



Shasta Mosquito and Vector Control District

2018-2019 Budget Presentation

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Introduction

SMVCD Demographics

Date of Formation: 1919

Service Area: 1,103 square miles

Population est. 2012: 156,000

SMVCD Services

The Shasta Mosquito and Vector Control District (SMVCD) utilizes an integrated vector management (IVM) approach in its control of disease transmitting and human biting mosquitoes. The majority of control activities target immature mosquitoes that develop in over 6,000 unique breeding habitats and over 2,000 catch basins and other man-made habitats within the District's service area. Control of adult mosquitoes is also conducted to reduce the risk of disease and annoyance.

SMVCD monitors the distribution of *Ixodes pacificus* (Western black legged tick) ticks that are capable of transmitting Lyme disease, human granulocytic anaplasmosis and babesiosis. SMVCD works closely with cooperating agencies to provide information to citizens to reduce the risk of tick transmitted diseases.

SMVCD performs some limited monitoring of rodent-borne diseases including; hanta virus, tick-borne relapsing fever and bubonic plague. In addition, SMVCD works closely with the California Department of Public Health (CDPH) in providing information to citizens to reduce the risk of tick transmitted diseases.

SMVCD provides information, using a diverse network of outlets and venues, designed to inform citizens about its activities and to assist citizens in managing the impact of biting insects and ticks on their health and well-being.

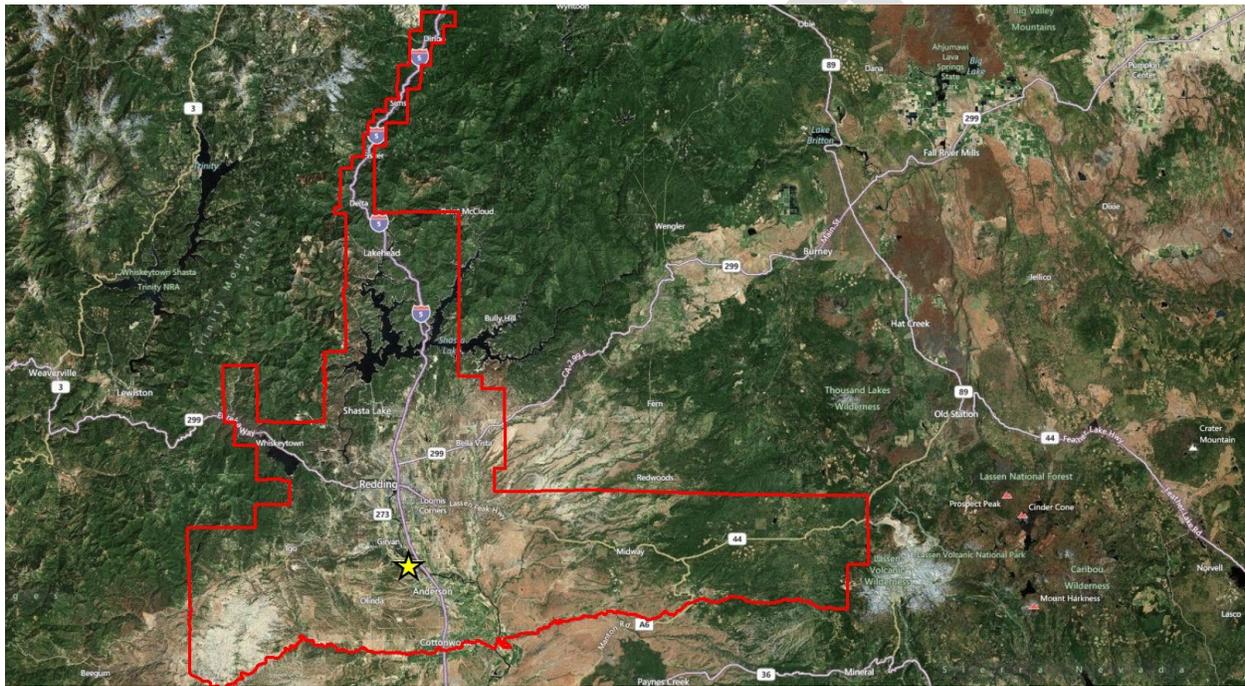
Background

SMVCD is an independent, non-enterprise, special district. The District operates under the provisions of Sections 2000-2093 of the Health and Safety Code of California. The District is governed by a five member Board of Trustees. The Board determines the general policies, employs the District Manager, and approves the annual budget and controls expenditures. One board member is appointed by the city council of each of the incorporated cities within the District: Anderson, Redding and Shasta Lake. Additionally, two Board members are appointed by the Shasta County Board of Supervisors. The Trustees typically serve a 2-4 year term, and receive an in-lieu of travel expense of \$100.00 per month for attending meetings of the Board. The Board meets on the third Tuesday of every month at the District office in Anderson at 1:00pm

The District is financed by a combination of ad valorem property taxes and by Mosquito and Vector Control Special Benefit Assessment charges. The benefit assessment amounts, which vary for different parcels, are determined by land use and size, and are collected by Shasta County.

Currently, SMVCD employs a fulltime staff of fifteen. The District's field technicians are certified by the California Department of Public Health for the use of public health pesticides, and some staff maintain their Qualified Applicators License through the Department of Pesticide Regulation.

District Boundaries



Mission Statement

“To protect the public’s health from vector-borne disease and nuisance, through a comprehensive mosquito and vector control program focused on innovation, knowledge and efficiency.”

Vision Statement

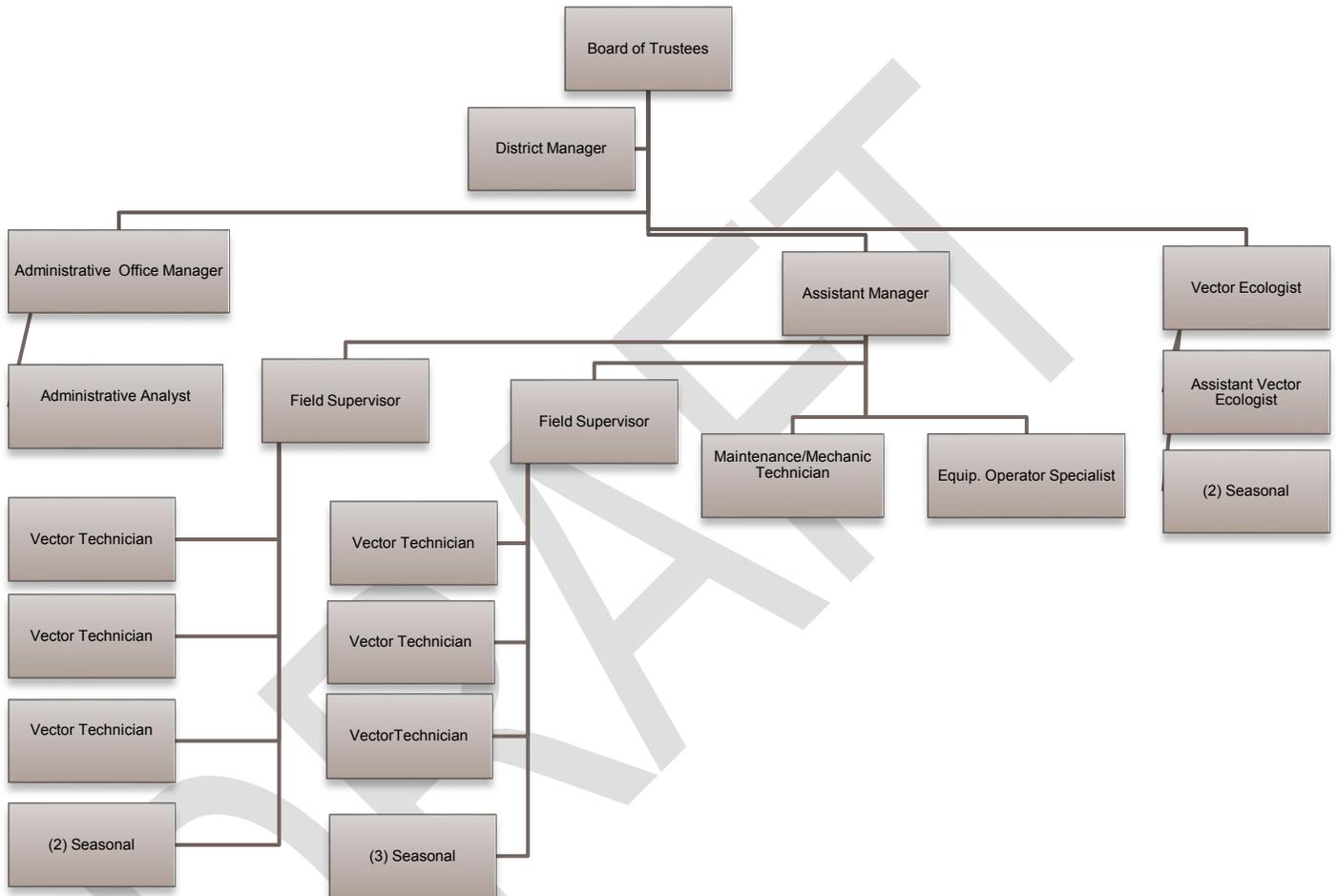
“To ensure continued delivery of integrated vector management services that meet or exceed the public’s expectations.”

Core Values

Ensuring public accountability, being a reliable community partner, being environmentally conscientious, having experienced and trained personnel, being financially accountable, demonstrating honesty and integrity, having pride in our work, being innovative, delivering

professional quality services, being responsive to the public, having respect for the public , the employees, the Board of Trustees and the community, being a productive public service, being trustworthy and conducting business in a transparent manner.

SMVCD Current Organizational Structure



Budget Guidelines

SMVCD’s primary source(s) of revenue come from property tax and two benefit assessments from two different geographic regions, referred to as benefit assessment area 1 and area 2. The budget process is intended to weigh all competing requests for District resources, within expected fiscal constraints. Budget development will use strategic multi-year fiscal planning, conservative revenue forecasts, and an expenditure analysis that requires every department and program expenditure to be justified annually and in terms of effectiveness and efficiency. Balanced revenue and expenditure forecasts will be prepared to examine the District’s ability to absorb operating costs due to changes in the economy, service demands, and capital

improvements. The forecast will be updated annually, focus on a three year horizon, but include a five year outlook.

Post - Proposition 13 Ad Valorem Taxes

Before Proposition 13, property taxes were based on a percentage of assessed value of the commercial and residential property. This percentage level was set by the local governments and averaged about 3% of the assessed value of the home. In the mid-1970's, California's housing prices increased dramatically from 5% per year to a 5% increase per month, this led to pressure to enact tax relief for homeowners. A proposal was created known as Proposition 13 that capped the tax amount at 1% of the acquired property assessment. This meant that taxes would only increase dramatically when the property was sold and reassessed. The District collects 0.007113 of this 1% property tax collected from Shasta County. The ad valorem tax for 2018/19 is estimated to be \$940,000. This represents a tax on each parcel of between \$1.51 and \$23.29 in the areas where the District provided service pre-proposition 13. This area encompasses the central area of Shasta County including the cities of Redding and Anderson.

SMVCD's Special Benefit Assessments

The District has three Benefit Assessments:

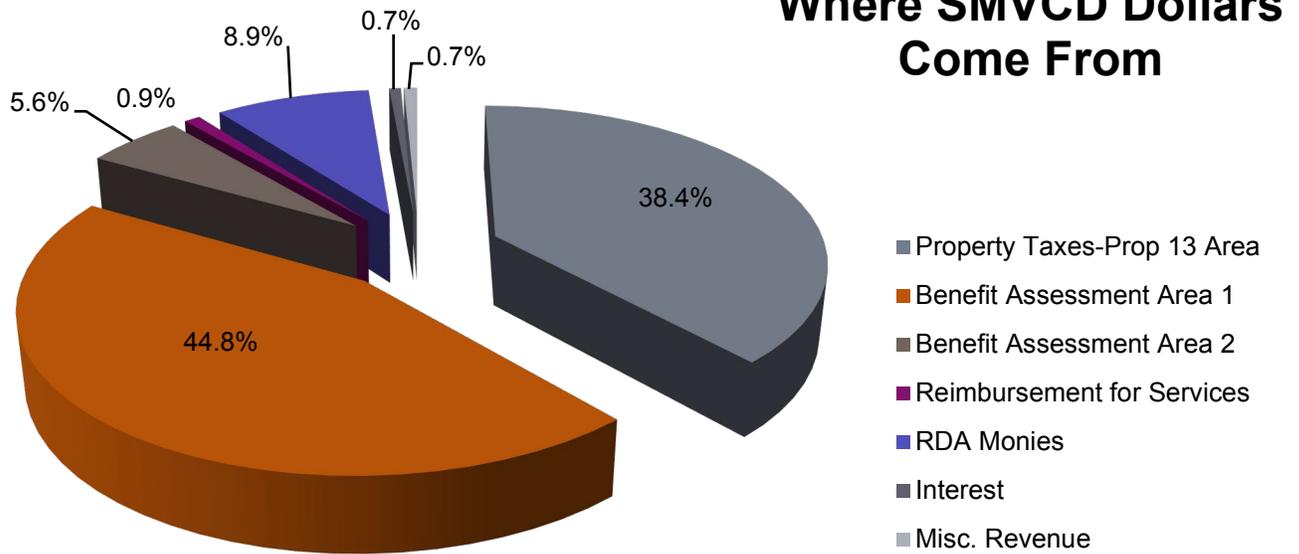
- (1) The District first levied a Benefit Assessment in 1997; this benefit assessment has a maximum rate of \$7.02 per single family home. The District currently levies this assessment at \$0.00. This keeps the assessment authorized so that it may be levied in future fiscal years as needed.
- (2) The District levied a second Benefit Assessment in 2005 (BA 1) as voted by a mailed ballot majority for the historic pre-proposition 13 sphere of influence. This assessment encompasses the central area of Shasta County including the cities and towns of Redding, Anderson, Enterprise, Shasta Lake, Palo Cedro, Millville, Centerville, Olinda, Cottonwood as well as unincorporated areas within central Shasta County. This is proposed to be levied at **\$18.80** for 2018/19.
- (3) The District levied a third Benefit Assessment in 2007 (BA 2) as voted by a mailed ballot majority in the District's newly annexed areas which include Igo, Ono, French Gulch, Lakehead, Sweet Briar, Castella, Shingletown and Viola. This is proposed to be levied at **\$25.88** for 2018/19.

Special Benefit Assessment for 2018-2019

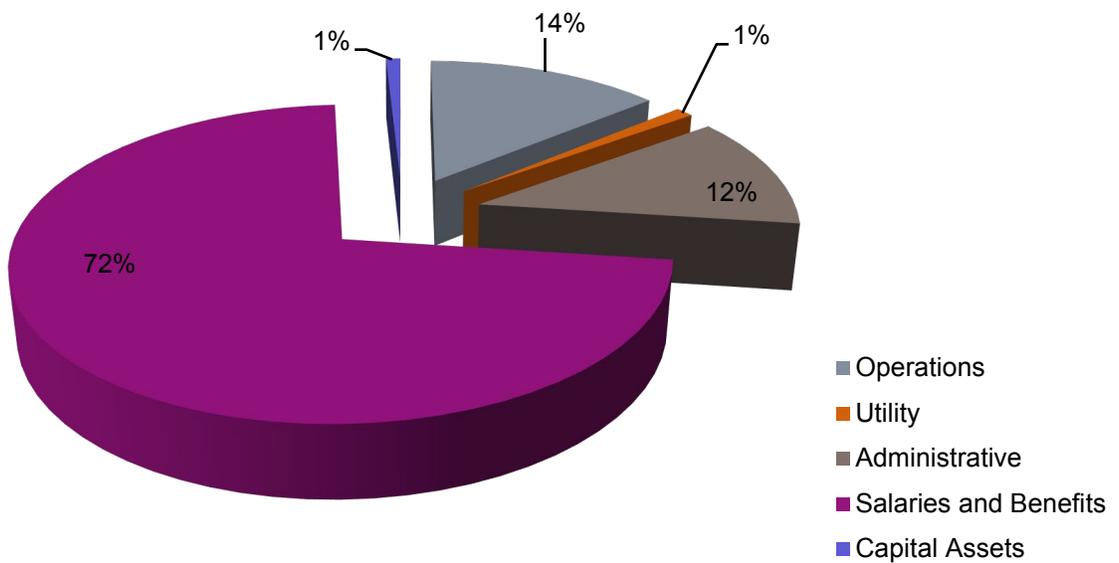
In 2015/16, recognizing the increasing cost of services and the Board's desire to begin moving away from deficit and reserve spending, the District has continued in 2018/19 to gradually increase the BA1 and BA 2 by 4.26% and 2.86% respectively. This slight increase in both benefit assessment areas will ensure our revenues more closely match our expense. In 2018/19 SMVCD's proposed average assessment for Area 1 will be **\$18.00**, representing an increase of **4.26%** and **\$25.88** in Area 2, representing an increase of **2.86%**.

Where SMVCD Dollars Come From and Where They Go

The pie charts below illustrate where SMVCD revenues come from and where dollars are scheduled to be spent by major function for 2018/19.



Where SMVCD Dollars Go



Detailed 2018-2019 Budget Proposal

	Actual 2016/17	Budget 2017/18	Budget 2018/19	Benefit Assessment #1	Benefit Assessment #2
REVENUE					
Current Secured Tax	\$870,312	\$893,000	\$940,000		
Current Unitary Taxes	\$40,065	\$41,000	\$42,000		
Current Secure Tax Teeter	\$13,622	\$16,000	\$24,000		
RDA Residual Property Tax	\$26,411	\$12,000	\$24,800		
RDA 1290 Pass Thru	\$215,182	\$190,000	\$215,000		
Supplemental Taxes Current	\$12,380	\$9,000	\$12,000		
Supplemental Taxes Teeter	\$1,261	\$3,000	\$1,500		
Current Unsecured Taxes	\$44,200	\$50,000	\$50,000		
Interest	\$17,067	\$18,000	\$18,000		
State Homeowners Exemption	\$15,066	\$15,000	\$15,000		
Misc. Revenue	\$21,687	\$20,000	\$20,000	\$19,000	\$1,000
Old Benefit Assessment-Area 1	\$0	\$0	\$0		
2005 Benefit Assessment- Area 1	\$1,069,863	\$1,157,409	\$1,208,849	\$1,208,849	
2007 Benefit Assessment- Area 2	\$135,732	\$145,349	\$149,627		\$149,627
Reimbursed MISC Services	\$38,204	\$28,000	\$25,000	\$23,750	\$1,250
Sale of Fixed Assets	\$0	\$1,000	\$5,000	\$4,750	\$250
TOTAL REVENUES	\$2,521,052	\$2,598,758	\$2,750,777	\$1,256,349	\$152,127
EXPENSES					
Payroll Expense					
Regular Salaries	\$1,081,623	\$1,122,705	\$1,173,344	\$1,082,997	\$90,347
Extra Help Wages	\$69,646	\$80,000	\$90,000	\$83,070	\$6,930
Overtime	\$0	\$0	\$0	\$0	\$0
Car/Vehicle Allowance	\$6,000	\$6,000	\$6,000	\$5,538	\$462
Social Security	\$85,420	\$85,887	\$89,760	\$82,849	\$6,911
PERS Retirement	\$212,911	\$244,050	\$280,400	\$258,809	\$21,590
Retirement Pick-up	\$0	\$0	\$0	\$0	\$0
PERS Health Insurance	\$30,836	\$38,280	\$38,280	\$35,332	\$2,947
Flexible Benefits	\$220,317	\$246,782	\$246,782	\$227,780	\$19,002
Employer Share OPEB	\$0	\$0	\$0	\$0	\$0
State Unemployment Insurance	\$9,507	\$9,000	\$9,000	\$8,307	\$693
Workers Comp.	\$48,410	\$57,377	\$49,000	\$45,227	\$3,773
Total Payroll Expense	\$1,764,670	\$1,890,081	\$1,982,853	\$1,829,910	\$152,657
Administrative Expense					
Household Expenses	\$7,219	\$8,400	\$8,400	\$7,753	\$646
Food	\$849	\$1,200	\$1,200	\$1,107	\$92
Household Supplies	\$2,049	\$6,500	\$6,500	\$5,999	\$500
Insurance	\$35,260	\$30,000	\$34,000	\$31,382	\$2,310
LAFCO	\$5,679	\$6,500	\$6,500	\$5,999	\$500
Memberships	\$15,856	\$17,800	\$18,000	\$16,429	\$1,370
Office Expenses	\$989	\$1,015	\$1,015	\$936	\$78

Misc. Expenses	\$40	\$150	\$150	\$138	\$11
Professional & Specialized Expenses	\$93,843	\$106,760	\$102,660	\$94,755	\$7,874
Postage	\$842	\$1,350	\$1,350	\$1,246	\$103
Office Supplies	\$4,332	\$3,715	\$3,765	\$3,475	\$286
Office Publications	\$2,711	\$6,900	\$4,900	\$4,522	\$531
Promotional Items	\$1,353	\$4,500	\$3,500	\$3,230	\$346
Office Furniture	\$2,067	\$7,100	\$1,500	\$1,384	\$500
Accounting	\$0	\$1,000	\$1,000	\$923	\$77
Advertising & Marketing	\$2,748	\$6,800	\$5,900	\$5,445	\$562
Auditing	\$9,750	\$9,500	\$9,500	\$8,768	\$731
Drug Testing	\$1,707	\$2,000	\$2,000	\$1,846	\$154
Environmental Services	\$6,330	\$2,600	\$2,600	\$2,399	\$200
Legal Services	\$5,570	\$7,000	\$7,369	\$6,802	\$539
Special Department Expenses	\$18,348	\$23,675	\$20,325	\$18,759	\$1,846
Travel Expenses	\$3,317	\$4,700	\$1,315	\$1,213	\$388
Travel Mileage	\$20	\$357	\$209	\$192	27
Training	\$5,341	\$6,500	\$5,500	\$5,076	\$500
Conferences	\$3,425	\$3,900	\$5,150	\$4,753	\$300
Meals	\$3,279	\$6,643	\$6,656	\$6,143	\$511
Lodging	\$9,911	\$9,220	\$10,110	\$9,331	\$709
Programming Services	\$150	\$3,500	\$14,000	\$12,922	\$269
Chgs. Aud. Prop. Tax Svs.	\$25,267	\$28,000	\$28,000	\$25,844	\$2,156
Publications & Legal Notices	\$404	\$400	\$400	\$369	\$30
Software	\$0	\$5,500	\$8,284	\$7,646	\$346
Computers	\$3,297	\$3,200	\$2,500	\$2,307	\$246
Taxes & Assessments	\$588	\$500	\$500	\$461	\$38
Professional Banking Services	\$3,808	\$6,300	\$6,300	\$5,814	\$485
Total Administrative Expense	\$276,349	\$333,185	\$331,059	\$305,567	\$25,274
Utility Expense					
Utilities	\$26,711	\$28,000	\$29,200	\$26,951	\$2,248
Operating Expense					
Agricultural/Pesticides	\$227,881	\$230,000	\$230,000	\$212,290	\$17,710
Clothing/Personal Supply	\$879	\$900	\$1,400	\$1,292	\$107
Personal Safety Clothing	\$4,128	\$6,215	\$8,175	\$7,545	\$629
Communications	\$3,855	\$5,240	\$5,560	\$5,131	\$428
Cell Phones	\$12,220	\$13,400	\$13,400	\$12,368	\$1,031
Maintenance-Equipment	\$6,429	\$4,900	\$1,350	\$1,246	\$103
Vehicle Maintenance	\$13,830	\$13,131	\$14,340	\$13,235	\$1,104
Building Equipment	\$363	\$1,000	\$1,000	\$923	\$77
Software Maintenance	\$2,432	\$2,000	\$800	\$738	\$61
Computer Maintenance	\$1,276	\$1,000	\$840	\$775	\$64
Equipment Maint. Parts and Supplies	\$2,367	\$4,300	\$6,800	\$6,276	\$523
Out of Agency Vehicle Maint.	\$1,268	\$9,090	\$9,450	\$8,722	\$727
Maintenance-Structures	\$17,688	\$6,550	\$7,700	\$7,107	\$592
Medical/Laboratory Supplies	\$9,445	\$12,500	\$15,500	\$14,306	\$1,193
Janitorial Services	\$4,200	\$4,800	\$4,800	\$4,430	\$369

Minor Equipment	\$13,555	\$9,413	\$23,389	\$21,588	\$1,800
Gasoline	\$27,241	\$28,000	\$31,000	\$28,613	\$2,387
Rents & Leases-Equipment	\$3,044	\$8,500	\$8,500	\$7,845	\$654
Rents & Leases-Structures	\$0	\$200	\$200	\$184	\$15
Safety Equipment	\$96	\$0	\$0	\$0	\$0
TOTAL OPERATING EXPENSE	\$352,197	\$361,139	\$384,204	\$354,620	\$29,583
TOTAL EXPENSES	\$2,419,927	\$2,612,405	\$2,727,031	\$2,517,049	\$209,981

Expenses are spread between Benefit Assessment area 1 and area 2 to show the cost of providing service in each area separately. Staff calculated the percentage by taking into account the hours worked, the overhead of administration and the size of the newest area.

Proposed Fixed Asset Purchases:

No anticipated Fixed Asset purchases

Proposed Revenue Transfers:

No proposed Revenue Transfers

TOTAL TRANSFER: \$0

Debt Repayment (CSDA Financing-10yr):

\$23,746

FISCAL YEAR 2018-2019 BUDGET

TOTAL BUDGET EXPENDITURES

\$2,750,777

TOTAL BUDGET REVENUES

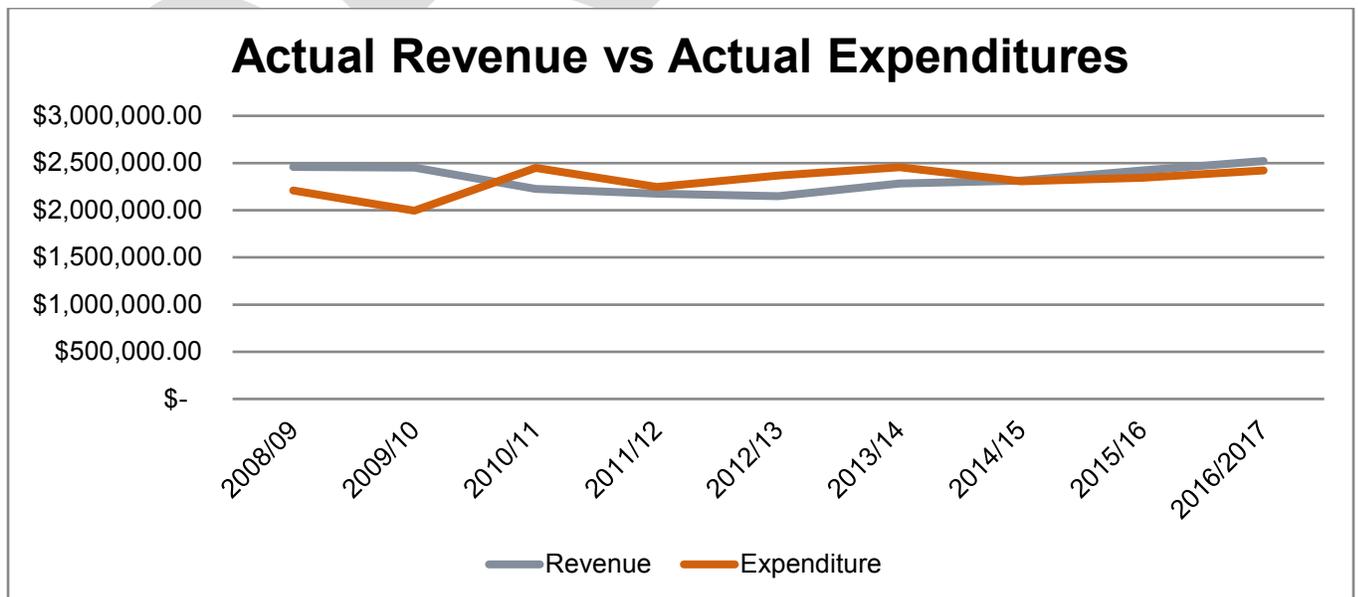
\$2,750,777

General Fund Revenue and Fund Balance

The General Fund is the operating fund of the District and is used to account for all financial activities. The District functions on a July 1- June 30th fiscal year.

Components of the Fund Balance:

Non-spendable		Inventory	\$141,626
Restricted		None	-
Unrestricted			
	Committed		
		Public Health Emergency	\$300,000
		Facility Improvements	\$25,000
		Bio-Control Development	\$50,000
		Existing Facility Renovation	\$10,000
		Fixed Asset Replacement	\$48,000
		IT Equipment Replacement	\$65,000
		Revenue Stabilization	\$80,380
		VCJPA Excess	\$0
	Assigned		
		Operations (General Fund)	\$2,750,777
	Unassigned		
		Estimate of Dry Financing (Cash in Treasury)	\$1,678,402
	Total Fund Balance		\$5,149,185



Noteworthy Items of the 2018-2019 Fiscal Year Budget

- Overall, we are anticipating a **5%** increase in Salaries and Benefits, largely due to contracted increases and increases in pension costs.
- We are proposing a small increase in Benefit Assessment Area #1 to \$18.80. This modest increase is being suggested because the District has been in deficit spending since the economy downturn dramatically lowered property tax revenues.
- We are expecting an increase in Revenue of **6%** due to the housing industry picking up speed, the additional RDA funds and general increase in both benefit assessments.
- Administrative costs are budgeted with a slight decrease due to small line item reductions.
- Operational costs are expected to climb 6% due to additional lab supplies cost and increased gasoline costs
- Utility costs are expected to increase 4%

District Goals for 2018-2019

- Successfully complete negotiations with the represented employees for the 2019-2020 budget year
- Setup a 10 year plan for CalPERS pension solvency
- Begin refilling the District's reserve accounts
- Continue the District technology revamp
 - New Data collection system
 - New Server iteration
 - Migrate to MS 365
- Continue investing and outreach
- Update Strategic Plan 2019