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**BOARD OF TRUSTEES
BUDGET COMMITTEE**

Monday, June 3, 2019

6:00 P.M.

District Office
155 Mason Circle
Concord, California 94520

AGENDA

CALL TO ORDER:

Roll Call
Pledge of Allegiance

1. PUBLIC INPUT ON NON AGENDA ITEMS

Public Participation: Members of the public may address the Board of Trustees regarding items of interest that are within the subject matter jurisdiction of the Board of Trustees. Generally, the Board will not enter into a dialogue during this period.

Speakers should have a “Speaker Card” completed and presented to the Clerk of the Board prior to the start of the Board meeting. Public input on agenda items will be taken at the beginning of the discussion of those agenda items.

Comments shall be limited to **three minutes per person**, unless different time limits are set by the Chairperson.

2. APPROVAL OF MINUTES FROM BUDGET COMMITTEE MEETING HELD ON APRIL 29, 2019

3. REVIEW DISTRICT LONG RANGE FINANCIAL FORECAST

4. REVIEW DRAFT BENEFIT ASSESSMENT FOR FY 2019/2020

5. REVIEW FIXED ASSET, PROGRAM DEVELOPMENT, AND ONE TIME REQUEST / RECOMMENDATIONS FOR FY 2019/2020

6. REVIEW INTIAL PROPOSED BUDGET FOR FY 2019/2020

Protecting Public Health Since 1927

BOARD OF TRUSTEES

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7. REVIEW PROPOSED DISTRICT INVESTMENT, PROCUREMENT AND DISPOSAL, AND RESERVE POLICIES
8. BOARD AND STAFF ANNOUNCEMENTS
9. ADJOURNMENT

I hereby certify that the District Board of Trustee Agenda was posted 5 days, before the noted meeting.

	5/29/2019
Natalie Martini, Administrative Assistant	Date

The Contra Costa Mosquito & Vector Control District will provide reasonable accommodations for persons with disabilities planning to attend CCMVCD meetings who contact Natalie Martini at least 24 hours before the meeting, at (925) 771-6100.

Agenda materials are available to the public for inspection at no charge during business hours at our administrative office located at 155 Mason Circle, Concord, California.

CONTRA COSTA MOSQUITO AND VECTOR CONTROL DISTRICT

JUNE 3, 2019 BUDGET COMMITTEE MEETING

1. No comment, see agenda
2. APPROVAL OF MINUTES FROM BUDGET COMMITTEE MEETING HELD ON APRIL 29, 2019 (Pages 4-5)
3. REVIEW DISTRICT LONG RANGE FINANCIAL FORECAST (Page 6) – Administrative Services Manager Bagley will review the updated revenues for FY 2018-2019 and long-range forecast modified assumptions for FY 2019/2020.
4. REVIEW DRAFT BENEFIT ASSESSMENT FOR FY 2019/2020 – the committee will review the assessment level on the draft benefit assessment conducted by Francisco & Associates, which will be provided at the meeting.
5. REVIEW FIXED ASSET, PROGRAM DEVELOPMENT, AND ONE TIME REQUEST / RECOMMENDATIONS FOR FY 2019/2020 (Page 7) – fixed assets requested by staff and proposed by management for approval for FY 2019/2020 will be reviewed.
6. REVIEW INTIAL PROPOSED BUDGET FOR FY 2019/2020 (Pages 8-9) – Administrative Services Manager Bagley will discuss the updated proposed budget for FY 2019-2020.
7. REVIEW PROPOSED DISTRICT INVESTMENT, PROCUREMENT AND DISPOSAL, AND RESERVE POLICIES (Pages 10-25) – the committee annually reviews the District’s Investment Policy to recommend adoption to the full Board of Trustees. Staff is recommending changes to the previous Investment Policy and adoption of new Reserve and Procurement and Disposal policies.
- 8 - 9. No comment

BUDGET COMMITTEE MEETING
MINUTES

A Budget Committee meeting of the Board of Trustees of the Contra Costa Mosquito and Vector Control District was held on Monday, April 29, 2019, in the District Office at 155 Mason Circle, Concord, California.

TRUSTEES PRESENT	Perry Carlston, Chair Richard Ainsley Chris Cowen Robert Lucacher Kevin Marker Richard Means James Murray
TRUSTEES ABSENT	Darryl Young
OTHERS PRESENT	Paula Macedo, General Manager Natalie Martini, Administrative Assistant

CALL TO ORDER

Chair Carlston called the meeting to order at 6:00 p.m.

ROLL CALL

A roll call indicated that 7 Trustees were present, and one was absent.

1. PUBLIC INPUT ON NON AGENDA ITEMS - None.
2. APPROVAL OF MINUTES FROM BUDGET COMMITTEE MEETING HELD ON JULY 9, 2018

** Motion was made by Trustee Murray and seconded by Trustee Lucacher to approve the minutes from the Budget Committee meeting held on July 9, 2018.

3. REVIEW DISTRICT RESERVES AND REVENUE SOURCES – the committee reviewed the District's revenue sources, the percent of revenue each source generated for the District and some of the trends and potential impacts of the increasing assessed value of property and property tax collections in Contra Costa County. Graphs were used to display a ten-year history of District reserves with the Local Agency Investment Fund (LAIF) and expenses versus revenues.
4. REVIEW FISCAL YEAR 2018/2019 BUDGET YEAR TO DATE – the committee reviewed the financial results by comparison to the current fiscal year's budget and the percentage of utilization for the year. The committee questioned the better than

anticipated budget. Staff noted that the operating savings were due partly to delay in purchasing of some budgeted items, and other savings were due to a maximum allocation for those expense accounts, such as the agriculture for the aerial adult mosquito control operations. All revenue and expenses in all accounts were reviewed.

Discussion ensued about how to more accurately reflect the budget and the progress towards obtaining a more detailed budget. Administrative Services Manager Bagley noted that the administrative staff is currently working on implementing a google form for purchases, which will enable them to see a detailed itemized list of what is purchased by general ledger line item. Trustee Lucacher requested a timeline with milestones on implementations for this system and when the committee could expect a detailed budget. In addition, he requested that staff add a column to the table on page 9 (FY 18/19 Actuals vs Budget) to show the variance as a dollar amount and not just the percent utilization. Staff agreed to complete both for the upcoming June committee meeting. The committee also discussed how to allocate or assign excess in the budget in the future.

5. REVIEW DISTRICT LONG RANGE FINANCIAL FORECAST – the committee reviewed the long-term forecast and discussed some of the assumptions used. It was suggested that staff should remove the assumption for the “OPEB Trust funding” because it had been correlated with the Salary & Wage calculations. The committee also discussed how to allocate or assign reserves in the future.
6. BOARD AND STAFF ANNOUNCEMENTS – None
7. ADJOURNMENT – 7:14 p.m.

I certify the above minutes were approved as read or corrected at a meeting of the Budget Committee held on June 3rd, 2019.

Perry Carlston, 2019 Chair
Budget Committee

Forecast FY 19/20 Budget Year

Cost Projections (\$M) or (*1,000) Using Fiscal Year 2019 Budget Assumptions as of 4.30.19

Fiscal Year	Adopted 18/19	Proposed 19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29
Expenses											
Salaries & Wages, w/ indirects	5,675	6,069	6,251	6,439	6,632	6,831	7,036	7,247	7,464	7,688	7,919
OPEB Trust funding	176	176	188	193	199	205	211	217	224	231	238
Operations	1,635	1,684	1,718	1,752	1,787	1,823	1,860	1,897	1,935	1,973	2,013
Capital equipment	254	215	220	226	232	237	243	249	256	262	269
Capital Land (Int on debt)	-	-	-	-	-	-	-	-	-	-	-
TOTAL	\$ 7,739	\$ 8,144	\$ 8,377	\$ 8,610	\$ 8,850	\$ 9,096	\$ 9,349	\$ 9,610	\$ 9,878	\$ 10,154	\$ 10,438
Revenues											
Property Taxes	5,633	5,690	5,860	6,036	6,217	6,404	6,596	6,794	6,997	7,207	7,424
Benefit Assessment	2,038	2,058	2,060	2,062	2,065	2,067	2,069	2,071	2,073	2,075	2,077
Interest Income from LAIF	75	110	76	74	71	68	65	61	56	50	44
Miscellaneous	241	193	195	197	199	201	203	205	207	209	211
TOTAL	\$ 7,987	\$ 8,051	\$ 8,191	\$ 8,369	\$ 8,552	\$ 8,740	\$ 8,932	\$ 9,130	\$ 9,333	\$ 9,542	\$ 9,756
Net Difference	\$ 248	\$ (93)	\$ (186)	\$ (241)	\$ (298)	\$ (356)	\$ (417)	\$ (480)	\$ (545)	\$ (612)	\$ (682)
Reserves (In LAIF)	\$ 7,651	\$ 7,558	\$ 7,372	\$ 7,131	\$ 6,834	\$ 6,477	\$ 6,060	\$ 5,580	\$ 5,035	\$ 4,423	\$ 3,741
As % of Revenue	96%	94%	90%	85%	80%	74%	68%	61%	54%	46%	38%

Assumptions:	FLAT Projected
Salaries & Wages, w/ indirects	3.00%
OPEB Trust funding	3% of Salary & Wages
Operations	2.00%
Capital equipment	2.50%
Assessed Valuation	3.00%
Benefit Assessment	0.10%
Interest Income	1.00%
Miscellaneous	1.00%

Fixed Asset & One Time Expenditure Requested For FY19/20

5/29/19

Items	Category	Requested	
4WD Truck	Vehicles	35,000	
4WD Truck	Vehicles	35,000	
Educational Center Structure & Structure Project	Structure	13,000	*
Operations Equipment Replacement	Equipment	15,000	*
Software for Expense Reporting	Intangible	7,000	
Software for Digital Maps	Intangible	55,000	
Safety Lights for District Trucks	Equipment	38,000	*
Computer Equipment	Equipment	25,000	*
LCD Projector Education Center	Equipment	3,000	*
Total Requested		226,000	

Vehicles	Requested	Recommend
Vehicles	70,000	70,000
Equipment	81,000	81,000
Intangible	62,000	62,000
Structure	13,000	13,000
Shop	-	-
Total	226,000	226,000

**FY 19/20 Budget Year
June Budget Committee Packet**

ACCOUNT	Adopted	YTD	Adopted	YTD as of	Initial Proposed	YTD	Proposed vs
	FY17/18	FY17/18	FY18/19	5.15.19	FY19/20	FY 18/19 vs FY 19/20	FY 18/19 vs FY 19/20
						% Change	% Change
SALARIES AND WAGES							
Payroll & OT	3,292,002	3,187,980	3,501,486	3,140,502	3,820,353	21.65%	9.1%
Retirement	1,257,191	1,270,979	1,216,950	1,245,810	1,267,909	1.77%	4.2%
OASDI	247,000	171,803	217,092	189,073	236,862	25.28%	9.1%
Medicare		40,086	50,772	44,948	55,395	23.24%	9.1%
Health Insurance	624,965	541,060	646,382	598,784	646,687	8.00%	0.0%
Unemployment	30,000	31,264	32,202	24,304	32,202	32.50%	0.0%
Disability Ins		9,718	10,009	8,781	9,500	8.19%	-5.1%
Other Post Employment Benefits	145,000	145,000	176,000	176,000	176,000	0.00%	0.0%
Subtotal	5,596,158	5,397,889	5,850,893	5,428,202.15	6,244,908.08	6.73%	6.73%
OPERATIONS							
040 - Agriculture & Control	200,000	113,842	175,000	116,760	150,000	28.47%	-14.3%
050 - Clothing/Personal Supplies	28,500	22,028	28,500	23,204	61,343	164.37%	115.2%
1 - Uniform Rental	14,400	12,413	14,400	13,730	17,135	24.80%	19.0%
2 - Boots, Rainwear	3,800	4,081	3,800	3,372	4,208	24.80%	10.7%
3 - Safety Items	10,300	5,535	10,300	6,102	40,000	555.52%	288.3%
060 - Communications	23,900	29,022	36,000	25,426	33,154	30.40%	-7.9%
1 - Telecommunication Service	13,000	9,951	9,500	10,540	13,154	24.80%	38.5%
2 - Two-Way Radios - Cell phone	10,900	19,071	26,500	14,885	20,000	34.4%	-24.5%
090 - Household Expense	21,700	17,718	21,700	14,069	19,500	38.60%	-10.1%
1 - Janitorial Services	10,000	11,350	10,000	6,500	8,500	30.8%	-15.0%
2 - Janitorial Supplies	4,200	668	4,200	2,344	3,500	49.3%	-16.7%
3 - Landscaping Services	7,500	5,700	7,500	5,225	7,500	43.5%	0.0%
100 - Insurance	281,726	279,857	270,873	273,298	300,170	9.83%	10.8%
1 - Worker's Compensation	188,506	188,506	166,681	166,681	181,540	8.9%	8.9%
2 - Liability/Property Insurance	93,220	91,351	104,192	106,617	118,630	11.3%	13.9%
120 - Maintenance/Equipment	42,500	28,952	34,300	31,331	49,055	56.57%	43.0%
1 - Auto Supplies	9,000	4,260	5,000	2,344	5,000	113.3%	0.0%
2 - Contractual Repairs	10,000	11,314	12,000	11,294	14,095	24.8%	17.5%
3 - Repair Parts	22,000	11,933	15,000	12,308	23,260	89.0%	55.1%
4 - Service Contracts	1,500	1,445	2,300	5,385	6,700	24.4%	191.3%
130 - Maintenance/Bldg. & Grounds	25,450	65,032	108,500	71,744	87,500	21.96%	-19.4%
1 - Maintenance Supplies	8,150	5,305	5,500	5,488	6,500	18.4%	18.2%
2 - Contractual Repairs	12,000	11,362	12,000	7,022	12,000	70.9%	0.0%
3 - Building Materials	5,300	1,400	12,000	8,885	12,000	35.1%	0.0%
140 - Lab Supplies	38,500	22,591	54,000	21,991	25,000	13.7%	-53.7%
150 - Professional Memberships	25,000	24,374	25,000	28,358	32,000	12.8%	28.0%
170 - Office Expense	36,040	41,132	59,140	35,074	75,100	114.12%	27.0%
1 - Office Supplies	11,500	9,643	19,500	7,166	12,500	74.4%	-35.9%
2 - Postage	5,540	3,391	5,540	3,399	4,300	26.5%	-22.4%
3 - Other (Petty Cash)	300	-	300	-	-	0.0%	0.0%
4 - Books/Magazines	1,700	935	1,000	495	500	1.1%	-50.0%
5 - Computer Supplies	17,000	27,162	32,800	24,014	57,800	140.7%	76.2%
180 - Professional/Special Services	168,031	239,084	322,582	194,049	303,888	56.60%	-5.8%
1 - Auditing Services	14,475	14,805	15,410	15,724	15,875	1.0%	3.0%
2 - Aviation Services	27,000	-	30,000	10,248	20,000	95.2%	-33.3%
3 - Legal Counsel	20,000	107,883	100,000	40,340	100,000	147.9%	0.0%
4 - Medical Services	1,200	1,385	1,450	906	1,450	60.0%	0.0%
5 - IEDA	8,856	9,168	9,626	9,626	9,963	3.5%	3.5%
6 - Financial Services	10,000	10,725	10,000	4,195	7,000	66.9%	-30.0%
7 - Security Services	4,200	12,904	10,226	28,086	30,000	6.8%	193.4%
8 - Permits	9,200	2,977	5,000	554	2,500	351.5%	-50.0%
9 - Misc. Services	53,000	25,240	53,000	22,276	25,000	12.2%	-52.8%
10 - Engineers Report	9,100	9,100	9,100	9,100	9,100	0.0%	0.0%
11 - Outside Printing	11,000	5,658	10,000	3,961	10,000	152.5%	0.0%
190 - Advertisements & Notices	69,747	37,874	53,870	46,383	57,000	22.9%	5.8%
200 - Rentals/Leases	6,500	232	6,500	946	2,500	164.2%	-61.5%
220 - Small Tools/Instruments	8,400	1,135	8,400	1,704	13,500	692.4%	60.7%
230 - District Special Expense	28,250	58,591	40,000	22,399	28,914	29.08%	-27.7%
1 - Source Reduction/Wetlands	-	85	-	59	73	24.8%	0.0%
4 - Safety Program	10,000	7,181	10,000	11,090	13,840	24.8%	38.4%
5 - Other Expense	18,250	51,326	30,000	11,251	15,000	33.3%	-50.0%
250 - Transportation/Travel	108,345	499,284	538,329	475,199	575,705	21.15%	6.9%
1 - Gasoline	60,000	46,370	50,000	49,287	55,000	11.6%	10.0%
2 - Trustee Allowance / Reimbursement	15,000	61	600	57	600	955.6%	0.0%
3 - Authorized Travel	20,445	12,545	24,534	28,229	40,000	41.7%	63.0%
4 - In Lieu Of Travel		-	-	-	-	0.0%	0.0%

ACCOUNT	Adopted	YTD	Adopted	YTD as of	Initial Proposed	YTD	Proposed vs
	FY17/18	FY17/18	FY18/19	5.15.19	FY19/20	FY 18/19 vs FY 19/20 % Change	Adopted FY 18/19 vs FY 19/20 % Change
6 - Training	12,900	13,416	25,000	26,463	40,000	51.2%	60.0%
7 - Employee Development	-	-	10,000	724	10,000	1280.5%	0.0%
260 - Electric, Gas & Water	35,000	58,704	65,000	38,876	50,000	28.6%	-23.1%
280 - Research Projects	25,000	25,000	25,000	-	25,000	0.0%	0.0%
340 - Taxes & Assessments Fees	340,000	343,188	338,195	331,563	355,105	7.1%	5.0%
345 - Contingency Fund	-	-	-	-	-	0.00%	0.0%
Subtotal	1,512,589	1,394,544	1,634,924	1,282,554	1,684,329	31.33%	3.0%
CAPITAL							
350 - Land							
360 - Structures and Improvements	-	5,239	36,500	16,352	20,000	22.3%	-45.2%
371 - Vehicles	90,116	99,150	107,000	62,322	70,000	12.3%	-34.6%
372 - Equipment	63,394	23,532	110,003	21,607	125,000	478.5%	13.6%
Subtotal	153,510	127,921	253,503	100,281	215,000	114.40%	-15.19%
TOTAL EXPENDITURES	7,262,257	6,920,354	7,739,320	6,811,037	8,144,237	19.57%	5.23%
PROJECTED REVENUES							
Property Taxes	5,307,697	5,541,608	5,633,173	5,305,636	5,689,504	7.24%	1.00%
Benefit Assessment	2,029,000	2,035,215	2,038,000	1,942,202	2,058,380	5.98%	1.00%
Contract Billing	50,000	38,918	42,000	17,405	40,000	129.82%	-4.76%
Interest Income (LAIF)	45,000	249,562	74,462	106,618	110,000	3.17%	47.73%
Miscellaneous	70,000	111,731	109,621	46,493	55,000	18.30%	-49.83%
Medical Reimbursement	88,000	84,852	89,760	95,781	98,175	2.50%	9.38%
TOTAL REVENUES	7,589,697.00	8,061,884.47	7,987,015.52	7,514,134.77	8,051,059.47	7.15%	0.80%
ENDING BALANCE	327,440.00	1,141,530.82	247,695.40	703,098.09	(93,177.14)		
Designated Reserves OLD POLICY							
Africanized Honey Bee	165,000						
Emerging Disease Surveillance	1,500,000						
Building Fund	1,222,584						
Investment Policy 6 Months Cash Flow	3,914,298						
Public Health Emergency	1,000,000						
Total Committed Reserves	7,801,882						
Designated Reserves NEW POLICY							
Bond Reserve						-	
Public Health Emergency						2,500,000	
Capital Improvement						1,201,362	
Emergency Reconstruction Response						500,000	
Operations						4,072,118	
Vehicle & Equipment Replacement (SINKING)						200,000	
IT Equipment Replacements (SINKING)						250,000	
Total Committed Reserve						8,273,480	
Sinking Fund						450,000	

Contra Costa Mosquito and Vector Control District
Investment Policy

Overview

The purpose of the Investment Policy (Policy) is to establish cash management and investment guidelines of the Contra Costa Mosquito and Vector Control District (the “District”) funds not required for immediate disbursement, which includes all excess funds. The District will manage funds in accordance with applicable sections of California Government Code. All portfolio activities will be judged by the standards of the Policy and its ranking of investment objectives. This policy is to be accountable and auditable.

Exclusions:

The regulation codified in this chapter does not apply to the investment of the District's Other Post Employment Benefits (OPEB) Trust funds.

Purpose/Objectives

The purpose of the Policy is to establish guidelines for investment of all cash reserves.

The objectives of the District's investments are first to provide for the safety and security of all funds; second, to provide sufficient liquidity to meet the District's cash requirements at all times; and third, to maximize yield in a diversified manner to the extent allowable by law.

Authority to Invest

The Board of Trustees delegates the management of the District’s investments to the District General Manager and the Administrative Services Manager, who are responsible for the investment activities for the funds under their control.

Investments’ Compliance with the Law

The investment and deposit of funds of the District and the sale of bonds, notes and other evidence of indebtedness shall be in accordance with all applicable law, including, without limitation, Sections 53600 through 53692 of the California Government Code. Specific investment types and regulations can be found on California Government Code 53601.

Investment Guidelines- Deposit of Funds

Prudence:

When investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing public funds, the District General Manager / Administrative Services Manager who, acting in accordance with the authority delegated above, shall act with the care, skill, prudence and diligence under the circumstances then prevailing, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the District. (Government Code Section 53600.3)

Qualified Institutions:

In selecting depositories, the credit worthiness of each shall be considered and a review of credit characteristics and financial history will be performed. Annually, the District will review all financial institutions doing business with the District and review their most recent report on their financial condition. If it is a publicly traded entity, the District will look at its credit worthiness using two independent firm ratings. To the extent possible, keeping in mind safety, liquidity and yield, the District

will deposit with institutions having offices within the territory of the District. Securities dealers and investment brokers utilized by the District must be members of a federally regulated securities exchange. If an investment advisor is authorized to conduct investment transactions on the District's behalf, the investment advisor may use their own list of approved broker/ dealers and financial institutions for investment purposes.

Collateralization:

For deposit accounts in banks and savings and loans associations, amounts in excess of Federal Deposit Insurance Corporation (FDIC) maximums shall be collateralized in accordance with California Government Code Sections 53630 et seq.

Investment Instruments:

To diversify the District's investment portfolio or excess cash flow to ensure maximum safety of District funds, the District may invest in the instruments below. For those which are limited to a percent of the portfolio, the percentage limits apply as of the date that the investment was purchased.

- Collateralized certificates of deposit and accounts in banks and savings and loan associations and limited to twenty percent of the District's investment cash flow portfolio.
- United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.
- Federal agency or United States government-sponsored enterprise (GSE) obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or GSE.
- Repurchase agreements collateralized by U.S. Treasury or federal agency/GSE securities with a maximum agreement term of three hundred sixty five days and limited to ten percent of the District's investment cash flow portfolio.
- Commercial paper of the highest quality rated "A1," or its equivalent, with a maximum maturity of three hundred sixty five days and limited to five percent of the District's investment portfolio. No more than ten percent of the portfolio may be invested in any single corporate issue.
- Medium term notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States, rated in a rating category of "A" or its equivalent or better, with a maximum maturity of five years and limited to twenty percent of the District's investment cash flow portfolio. No more than ten percent of the portfolio may be invested in any single corporate issue.
- Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association, or a state or federal credit union, or by a federally-licensed or state-licensed branch of a foreign bank. Purchases are limited to issuers with a short-term debt rating of "A-1" or its equivalent, or a long-term debt rated in a rating category of at least "A" or its equivalent or better with a maximum maturity of five years; and no more than twenty percent of the District's investment cash flow. No more than ten percent of the portfolio may be invested in any single financial institution.
- State of California Local Agency Investment Fund.
- California Asset Management Program.
- PARS.
- Other Agencies that work with state and local municipalities.

- Money market funds registered with the Securities and Exchange Commission that invest majority in U.S. Treasuries and federal agency/GSE obligations and repurchase agreements relating to such obligations and limited to twenty percent of the District's investment cash flow.

Maturity Scheduling:

Investment maturities for operating funds shall be scheduled to coincide with projected cash flow needs. Where no maturity limit is stated in this Policy, no investment shall exceed a maturity of five years from the date of purchase unless the Board of Trustees has granted express authority to make that investment either specifically or as a part of an investment program approved by the Board of Trustees no less than three months prior to the investment. Investments shall be made with the intent of holding them to maturity. This policy recognizes that in a diversified portfolio, investments may be sold prior to maturity provided that such sales are consistent with the District's overall investment objectives.

Investment Rating Changes:

Should an investment subject to minimum acceptable ratings fall below that minimum rating prior to maturity, parameter shall be obtained from the Board of Trustees to establish the conditions under which that investment would be sold prior to maturity. The intent of the parameter would be to preserve the investment's original principal.

Annual Review of District Investment Policy and Compliance / Controls

The Budget Committee is responsible for reviewing the Investment Policy annually and propose approval or policy changes to the full Board of Trustees at the subsequent Board meeting.

Management will provide the Board of Trustees investment statements and accounting of cash flow in all accounts at each Board meeting (Bi-Monthly). The Administrative Services Manager will be the primary individual responsible for monitoring cash balances and monitoring of investment transactions. Reporting will be done by a member of the Administration staff other than the manager, enabling a check and balance control method. In addition, the District will receive an independent review of all investment activities from a professional auditing firm on an annual basis.

Adopted: _____

Revised: _____

Contra Costa Mosquito and Vector Control Procurement and Disposal Policy

Overview

Contra Costa Mosquito and Vector Control (the “District”) is committed to ethical business practices and a comprehensive system of internal controls. This Procurement Policy (the “Policy”) commits the District and every individual involved in purchasing and supply management processes within the District, to conduct purchasing and contracting activities in a manner that is:

- Compliant with laws, regulations and the District’s policies and procedures
- Accountable and auditable
- Ethical, environmentally and socially responsible
- Cost effective
- Open, competitive, fair, and without conflict of interest or possibility or appearance of impropriety, or improper business relationships
- Supportive of the functions of all departments and the citizens of Contra Costa County

Purpose/Objectives

The purpose of the Policy is to establish guidelines for all procurement activities, including the planning, acquisition and management of goods, supplies, expendable property, plant and equipment and services by the District (each such procurement activity governed by this Policy, a “Procurement Activity” and each third party providing such products, goods or services governed by this Policy, a “Supplier”). The principal objectives of the Policy are the following:

- Provide a framework for disciplined procurement decision-making that focuses on value enhancement and cost reduction that aligns District social responsibility (including operating health, safety, security and environmental protection requirements) with investment risk and meets the needs of external and internal persons, keeping the citizens of Contra Costa County in mind
- Define responsibilities for Procurement Activities
- Implement appropriate internal controls and audit trail processes, including regular reporting of Procurement
- Assess performance and support the functions of various departments and activities of the District's jurisdiction
- Promote strong District governance and effective oversight across all Procurement and Disposal Activities

Scope and Exclusions

This Policy applies to all District employees Procurement and Disposal Activities:

- Board-approved Purchasing for General Manager’s authority is \$25,000 for one single transaction
- Board-approved Purchasing for Control Products that were previously approved in the Budget is \$50,000 for one single transaction

- Board-approved Purchasing for fixed assets that were previously approved in the Budget is up to \$200,000 for one single transaction.

Management Exclusion Policy:

- Exclusions apply to any regulatory charges, purchases or payments to comply with regulatory requirements that are not negotiable, such as standard utility expenses, land taxes, license fees, filing fees, etc.
- Exclusions apply to any Employee fringe benefits, purchases or payments to comply with agency requirements that are not negotiable, such as health insurance, retirement contributions, OPEB Contributions, etc.
- Purchases permitted to be made via a company “corporate” Purchasing Card: these purchases are detailed in and governed by this Policy and the Procurement Card Procedures with individual limits and authorities. The payment to the “corporate” Purchasing Card in aggregate may be over General Manager’s delegated authority.

Authority Matrix: Staff limits are delegated by the General Manager and cannot exceed General Manager’s board approved limit. Staff limits are subject to change based on General Manager’s review and needs of the District.

Title	Single Transaction Authority	Procurement Card Single Purchase / Monthly Limit
Administrative Services Manager	\$1,000	\$2,500 / \$5,000
Operations Manager	\$1,000	\$2,500 / \$5,000
Scientific Program Manager	\$1,000	\$2,500 / \$5,000
Program Supervisor	\$300	\$2,500 / \$5,000
Public Affairs Director	\$200	\$2,500 / \$5,000
Accounting & Benefits Specialist	\$100	\$1,000 / \$2,000
Administrative Analyst I	\$100	\$1,000 / \$2,000
Administrative Analyst II	\$100	\$1,000 / \$2,000
Public Information and Technology Officer	\$100	\$1,000 / \$2,000
IT Systems Administrator	\$100	\$5,000 / \$5,000
Biologist	\$100	\$1,000 / \$2,000
Vector Ecologist	\$100	\$1,000 / \$2,000
Vector Ecologist II	\$100	\$1,000 / \$2,000
Vector Control Planner	\$100	\$1,000 / \$2,000

Related Policies and Forms

This Policy should be read in conjunction with the various related District policies and procedures, where applicable, including but not limited to:

- Travel and Meal Expense Policy
- Fixed Asset Policy
- Investment Policy

- Reserve Policy

Overall Procurement Process

The general steps applicable to any Procurement Activity are as follows.

All Procurement Activities conducted pursuant to this Policy should be made through the Organization's ERP system and in compliance with this Policy and should not be made using cash or cash equivalents.

For a Procurement Activity of a value of more than \$2,000 the Requestor shall advise the General Manager of such activity, at which time the General Manager will review procurement purchase prior to Requestor purchase of goods or services.

General: Prior to submittal the Requestor understands that they are responsible for protecting the best interests of the District and making the most cost-effective purchase. A minimum of **two** competitive quotes are required which may be in writing, by internet, or by telephone. The purchaser shall maintain compliance with this unless under extreme circumstance or emergency. This will be kept on record for 1 year.

For a Procurement Activity of a value of more than \$10,000 the Requestor shall advise the General Manager of such activity, at which time the General Manager will review procurement purchase prior to Requestor purchase of goods or services.

General: Prior to submittal the Requestor understands that they are responsible for protecting the best interests of the District and making the most cost-effective purchase. A minimum of **three** competitive quotes are required which may be in writing, by internet, or by telephone. The purchaser shall maintain compliance with this unless under extreme circumstance or emergency. This will be kept on record for 1 year.

For a Procurement Activity of a value of more than \$25,000 the Requestor shall advise the General Manager of such activity, at which time the General Manager will review procurement purchase prior to Requestor purchase of goods or services.

General: These larger contracts for goods and services will be awarded to the lowest responsive responsible bidder, also known as a competitive procurement process. Awards for goods and materials, and applicable services contracts will be based on the most appropriate, responsive, responsible bidder. For such purchases, will be placed on the Board Agenda and need board approval prior to entering into a service agreement or contract.

Contracts shall include the following provisions:

- Scope of Work in sufficient detail to clearly define the specific service or deliverable to be provided
- Schedule for start and completion of work
- Responsibilities of the respective parties under the contract
- All District insurance and indemnification provisions
- Prevailing wage rate will be paid for all work performed under the contract (applicable at \$10,000 in labor contracts)
- Subcontractor or assignability of the contract
- Defined cost or contract value with progress payments, if applicable
- All other relevant or necessary information

- Legal review of contract and terms
- A project/contract file will be maintained by the appropriate staff for the necessary documentation
- Any changes to the contract, including scope of work or price, shall be in writing and placed in file in accordance with this Administrative Procedure

Total Value of Contract	Minimum Number of Proposals
<\$2,000	1 Proposal (Sole source authorized)
≥\$2,000 to <\$10,000	2 Proposals
≥\$10,000	3 Proposals

Emergency Purchases

Definition: An emergency purchase is an immediate and serious need for supplies or services that cannot be met through normal procurement methods, the lack of which would seriously threaten:

- The functioning of the District
- The preservation or protection of property
- The health or safety of any person

Documentation: It will be the responsibility of the Requestor to supply the General Manager with a short, complete, written justification of the emergency purchase within one working day of procurement.

Authority: Authority for emergency purchases must align with the delegated levels established by the District's Authority Matrix, with the exception of any emergency purchases authorized by the General Manager.

Reporting: All emergency purchases of goods and services authorized by the General Manager, above the \$25,000 Board-delegated authority level, will be immediately reported to the Board Secretary for inclusion as an information item on the Agenda for the next scheduled meeting of the Board of Trustees.

Aggregate value of Procurement Activity cannot be split up to avoid bid requirements

Dividing the value of a Procurement Activity in two or more parts to evade a limit of authority is prohibited and is a violation of this Policy. A series of reasonably related Procurement Activities shall be treated as a single transaction for purposes of determining approval and authority levels required under this Policy.

Changes to a Procurement Activity

If a change to a Procurement Activity, including by way of change order or otherwise, results in the total value of the contract related to such Procurement Activity being increased such that additional bids would have been required pursuant to this section, the Requestor should seek advice from the General Manager who should make a determination as to whether the Requestor should apply a different Supplier selection process for the additional goods and services to be procured.

Ethical and fairness considerations

The District is committed to conducting fair and ethical competitive procurement processes. An offer to submit a proposal should only be extended to Suppliers and Contractors whom the District believes have the knowledge and capability to perform the work required by the opportunity that has arisen. The Procurement Process Procedures include guidelines and processes that reflect the following principles, among others:

- Objective, unbiased and fair processes between potential Suppliers relating to: disclosure of Procurement Activity information, requirements/deadlines, access to Organization, Q&A
- Protection of Suppliers' confidential information
- Compliance with the Districts Policies
- Ethical, environmentally and socially responsible

Sole Source Procurement Process

Sole source procurement is typically the preferred procurement process across the Organization for securing goods or services of a low dollar value. Sole source procurement is authorized under this Policy for any Procurement Activity where the total contract value is under \$2,000. Requestor understands that they are responsible for fiscal responsibilities in seeking out the best cost and vendor for the purchases.

Procurement Cards

Procurement cards ("P-Cards) are the Districts selected credit cards assigned to authorized cardholders as a convenient method of purchasing select items for business purposes. The P-Card enables the cardholder to purchase items directly from Suppliers still having to comply with the requirements of the procurement process set out in this Policy, including the issuance of a purchase order. P-Cards are permitted and issued to streamline administrative activities associated with purchasing of low dollar transactions to reduce the bureaucratic and procedural burden of processing these types of transactions. P-Cards are limited to business use only and may not be used for items of a personal nature or for certain prohibited transactions. P-Cards may be issued upon the approval of the General Manager and they may only be issued to individuals who report to an individual with approval authority under this Policy. Procurement Card Procedures have been put in place outlining the parameters, responsibilities and restrictions applicable to the P-Cards at the District, see "Authority Matrix".

Policy Owner

The owner of this Policy is the General Manager; any amendments or deviations to this Policy must be approved by the General Manager, except as otherwise expressly provided herein as "Board Authority" or "Board Approval".

POLICY FOR DISPOSAL OF FIXED ASSETS (including Obsolete Equipment)

Purpose/Objectives

The purpose of this policy is to lay out the requirements for disposing of the Districts assets under a holistic framework and ensure that the District obtains best value. Linking disposals with the capital investment strategy and requirements from any regulatory restrictions will mean that the Districts portfolio of assets will remain refreshed and viable. This policy shall be:

- Compliant with laws, regulations and the District’s policies and procedures
- Accountable and auditable
- Ethical, environmentally and socially responsible
- Cost effective receiving best value
- Open, competitive, fair, and without conflict of interest or possibility or appearance of impropriety, or improper business relationships
- Supportive of the functions of all departments and the citizens of Contra Costa County

Disposal Due Diligence

In determining if an asset is appropriate for disposal, appropriate due diligence is required. Assets will have been procured for the District’s benefit for use over a multi-year period and, in the Fixed Asset inventory, it is important that the assets should be maintained and insured during their period of tenure with the District. The District should not carry assets which are no longer useful as maintenance, risk and insurance add to avoidable costs. Fixed Assets that are no longer required by the District should be reported to the General Manager or Administrative Services Manager for possible disposal. Disposals should be made expeditiously in line with this policy.

Disposal principle

Surplus Fixed Assets in inventory that are no longer required by the District should be disposed of, and if there is an asset that has economic value above \$1,000 in a single transaction the General Manager should be notified of the intent to dispose of the asset. Requestor must receive approval from the General Manager prior to the asset being disposed of.

If the asset that has economic value above \$10,000 in a single transaction the item will be reported to the Board Secretary for inclusion as an Action item on the Agenda for the next scheduled meeting of the Board of Trustees.

Unusable Fixed assets – Fixed assets that are no longer functional, are not fit for purpose and are beyond repair must be disposed of to avoid maintenance and hazard problems.

The asset must be advertised for sale/disposal subject to appropriate approvals as noted in the Authorization Sales Disposal Matrix below

Dollar Value of Fixed Asset	Minimum Listing advertisement	Approval
< \$1,000	1 Listing on Sale Site, more are acceptable if desired	Direct Supervisor
≥ \$1,000 to	3 Listing on different Sale Sites, more are acceptable if	General Manager

<\$10,000	desired. Required Listing at GovDeals	
≥ \$10,000	3 Listing on different Sale Sites, more are acceptable if desired. Required Listing at GovDeals	Board Approval

Requestor understands that they are responsible for protecting the best interests of the District and making the most cost-effective sale to the highest bidder. When listings are posted the Requestor is required to maintain a copy of advertisements on the different advertisement media for 1 year.

The preferred options for disposing an asset are:

An advertisement for sale in a trade or other relevant internet sales site.

At least two bids should be obtained for all assets with value in excess of \$10,000.

Only Cash or Cash equivalents are accepted for disposed assets.

Care must be taken to ensure that the recipient is aware that the District makes no guarantee as to the safety, suitability or performance of this equipment and has no further responsibility towards the maintenance or upkeep of the equipment. The following form of words has been approved by the District: Buyers are advised to inspect the goods in order to satisfy themselves, specifically with regard to safety and as to the fitness for purpose of the equipment. Whilst Contra Costa Mosquito and Vector District has made reasonable efforts to ensure the safety of the equipment, it makes no guarantee as to the safety, suitability or performance of this equipment and will accept no responsibility for injury, damage or loss relating to the supply or operation of the equipment, save for death or personal injury caused by negligence or for fraud.

Policy Owner

The owner of this Policy is the General Manager; any amendments or deviations to this Policy must be approved by the General Manager, except as otherwise expressly provided herein as “Board Authority” or “Board Approval”.

Contra Costa Mosquito and Vector Control District
Reserve Policy

Overview

Contra Costa Mosquito and Vector Control (the “District”) is committed to ensuring that the District will, at all times, have sufficient funding available to meet its operating and capital needs. Reserve Policy (the “Policy”) commits the District and every individual to having a fiscal responsibility to ensure that funds are spent in a prudent manner. In compliance to the California Health & Safety Code §2070, it is the Board of Trustees’ responsibility to adopt a final budget by August 1 of each year, and that the Board of Trustees may divide the annual budget into categories, which is hereby established by this policy. The Reserve Policy covers all reserve funds of the District. At the end of each fiscal year, compliance with the Reserve Policy will be reported to the District’s Board of Trustees as part of each Fiscal Year-End Financial Report. This Reserve Policy shall be:

- Compliant with laws, regulations and the District’s policies and procedures
- Accountable and auditable

Purpose/Objectives

The purpose of the Policy is to establish guidelines for cash reserves.

Reserve Fund Types Definitions

There are three major types of reserve funds: Legally Restricted Reserves, Board Designated Reserves and Unassigned Reserves. Legally Restricted Reserves have restrictions imposed by an outside source, such as bond covenants, contractual obligations, etc. Board Designated Reserves are set aside for a specific purpose as determined by the Board of Trustees. The Board of Trustees has the authority to redirect the use of these reserves as the needs of the District change.

Legally Restricted Reserves

- Bond Reserve:
This fund is governed by legal bond covenants for any of the District’s bonds. Bond covenants require that this fund be maintained at a level sufficient to fund maximum annual debt service payments. These funds are held by the bond trustee during the term of the bonds and are to be used in the event that the District is unable to meet its required semi-annual debt service obligation.
Currently the District does not have any bond issuance.
- Board Designated Specific Purposes Reserves:
Per California Health & Safety Code §2070 the Board has authority to establish restricted reserves for the District on categories including, but not limited to: Maintenance and operation, Employee compensation, Capital outlay, Interest and redemption for indebtedness, Restricted reserve for public health emergencies, Restricted reserve for capital and asset preservation, Restricted reserve for contingencies, Unallocated general reserve.

Restricted reserve for public health emergencies:

This fund is established for public health emergencies planning and dealing with epidemic risks. This can include, but is not limited to: africanized honey bee, emerging disease surveillance, enhanced mosquito-borne virus surveillance and testing, response

planning, aerial control in Contra Costa County, and potentially additional labor to cover the additional public health emergencies. Recommended amount for this reserve is set at \$2,500,000. The fund balance will be re-evaluated against future requirements annually, and any proposed adjustments will be presented to the Board of Trustees for consideration.

Capital Improvement Reserve:

This fund is established by the Board of Trustees to fund capital improvement projects. This Reserve is for Future Construction or remodeling and is an assigned fund balance category for construction projects that have been identified in the District Capital Improvement Plan but have only reached the planning stage. These projects are not yet approved by the Board of Trustees but will be identified and singularly approved during the budgeting process and brought before the Board in a Public Meeting. The recommended minimum funding for this reserve item is \$1,200,000, with a 3.5% of prior Audit year's property taxes and benefit assessment revenue set aside yearly increasing the balance.

Reserve for IT Equipment Replacements:

The District will maintain a "Reserve for Replacements" for replacing District IT Equipment and Software. The District shall endeavor to maintain in each Reserve for Replacements a minimum amount equal to the accumulated amount of depreciation for that particular capital item. The funds in this reserve will be used for replacement of IT and GIS capital items. The recommended maximum funding for this reserve item is the amount equal to the original purchase cost plus CPI. Estimated at \$250,000.

Vehicle & Equipment Replacement Reserve (General Fund):

This fund is established by the Board of Trustees to fund planned replacement of vehicles and heavy equipment that have reached the end of their useful lives. The recommended minimum funding for this reserve item is \$200,000. The fund balance will be re-evaluated against future requirements annually, and any proposed adjustments presented to the Board of Trustees for consideration. This fund will be drawn down annually as replacement vehicles are purchased, consistent with the adopted budget. At the beginning of each fiscal year, funds will be deposited in this sinking fund as provided for in the adopted fiscal year budget. Budget levels will be based generally on annualized deposit requirements as determined by the District's Financial Plan. If any additional deposits are needed, Management will provide proposed adjustments that will be presented to the Board of Trustees for consideration.

Emergency Reconstruction Response Reserve:

The purpose of this reserve is to provide funding for events the Board may deem as "emergency". The reserve shall fund repairs to critical facilities or assets damaged from emergency events. Use of this reserve shall be approved by the Board of Trustees. This fund shall be maintained at a minimum level of \$500,000. The balance in this reserve shall be evaluated annually and may be increased or decreased as authorized by the Board.

Reserve for Operations (General Fund):

The District shall maintain a minimum Reserve for Operations equal to 50% of budget expenditures. These funds are set aside because the District receives the majority of its funding from the property taxes and benefit assessment collected by the County of Contra Costa. These funds do not reach the District until December or January, six months into the fiscal year. This is a six month delay in receiving revenue from the beginning of the fiscal year. Therefore it is imperative that the District has an operating fund to fulfill its general operating expenditures.

OPEB Trust Reserve:

To comply with Government Accounting Standards Board (GASB) Standard 45, the District established a trust fund in early FY12 to fund the actuarial value of other post-employment benefits (OPEB) for retirees, primarily medical insurance premiums. This fund is an irrevocable Trust and will be noted on the Audited financials as such. The District will strive to maintain full actuarial payments into the Trust during the fiscal year. At the end of each fiscal year, the fund balance will reviewed and budgeted with this target.

Unrestricted Unassigned Balances

Unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

- It is the policy of the District to maintain a recommended unassigned fund balance of no more than 10% of the past year (PY) operating revenues.

Reserve Fund	Amount	Approved
Bond Reserve	\$0	
Public Health Emergencies	\$2.5M	
Capital Improvement	\$1.2M + 3.5% FY17-18 Rev = \$1.4	
IT Equipment	\$.25M	
Vehicle & Equipment Replacement	\$.20M	
Emergency Reconstruction	\$.50M	
Reserve for Operations FY19/20	\$4.0M	

Adopted: _____

Revised: _____