

Marin/Sonoma Mosquito & Vector Control District

Board of Trustees
595 Helman Lane
Cotati, CA 94931

April 10, 2019

MINUTES

1. **CALL TO ORDER**

President McCaffery called the meeting to order at 7:00 pm.

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL**

Members present:

Ackerman, Bruce

Blair, Ken

Bloom, Gail

Davis, Tamara

Deicke, Art *arrived at 7:01*

Gallian, Laurie

Giovanatto, Carol

Glass, Una

Hootkins, Susan

Khush, Ranjiv

Kinser, Alannah

Rowland Jr., Herb

Sagues, Paul

Schulze, Ed

Snyder, Richard

McCaffery, Shaun

Members absent:

Harlem, Pamela

Naythons, Matthew

Thompson, Michael

Witt, David

Open seats: Corte Madera, Cotati, one Marin Co. at Large and one Sonoma County at Large

Others present:

Phil Smith, District Manager

Erik Hawk, Assistant Manager

Dawn Williams, Confidential Administrative Assistant

Jennifer Crayne, Finance Manager

Janet Coleson, General Counsel

A quorum was present, and due notice had been published.

4. **PUBLIC TIME**
No public present.

5. **CONSENT CALENDAR**

A. **CHANGES TO AGENDA/APPROVAL OF AGENDA**

B. **MINUTES** – Minutes of the Board Meeting held March 13, 2019.

C. **FINANCIAL**

Warrants – March 2019

March Payroll: \$ 180,099.67

March Expenditures: \$1,948,847.68

Total: \$2,128,947.35

D. **ENDING ACCOUNT BALANCES:**

Operating Fund: \$8,438,837.87

E. **3rd QUARTER FINANCIAL STATEMENT FOR FY 2018/19**

It was M/S Trustee Davis/Trustee Snyder to accept the Consent Calendar:

Motion passed with:

***Ayes:** Trustee Ackerman, Trustee Blair, Trustee Bloom, Trustee Davis, Trustee Deicke, Trustee Gallian, Trustee Giovanatto, Trustee Glass, Trustee Hootkins, Trustee Khush, Trustee Kinser, Trustee Rowland, Trustee Sagues, Trustee Schulze, Trustee Snyder, and Trustee McCaffery*

***No:** (none)*

***Abstain:** (none)*

***Absent:** Trustee Harlem, Trustee Naythons, Trustee Thompson and Trustee Witt*

6. **NEW BUSINESS**

A. **Results of Public Opinion Survey**

Fiscal Strategies Committee Chair Carol Giovanatto reported that the Fiscal Strategies and Executive Committees met on March 27, 2019 to receive a summary and briefing from Godbe Research on the results of the public opinion survey. Trustee Giovanatto noted that it was refreshing to hear that our constituents have a favorable impression of the job that the District is doing to provide services and protect public health. Regarding the general opinion of the District, the data showed a favorable to unfavorable ratio of 18.2 to 1 for permanent absentee ballot homeowners (PAV) and 10.8 to 1 for likely voters. PAV is a reasonably close approximation for property owners who would vote on a Proposition 218-type ballot, while “likely voters” represents a broader sampling of the electorate, similar to those who would vote on a special tax measure.

When reviewing the survey results from the PAV Homeowner respondents regarding the key priorities and factual statements about the potential measure the understanding that emerges is that the public is less supportive of statements containing words such as “maintain” and “continue,” whereas they are more supportive of statements containing words such as “reduce,” “control,” and “prevent.” This information about what our constituents are concerned about will be of significant value when or if the Board decides to create ballot language.

In-depth discussions at the meeting focused on topics such as which type of revenue measure to pursue. Based on the survey data, it was agreed that the best option would be a Benefit Assessment Measure because there is a greater margin of support for a simple majority weighted ballot as opposed to the 66 ²/₃ % approval required for a special tax. Following deliberations, the two committees decided to formally recommend to the Board that a benefit assessment mechanism be pursued. If the Board were to agree, the next step would be a decision to direct staff to continue outreach efforts, especially the gathering of opinions and perspectives from the communities the District serves.

Trustee Sagues agreed that the survey report was very detailed and well done. He noted that according to the report, a significant number of the public surveyed were unaware of the District and what it does. He felt that this highlighted the importance of an educational outreach effort. Manager Smith commented that informational mailing pieces were in the planning stages.

Trustee Gallian remarked that she noticed from the survey data that the District polled very high for its role in benefiting public health. She recommended an approach moving forward that includes an emphasis on environmental issues including climate change.

President McCaffery recapitulated the Executive Committee’s discussions and relayed its concurrence that if the Board elected to proceed with a revenue measure, the two viable options would be a parcel tax or a benefit assessment. As Trustee Giovanatto noted, the polls showed that the District is able to exceed the 66 ²/₃% threshold that is needed for approval of a parcel tax for a specific purpose. Although the ballot results for a benefit assessment would be weighted by the amount of the proposed assessment for that parcel, the survey results show that the margin of approval of a benefit assessment would be greater than that for a parcel (or special) tax measure. Therefore, he concluded that pursuing a benefit assessment would be the preferred approach.

Committee members and staff discussed the matter in more detail and answered a series of questions from Board members.

It was M/S Trustee Snyder/Trustee Davis to accept the report by Godbe Research:

Motion passed with:

Ayes: Trustee Ackerman, Trustee Blair, Trustee Bloom, Trustee Davis, Trustee Deicke, Trustee Gallian, Trustee Giovanatto, Trustee Glass, Trustee Hootkins, Trustee Khush,

Trustee Kinser, Trustee Rowland, Trustee Sagues, Trustee Schulze, Trustee Snyder, and Trustee McCaffery

No: (none)

Abstain: (none)

Absent: Trustee Harlem, Trustee Naythons, Trustee Thompson and Trustee Witt

B. Potential Revenue Measure: Request for Direction to Staff and Enactment of Proposed Budgetary Adjustments.

Manager Smith summarized the main points of the brief staff report, noting that following the favorable indications from the public opinion survey, the Fiscal Strategies and the Executive Committees met and discussed this matter with staff, reviewing the two potential mechanisms for asking the public to approve modest additional revenues. He noted that the committees and staff recommended that the District proceed with the next phase of the project. This would entail additional community outreach, gathering of opinions, informing our community partners and fellow local governments and taking in their perspectives and suggestions. The recommendation before the board, as contained in the foregoing item, is that the mechanism selected be a Proposition 218 Benefit Assessment rather than a parcel tax approach.

Although as noted in the proposed budgetary adjustments, some expenditures would be necessary over the next few months, the bulk of the expenses associated with the Benefit Assessment would occur in the next fiscal year (19-20). SCI Consulting does not plan to invoice the District for any additional work in the current fiscal year. Under the draft project timeline, any proceeds from a successful measure would not accrue to the District until fiscal year 20-21 because of the deadline dates set by the county tax collectors.

Manager Smith stated that if approved, the expenses listed in the agenda item would form a mini-amendment to the current year's budget. Regarding the expenses of printing and mailing ballots that would be payable to SCI, assuming that the District proceeds with this measure, it would be the Board's prerogative to decide whether to order the balloting sometime before the proposed 45 day window beginning in early September 2019, so these expenses would occur in the next fiscal year.

President McCaffery asked Manager Smith for further explanation about the printing expenses shown in the agenda item. Mr. Smith explained that per the recommendation from the outreach consultants based on the survey's findings that there are a great many people who don't know much about the District; it would be beneficial to send out some informational fliers to single-family households.

President McCaffery also inquired about the temporary help wages included as part of this item. Manager Smith said the position President McCaffery referred to was originally designed to be an additional receptionist who would help to field the flood of calls that comes in during the busy season. However, acting on a consultant's suggestion, staff realized that a temporary help administrative analyst position would be able to perform these duties and also

give callers more detailed and nuanced information about the proposed revenue measure. During the 2015 assessment, a large volume of callers requested detailed information about the District's revenue proposal. Filling this position would reduce the number of calls to other staff members engaged in critical operational and assessment project-related tasks.

Financial Manager Jennifer Crayne briefly explained the District's current financial picture and where it appears to be headed in the future. She noted that her remarks would be directed to the decision that the Board is faced with as to whether to move forward with the revenue measure. In this respect, Trustee Gail Bloom, Vice Chair of the Budget Committee, looked into the District's financial standing and the projected forecast model in considerable detail. Ms. Crayne expressed her appreciation for Ms. Bloom's dedication in trying to understand the full scope of the budget to actual figures, as well as how recent trends and staff's budgeting practices have affected the financial forecasts provided by NBS. One of the outcomes of the Budget Committee's meetings was a new strategy to project revenues, which should prove more accurate. Moving forward, staff will use the most recent audited actual figures, adjusted by the counties' most recent projected revenue forecasts. This is in contrast to the prior method of using the prior year's budgeted amounts for revenues. Staff will use the actual revenue numbers and link them to projected increases for that year from the auditor controller in each county. If there is to be a midyear budget revision to account for any anticipated expenses, the revenues will then be revised to match the actuals from the prior fiscal year and we will use a conservative 2% increase factor, as contained in the NBS financial forecasting model. For FY 19-20 staff will use this method in an effort to work towards a closer projection of both revenue and better estimates of expenses.

A rough initial draft of the FY 19-20 budget shows that the District will likely face a deficit of over \$500,000 in that fiscal year. It appears as though the trend of realizing higher than anticipated revenues each year may be beginning to slow, and as expenses continue to increase, she recommended that the District plan accordingly.

A quick projection for the end of this current fiscal year (FY 18-19) shows an increase of actual revenue over budgeted revenue of approximately \$581,000, yet the District is projected to experience a shortfall of approximately \$160,000.

Ms. Crayne advised that it would be wise to look ahead and to anticipate trends that could have a negative impact on the financial stability of the District. She added that it would not be wise to rely on a snapshot of the previous three fiscal years as a prediction for the future.

Trustee Khush also acknowledged Trustee Bloom's hard work and asked Financial Manager Crayne why the District should not look at the past three fiscal years. Ms. Crayne explained that consultant Nicole Kissam from NBS alerted staff to certain broader trends and opined that the District may be nearing the end of a 10-year cycle of annually increasing ad valorem revenues.

Ms. Kissam advised that to get a clearer picture it is wise to look at a broader timeframe than just the three most recent years.

It was M/S Trustee Snyder/Trustee Davis to:

1. *Give direction to staff to proceed further with community outreach, consultation and seeking input from community groups, public agencies and others.*
2. *Authorize the Board President to execute the enclosed agreement for services with Lew Edwards Group in an amount not to exceed \$40,000*
3. *Adjust the following budget line items.*
 - a. *Increase budget line item 1-8015 (temporary help wages) from \$30,000 to \$36,800*
Increase budget line item 1-8022 (Medicare) from \$53,695 to \$53,795
Increase budget line item 1-8023 (FICA SS) from \$17,658 to \$18,083
Increase budget line item 1-8033 (SUI) from \$18,000 to \$18,300
Total increase for temporary additional staffing \$7,625
 - b. *Increase budget line item 1-8190-01 (newspaper inserts) from \$30,000 to \$35,000*
 - c. *Increase budget line item 5-8241-11 (printing expense) from \$9,500 to \$104,500 (for informational mailers).*
 - d. *Add a new budget line item to the 1-8180-15 Professional Services category, in the amount of \$20,000 for outreach and media services in FY 18-19 with Lew Edwards Group.*
4. *Increase the total of budgeted expenditures for FY 2018-19 from \$10,489,976 to \$10,617,601 (total of above items \$127,625). Net assets used to balance the second amended budget total \$1,709,652.*

Motion passed with:

***Ayes:** Trustee Ackerman, Trustee Blair, Trustee Bloom, Trustee Davis, Trustee Deicke, Trustee Gallian, Trustee Giovanatto, Trustee Glass, Trustee Hootkins, Trustee Khush, Trustee Kinsler, Trustee Rowland, Trustee Sagues, Trustee Schulze, Trustee Snyder, and Trustee McCaffery*

***No:** (none)*

***Abstain:** (none)*

***Absent:** Trustee Harlem, Trustee Naythons, Trustee Thompson and Trustee Witt*

7. COMMITTEE & STAFF REPORTS

A. Executive Committee

President McCaffery reiterated that the Executive Committee met with the Fiscal Strategies Committee to consider the results of the public opinion survey that Chair Giovanatto spoke about earlier in the meeting. After the joint meeting of the two committees, the Executive Committee met separately to discuss the decisions made about the revenue project, and to receive updates on various other projects under way, and how they relate to the workplan and goals set earlier in the year.

C. Legislative Committee

Chair Tamara Davis explained that she attended the MVCAC Legislative Days event at the Capitol on April 2nd and 3rd, 2019 with Trustee Schulze and Manager Smith. Trustee Davis went on to note that Assembly Bill 320, which is currently under consideration in the Legislature, would create the California Mosquito Surveillance and Research Program. If approved, the program would be administered by the University of California (UC), and would require the university to maintain an interactive internet website for management and dissemination of data on mosquito-borne virus and surveillance control. Among other functions, the UC would coordinate its efforts with the state Department of Public Health. Although funding may or may not be provided this year, Ms. Davis felt that getting this bill passed is extremely important due to the value of setting up a permanent mechanism to address these vital health issues. At this point, the bill is in Appropriations awaiting approval.

Trustee Schulze added that Open House fliers were handed out to many legislator's representatives and aides during Legislative Day. To his surprise while attending an event recently, he noticed that Marc Levine, one of our representatives in the Assembly was holding one of our open house fliers.

8. MANAGER'S REPORT

Manager Smith verbally added one item that was not included in his written report, namely that staff followed up on the Board's direction at the March meeting to transfer \$1.608 million dollars from the Operating Fund to the District's account at the CalPERS California Employer's Retiree Benefit Trust (CERBT) for other post-employment benefits (OPEB). This deposit increased the plan's funded ratio from 14% to 29%. Manager Smith also filed an amended declaration of OPEB Funding Policy, stating that the District will pay the full actuarially determined contribution (ADC) each year. This supersedes the prior policy of making increasing payments on a nine-year phase in schedule towards paying the full ADC. Lastly, the paperwork now memorializes that the Board adopted a "level dollar" funding and amortization policy for OPEB.

Assistant Manager Hawk highlighted an item in his report regarding the most recent aerial application of larvicides, specifically noting the cost for that day's application of \$97,000. This was one of the most expensive in the District's history and was comprised mainly of the cost of materials costs, and secondarily the helicopter flight time.

(Manager and Assistant Manger's reports were included in the April Board packet)

9. WRITTEN COMMUNICATIONS

No written communications.

10. **OPEN TIME FOR BOARD OR STAFF COMMENTS**

Trustee Bloom commented that she had given a presentation to the Larkspur City Council last month and the Council's response was one of great praise for the District's work on the front lines of public health work. Trustee Bloom also noted that she has been busy handing out and posting the Open House fliers.

Trustee Gallian recounted a conversation with a member of the public who noticed the District's informational billboard on Highway 101 and went home to flip, dump and drain anything that could potentially hold water and breed mosquitoes.

Trustee Schulze stated that District Manager Smith gave a presentation to the Marin County Board of Supervisors, which was favorably regarded.

11. **ADJOURNMENT**

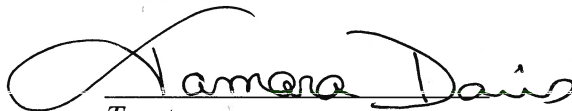
There being no further business to come before the Board, President McCaffery adjourned the meeting at 8:09 pm.



*District Representative
MSMVCD*

6-12-2019

Date of Approval



*Trustee
MSMVCD Board of Trustees*

6-12-19

Date of Approval