

MINUTES

A Budget Committee meeting of the Board of Trustees of the Contra Costa Mosquito and Vector Control District was held on Monday, April 18, 2011, in the District Office at 155 Mason Circle, Concord, California.

TRUSTEES PRESENT Soheila Bana, Chairperson
 Angela Micheals
 Richard Head
 Chris Cowen
 Richard Ainsley
 Richard Means
 Jim Fitzsimmons
 Randall Diamond

TRUSTEES ABSENT None

OTHERS PRESENT Craig Downs, General Manager
 Ray Waletzko, Administrative & Finance Manager

1. The Committee meeting was called to order at 7:02 p.m.
2. Roll call indicated that eight trustees were present and none were absent.
3. PUBLIC INPUT ON NON AGENDA ITEMS

None.
4. APPROVAL OF MINUTES FROM COMMITTEE MEETING HELD ON JUNE 21, 2010

** Motion was made by Trustee Cowen and seconded by Trustee Head to approve minutes from Committee meeting held on June 21, 2010. Motion passed.
5. REVIEW DISTRICT RESERVES AND REVENUE SOURCES (Appendix I) - Administrative and Finance Manager Waletzko addressed the District's revenue sources, the percent of revenue each source generated for the District, and some of the legislative actions that created the current funding scenario. Graphs were used to display a six year history of the District reserves with the Local Agency Investment Fund (LAIF) and seven years of expenses versus revenues. There was much discussion about the management of District revenues and the staff response to declining revenues.
6. REVIEW FISCAL YEAR 10/11 BUDGET YEAR TO DATE (Appendix II and III) - Administrative and Finance Manager Waletzko discussed the year to date budget and touched on a number of items including *payroll, agriculture, aviation, and property taxes*. A sample of one budget item from the District general ledger software was distributed and used to inform

trustees of how District staff has input in developing a budget. It was noted that the adopted budget for FY 10/11 had a deficit of approximately \$231,000, but that when the year closes we hope to have a positive balance. There was discussion about some of the methods implemented to save funds during this difficult economic environment.

7. REVIEW LONG TERM FORECASTS (Appendix IV) - The long term forecast was discussed and some of the assumptions used were explained. General Manager Downs noted that the forecast presented includes two less positions by FY 12/13. Administrative & Finance Manager Waletzko noted the level of both *Salaries and Wages* and *Operations* have been reduced to fiscal year 07/08 levels, and that he had forecasted a 5% decline in property taxes for the current fiscal year and year to date we are down 3.3%. He explained that the current forecast model is excellent for showing how even one minor variable change can have a large impact to our financial situation in the future. There was some discussion about the trends in property tax revenues.
8. Other Post Employment Benefit (OPEB) Trust - Administrative & Finance Manager Waletzko gave a brief explanation of the Government Accounting Standards Board (GASB) 45 requirements for funding the trust and the actuary results from the study conducted in 2008. General Manager Downs explained that pre-funding the trust was very similar to funding retirement benefits; in that a long term perspective is required. There was much discussion about the risk of investing in the market versus the extremely low returns on current District reserves. There was much discussion about the fee structure, references of the Trust Administrator and the Investment Manager, advantages of dollar cost averaging and the District very successful past practice, in the way of insurance, of pre-funding future obligations.

Recommendation - The committee recommended to the full board of trustees to authorize participation in the Public Agency Retirement Services (PARS) Health Care Plan Trust.

9. BOARD AND STAFF ANNOUNCEMENTS - None
10. ADJOURNMENT - There being no further business, the meeting was adjourned at 8:58 P.M.

I certify the above minutes were approved as read or corrected at a meeting of the Budget Committee held on June 20, 2011.

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Soheila Bana, Chairperson
Budget Committee

AYES:

NOES:

ABSENT:

ABSTAIN: