Lower costs in memberships and dues to better reflect actual costs
- Lower costs associated with the District's National Pollution Discharge Elimination System (NPDES) permit
- Lower costs associated with travel and transportation because of District policy

BENEFIT ASSESSMENT

Historically, the District has kept costs down by keeping equipment and materials in good working and utilizing them correctly to ensure long life.

The prior two years, the District increased its benefit assessment charge to 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 2014-2015 fiscal year, the District will have approximately \$495,000 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 continue to replenish the District reserves to an amount 2 ½ to three times the District's operating budget.

AMENDED BUDGET 2015-2016

| <u>ACCOUNT NUMBER</u> | <u>MONTHLY SALARY</u> | <u>POSITION</u> | |
|-----------------------|-----------------------|-----------------|--------------|
| #6100 | \$ 6,388.11 | | MANAGER |
| | \$ 17.00 per hour | | SEASONAL |
| | | | \$ 93,100.00 |

| | MAINTENANCE and OPERATIONS | 2014-2015 | 2015-2016 |
|-------|----------------------------|-----------|-----------|
| #6102 | TRUSTEE FEES \$ | 6,000.00 | 6,000.00 |
| #6110 | FICA | 7,700.00 | 7,700.00 |
| #6111 | HEALTH INSURANCE | 1,500.00 | 1,500.00 |
| #6120 | WEST NILE VIRUS | 25,000.00 | 25,000.00 |
| #6121 | UNEMPLOYMENT INSURANCE | 750.00 | 1,000.00 |
| #6130 | MAINTENANCE OF EQUIPMENT | 1,200.00 | 1,200.00 |
| #6131 | LAUNDRY | 2,750.00 | 2,500.00 |
| #6132 | MAINTENANCE of BUILDING | 2,450.00 | 2,450.00 |
| #6140 | MEMBERSHIPS, DUES | 4,800.00 | 3,900.00 |
| #6141 | MISCELLANEOUS | 400.00 | 400.00 |
| #6142 | OFFICE EXPENSE | 7,100.00 | 7,100.00 |
| #6143 | MVCAC RESEARCH FEES | 1,500.00 | 1,500.00 |
| #6145 | PUBLIC EDUCATION | 55,000.00 | 57,000.00 |
| #6150 | PROFESSIONAL SERVICES | 19,750.00 | 19,650.00 |
| #6155 | GASB 45 FUNDING | 0 | 0 |
| #6156 | LAUSD LAWSUIT | 6,000.00 | 6,000.00 |
| #6160 | INSECTICIDES | 1,000.00 | 600.00 |

| | | | |
|-------|-------------------------------|---------------|---------------|
| #6161 | NPDES | 1,450.00 | 600.00 |
| #6162 | GAS, OIL & VEHICLE MAINT. | 8,500.00 | 8,500.00 |
| #6165 | SCIENTIFIC | 1,000.00 | 1,000.00 |
| #6170 | TAX COLLECTION EXPENSE | 11,000.00 | 11,000.00 |
| #6171 | TRAVEL & TRANSPORTATION | 30,000.00 | 21,000.00 |
| #6172 | UTILITIES | 3,500.00 | 3,500.00 |
| #6180 | PERS – RETIREMENT | 5,000.00 | 5,800.00 |
| #6190 | INSURANCE – GENERAL | 11,000.00 | 11,500.00 |
| #6191 | INSURANCE – RETRO ADJUSTMENTS | . 0 | 0 |
| #6195 | EQUIPMENT PURCHASE | <u>0</u> | <u>0</u> |
| | | \$ 308,350.00 | \$ 299,500.00 |

#6100

SALARIES

A 5% increase is proposed for the General Manager.
The Seasonal Technician salary remains the same. .

| | | |
|------------------|-----------------------|--------------------|
| General Manager: | \$ 6,083.91 per month | |
| | <u>x 5%</u> | |
| | 304.20 | |
| | 6,083.91 | \$ 6,388.11 |
| | <u>+ 304.20</u> | <u>x 12 months</u> |
| | 6,388.11 per month | \$76,657.32 |

| | |
|-----------|--------------------|
| Seasonal: | \$ 17.00 per hour |
| | <u>x 990 hours</u> |
| | \$ 16,830.00 |

| | |
|--------|--|
| Total: | \$ 76,657.32 |
| | <u>+ 16,830.00</u> |
| | \$ 93,037.32 = total for the year, rounded off to 93,100 |

#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.

| |
|--|
| \$ 99,500.00 |
| <u>x 7.65%</u> |
| \$ 7,611.00 - = \$7,700.00 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.

\$ 25,000 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 5.0%.

\$ 20,000.00 – subject wages
x 5%
\$ 1,000.00 = needed for the year

#6130 MAINTENANCE OF EQUIPMENT

Anticipated expenses for the year:

| | | |
|----------------------|----|--------------------------------|
| Computer service | \$ | 500.00 |
| Typewriter service | | 200.00 |
| Copy Machine service | | 200.00 |
| Spray Fogger service | | <u>300.00</u> |
| | \$ | 1,200.00 – 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 \$2,200 on uniforms. This year we anticipate a regular 7% increase in rates again this year.

\$2,500 needed for the year

#6132 MAINTENANCE OF BUILDING

Anticipated expenses for 2015-2016:

| | |
|-------------------------|---------------|
| Resurface fish pond. | 500.00 |
| Tools | 300.00 |
| Building alarm + permit | 600.00 |
| Trash dumpster | 150.00 |
| Fire bottle service | 400.00 |
| Miscellaneous | <u>500.00</u> |
| | \$ 2,450.00 |

#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 | \$ 2,100.00 |
| AMCA memberships | 500.00 |
| Calif. Special District Assn. | 700.00 |
| Employees' State Health Certificates | 250.00 |
| LAFCO | <u>350.00</u> |
| | \$ 3,900.00 |

#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 this year are:

| | |
|-----------------------------|------------|
| Computer supplies, programs | \$1,000.00 |
| 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> |
| | \$ 7,200.00 |

#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 normally gives \$1,500 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 third Earth Day/Mosquito Awareness Day event. The District needs a social media management company to manage its media outlets.

| | |
|----------------------------------|-----------------|
| Printing – educational materials | \$ 10,000.00 |
| Direct Mail Co. | 15,000.00 |
| Multi Media account support | 24,000.00 |
| Earth Day/Mosquito Awareness Day | 5,000.00 |
| Other undetermined materials | <u>3,000.00</u> |
| | \$ 57,000.00 |

#6150 PROFESSIONAL SERVICES

Last year, the District budgeted \$19, 750 for this account and spent \$13,200

Anticipated expenses:

| | |
|---------------------------|--------------|
| Auditor | \$ 8,000.00 |
| Accountant | 2,400.00 |
| Attorney, Consultant | 7,500.00 |
| Cooperative Agreement | 1,000.00 |
| Training classes/webinars | 1,200.00 |
| Case Anywhere | 480.00 |
| Safe Deposit Box | <u>50.00</u> |
| | \$ 20,630.00 |

#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 is needed.

**#6156 LOS ANGELES UNIFIED SCHOOL DISTRICT (LAUSD)
LAWSUIT FEES**

This account is created to address the amount of money that the District is liable for concerning the lawsuit from the LAUSD concerning over paid redevelopment funds. The amount the District is liable for is \$5,700, rounded off, \$6,000.

#6160 INSECTICIDES

The cost of pesticides has risen due to inflation, anticipated expenses \$ 1,000

#6161 NATIONAL POLLUTION DISCHARGE ELIMINATION SYSTEM

This account is created to accommodate potential costs that could be associated with this account:

| | | |
|--|----|-----------------|
| State Water Resources Control Board permit fee | \$ | 500.00 |
| MVCAC Coalition dues | | <u>+ 100.00</u> |
| | | 600.00 |

#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 \$6,127. This year, I propose to keep this account at \$8,500.00.

#6165 SCIENTIFIC EXPENSES

The District will begin to perform surveillance operations this year. An entomologist will be needed to identify mosquitoes. 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.

\$1,000 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 be lowered to reflect costs, \$11,000 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, the travel amount allocated to each member is \$3,500 per person.

Anticipated travel for 2015-2016:

| | |
|----------------------|--|
| July 23, 2015 | MVCAC Summer Board of Directors (BoD), Sacramento |
| Sept. 29-Oct 2, 2015 | CSDA annual conference Palm Springs |
| Oct. 29-30, 2015 | MVCAC BoD, Embassy Suites, San Diego |
| Feb. 28-Mar 2 2016 | MVCAC Annual Conference Hyatt Regency, Sacramento |
| Mar. 29- Apr 2, 2016 | AMCA Annual Conference Savannah, GA |
| May 2016 | AMCA Legislative Days Wash DC |
| April 2016 | MVCAC Legislation Committee, Sacramento |
| April 2016 | MVCAC Legislative Day Sacramento |
| Apr. 30-May 2, 2016 | MVCAC BoD Embassy Suites, San Diego |

\$ 3,500
 x 6
 \$ 21,000 needed for the year

#6172 UTILITIES

Last year, the District budgeted \$3,500 for this account, with a total of \$3,000 being spent. The Manager proposes to keep this account the same amount.

#6180 PERS – RETIREMENT

This fiscal year, the District's retirement contribution rate will be 7.51% of affected payroll.

\$ 6,388.11
 x 7.51% contribution rate
 \$ 479.80 per month

 \$ 479.80
 x 12 months
 \$ 5757.60 = needed for the year, rounded off to \$5,800.00

#6190 INSURANCE – GENERAL

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

| | | |
|----------------------|----|--------------------------------|
| Workers Compensation | \$ | 4,494 |
| Liability | | 2,036 |
| Auto Physical Damage | | 0 |
| Property | | 247 |
| General Fund | | <u>4,691</u> |
| | \$ | 11,468 = rounded off to 11,500 |

This is an increase of 7.44% from the previous 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.