

MINUTES

A Budget Committee meeting of the Board of Trustees of the Contra Costa Mosquito and Vector Control District was held on Monday, April 27, 2015, in the District Office at 155 Mason Circle, Concord, California.

TRUSTEES PRESENT Randall Diamond
 Richard Ainsley
 Peggie Howell
 Michael Krieg
 Richard Means
 Lola Odunlami
 Rolando Villareal

TRUSTEES ABSENT Chris Cowens
 Morris Jones

OTHERS PRESENT Craig Downs, General Manager
 Ray Waletzko, Assistant Manager
 Andrew Brown, HighMark Capital
 Mitch Barker, PARS

1. The Committee meeting was called to order at 7:02 p.m.
2. Roll call indicated that seven trustees were present and two were absent.
3. PUBLIC INPUT ON NON AGENDA ITEMS

None.

4. APPROVAL OF MINUTES FROM COMMITTEE MEETING HELD ON JUNE 23, 2014

** Motion was made by Trustee Krieg and seconded by Trustee Howell to approve minutes from Committee meeting held on June 23, 2014. Motion passed.

5. PRESENTATION REGARDING OTHER POST EMPLOYMENT BENEFITS (OPEB) TRUST - Andrew Brown, from HighMark Capital and Mitch Barker, from Public Agency Retirement Services (PARS) were in attendance to give the committee a review of the District trust that was created to fund retiree benefits. Mr. Brown detailed the performance of the trust portfolio since inception, as well as year to date, and discussed benchmarks and recent changes to fund managers. Mr Barker discussed the structure of the trust and the effect of actuarial assumptions on the level of required annual funding. It was explained that an actuarial review is required every three years and the Annual Recommended Contribution (ARC) could change depending on the performance of funds already held for the District. There was much discussion

among the committee members and it was noted that the District is on track with the annual recommended contributions.

6. REVIEW DISTRICT RESERVES AND REVENUE SOURCES - Assistant Manager Waletzko addressed the District's revenue sources, the percent of revenue each source generated for the District and some of the trends and potential impacts of an improving housing market in regard to property tax collections in Contra Costa County. Graphs were used to display a ten year history of the District reserves with the Local Agency Investment Fund (LAIF) and ten years of expenses versus revenues. There was much discussion about the management of District revenues and spending down reserves over the next couple of fiscal years.
7. REVIEW FISCAL YEAR 14/15 BUDGET YEAR TO DATE - Assistant Manager Waletzko discussed the year to date budget and touched on a number of items including *Payroll, Other Post Employment Benefits, Telecommunication Services, Advertisement & Notices and Property Taxes*. It was noted that current property tax revenues are higher than projected for fiscal year 2014/15 and the process of gathering information on these projections was discussed. The \$145,000 contribution for Other Post Employment Benefits (OPEB) in the budget for FY 14/15 was noted and it was also explained that staff will annually request reimbursement for our annual retiree medical costs from the previous year. It is estimated that our first request will be for approximately \$53,000 and the funds will be noted in the budget under *Medical Reimbursement*.
8. REVIEW LONG TERM FORECASTS - The long term forecast was discussed and some of the assumptions used were explained. Assistant Manager Waletzko explained that the most frequent benchmark he uses to measure the District financial situation is the Local Agency Investment Fund (LAIF) % of Revenues line. He noted that he watches for which year in the future this benchmark reaches 50%. This in turn measures how much reserves the District retains in comparison to estimated annual expenses; and is a good barometer of how low the District reserves can go in future years before we would have to borrow funds for operations. It was noted that property taxes are approximately two thirds of the District revenues and the recent rapid property tax assessed value growth makes it difficult to forecast accurately.
9. BOARD AND STAFF ANNOUNCEMENTS - None
10. ADJOURNMENT - There being no further business, the meeting was adjourned at 8:45 P.M.

I certify the above minutes were approved as read or corrected at a meeting of the Budget Committee held on June 22, 2015.


Randall Diamond, Chairperson
Budget Committee

AYES:

NOES:

ABSENT:

ABSTAIN:

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