

MINUTES

A Budget Committee meeting of the Board of Trustees of the Contra Costa Mosquito and Vector Control District was held on Monday, April 25, 2016, in the District Office at 155 Mason Circle, Concord, California.

TRUSTEES PRESENT Richard Ainsley
 Richard Means
 James Murray
 Lola Odunlami

TRUSTEES ABSENT Chris Cowens
 Randall Diamond
 Rolando Villareal
 Diane Wolcott

OTHERS PRESENT Craig Downs, General Manager
 Ray Waletzko, Assistant Manager

1. The Committee meeting was called to order at 7:09 p.m.
2. Roll call indicated that four trustees were present and four were absent.
3. PUBLIC INPUT ON NON AGENDA ITEMS

None.

4. APPROVAL OF MINUTES FROM COMMITTEE MEETING HELD ON JUNE 22, 2015

There was no quorum present so the minutes were deferred to the June 27, 2016, Budget Committee meeting.

5. REVIEW DISTRICT RESERVES AND REVENUE SOURCES - Assistant Manager Waletzko addressed the District's revenue sources, the percent of revenue each source generated for the District and some of the trends and potential impacts of an improving housing market in regard to property tax collections in Contra Costa County. Graphs were used to display an eleven year history of the District reserves with the Local Agency Investment Fund (LAIF) and eleven years of expenses versus revenues. There was discussion about the management of District revenues and the District weathering the recent downturn in the housing market that began in 2008 and the corresponding reduction in property tax revenues.
6. REVIEW FISCAL YEAR 15/16 BUDGET YEAR TO DATE - Assistant Manager Waletzko discussed the year to date budget and touched on large expenditures that are 100% paid early in the fiscal year such as *Retirement, Other Post Employment Benefits, Worker's Compensation & Research Projects*. It was noted that we projected a 5% increase in property tax revenues and

we are currently running 7% for fiscal year 2015/16. General Manger Downs discussed the trend in *Salaries and Wages* for the past six years and explained that the district philosophy for negotiating wages is based on total compensation and the market for like positions; and not on the quantity of District reserves.

7. REVIEW LONG TERM FORECASTS - The long term forecast was discussed and some of the assumptions used were explained. Assistant Manager Waletzko explained that the most frequent benchmark used to measure the District financial situation is the Local Agency Investment Fund (LAIF) % of Revenues line. He noted that he watches for which year in the future this benchmark reaches 50%. This in turn measures how much reserves the District retains in comparison to estimated annual expenses; and is a good barometer of how low the District reserves can go in future years before we would have to borrow funds for operations. There was discussion regarding the annual \$145,000 contribution for *Other Post Employment Benefits (OPEB)* in the forecast and it was explained that while the GASB 45 trust is well funded, not contributing the actuarially determined amount each year will result in a note in the District audited financial statements. It was noted that staff will continue to request reimbursement for our annual retiree medical costs from this trust fund.
8. BOARD AND STAFF ANNOUNCEMENTS - None
9. ADJOURNMENT - There being no further business, the meeting was adjourned at 8:38 P.M.

I certify the above minutes were approved as read or corrected at a meeting of the Budget Committee held on June 27, 2016.



Chris Cowen, Chairperson
Budget Committee

AYES:

NOES:

ABSENT:

ABSTAIN: