

2023-2024 SMVCD BUDGET REPORT



Shasta Mosquito and Vector Control
Fiscal Year 2023-2024
19200 Latona Rd Anderson, CA 96007
www.shastamosquito.org

Finance Committee:

Benjamin Hanna

David Maron

Darcy Buckalew

Peter Bonkrude

Introduction

SMVCD Demographics

Date of Formation: 1919

Service Area: 1,103 square miles

Population est. 2020: 156,000

SMVCD Services

The Shasta Mosquito and Vector Control District (SMVCD) utilizes an integrated vector management (IVM) approach in its control of disease transmitting and human biting mosquitoes. Most control activities target immature mosquitoes that develop in over 6,000 unique breeding habitats and over 10,000 catch basins and other man-made habitats within the District's service area. Control of adult mosquitoes is also conducted to reduce the risk of disease and annoyance.

SMVCD monitors the distribution of *Ixodes pacificus* (Western black legged tick) ticks that are capable of transmitting Lyme disease, human granulocytic anaplasmosis and babesiosis. SMVCD works closely with cooperating agencies to provide information to citizens to reduce the risk of tick transmitted diseases.

SMVCD performs some limited monitoring of rodent-borne diseases including hanta virus, tick-borne relapsing fever and bubonic plague. In addition, SMVCD works closely with the California Department of Public Health (CDPH) in providing information to citizens to reduce the risk of tick transmitted diseases.

SMVCD provides information, using a diverse network of outlets and venues, designed to inform citizens about its activities and to assist citizens in managing the impact of biting insects and ticks on their health and well-being.

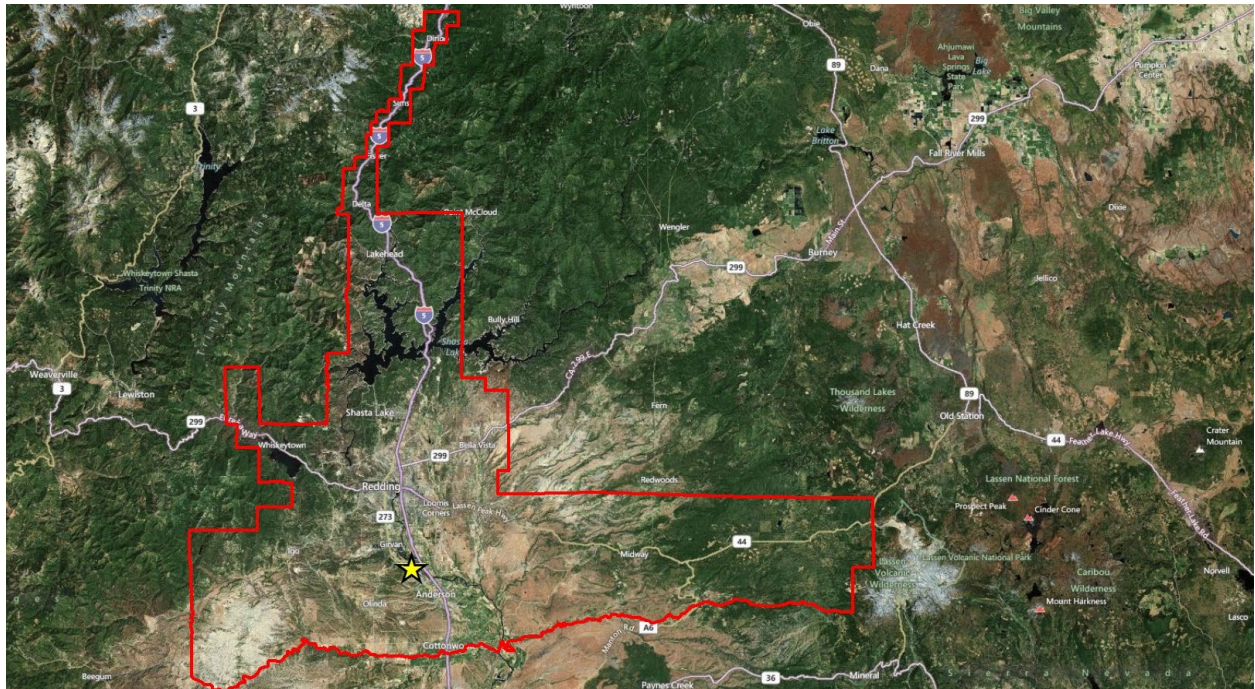
Background

SMVCD is an independent, non-enterprise, special district. The District operates under the provisions of Sections 2000-2093 of the Health and Safety Code of California. The District is governed by a five-member Board of Trustees. The Board determines the general policies, employs the District Manager, and approves the annual budget and controls expenditures. One board member is appointed by the city council of each of the incorporated cities within the District: Anderson, Redding, and Shasta Lake. Additionally, two Board members are appointed by the Shasta County Board of Supervisors. The Trustees typically serve a 2-4-year term and receive an in-lieu of travel expense of \$100.00 per month for attending meetings of the Board. The Board meets on the third Tuesday of every month at the District office in Anderson at 1:00pm

The District is financed by a combination of ad valorem property taxes and by Mosquito and Vector Control Special Benefit Assessment charges. The benefit assessment amounts, which vary for different parcels, are determined by land use and size, and are collected by Shasta County.

Currently, SMVCD employs a fulltime staff of sixteen. The District's field technicians are certified by the California Department of Public Health for the use of public health pesticides, and some staff maintain their Qualified Applicators License through the Department of Pesticide Regulation.

District Boundaries



Mission Statement

“To protect the public’s health from vector-borne disease and nuisance, through a comprehensive mosquito and vector control program focused on innovation, knowledge and efficiency.”

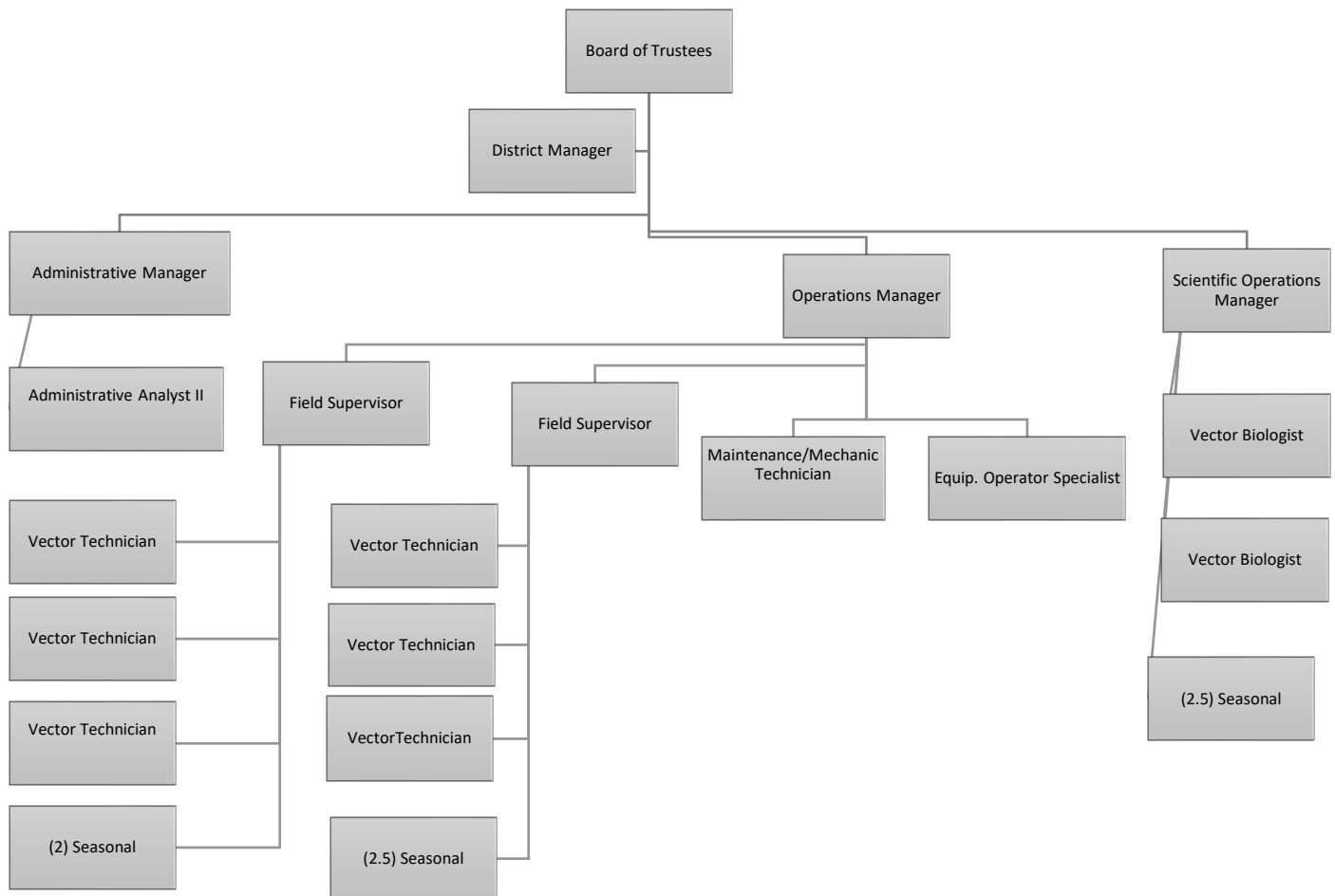
Vision Statement

“To ensure continued delivery of integrated vector management services that meet or exceed the public’s expectations.”

Core Values

Ensuring public accountability, being a reliable community partner, being environmentally conscientious, having experienced and trained personnel, being financially accountable, demonstrating honesty and integrity, having pride in our work, being innovative, delivering professional quality services, being responsive to the public, having respect for the public, the employees, the Board of Trustees and the community, being a productive public service, being trustworthy and conducting business in a transparent manner.

SMVCD Current Organizational Structure



Budget Guidelines

SMVCD's primary source(s) of revenue comes from property tax and two benefit assessments from two different geographic regions, referred to as benefit assessment area 1 and area 2. The budget process is intended to weigh all competing requests for District resources, within expected fiscal constraints. Budget development will use strategic multi-year fiscal planning, conservative revenue forecasts, and an expenditure analysis that requires every department and program expenditure to be justified annually and in terms of effectiveness and efficiency. Balanced revenue and expenditure forecasts will be prepared to examine the District's ability to absorb operating costs due to changes in the economy, service demands, and capital improvements. The forecast will be updated annually, focusing on a three-year horizon, but including a five-year outlook.

Post - Proposition 13 Ad Valorem Taxes

Before Proposition 13, property taxes were based on a percentage of assessed value of the commercial and residential property. This percentage level was set by the local governments and averaged about 3% of the assessed value of the home. In the mid-1970's, California's housing prices increased dramatically from 5% per year to a 5% increase per month, this led to pressure to enact tax relief for homeowners. A proposal was created known as Proposition 13 that capped the tax amount at 1% of the acquired property assessment. This

meant that taxes would only increase dramatically when the property was sold and reassessed. The District collects 0.007113 of this 1% property tax collected from Shasta County. The ad valorem tax for 2023/24 is estimated to be \$1,703,106. This represents a tax on each parcel of between \$1.51 and \$23.29 in the areas where the District provided service pre-proposition 13. This area encompasses the central area of Shasta County including the cities of Redding and Anderson.

SMVCD's Special Benefit Assessments

The District has three Benefit Assessments:

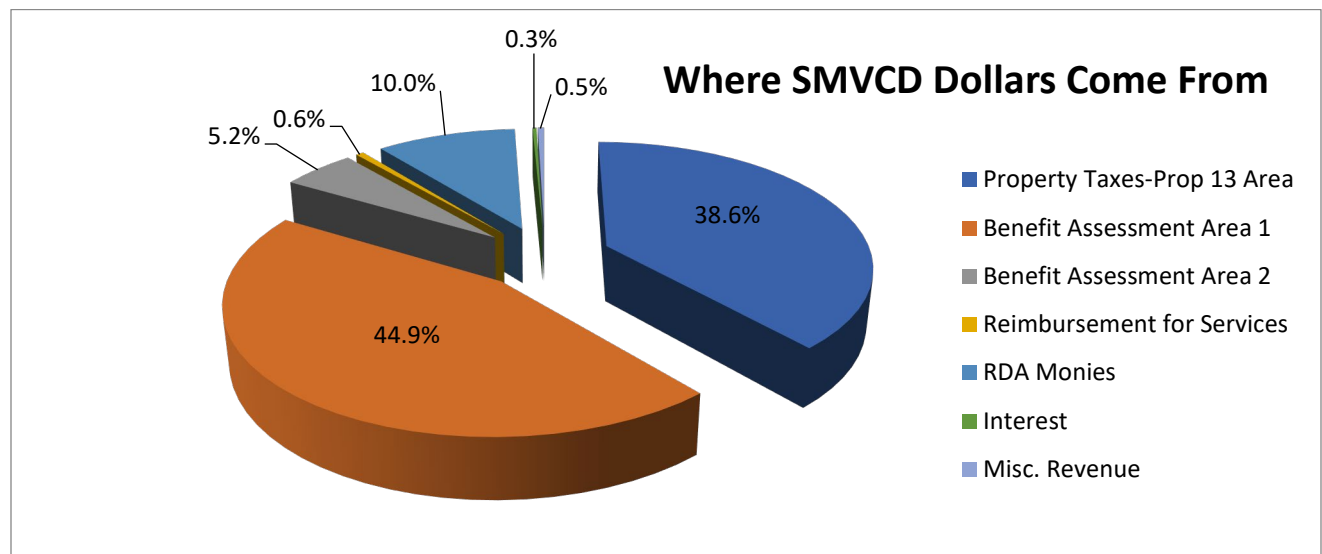
- (1) The District first levied a Benefit Assessment in 1997; this benefit assessment has a maximum rate of \$7.02 per single family home. The District currently levies this assessment at \$0.00. This keeps the assessment authorized so that it may be levied in future fiscal years as needed.
- (2) The District levied a second Benefit Assessment in 2005 (BA 1) as voted by a mailed ballot majority for the historic pre-proposition 13 sphere of influence. This assessment encompasses the central area of Shasta County including the cities and towns of Redding, Anderson, Enterprise, Shasta Lake, Palo Cedro, Millville, Centerville, Olinda, Cottonwood as well as unincorporated areas within central Shasta County. This is proposed to be levied at **\$23.75** for 2023/24.
- (3) The District levied a third Benefit Assessment in 2007 (BA 2) as voted by a mailed ballot majority in the District's newly annexed areas which include Igo, Ono, French Gulch, Lakehead, Sweet Briar, Castella, Shingletown, and Viola. This is proposed to be levied at **\$29.97** for 2023/24.

Special Benefit Assessment for 2023-2024

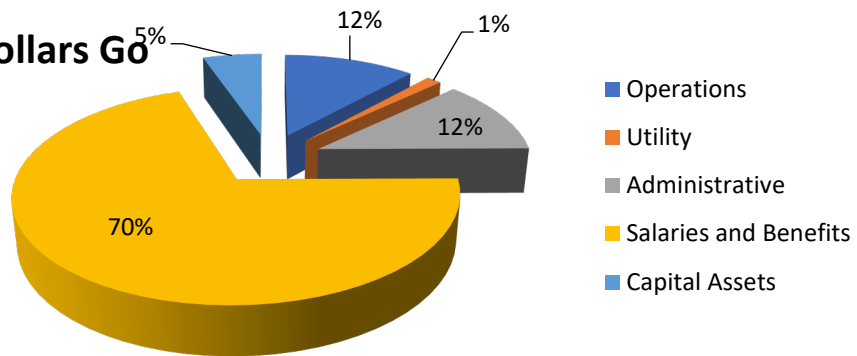
In 2015/16, recognizing the increasing cost of services and the Board's desire to begin moving away from deficit and reserve spending, the District has continued in 2023/24 to gradually increase the BA1 and BA 2 by 5.26% and 2.9% respectively. This increase in both benefit assessment areas will ensure our revenues more closely match our expenses. In 2023/24 SMVCD's proposed average assessment for Area 1 will be **\$23.75**, representing an increase of **5.26%** and **\$29.97** in Area 2, representing an increase of **2.9%**.

Where SMVCD Dollars Come from and Where They Go

The pie charts below illustrate where SMVCD revenues come from and where dollars are scheduled to be spent by major function for 2022/23



Where SMVCD Dollars Go



Detailed 2023-2024 Budget Proposal

	Actual 2021/2022	Budget 2022/23	Budget 2023/24	Benefit Assessment #1	Benefit Assessment #2
REVENUE					
Current Secured Tax	\$1,102,397	\$1,058,118	\$1,165,017		
Current Unitary Taxes	\$58,639	\$48,000	\$52,000		
Current Secured Tax Teeter	\$18,494	\$25,000	\$29,000		
RDA Residual Property Tax	\$42,431	\$37,000	\$38,812		
RDA 1290 Pass Thru	\$308,819	\$258,000	\$312,000		
Supplemental Taxes Current	\$30,379	\$18,000	\$28,000		
Supplemental Taxes Teeter	\$4,355	\$3,000	\$4,278		
Current Unsecured Taxes	\$58,149	\$58,000	\$58,000		
Interest	\$493	\$26,000	\$10,000		
State Homeowners Exemption	\$14,614	\$16,000	\$16,000		
Misc. Revenue	\$12,853	\$10,000	\$10,000		
Old Benefit Assessment-Area 1	\$0	\$0	\$0		
2005 Benefit Assessment- Area 1	\$1,391,755	\$1,486,856	\$1,573,574	\$1,573,574	
2007 Benefit Assessment- Area 2	\$170,916	\$175,014	\$183,362		\$183,362
Reimbursed MISC Services	\$12,467	\$20,000	\$20,000		
Sale of Fixed Assets	\$0	\$6,000	\$6,000		

TOTAL REVENUES	\$3,226,761	\$3,244,988	\$3,506,043		
EXPENSES					
Payroll Expense					
Regular Salaries	\$1,252,110	\$1,428,904	\$1,509,720	\$1,393,471	\$116,248
Extra Help Wages	\$69,084	\$78,000	\$131,868	\$121,714	\$10,153
Overtime	\$0	\$0	\$0	-	-
Car/Vehicle Allowance	\$7,200	\$7,200	\$7,200	\$6,645	\$555
Social Security	\$98,464	\$111,454	\$117,758	\$108,690	\$9,067
PERS Retirement	\$864,680	\$363,179	\$351,262	\$324,214	\$27,047
Retirement Pick-up	\$0	\$0	\$0	-	-
PERS Health Insurance	\$36,133	\$40,140	\$49,704	\$45,876	\$3,827
Flexible Benefits	\$208,022	\$258,474	\$314,532	\$290,313	\$24,218
Employer Share OPEB	\$0	\$0	\$0	-	-
State Unemployment Insurance	\$9,837	\$9,500	\$10,000	\$9,230	\$770
Workers Comp.	\$66,584	\$69,000	\$77,000	\$71,071	\$5,929
Total Payroll Expense	\$2,622,021	\$2,365,851	\$2,569,044	\$2,371,227	\$197,816
Administrative Expense					
Household Expenses	\$12,862	\$12,700	\$13,700	\$12,645	\$1,054
Food	\$889	\$1,200	\$1,350	\$1,246	\$103
Household Supplies	\$2,695	\$5,000	\$7,200	\$6,645	\$554
Insurance	\$56,242	\$67,000	\$81,528	\$75,250	\$6,277
LAFCO	\$6,496	\$6,500	\$6,500	\$5,999	\$500
Memberships	\$19,890	\$20,350	\$22,850	\$21,090	\$1,759
Office Expenses	\$1,417	\$1,015	\$1015	\$936	\$78
Misc. Expenses	\$0	\$150	\$150	\$138	\$12
Professional & Specialized Expenses	\$116,034	\$120,760	\$125,260	\$115,614	\$9,645
Postage	\$1,028	\$1,350	\$1,350	\$1,246	\$103
Office Supplies	\$4,056	\$4,115	\$4,115	\$3,800	\$316
Office Publications	\$2,236	\$6,100	\$6,100	\$5,076	\$423
Promotional Items	\$3,908	\$5,500	\$5,500	\$5,076	\$423
Office Furniture	\$4,631	\$1,500	\$1,500	\$1,384	\$115
Accounting	\$0	\$1,000	\$1,000	\$923	\$77
Advertising & Marketing	\$9,776	\$11,200	\$11,200	\$10,345	\$862

Auditing	\$8,250	\$12,000	\$13,000	\$11,999	\$1,001
Drug Testing	\$42	\$2,000	\$2,000	\$1,846	\$154
Environmental Services	\$392	\$3,000	\$3,500	\$3,230	\$269
Legal Services	\$1,535	\$5,000	\$5,000	\$4,615	\$385
Special Department Expenses	\$13,330	\$21,325	\$21,325	\$19,682	\$1,642
Travel Expenses	\$1,531	\$3,100	\$4,900	\$4,522	\$377
Travel Mileage	\$372	\$500	\$500	\$461	\$38
Training	\$235	\$6,500	\$6,500	\$5,999	\$500
Conferences	\$3,359	\$5,700	\$5,550	\$5,122	\$427
Meals	\$2,022	\$8,800	\$8,344	\$7,701	\$642
Lodging	\$7,096	\$15,100	\$15,814	\$14,596	\$1,217
Programming Services	\$0	\$0	\$0	\$0	\$0
Chgs. Aud. Prop. Tax Svs.	\$45,908	\$33,000	\$46,000	\$42,458	\$3,542
Publications & Legal Notices	\$1,324	\$400	\$500	\$461	\$38
Software	\$1,512	\$2,000	\$2,000	\$1,846	\$154
Computers	\$2,661	\$4,000	\$3,000	\$2,769	\$231
Taxes & Assessments	\$456	\$500	\$500	\$461	\$38
Professional Banking Services	\$3,231	\$6,300	\$6,300	\$5,814	\$485
Total Administrative Expense	\$335,416	\$394,665	\$435,051	\$401,552	\$33,498
Utility Expense	\$46,906	\$39,000	\$50,000	\$46,150	\$3,850
Utilities	\$46,906	\$39,000	\$50,000	\$46,150	\$3,850
Operating Expense					
Agricultural/Pesticides	\$184,043	\$238,000	\$228,000	\$210,444	\$17,556
Clothing/Personal Supply	\$83	\$750	\$1,100	\$1,015	\$84
Personal Safety Clothing	\$5,188	\$9,600	\$10,600	\$9,783	\$816
Communications	\$7,328	\$8,440	\$10,262	\$9,471	\$790
Cell Phones	\$10,436	\$14,400	\$13,200	\$12,183	\$1,016
Maintenance-Equipment	\$142	\$2,250	\$2,550	\$2,353	\$196
Vehicle Maintenance	\$22,147	\$21,340	\$22,340	\$20,619	\$1,720
Building Equipment	\$0	\$1,000	\$1,000	\$923	\$77
Software Maintenance	\$10,308	\$13,600	\$16,800	\$15,506	\$1,293
Computer Maintenance	\$961	\$1,000	\$1,000	\$923	\$77
Equipment Maint. Parts and Supplies	\$3,123	\$3,500	\$4,100	\$3,784	\$315

Out of Agency Vehicle Maint.	\$9,588	\$8,700	\$8,700	\$8,030	\$670
Maintenance-Structures	\$18,006	\$16,600	\$16,400	\$15,137	\$1,262
Medical/Laboratory Supplies	\$15,044	\$15,700	\$16,100	\$14,860	\$1,239
Janitorial Services	\$7,320	\$7,320	\$7,320	\$6,756	\$564
Minor Equipment	\$12,504	\$10,920	\$11,600	\$10,706	\$893
Gasoline	\$44,583	\$40,000	\$48,000	\$44,304	\$3,696
Rents & Leases-Equipment	\$4,487	\$7,700	\$9,900	\$9,137	\$762
Rents & Leases-Structures	\$0	\$200	\$200	\$184	\$15
Safety Equipment	\$0	\$0	\$0	\$0	\$0
TOTAL OPERATING EXPENSE	\$355,291	\$421,020	\$429,172	\$396,125	\$33,046
TOTAL EXPENSES	\$3,359,634	\$3,220,536	\$3,483,267	\$3,215,055	\$268,211

Expenses are spread between Benefit Assessment area 1 and area 2 to show the cost of providing service in each area separately. Staff calculated the percentage by considering the hours worked, the overhead of administration and the size of the newest area.

Proposed Fixed Asset Purchases:

Drone Program Development- \$48,000

Compact Pickup- \$35,000

Compact Hybrid Pickup- \$30,000

Mid-Sized Hybrid SUV- \$35,000

Side by Side Utility Vehicle- \$20,000

Proposed Revenue Transfers:

Fixed Asset Committed Reserve Fund- \$168,970

TOTAL TRANSFER: \$168,970

Debt Repayment (CSDA Financing-10yr):

\$23,746

FISCAL YEAR 2023-2024 BUDGET

TOTAL BUDGET EXPENDITURES

\$3,675,013

TOTAL BUDGET REVENUES

\$3,675,013

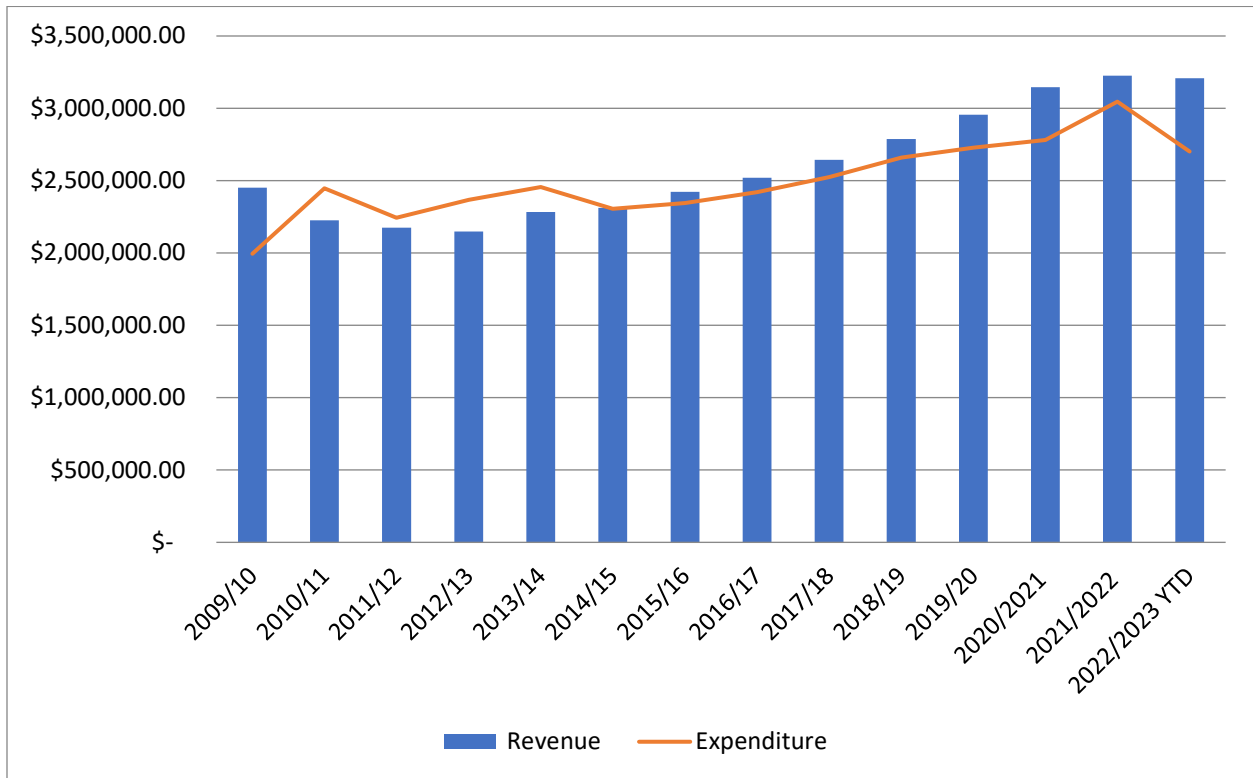
General Fund Revenue and Fund Balance

The General Fund is the operating fund of the District and is used to account for all financial activities. The District functions on a July 1- June 30th fiscal year.

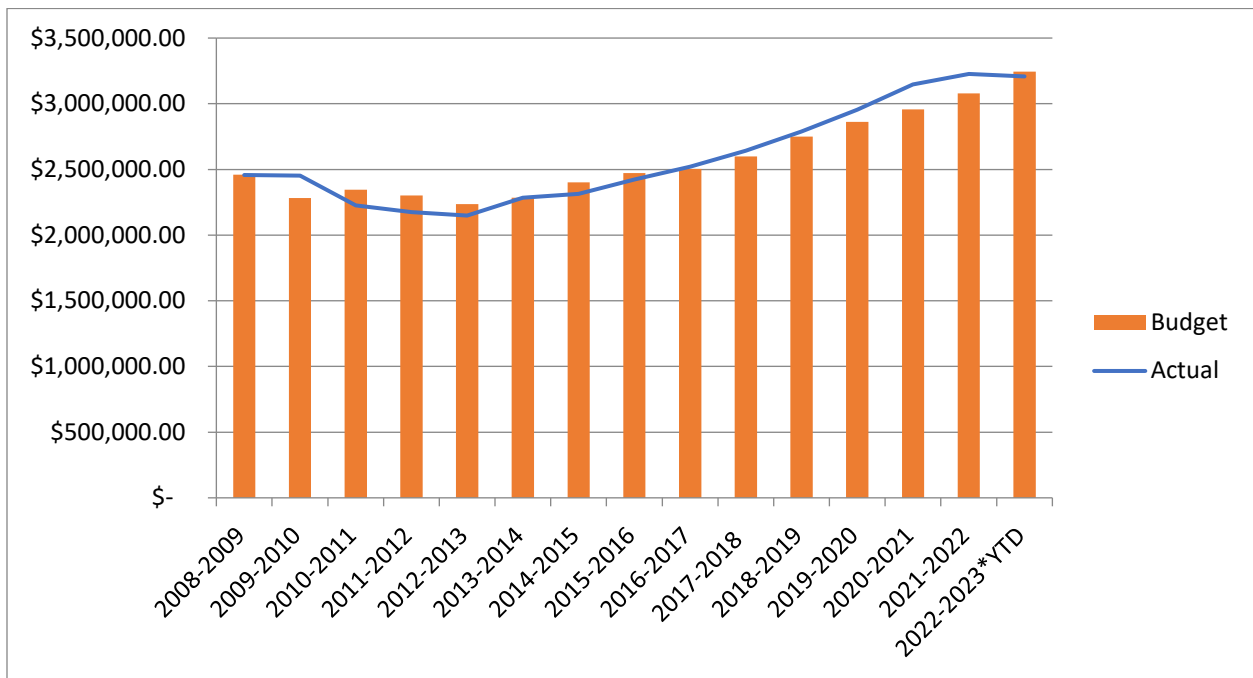
Components of the Estimated/Proposed Fund Balance as of July 1, 2023:

Non-spendable		Inventory	\$163,938
Restricted			-
		CERBT OPEB Trust	\$1,101,946
Unrestricted			
	Committed		
		Public Health Emergency	\$300,000
		Building/Facilities	\$325,000
		Pension Liability Fund	\$50,000
		Fixed Asset Replacement	\$277,000
		IT Equipment Replacement	\$35,000
		Revenue Stabilization	\$50,000
		VCJPA Member Contingency	\$248,846
	Assigned		
		Operations (General Fund)-Dry Financing Estimate	\$2,006,993
	Unassigned		
		Wells Fargo Balance	\$489,083
	Total Fund Balance		\$5,047,806

Actual Revenue vs Actual Expenditures



Budget vs Actual



Noteworthy Items of the 2023-2024 Fiscal Year Budget

- Overall, we anticipate a 7% increase in revenue from increases in our two benefit assessments and forecasted growth in our property tax assessments.
- We are proposing a modest increase in Benefit Assessment Area #1 of 5.26% (\$23.75) to account for increases in service cost.
- We are proposing a modest increase in Benefit Assessment Area #2 of 3% (\$29.97) to account for increases in service cost.
- We are budgeting for an 8% increase in salaries and benefits due to contracted increases, insurance increases and CalPERS Pension UAL costs.
- Administrative Costs are budgeted with a 9% increase and Operating costs are being budgeted to increase 2% due to additional mosquito control products purchased for Invasive Aedes control and increases in vehicle maintenance costs due to an aging fleet.

District Goals for 2023-2024

- Continue to monitor the COVID-19 response as it relates to District services, revenues, and expenses.
- Review investment policies and investigate diversifying the District's existing investment plan
- Review and update the District's Capital Improvement Plan
- Review the District's Financial Policies and procedures to ensure transparent and efficient financial processing and reporting.
- Closely monitor inflation and energy costs to prepare for a potential recession
- Review seasonal wage structure for next season and make recommendations to the board to ensure strong recruitment