

MINUTES

A Budget Committee meeting of the Board of Trustees of the Contra Costa Mosquito and Vector Control District was held on Monday, June 20, 2011, in the District Office at 155 Mason Circle, Concord, California.

TRUSTEES PRESENT Soheila Bana, Chairperson
 Angela Micheals
 Richard Ainsley
 Chris Cowen
 Richard Head

TRUSTEES ABSENT Randall Diamond
 Jim Fitzsimmons
 Richard Means

OTHERS PRESENT Andrew Brown, HighMark Capital Management, Inc
 Craig Downs, General Manager
 Ray Waletzko, Administrative & Finance Manager

1. The Committee meeting was called to order at 7:04 p.m.
2. Roll call indicated that five Trustees were present and three were absent.
3. PUBLIC INPUT ON NON AGENDA ITEMS

None.
4. APPROVAL OF MINUTES FROM COMMITTEE MEETING HELD ON APRIL 18, 2011
- ** Motion was made by Trustee Head and seconded by Trustee Ainsley to approve minutes from Committee meeting held on April 18, 2011. Motion passed.
5. OTHER POST EMPLOYMENT BENEFIT (OPEB) TRUST & ACTUARIAL REVIEW - Mr. Andrew Brown of HighMark Capital attended the meeting to explain the investment options available to the District for the proceeds being invested in the OPEB trust. There was much discussion about the need to look long term when funding the trust and the content of various portfolios depending on the target rate of return we want to obtain. The committee decided to follow the Balanced/Moderately Aggressive option with active management of HighMark Capital Management.
6. REVIEW DISTRICT LONG RANGE FINANCIAL FORECAST - Administrative & Finance Manager Waletzko discussed the forecast that was included in the agenda. He discussed where

he projected the District to end FY 10/11 and the proposed FY 11/12 budget. There was discussion about the use of reserves to cover OPEB trust funding as well as shortfalls in the budget for the next few years. Administrative & Finance Manager Waletzko noted that prudent fiscal management in the past, when property tax growth was double digit, has prepared the District to handle the adverse economic conditions we currently face.

7. REVIEW DISTRICT BENEFIT ASSESSMENT FOR FY 2011/2012 - Administrative & Finance Manager Waletzko explained that the Board of Trustees are required to adopt the Benefit Assessment Engineers Report at the July Board of Trustee meeting every year. It was noted that the benefit assessment generates approximately one third of the District revenues every year and that unlike property taxes the revenues from the benefit assessment are more stable. There was discussion about the cost of living options available to the District but there was no adjustment recommended by District staff or the committee.
8. REVIEW FIXED ASSET AND PROGRAM DEVELOPMENT REQUEST RECOMMENDATIONS FOR FY 2011/2012 - Administrative & Finance Manager Waletzko and General Manager Downs discussed the requests made by staff for FY 11/12. There was an explanation of how staff is involved in the evaluation and priority setting of items that are requested. Additional detail was provided for a number of items.
9. REVIEW PROPOSED BUDGET FOR FY 2011/2012 - Administrative & Finance Manager Waletzko noted some items in the Proposed Budget. These included *Retirement, Uniform Rental, Aviation Services, Property Taxes and Benefit Assessment*. General Manager Downs discussed *Research Projects* and explained the funding request for the Mosquito Research Foundation. Administrative & Finance Manager Waletzko noted that we projected a 2% decline in property taxes for FY 11/12 but that we anticipated property tax revenue stabilizing by FY 12/13. A budget was proposed for FY 11/12 that has a deficit and there was much discussion about the planning done in the past that should help the District maintain services even in tough economic times.

** Motion was made by Trustee Head and seconded by Trustee Micheals to recommend the proposed budget to the full board of trustees. Motion passed.
10. REVIEW DISTRICT INVESTMENT POLICY (Appendix IV) - Administrative & Finance Manager Waletzko noted that the policy is reviewed annually by staff and the District auditors to ensure that checks and balances are always in place. There were no changes recommended to the policy.

** Motion was made by Trustee Head and seconded by Trustee Cowen to recommend the District Investment Policy to the full board of trustees. Motion passed.
11. DISCUSS IMPLEMENTATION OF GASB 54 - FUND BALANCE REPORTING - Administrative & Finance Manager Waletzko explained that he met with the District auditors, and the Government Accounting Standards Board (GASB) is requiring a new method of stating our finances in the audited financial statements. He explained that some designations of reserves approved by the board will not longer have the same titles and that the various funds on the District balance sheet will be consolidated. There is no effect on the District budget is this is a change in reporting only.

12. BOARD AND STAFF ANNOUNCEMENTS

13. ADJOURNMENT

There being no further business, the meeting was adjourned at 9:25 p.m.

I certify the above minutes were approved as read or corrected at a meeting of the Budget Committee held on April 23, 2012.

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Jim Fitzsimmons, Chairperson
Budget Committee

AYES:

NOES:

ABSENT:

ABSTAIN:

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