

SHASTA MOSQUITO AND VECTOR CONTROL

2019-2020 BUDGET PRESENTATION

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Introduction

SMVCD Demographics

Date of Formation: 1919

Service Area: 1,103 square miles

Population est. 2012: 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.

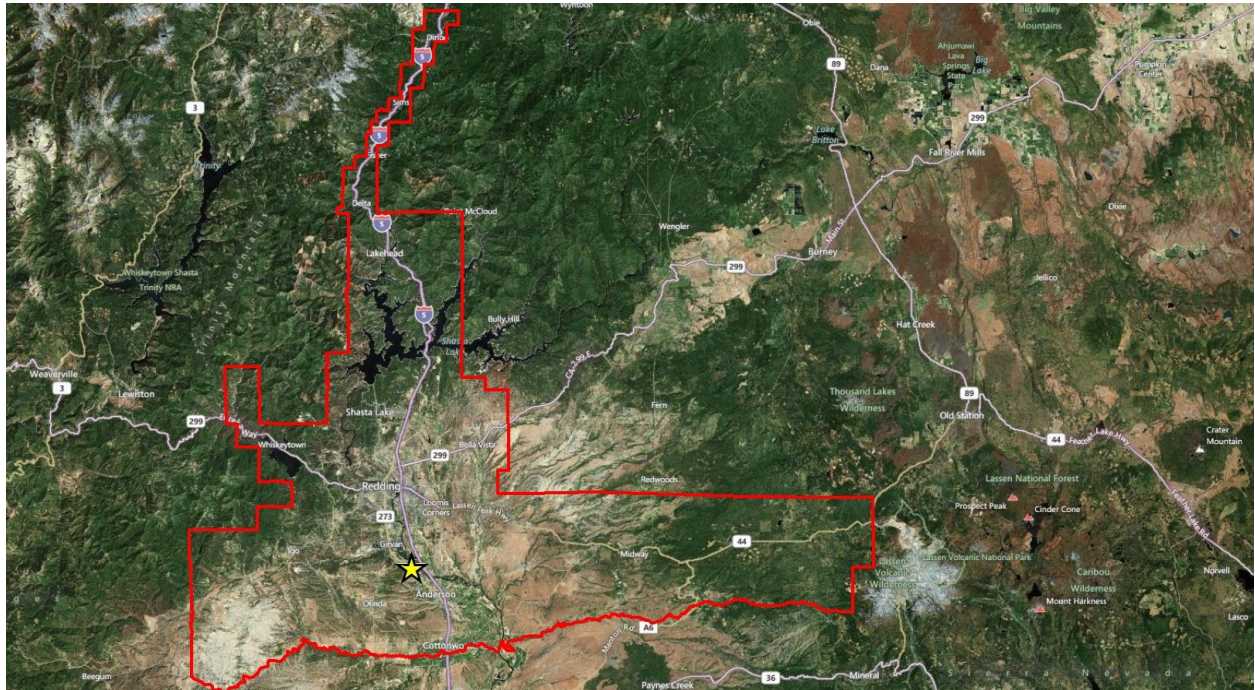
Background

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 fifteen. 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."

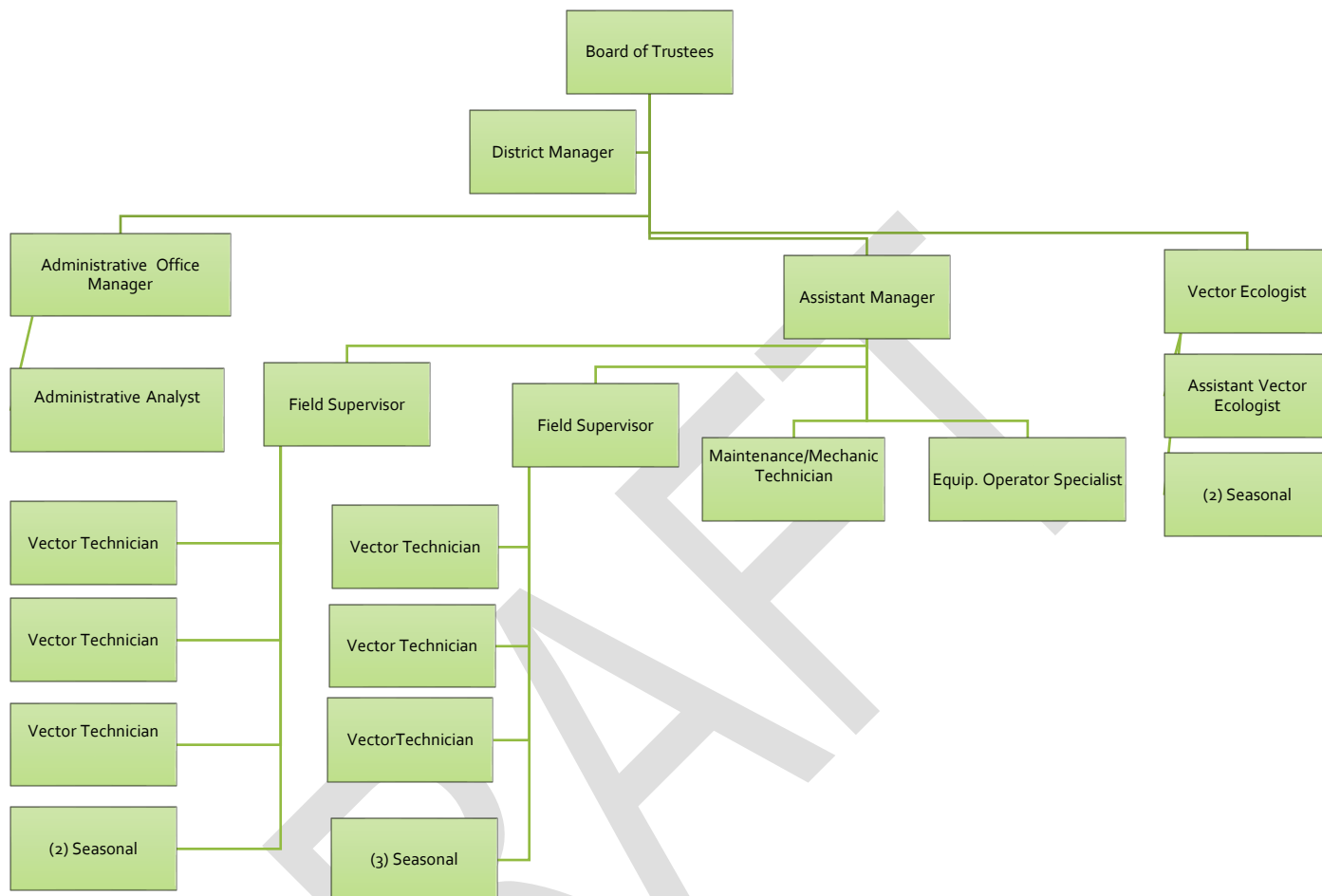
Vision Statement

"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 come 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, focus on a three-year horizon, but include 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 2019/20 is estimated to be \$976,000. 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:

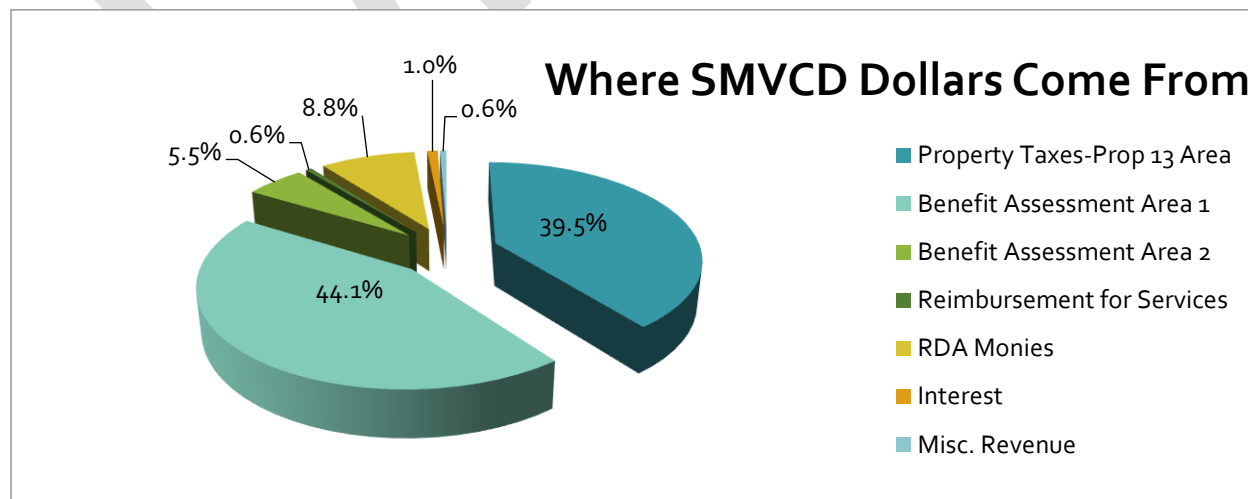
- (1) The District first levied a Benefit Assessment in 1997; this benefit assessment has a maximum rate of \$7.02 per single family home. The District currently levies this assessment at \$0.00. This keeps the assessment authorized so that it may be levied in future fiscal years as needed.
- (2) The 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 **\$19.68** for 2019/20.
- (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 **\$26.63** for 2019/20.

Special Benefit Assessment for 2019-2020

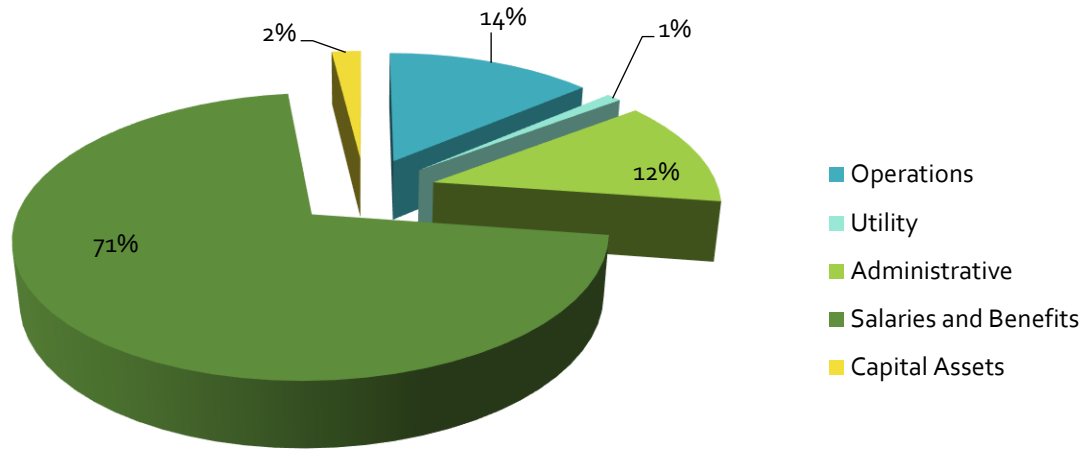
In 2015/16, recognizing the increasing cost of services and the Board's desire to begin moving away from deficit and reserve spending, the District has continued in 2019/20 to gradually increase the BA1 and BA 2 by 4.47% and 2.78% respectively. This slight increase in both benefit assessment areas will ensure our revenues more closely match our expenses. In 2019/20 SMVCD's proposed average assessment for Area 1 will be **\$19.68**, representing an increase of **4.47%** and **\$26.63** in Area 2, representing an increase of **2.78%**.

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 2019/20.



Where SMVCD Dollars Go



Detailed 2019-2020 Budget Proposal

	Actual 2017/18	Budget 2018/19	Budget 2019/20	Benefit Assessment #1	Benefit Assessment #2
REVENUE					
Current Secured Tax	\$910,415	\$940,000	\$976,000		
Current Unitary Taxes	\$46,960	\$42,000	\$48,000		
Current Secure Tax Teeter	\$14,386	\$24,000	\$25,000		
RDA Residual Property Tax	\$12,321	\$24,800	\$31,000		
RDA 1290 Pass Thru	\$231,269	\$215,000	\$220,000		
Supplemental Taxes Current	\$16,394	\$12,000	\$14,500		
Supplemental Taxes Teeter	\$1,670	\$1,500	\$1,500		
Current Unsecured Taxes	\$44,100	\$50,000	\$52,000		
Interest	\$20,686	\$18,000	\$28,000		
State Homeowners Exemption	\$15,067	\$15,000	\$15,000		
Misc. Revenue	\$25,271	\$20,000	\$15,000		
Old Benefit Assessment-Area 1	\$0	\$0	\$0		
2005 Benefit Assessment- Area 1	\$1,138,342	\$1,208,850	\$1,262,121	\$1,262,121	
2007 Benefit Assessment- Area 2	\$140,606	\$149,685	\$156,600		\$156,600
Reimbursed MISC Services	\$24,480	\$25,000	\$16,000		
Sale of Fixed Assets	\$0	\$5,000	\$2,000		
TOTAL REVENUES	\$2,641,967	\$2,750,835	\$2,862,721	\$1,262,121	\$156,600
EXPENSES					
Payroll Expense					
Regular Salaries	\$1,129,802	\$1,173,344	\$1,211,750	\$1,118,445	\$93,304
Extra Help Wages	\$82,775	\$90,000	\$95,000	\$87,685	\$7,315
Overtime	\$0	\$0	\$0	-	-
Car/Vehicle Allowance	\$6,000	\$6,000	\$6,000	\$5,538	\$462

Social Security	\$86,831	\$89,760	\$94,516	\$87,238	\$7,277
PERS Retirement	\$228,386	\$280,400	\$319,963	\$295,326	\$24,637
Retirement Pick-up	\$0	\$0	\$0	-	-
PERS Health Insurance	\$30,690	\$38,280	\$39,720	\$36,661	\$3,058
Flexible Benefits	\$224,782	\$246,784	\$245,534	\$226,628	\$18,906
Employer Share OPEB	\$0	\$0	\$0	-	-
State Unemployment Insurance	\$9,929	\$9,000	\$9,500	\$8,768	\$731
Workers Comp.	\$59,344	\$49,000	\$51,000	\$47,073	\$3,927
Total Payroll Expense	\$1,858,539	\$1,982,568	\$2,072,983	\$1,913,364	\$159,619
Administrative Expense					
Household Expenses	\$8,166	\$8,400	\$8,400	\$7,753	\$646
Food	\$891	\$1,200	\$1,200	\$1,107	\$92
Household Supplies	\$2,096	\$6,500	\$4,000	\$3,692	\$308
Insurance	\$31,032	\$34,000	\$38,000	\$35,074	\$2,926
LAFCO	\$5,806	\$6,500	\$6,500	\$5,999	\$500
Memberships	\$15,705	\$18,000	\$18,500	\$17,075	\$1,424
Office Expenses	\$899	\$1,015	\$1,015	\$936	\$78
Misc. Expenses	\$32	\$150	\$150	\$138	\$11
Professional & Specialized Expenses	\$110,450	\$102,660	\$120,347	\$111,080	\$9,266
Postage	\$1,022	\$1,350	\$1,350	\$1,246	\$103
Office Supplies	\$4,409	\$3,765	\$3,765	\$3,475	\$289
Office Publications	\$2,433	\$4,900	\$4,400	\$4,061	\$338
Promotional Items	\$4,475	\$3,500	\$5,500	\$5,076	\$423
Office Furniture	\$9,329	\$1,500	\$6,000	\$5,538	\$462
Accounting	\$0	\$1,000	\$1,000	\$923	\$77
Advertising & Marketing	\$4,779	\$5,900	\$7,000	\$6,461	\$539
Auditing	\$9,500	\$9,500	\$10,500	\$9,691	\$808
Drug Testing	\$1,581	\$2,000	\$2,000	\$1,846	\$154
Environmental Services	\$625	\$2,600	\$4,000	\$3,692	\$308
Legal Services	\$8,588	\$7,370	\$7,369	\$6,802	\$567
Special Department Expenses	\$17,397	\$20,325	\$21,325	\$19,682	\$1,642
Travel Expenses	\$2,960	\$1,315	\$4,600	\$4,245	\$354
Travel Mileage	\$348	\$209	\$500	\$461	\$38
Training	\$1,867	\$5,500	\$6,500	\$5,999	\$500
Conferences	\$4,315	\$5,150	\$6,050	\$5,584	\$465
Meals	\$2,600	\$6,656	\$7,762	\$7,164	\$597
Lodging	\$9,705	\$10,110	\$10,710	\$9,885	\$824
Programming Services	\$1,000	\$14,000	\$10,000	\$9,230	\$770
Chgs. Aud. Prop. Tax Svs.	\$25,913	\$28,000	\$28,000	\$25,844	\$2,156
Publications & Legal Notices	\$20	\$400	\$400	\$369	\$30
Software	\$1,057	\$8,284	\$10,840	\$10,005	\$834
Computers	\$4,267	\$2,500	\$3,200	\$2,953	\$246
Taxes & Assessments	\$42	\$0	\$500	\$461	\$38
Professional Banking Services	\$4,435	\$6,300	\$6,300	\$5,814	\$485
Total Administrative Expense	\$297,744	\$330,559	\$367,684	\$339,372	\$28,311
Utility Expense	\$27,040	\$29,200	\$29,200	\$26,951	\$2,248
Utilities	\$27,040	\$29,200	\$29,200	\$26,951	\$2,248
Operating Expense					
Agricultural/Pesticides	\$249,000	\$230,000	\$233,925	\$215,913	\$18,012
Clothing/Personal Supply	\$1,022	\$1,292	\$1,400	\$1,292	\$107
Personal Safety Clothing	\$4,406	\$8,175	\$8,175	\$7,545	\$629
Communications	\$4,545	\$5,560	\$8,000	\$7,384	\$616
Cell Phones	\$13,898	\$13,400	\$14,000	\$12,922	\$1,078

Maintenance-Equipment	\$3,366	\$1,350	\$2,000	\$1,846	\$154
Vehicle Maintenance	\$11,844	\$14,340	\$14,340	\$13,235	\$1,104
Building Equipment	\$762	\$1,000	\$1,000	\$923	\$77
Software Maintenance	\$1,660	\$800	\$8,800	\$8,122	\$677
Computer Maintenance	\$766	\$840	\$840	\$775	\$64
Equipment Maint. Parts and Supplies	\$2,286	\$6,800	\$6,500	\$5999	\$500
Out of Agency Vehicle Maint.	\$3,504	\$9,450	\$9,950	\$9,183	\$766
Maintenance-Structures	\$11,183	\$7,700	\$19,700	\$18,183	\$1,516
Medical/Laboratory Supplies	\$11,408	\$15,500	\$19,000	\$17,537	\$1,463
Janitorial Services	\$4,015	\$4,800	\$4,800	\$4,430	\$369
Minor Equipment	\$5,098	\$15,447	\$10,600	\$9,783	\$816
Gasoline	\$35,681	\$31,000	\$31,000	\$28,613	\$2,387
Rents & Leases-Equipment	\$3,959	\$8,500	\$8,000	\$7,384	\$616
Rents & Leases-Structures	\$0	\$200	\$200	\$184	\$15
Safety Equipment	\$0	\$0	\$0	-	-
TOTAL OPERATING EXPENSE	\$368,403	\$376,154	\$402,230	\$371,258	\$30,971
TOTAL EXPENSES	\$2,551,726	\$2,718,481	\$2,872,098	\$2,650,947	\$221,151

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:

(1) Fleet Replacement- \$33,000

Proposed Revenue Transfers:

Existing Facility Reserve Fund- \$14,000

Fixed Asset Committed Reserve Fund- \$33,000

Revenue Stabilization Reserve Fund- \$19,123

TOTAL TRANSFER: \$66,123

Debt Repayment (CSDA Financing-10yr):

\$23,746

TOTAL BUDGET EXPENDITURES

TOTAL BUDGET REVENUES

FISCAL YEAR 2019-2020 BUDGET

\$2,928,845

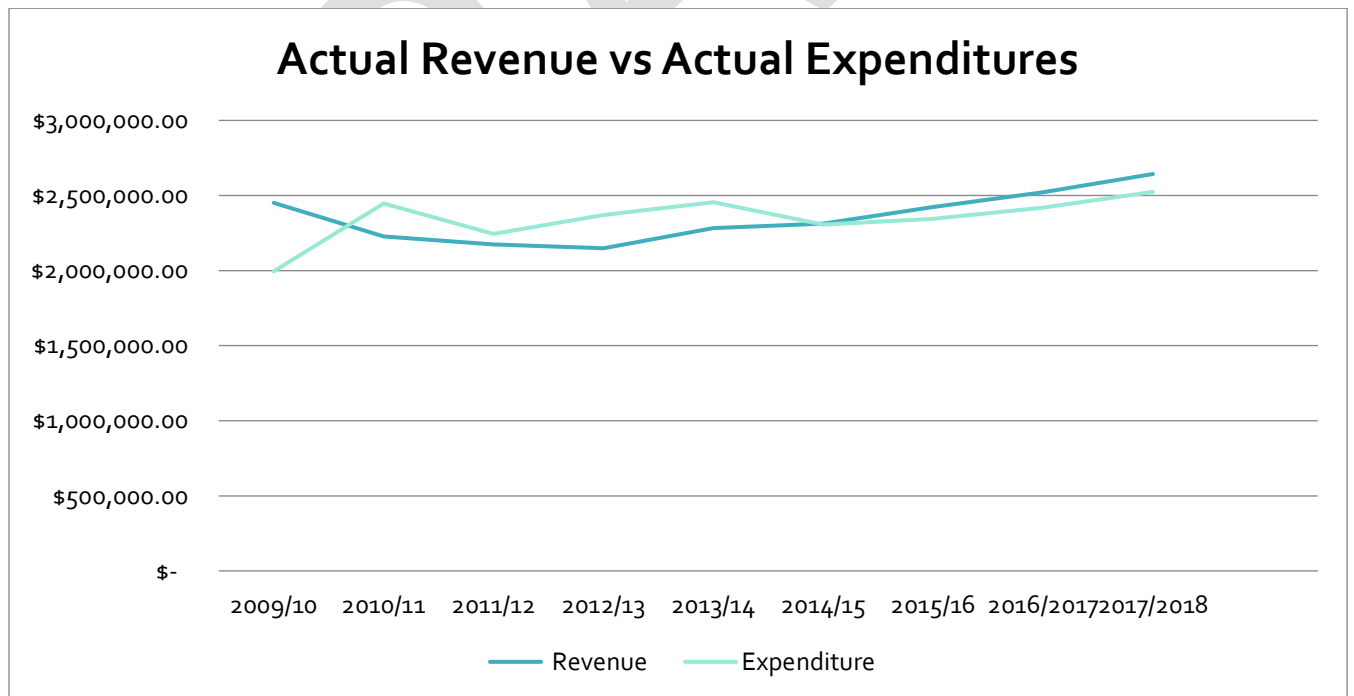
\$2,928,845

General Fund Revenue and Fund Balance

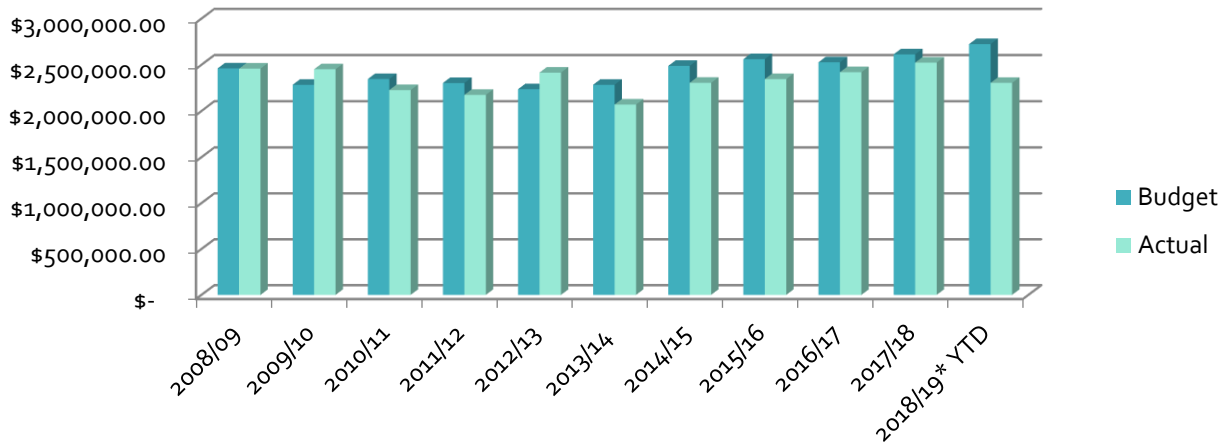
The General Fund is the operating fund of the District and is used to account for all financial activities. The District functions on a July 1- June 30th fiscal year.

Components of the Estimated/Proposed Fund Balance as of July1, 2019:

Non-spendable		Inventory	\$132,000
Restricted			-
		CERBT OPEB Trust	\$949,164
Unrestricted			
	Committed		
		Public Health Emergency	\$300,000
		Building/Facilities	\$200,000
		Pension Liability Fund	\$150,000
		Fixed Asset Replacement	\$100,000
		IT Equipment Replacement	\$75,000
		Revenue Stabilization	\$50,000
		VCJPA Member Contingency	\$229,871
		VCJPA Property Contingency	\$31,456
	Assigned		
		Operations (General Fund)-Dry Financing Estimate	\$1,709,185
	Unassigned		
		None	-
	Total Fund Balance		\$2,845,512



Budget vs Actual Expense



Noteworthy Items of the 2019-2020 Fiscal Year Budget

- Overall, we are anticipating a **4%** increase in Salaries and Benefits, largely due to contracted increases and increases in pension costs.
- We are proposing a small increase in Benefit Assessment Area #1 to \$19.68. This modest increase is being suggested because the District has been in deficit spending since the economy downturn dramatically lowered property tax revenues.
- We are expecting an increase in Revenue of **4%** due to the housing industry picking up speed, the additional RDA funds and general increase in both benefit assessments.
- Administrative costs are budgeted with a **10%** increase due to additional money being focused on advertising and outreach, additionally we plan to finish the administrative furniture replacement by replacing the main office furniture and the Board room chairs.
- Operational costs are expected to climb **6%** due to needed building maintenance costs including asphalt repair, replacement of damaged vinyl tile and addition of concrete pad near the lab building.

District Goals for 2019-2020

- Finish the organization of a long-term plan to deal with fluctuating pension costs
 - Begin putting aside surplus funds to address needs
- Begin refilling the District's reserve accounts
- Review and update the District's Capital Improvement Plan
- Review the District's Finance policies, procedures and software- makes a need updates/improvement
- Research District investment options, move larger initial amount of money to Wells Fargo
- Research adding a cash sweep option to the Wells Fargo account
- Implement any Strategic Planning items to the financial systems or the ongoing budget process