

Marin/Sonoma Mosquito & Vector Control District

Board of Trustees
595 Helman Lane
Cotati, CA 94931

June 12, 2019

MINUTES

1. **CALL TO ORDER**

President McCaffery called the meeting to order at 7:00 pm.

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL**

Members present:

Ackerman, Bruce
Bloom, Gail
Davis, Tamara
Gallian, Laurie
Giovanatto, Carol
Harlem, Pamela
Hootkins, Susan
Khush, Ranjiv

Kinser, Alannah
Naythons, Matthew
Rowland Jr., Herb
Sagues, Paul
Schulze, Ed
Snyder, Richard
Thompson, Michael
McCaffery, Shaun

Members absent:

Blair, Ken
Deicke, Art
Glass, Una
Witt, David

Open seats: Corte Madera, Cotati, one Marin County at Large and one Sonoma County at Large

Others present:

Phil Smith, District Manager
Erik Hawk, Assistant Manager
Dawn Williams, Confidential Administrative Assistant
Jennifer Crayne, Finance Manager
Janet Coleson, General Counsel

A quorum was present, and due notice had been published.

4. **PUBLIC TIME**

No public comment.

5. **CONSENT CALENDAR**

A. **CHANGES TO AGENDA/APPROVAL OF AGENDA**

B. **MINUTES** – Minutes of the Board Meeting held May 8, 2019.

C. **FINANCIAL**

Warrants – May 2019

May Payroll: \$194,197.39

May Expenditures: \$431,983.27

Total: \$626,180.66

D. **ENDING ACCOUNT BALANCES:**

Operating Fund: \$10,719,964.41

It was M/S Trustee Davis/Trustee Schulze to accept the Consent Calendar:

Motion passed with:

***Ayes:** Trustee Ackerman, Trustee Bloom, Trustee Davis, Trustee Gallian, Trustee Giovanatto, Trustee Harlem, Trustee Hootkins, Trustee Khush, Trustee Kinser, Trustee Naythons, Trustee Rowland, Trustee Sagues, Trustee Schulze, Trustee Snyder, Trustee Thompson and Trustee McCaffery*

***No:** (none)*

***Abstain:** (none)*

***Absent:** Trustee Blair, Trustee Deicke, Trustee Glass and Trustee Witt*

6. **PUBLIC HEARING/PUBLIC COMMENT**

A. The purpose of this Public Hearing was to receive public comment regarding Resolution No. 2018/19-07, A Resolution of the Board of Trustees of the Marin/Sonoma Mosquito and Vector Control District: A Resolution approving the engineer's report, confirming the assessment diagram and assessment and ordering the levy of assessments for fiscal year 2019-20 for the Vector Control Assessment (Assessment No. 1).

Maria Garcia-Adarve from SCI Consulting Group gave a quick overview of how the District's two Benefit Assessment Districts are administered. She explained that at the previous Board meeting, the preliminary reports for Assessment No. 1 and Assessment No. 2 were approved, preliminarily approving the new assessments for fiscal year 2019-20. Additionally, a notice for the Public Hearing was published at least 10 days in advance in the public notice section of the Marin IJ and Press Democrat, covering both Marin County and Sonoma County.

Assessment District No. 1 was formed in 1996, just before Proposition 218 passed and covers the majority of the parcels in the District. Due to its size, Assessment No. 1 provides most of the District's assessment revenue. Assessment No. 1 is capped at \$12 and the total revenue will be \$3,168,000. Assessment District No. 2 was formed in 2004 by means of a balloted assessment that annexed those areas of the two counties that were not serviced by the District. Assessment No. 2 has a Consumer Price Index (CPI) escalator mechanism, which allows the assessment to increase annually according to the Bay Area CPI, up to a maximum of 5% per year. Assessment No. 2's proposed rate was \$27.58 per single-family equivalent making the total revenue just short of \$1 million. The total revenue from both assessment districts was estimated to be \$4.1 million in FY 2019-20.

Ms. Garcia-Adarve asked for comments and answered questions from the Board regarding details of the assessment engineering process.

President McCaffery opened the Public Hearing to receive comments from the public. Seeing that there were no comments from the public, President McCaffery asked for a motion to close the Public Hearing.

It was M/S Trustee Davis/Trustee Snyder to close the Public Hearing.

Motion passed with:

***Ayes:** Trustee Ackerman, Trustee Bloom, Trustee Davis, Trustee Gallian, Trustee Giovanatto, Trustee Harlem, Trustee Hootkins, Trustee Khush, Trustee Kinser, Trustee Naythons, Trustee Rowland, Trustee Sagues, Trustee Schulze, Trustee Snyder, Trustee Thompson and Trustee McCaffery*

***No:** (none)*

***Abstain:** (none)*

***Absent:** Trustee Blair, Trustee Deicke, Trustee Glass and Trustee Witt*

It was M/S Trustee Schulze/Trustee Davis to approve Resolution 2018/19-07:

Motion passed with a roll call vote:

***Ayes:** Trustee Ackerman, Trustee Bloom, Trustee Davis, Trustee Gallian, Trustee Giovanatto, Trustee Harlem, Trustee Hootkins, Trustee Khush, Trustee Kinser, Trustee Naythons, Trustee Rowland, Trustee Sagues, Trustee Schulze, Trustee Snyder, Trustee Thompson and Trustee McCaffery*

***No:** (none)*

***Abstain:** (none)*

***Absent:** Trustee Blair, Trustee Deicke, Trustee Glass and Trustee Witt*

- B.** The purpose of this Public Hearing was to receive public comment regarding Resolution No. 2018/19-08, A Resolution of the Board of Trustees of the Marin/Sonoma Mosquito and Vector Control District: A Resolution approving the engineer's report, confirming the assessment diagram and assessment and ordering the levy of assessments for fiscal year 2019-20 for the Northwest Mosquito, Vector and Disease Control Assessment (Assessment No. 2).

It was M/S Trustee Gallian/Trustee Schulze to approve Resolution 2018/19-08:

Motion passed with a roll call vote:

Ayes: Trustee Ackerman, Trustee Bloom, Trustee Davis, Trustee Gallian, Trustee Giovanatto, Trustee Harlem, Trustee Hootkins, Trustee Khush, Trustee Kinser, Trustee Naythons, Trustee Rowland, Trustee Sagues, Trustee Schulze, Trustee Snyder, Trustee Thompson and Trustee McCaffery

No: (none)

Abstain: (none)

Absent: Trustee Blair, Trustee Deicke, Trustee Glass and Trustee Witt

7. NEW BUSINESS

A. * Review of Board Policy Manual

District Manager Smith explained that a review of the Board Policy Manual was necessary for several reasons, including significant proposed changes to the direct deposit payroll policy and procedures. Also, to qualify for the “District of Distinction” award, the California Special Districts Association requires a review of the policy manual to be completed within a one-year period of submitting the award application.

Manager Smith noted that although most of the changes proposed were minor, such as updating the title “Financial/Benefits Manager” to “Financial Manager,” a few sections required a more significant change. These are listed below:

- Page 15, section 2070, Board of Trustees Training on Discrimination and Harassment Prevention was updated to include recently passed harassment prevention legislation.
- Page 16, section 2080, “Committees of the Board of Trustees”: Committee charges were updated to reflect the most recent versions.
- Page 28, section 5010, “Check Handling Procedures and Signature Authority”: the phrase “or Assistant Manager” was added in several paragraphs to correct their unintentional omission from the original version.
- Page 30, section 5020, “Banking Direct Deposit Policy & Procedures”: Due to the many changes to procedures and internal controls within this section, mostly driven by the new option to allow the use of an outside payroll service, this section was almost completely rewritten.
- Page 42, section 5040, “Comprehensive Purchasing Policy”: A new section, “Leveraged Procurement Agreements” was added to permit the use of piggyback agreements when doing so would be advantageous to the District.
- Appendix A: “Brown Act Compliance” section on Posting: Due to a change in the law, a provision was added to require the posting of meeting agendas on the District’s website in a timely manner.

Trustee Hootkins pointed out a section where a word was missing and suggested that the Board Policy Manual be reviewed once more by staff to correct any typographical errors.

It was M/S Trustee Snyder/Trustee Schulze to approve the proposed changes to the Board Policy Manual after a final review for typographical errors and then direct staff to prepare amended paper and electronic copies:

Motion passed with:

***Ayes:** Trustee Ackerman, Trustee Bloom, Trustee Davis, Trustee Gallian, Trustee Giovanatto, Trustee Harlem, Trustee Hootkins, Trustee Khush, Trustee Kinser, Trustee Naythons, Trustee Rowland, Trustee Sagues, Trustee Schulze, Trustee Snyder, Trustee Thompson and Trustee McCaffery*

***No:** (none)*

***Abstain:** (none)*

***Absent:** Trustee Blair, Trustee Deicke, Trustee Glass and Trustee Witt*

B. Outstanding Achievement Award Presented to Public Information Officer

Manager Smith noted that a tremendous amount of preparation and planning went into the District's Open House event that was held on May 18, 2019. Despite the deluge of rain, approximately 600 people attended the event. Trustees and staff received numerous compliments from the public about how well the event was conceived, organized and executed. In particular, this year's displays were superb and very engaging. Manager Smith emphasized that many staff members played important roles in planning and staging this event. However, at the event, several trustees and staff drew attention to Public Information Officer Nizza Sequeira's pivotal leadership role and tireless efforts, which were central to making the Open House event so successful.

In recognition of Ms. Sequeira's hard work on behalf of the District, President McCaffrey presented Ms. Sequeira with the "Outstanding Achievement" award.

Ms. Sequeira acknowledged that she could not have put the event together without the help, encouragement and support from staff and management. She especially credited Eric Engh, the Education Program/I.D. Specialist, who played an instrumental role in inspiring children and parents to attend the event because of his Backyard Bugs Contest. Ms. Sequeira agreed that preparing for this event is a huge undertaking, but felt that the success of the event made it worth all the effort.

It was M/S Trustee Davis/Trustee Schulze to commend Nizza Sequeira for her performance organizing and overseeing the 2019 Open House and to honor her with the Outstanding Achievement Award:

Motion passed with:

***Ayes:** Trustee Ackerman, Trustee Bloom, Trustee Davis, Trustee Gallian, Trustee Giovanatto, Trustee Harlem, Trustee Hootkins, Trustee Khush, Trustee Kinser, Trustee Naythons, Trustee Rowland, Trustee Sagues, Trustee Schulze, Trustee Snyder, Trustee Thompson and Trustee McCaffery*

***No:** (none)*

Abstain: (none)

Absent: Trustee Blair, Trustee Deicke, Trustee Glass and Trustee Witt

C. Award of Excellence Presented to Education/Insect I.D. Specialist

Manager Smith highlighted the essential role that Eric Engh played in the successful Open House event, especially his talented graphic design productions and his role in encouraging the submission of hundreds of entries for the contests.

Mr. Engh thanked the Board, reiterating that many staff members worked very hard in the process of preparing for the event. In particular, he recognized the staff who helped at the Bug Zoo, which was a big hit with all age groups. He also acknowledged Mr. Ron Keith and his wife who helped judge the Backyard Bug Contest.

It was M/S Trustee Gallian/Trustee Schulze to commend Eric Engh for his performance helping organize the event and preparing exhibits for the 2019 Open House and to present him with the Award of Excellence:

Motion passed with:

Ayes: Trustee Ackerman, Trustee Bloom, Trustee Davis, Trustee Gallian, Trustee Giovanatto, Trustee Harlem, Trustee Hootkins, Trustee Khush, Trustee Kinser, Trustee Naythons, Trustee Rowland, Trustee Sagues, Trustee Schulze, Trustee Snyder, Trustee Thompson and Trustee McCaffery

No: (none)

Abstain: (none)

Absent: Trustee Blair, Trustee Deicke, Trustee Glass and Trustee Witt

8. COMMITTEE & STAFF REPORTS

A. Legislative Committee

Committee Chair Tamara Davis noted that Assembly Bill 320 (Quirk), which would create the California Mosquito Surveillance and Research Program, was approved by the Appropriations Committee and had been referred to the Committees on Health and Education for consideration.

9. MANAGER'S REPORT

Manager Smith verbally provided a few minor additions to his written report: The District's Trust account for Other Post-Employment Benefits (OPEB) balance continues to rise as interest is earned, and now stands at \$3.2 million. At the April meeting of the Vector Control Joint Powers Agency (VCJPA) Board of Directors, it was decided to dissolve a fund known as the "Property Contingency Fund" and to transfer all of the monies in that fund to the "Member Contingency Fund," which is then available to cover the cost of non-covered claims, self-insured retention, etc. When this change takes effect on July 1, 2019, the District will have about 12% more in its Member Contingency Fund, than the "prudent balance" calculated by VCJPA staff. VCJPA policy states that if the District elects to carry a balance in the Member Contingency Fund that is higher than the prudent balance, the District will be asked

to provide documentation listing its reasons for carrying a higher balance. Staff recommends that the District retain the additional money in the member contingency fund because doing so would provide a strong buffer against multiple or uncovered claims and the funds are securely invested with a reasonable rate of return.

On the topic of rate of return, Mr. Smith informed the Board that the County of Marin Treasury had just issued an updated investment portfolio report showing the District is realizing about 2.435% on its funds deposited with the County of Marin. If that rate continues to hold, staff estimates that that the District would realize about \$30,000 more than budgeted in interest income over the course of a year.

Assistant Manager Hawk reported on a sizeable larvicide treatment in the Laguna de Santa Rosa, noting that staff were planning another helicopter treatment of over 80 acres the next day. Heavy larval production of *Culex tarsalis*, a primary vector of West Nile virus was noted. The root system of the invasive *Ludwigia* plant in the Laguna is very dense and this makes it extremely difficult to get around with the airboat. Additionally, the water quality and circulation in many areas of the Laguna is now very poor, which can increase mosquito production.

Mr. Hawk also spoke about recent problems with the main building air conditioning system. One of the two chiller units is malfunctioning and due to the unfavorable economics of repairing it, staff is considering purchasing a new chiller unit. Unfortunately, this will be a large replacement capital item that will take many weeks to arrive. *(Manager and Assistant Manger's reports were included in the June Board packet)*

Trustee Schulze remarked that the Shop/Facilities Coordinator had invented a modification to the backpack granule applicator that will be used for mosquito control. He recommended that some sort of recognition be given. Staff agreed to consider options and report back.

Financial Manager Jennifer Crayne provided the Board with some financial projections to the end of fiscal year 2018-19. Actual year-to-date revenues stood at \$9,236,130. After contacting County staff to request the estimated ad valorem totals, which are still pending (not yet received); Ms. Crayne reported that Marin County anticipates receiving an additional \$193,293. Sonoma County was unable to provide an estimate, so she averaged what the District typically receives, which is about \$275,000. This brings the District's estimated total annual revenue to \$9,720,708. Ms. Crayne noted that in previous years the budget was prepared using the budgeted revenue amounts for the prior year and then applying the escalation factors provided by the two counties. It is now clear that this methodology consistently understated the District's actual revenues. To provide more accurate forecasts, staff will henceforth use prior year actual figures for the ad valorem revenue estimates, modified by the percentage change estimates provided by county staff.

Actual year-to-date expenses were \$9,217,393 and the estimated amount of the next AP/Payroll check run was \$679,015, with the total estimated expenses to be \$9,896,408. On paper, this put the District in the red by approximately \$175,700. By contrast, back in April, we anticipated being in the red about \$500,000. Further contributing to the rosier financial picture was that two key staff positions were not

filled this fiscal year. In summary, though the District had higher than anticipated revenue, expenses will exceed revenue this fiscal year. However, during the year, the District made an additional contribution of \$1.608 million to the OPEB trust account with CalPERS CERBT. In closing, Ms. Crayne noted that had this payment not been made, the District would have returned a financial surplus for FY 2018-19.

Ms. Crayne answered questions from the Board.

President McCaffery remarked that the Fiscal Strategies and Executive Committees would be meeting soon, and the outcome of these meetings will determine whether there will be a July meeting of the Board.

10. **WRITTEN COMMUNICATIONS**

No written communications.

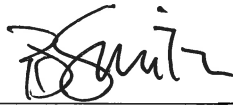
11. **OPEN TIME FOR BOARD OR STAFF COMMENTS**

Trustee Harlem asked about the status of the community outreach efforts mentioned in the Manager's report. Manager Smith replied that he and P.I.O. Nizza Sequeira are working with a staff member from Lew Edwards Group to prepare talking points and other documentation. A recent speaker's bureau training prepared staff to give educational talks and many were scheduled. Trustee Davis and Manager Smith will give a presentation to the Sonoma County Board of Supervisors on July 23. Also, Trustees will be asked to go to their city or town council meetings to present an update. In addition, an informational mailer is in the advanced stages of preparation and the new website will feature an FAQ section dealing with the potential revenue project.

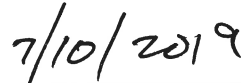
Trustee Davis mentioned that the District's Facebook page reaches people from all over, including out of state. She reiterated the importance of sharing posts that the District puts on Facebook as it is a great tool for raising awareness about vector issues and reaches many people.

12. **ADJOURNMENT**

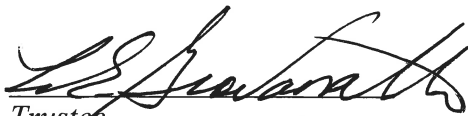
There being no further business to come before the Board, President McCaffery adjourned the meeting at 8:13 pm.



District Representative
MSMVCD



Date of Approval



Trustee
MSMVCD Board of Trustees



Date of Approval