

MINUTES

A Budget Committee meeting of the Board of Trustees of the Contra Costa Mosquito and Vector Control District was held on Monday, June 24, 2013, in the District Office at 155 Mason Circle, Concord, California.

TRUSTEES PRESENT Jim Fitzsimmons, Chairperson
 Peggie Howell
 Chris Cowen
 Michael Krieg
 Richard Ainsley
 Richard Means
 Diane Wolcott

TRUSTEES ABSENT Jeff Bennett

OTHERS PRESENT Craig Downs, General Manager
 Ray Waletzko, Administrative & Finance Manager
 Mitch Barker, Public Agency Retirement Services
 Andrew Brown, HighMark Capital Management

1. The Committee meeting was called to order at 7:00 p.m.
2. Roll call indicated that seven Trustees were present and one was absent.
3. PUBLIC INPUT ON NON AGENDA ITEMS

None.
4. APPROVAL OF MINUTES FROM COMMITTEE MEETING HELD ON APRIL 22, 2013

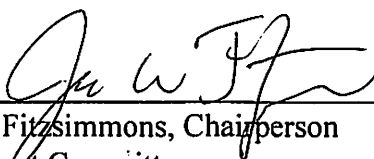
** Motion was made by Trustee Cowen and seconded by Trustee Krieg to approve minutes from Committee meeting held on April 22, 2013. Motion passed.
5. PRESENTATION REGARDING THE DISTRICT OTHER POST EMPLOYMENT BENEFITS (OPEB) TRUST FUND - Mitch Barker, from Public Agency Retirement Services and Andrew Brown, from HighMark Capital Management gave a presentation to the committee. They gave an overview why the District created an OPEB trust, explained the parties who are responsible for the District trust fund, described the investment strategy used for the District and detailed the trust fund financial performance.
6. REVIEW DISTRICT LONG RANGE FINANCIAL FORECAST - Administrative & Finance Manager Waletzko discussed the long range forecast and explained that this version assumed

no hires and no attrition as the baseline. He discussed some of the projected expenditure increases over FY 12/13 numbers and how it affects our long range reserve balances. There was much discussion about the negative ending balance in this years proposed budget and staff's decision to spend down District reserves that had grown during the expansion of real estate assessed values in Contra Costa County from 2004 to 2007.

7. REVIEW DISTRICT BENEFIT ASSESSMENT FOR FY 2013/2014 - 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 2013/2014 - Administrative & Finance Manager Waletzko and General Manager Downs discussed the requests made by staff for FY 13/14. There was an explanation of a request for two new trucks after a number of years of no vehicle purchases and the difference between the requests for field equipment and why the Honda Side by Side was chosen over the Argo. Additional detail was provided for a number of items such as a new District server and vehicle branding.
9. REVIEW PROPOSED BUDGET FOR FY 2013/2014 - Administrative & Finance Manager Waletzko noted some items in the Proposed Budget. These included *Other Post Employment Benefits (OPEB), Agriculture, Worker's Compensation, Auditing Services, Aviation Services, Miscellaneous Services and Property Taxes*. Administrative & Finance Manager Waletzko noted that we closed FY 12/13 with a 1% increase in property taxes; which reversed a four year decline in this revenue source, and he projected a 2% increase in property taxes for FY 13/14. The Proposed budget has a negative ending balance and there was much discussion about bringing District reserves down; and using them to fund the proposed deficit. Administrative & Finance Manager Waletzko noted that prudent fiscal management in the past, when property taxes were growing by double digits, has prepared the District to handle the rapid decline in property tax revenue.
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.
11. BOARD AND STAFF ANNOUNCEMENTS
12. ADJOURNMENT

There being no further business, the meeting was adjourned at 8:50 p.m.

I certify the above minutes were approved as read or corrected at a meeting of the Budget Committee held on April 28, 2014.



Jim Fitzsimmons, Chairperson
Budget Committee

AYES:

NOES:

ABSENT:

ABSTAIN: