June 15, 2015

To: Board of Trustees
From: Mitchel R. Weinbaum, General Manager

Subject: Amended 2015-2016 Budget

Honorable Trustees:

I herewith present the Proposed Budget for fiscal year 2015-2016. As always, through uncertain fiscal times within all levels of government, the District has been able to provide all vital resources in the protection of the public’s health from mosquito-borne diseases and have increased public awareness/education efforts in the District while keeping the cost to the taxpayer to a minimum.

This 2015-2016 Proposed Budget is decreased 5% from the 2014-2015 fiscal year and this is due to adjustments in some of line items in the budget to reflect actual costs to the District. Highlights from this Proposed Budget are:

- A 5% pay increase for the General Manager
- Lower costs in memberships and dues to better reflect actual costs
- Lower costs associated with the District’s National Pollution Discharge Elimination System (NPDES) permit
- Lower costs associated with travel and transportation because of District policy

BENEFIT ASSESSMENT

Historically, the District has kept costs down by keeping equipment and materials in good working and utilizing them correctly to ensure long life.

The prior two years, the District increased its benefit assessment charge to resupply its reserve funds to proper levels to ensure that the District would be able to operate normally in case of any fiscal emergency. At the end of the 2014-2015 fiscal year, the District will have approximately $495,000 in reserves which equates to almost 1 ½ years of reserves.

This year I propose and recommend to the Board to keep the benefit assessment charge at the same rate as the prior fiscal year to continue to replenish the District reserves to an amount 2 ½ to three times the District’s operating budget.
AMENDED BUDGET 2015-2016

<table>
<thead>
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<th></th>
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MAINTENANCE and OPERATIONS
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<th>#</th>
<th>Description</th>
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<td>#6165</td>
<td>SCIENTIFIC</td>
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<td>#6170</td>
<td>TAX COLLECTION EXPENSE</td>
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<td>#6171</td>
<td>TRAVEL &amp; TRANSPORTATION</td>
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<td>UTILITIES</td>
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<td>#6180</td>
<td>PERS – RETIREMENT</td>
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<td>#6190</td>
<td>INSURANCE – GENERAL</td>
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<td>11,500.00</td>
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<td>#6191</td>
<td>INSURANCE – RETRO ADJUSTMENTS</td>
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<td>#6195</td>
<td>EQUIPMENT PURCHASE</td>
<td>_____</td>
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$ 308,350.00  $ 299,500.00
#6100  SALARIES
A 5% increase is proposed for the General Manager.
The Seasonal Technician salary remains the same.

General Manager:  $6,083.91 per month
                     x 5%
                     304.20

                     6,083.91
                     + 304.20
                     6,388.11 per month
                     x 12 months

                     $76,657.32

Seasonal:  $17.00 per hour
                     x 990 hours

                     $16,830.00

Total:  $76,657.32
                     + 16,830.00

                     $93,037.32 = total for the year, rounded off to 93,100

#6102  TRUSTEE FEES
Per State Law, Trustees are paid $100.00 per month in lieu of expenses.
Five Trustees equals $6,000 for the year.

#6110  FICA
This amount is dependent on employees and Trustee salaries. Employers are federally obligated to pay 7.65% of all employee salaries to this fund.

$99,500.00
 x 7.65%
$7,611.00 - = $7,700.00 needed for the year
HEALTH INSURANCE
The General Manager does not receive health insurance from the District. The cost of providing health insurance for the District’s Seasonal Technician for the year is approximately:

$ 250.00 – cost of premium
x 6 months
$1,500.00 needed for the year.

WEST NILE VIRUS
This account is dedicated to any extra operational funds needed for control and surveillance of the West Nile virus. I recommend that the Board continue this funding for the foreseeable future while the West Nile virus threat is with us.

$ 25,000 needed for the year.

UNEMPLOYMENT INSURANCE
This amount is determined by each employee’s first $7,000.00 earned in the calendar year. This amount is then multiplied by a percentage factor determined by the State’s Employment Development Dept. This year’s percentage factor increases from 3.1% to 5.0%.

$ 20,000.00 – subject wages
x 5%
$ 1,000.00 = needed for the year

MAINTENANCE OF EQUIPMENT
Anticipated expenses for the year:

- Computer service $ 500.00
- Typewriter service 200.00
- Copy Machine service 200.00
- Spray Fogger service 300.00

$ 1,200.00 – needed for the year

LAUNDRY
The District has a contract with Cintas through 2016. When obtaining quotes from uniform companies last year, Cintas was by far the lowest, one of the reasons being that the District has been with Cintas for so long.
Last year the District spent $2,200 on uniforms. This year we anticipate a regular 7% increase in rates again this year.

$2,500 needed for the year

#6132  MAINTENANCE OF BUILDING
Anticipated expenses for 2015-2016:

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resurface fish pond.</td>
<td>500.00</td>
</tr>
<tr>
<td>Tools</td>
<td>300.00</td>
</tr>
<tr>
<td>Building alarm + permit</td>
<td>600.00</td>
</tr>
<tr>
<td>Trash dumpster</td>
<td>150.00</td>
</tr>
<tr>
<td>Fire bottle service</td>
<td>400.00</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>500.00</td>
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</table>

$2,450.00

#6140  MEMBERSHIPS, DUES
MVCAC corporate dues fluctuate each year. Dues are determined by a member’s operational expenses for the prior fiscal year multiplied by a factor determined by the Association, .009%.

<table>
<thead>
<tr>
<th>Membership</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>MVCAC Corporate membership dues</td>
<td>$ 2,100.00</td>
</tr>
<tr>
<td>AMCA memberships</td>
<td>500.00</td>
</tr>
<tr>
<td>Calif. Special District Assn.</td>
<td>700.00</td>
</tr>
<tr>
<td>Employees’ State Health Certificates</td>
<td>250.00</td>
</tr>
<tr>
<td>LAFCO</td>
<td>350.00</td>
</tr>
</tbody>
</table>

$3,900.00

#6141  MISCELLANEOUS
This account is for items or other expenditures that are not covered in the rest of the budget. The amount remains the same as last year, $400.

#6142  OFFICE EXPENSE
Anticipated expenses for this year are:

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer supplies, programs</td>
<td>$1,000.00</td>
</tr>
<tr>
<td>Postage</td>
<td>400.00</td>
</tr>
</tbody>
</table>
Toner for copier          700.00
Toner for printer        1,300.00
Printing/copying         600.00
Internet/Telephone       2,500.00
Bottled water            100.00
Office supplies          500.00
$ 7,200.00

#6143 MVCAC RESEARCH FEES
In 2010-2011, the Mosquito Research Program (MRP) that was supported by the State the UC was discontinued. Historically, the District normally gives $1,500 for research fees

#6145 PUBLIC EDUCATION
The District will conduct school education programs at the District’s eight middle schools in Compton and North Long Beach. The District will also host its third Earth Day/Mosquito Awareness Day event. The District needs a social media management company to manage its media outlets.

Printing – educational materials  $10,000.00
Direct Mail Co.                15,000.00
Multi Media account support    24,000.00
Earth Day/Mosquito Awareness Day 5,000.00
Other undetermined materials  3,000.00
$ 57,000.00

#6150 PROFESSIONAL SERVICES
Last year, the District budgeted $19,750 for this account and spent $13,200

Anticipated expenses:
Auditor                  $8,000.00
Accountant               2,400.00
Attorney, Consultant     7,500.00
Cooperative Agreement    1,000.00
Training classes/webinars 1,200.00
Case Anywhere            480.00
Safe Deposit Box         50.00
$ 20,630.00
**#6155  GASB 45 FUNDING ACCOUNT**  
This account is created to accommodate the funding of this GASB 45 – future retiree and employee health insurance costs. The District pre-funded this account and no amount is needed.

**#6156  LOS ANGELES UNIFIED SCHOOL DISTRICT (LAUSD) LAWSUIT FEES**  
This account is created to address the amount of money that the District is liable for concerning the lawsuit from the LAUSD concerning over paid redevelopment funds. The amount the District is liable for is $5,700, rounded off, $6,000.

**#6160  INSECTICIDES**  
The cost of pesticides has risen due to inflation, anticipated expenses $1,000

**#6161  NATIONAL POLLUTION DISCHARGE ELIMINATION SYSTEM**  
This account is created to accommodate potential costs that could be associated with this account:

- State Water Resources Control Board permit fee $500.00
- MVCAC Coalition dues +100.00
  
  Total: $600.00

**#6162  GAS, OIL & VEHICLE MAINTENANCE**  
The price of fuel and oil fluctuates rapidly. The District vehicles are maintained regularly so that they function properly and safely. Still, there are unforeseen circumstances, breakdowns, tires, etc...

Last year, the District budgeted $8,500 on this account and spent $6,127. This year, I propose to keep this account at $8,500.00.

**#6165  SCIENTIFIC EXPENSES**  
The District will begin to perform surveillance operations this year. An entomologist will be needed to identify mosquitoes. Shipping materials, equipment to operate the mosquito traps, materials to test dead birds are some of the regular supplies that will be needed throughout the mosquito breeding season.
$1,000 will be needed to fund this account

**#6170 TAX COLLECTION EXPENSE**
Last year the County charged $10,381 for Tax Collection expenses. This year this account should be lowered to reflect costs, $11,000 needed for this account.

**#6171 TRAVEL & TRANSPORTATION**
The District belongs to three organizations, the Mosquito & Vector Control Association of California, (MVCAC), the American Mosquito Control Association, (AMCA) and the California Special District Association, (CSDA). For members to travel to any or all of these organizations annual conferences, the travel amount allocated to each member is $3,500 per person.

Anticipated travel for 2015-2016:

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 23, 2015</td>
<td>MVCAC Summer Board of Directors (BoD), Sacramento</td>
</tr>
<tr>
<td>Sept. 29-Oct 2, 2015</td>
<td>CSDA annual conference Palm Springs</td>
</tr>
<tr>
<td>Oct. 29-30, 2015</td>
<td>MVCAC BoD, Embassy Suites, San Diego</td>
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<tr>
<td>Feb. 28-Mar 2 2016</td>
<td>MVCAC Annual Conference Hyatt Regency, Sacramento</td>
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<tr>
<td>Mar. 29- Apr 2, 2016</td>
<td>AMCA Annual Conference Savannah, GA</td>
</tr>
<tr>
<td>May 2016</td>
<td>AMCA Legislative Days Wash DC</td>
</tr>
<tr>
<td>April 2016</td>
<td>MVCAC Legislation Committee, Sacramento</td>
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<tr>
<td>April 2016</td>
<td>MVCAC Legislative Day Sacramento</td>
</tr>
<tr>
<td>Apr. 30-May 2, 2016</td>
<td>MVCAC BoD Embassy Suites, San Diego</td>
</tr>
</tbody>
</table>
$ 3,500
x 6
$ 21,000 needed for the year

#6172 UTILITIES
Last year, the District budgeted $3,500 for this account, with a total of $3,000 being spent. The Manager proposes to keep this account the same amount.

#6180 PERS – RETIREMENT
This fiscal year, the District’s retirement contribution rate will be 7.51% of affected payroll.

$ 6,388.11
x 7.51% contribution rate
$ 479.80 per month

$ 479.80
x 12 months
$ 5757.60 = needed for the year, rounded off to $5,800.00

#6190 INSURANCE – GENERAL
The costs of the District’s insurance policies for 2015-2016 premiums are anticipated to be:

Workers Compensation $ 4,494
Liability 2,036
Auto Physical Damage 0
Property 247
General Fund 4,691

$ 11,468 = rounded off to 11,500
This is an increase of 7.44% from the previous year.

#6191 INSURANCE – RETROSPECTIVE ADJUSTMENTS
The District has sufficient funds in its account with the Vector Control Joint Powers Agency (VCJPA) to cover any adjustments.

#6195  EQUIPMENT PURCHASE
No equipment purchase anticipated for the year.