

Shasta Mosquito and Vector Control District 2015-2016 Budget Presentation



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) employ 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.

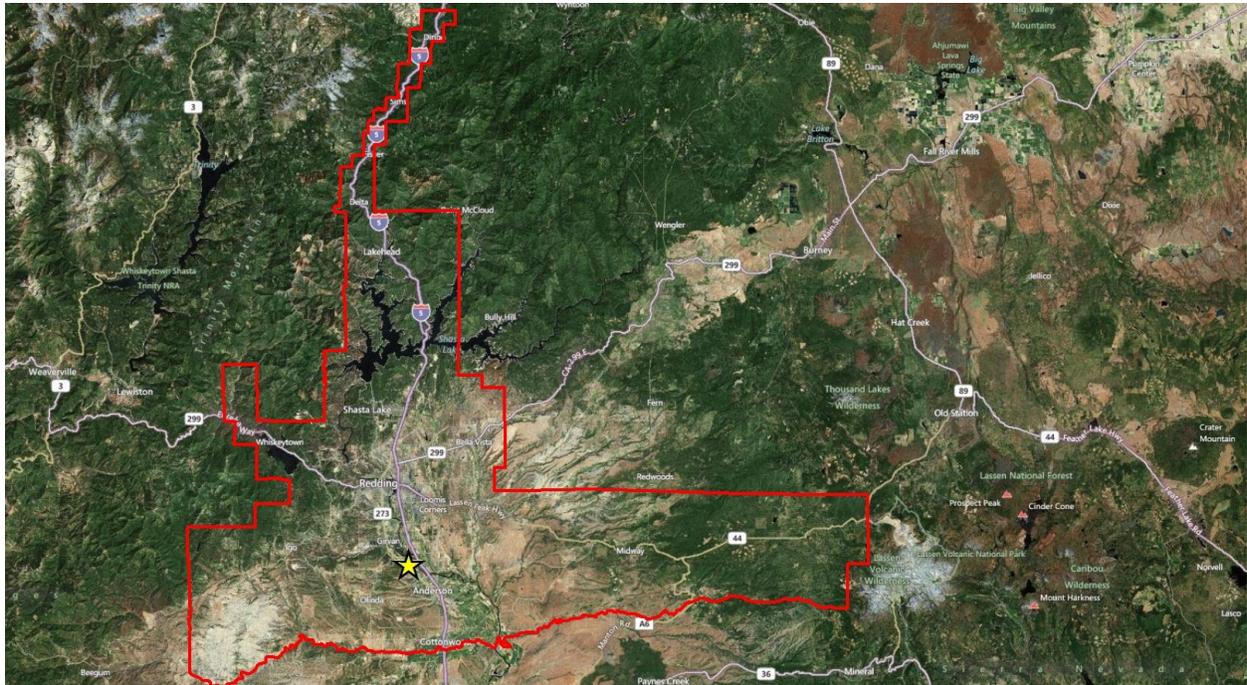
Background

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.”

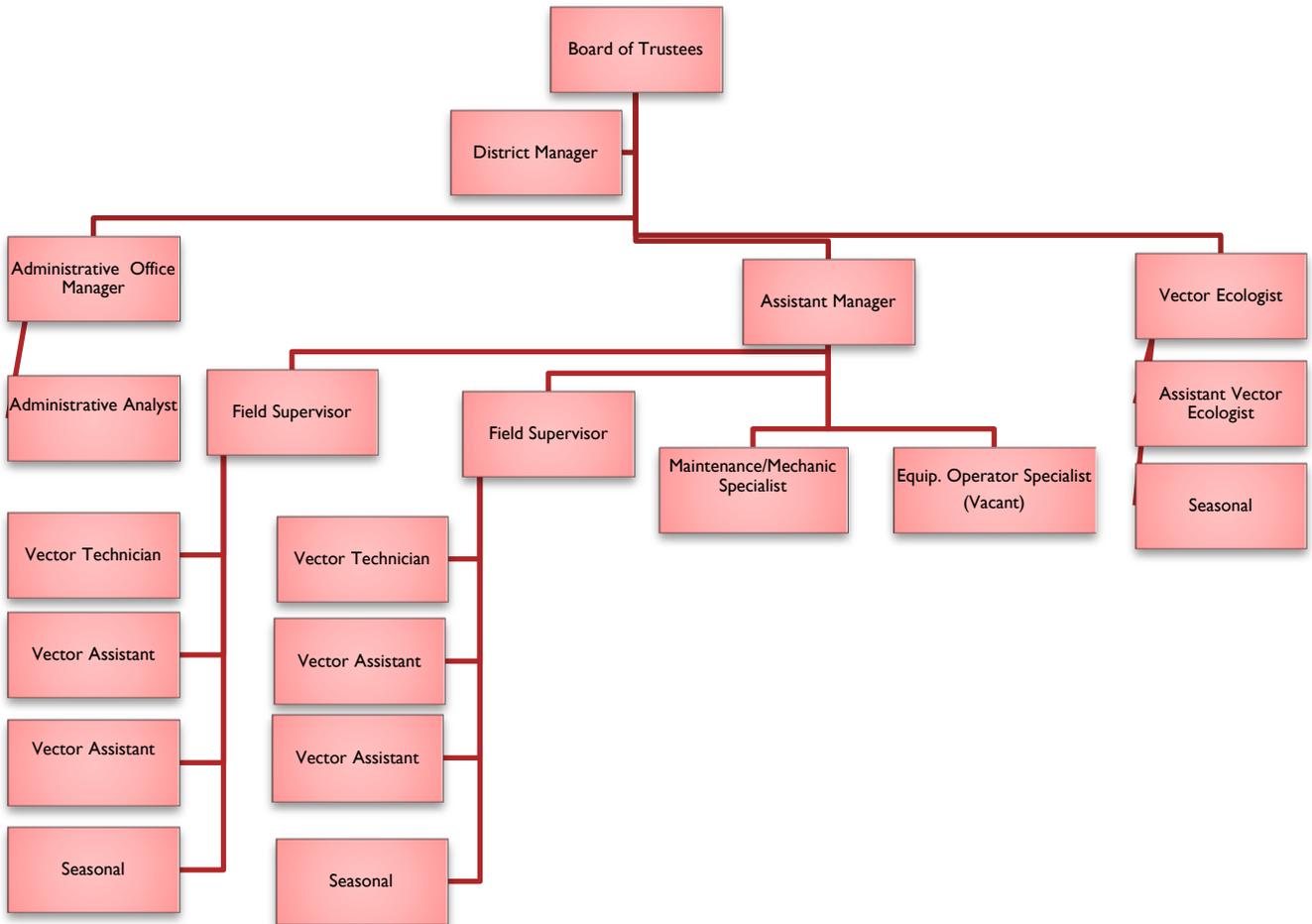
Vision Statement

“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; called 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 2014/15 is estimated to be \$877,200. 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 **\$17.00** for 2015/16.
- (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 **\$23.74** for 2015/16.

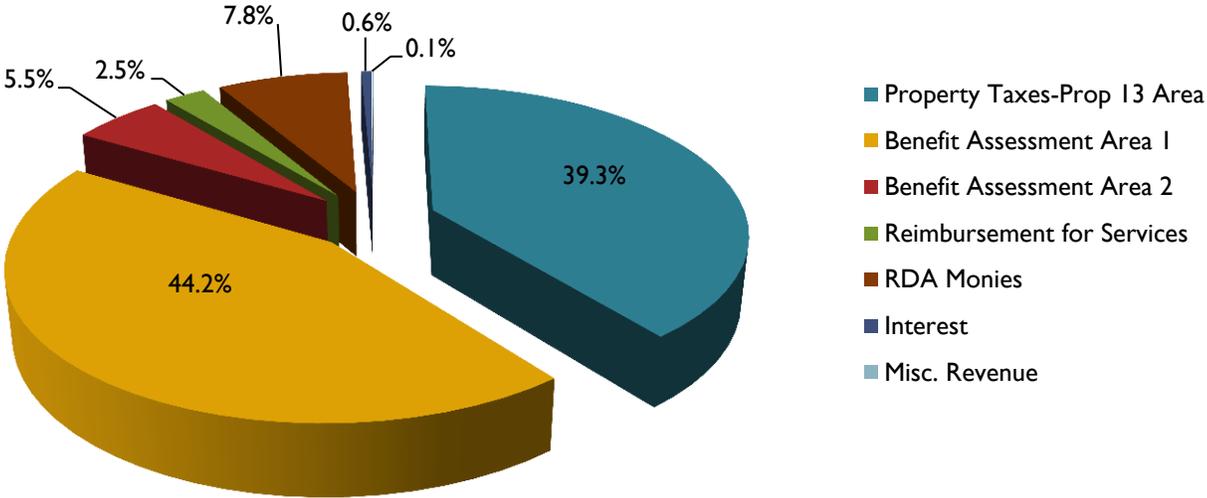
Special Benefit Assessment for 2015-2016

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 decided to continue in 2015/16 to gradually increase the BA1 and BA 2 by 3% and 2% respectively. This slight increase in both benefit assessment areas will ensure our revenues more closely match our expense. In 2015/16 SMVCD's average assessment for Area 1 will be **\$17.00**, representing an increase of 3% and **\$23.74** in Area 2, representing an increase of 2%

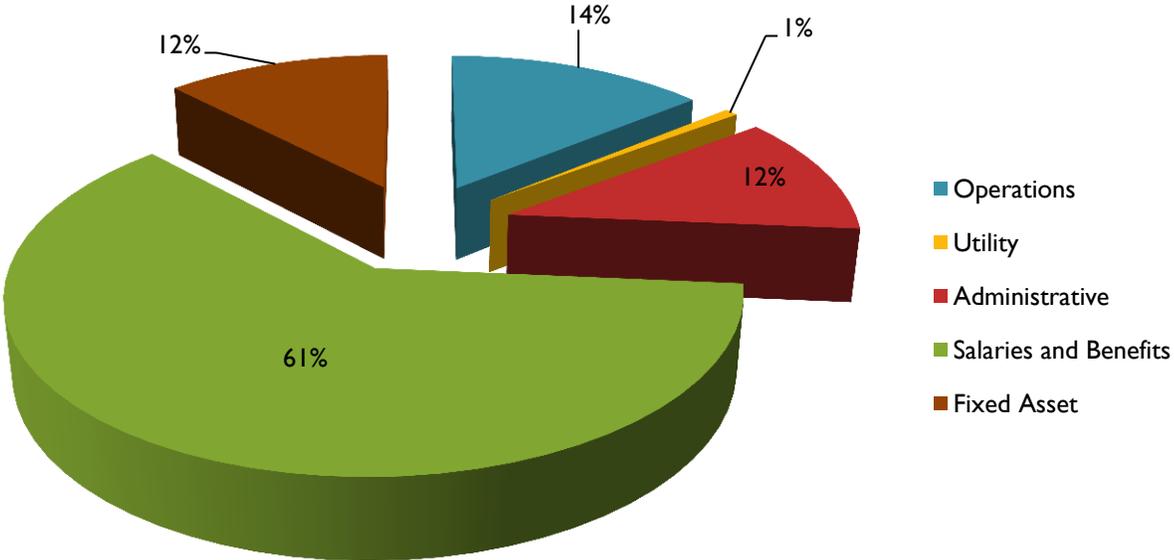
Where SMVCD Dollars Come From and Where They Go

The pie charts below illustrate where SMVCD revenues come from and where dollars are scheduled to be spent by major function for 2015/16.

Where SMVCD Dollars Come From



Where SMVCD Dollars Go



Detailed 2015-2016 Budget Proposal

| | Actual 2013/14 | Budget 2014/15 | Budget 2015/16 | Benefit Assessment #1 | Benefit Assessment #2 |
|---------------------------------|--------------------|--------------------|--------------------|--------------------------|--------------------------|
| REVENUE | | | | | |
| Current Secured Tax | \$765,949 | \$864,249 | \$877,200 | \$854,351 | \$23,214 |
| Current Unitary Taxes | \$33,875 | \$34,000 | \$34,000 | \$31,858 | \$2,142 |
| Current Secure Tax Teeter | \$13,467 | \$20,000 | \$15,000 | \$14,055 | \$945 |
| RDA Residual Property Tax | \$10,576 | \$60,000 | \$10,000 | \$56,220 | \$3,780 |
| RDA 1290 Pass Thru | \$175,483 | \$100,000 | \$180,000 | \$168,660 | \$11,340 |
| RDA Other Money | - | - | - | - | - |
| Supplemental Taxes Current | \$7,999 | \$2,200 | \$8,000 | \$7,496 | \$504 |
| Supplemental Taxes Teeter | \$2,579 | \$1,000 | \$2,500 | \$2,342 | \$157 |
| Current Unsecured Taxes | \$48,484 | \$56,000 | \$50,000 | \$46,850 | \$3,150 |
| Prior Year Unsecured | - | - | - | - | - |
| Interest | \$14,139 | \$12,000 | \$15,000 | \$14,055 | \$945 |
| State Homeowners Exemption | \$15,508 | \$16,000 | \$15,000 | \$14,055 | \$945 |
| Misc. Revenue | \$1,910 | \$3,400 | \$1,500 | \$1,425 | \$75 |
| Old Benefit Assessment-Area 1 | \$0 | \$0 | - | - | - |
| 2005 Benefit Assessment- Area 1 | \$959,151 | \$1,034,658 | \$1,070,624 | \$1,070,624 | - |
| 2007 Benefit Assessment- Area 2 | \$127,473 | \$137,332 | \$134,435 | - | \$134,435 |
| Reimbursed MISC Services | \$59,888 | \$60,000 | \$60,000 | \$57,000 | \$3,000 |
| TOTAL REVENUES | \$2,243,681 | \$2,400,839 | \$2,473,258 | \$1,129,048 | \$137,510 |
| EXPENSES | | | | | |
| Payroll Expense | | | | | |
| Regular Salaries | \$975,675 | \$1,001,918 | \$1,053,732 | \$979,971 | \$73,761 |
| Extra Help Wages | \$52,224 | \$60,000 | \$65,000 | \$59,995 | \$5,005 |
| Overtime | \$3,208 | \$10,000 | \$10,000 | \$9,230 | \$770 |
| Car/Vehicle Allowance | \$6,000 | \$6,000 | \$6,000 | \$5,538 | \$462 |
| Social Security | \$88,272 | \$94,113 | \$88,126 | \$81,340 | \$6,786 |
| PERS Retirement | \$149,630 | \$178,442 | \$212,253 | \$195,909 | \$16,343 |
| Retirement Pick-up | \$5,824 | \$5,865 | \$4,000 | \$3,692 | \$308 |
| PERS Health Insurance | \$105,215 | \$87,732 | \$33,672 | \$31,079 | \$2,593 |
| Flexible Benefits | \$226,890 | \$234,144 | \$214,794 | \$198,254 | \$16,539 |
| Employer Share OPEB | \$86,653 | \$23,180 | \$23,570 | \$21,755 | \$1,815 |
| State Unemployment Insurance | \$10,274 | \$9,000 | \$9,000 | \$8,307 | \$693 |
| Workers Comp. | \$47,675 | \$58,000 | \$52,000 | \$47,996 | \$4,004 |
| Total Payroll Expense | \$1,757,540 | \$1,768,394 | \$1,772,147 | \$1,643,068 | \$129,079 |
| Administrative Expense | | | | | |
| Household Expenses | \$6,690 | \$7,200 | \$7,900 | \$7,292 | \$608 |
| Food | \$639 | \$1,000 | \$1,000 | \$923 | \$77 |
| Household Supplies | \$2,176 | \$2,000 | \$3,400 | \$3,138 | \$262 |
| Insurance | \$40,418 | \$36,000 | \$35,000 | \$32,305 | \$2,695 |
| LAFCO | \$6,620 | \$10,000 | \$7,000 | \$6,461 | \$539 |
| Memberships | \$14,059 | \$15,698 | \$16,000 | \$14,768 | \$1,232 |
| Office Expenses | \$336 | \$1,015 | \$1,015 | \$937 | \$78 |
| Misc. Expenses | - | \$150 | \$150 | \$138 | \$11 |

| | | | | | |
|-------------------------------------|------------------|------------------|------------------|------------------|-----------------|
| Professional & Specialized Expenses | \$91,983 | \$88,000 | \$113,400 | \$104,668 | \$8,732 |
| Postage | \$1,215 | \$1,300 | \$1,350 | \$1,246 | \$104 |
| Office Supplies | \$1,944 | \$3,900 | \$3,900 | \$3,600 | \$300 |
| Office Publications | \$3,682 | \$6,500 | \$5,700 | \$5,261 | \$439 |
| Promotional Items | \$2,078 | \$3,800 | \$3,800 | \$3,507 | \$293 |
| Office Furniture | \$2,331 | \$1,100 | \$1,000 | \$923 | \$77 |
| Accounting | \$0 | \$1,500 | \$2,000 | \$1,846 | \$154 |
| Advertising & Marketing | \$4,000 | \$9,332 | \$4,100 | \$3,784 | \$316 |
| Auditing | \$10,900 | \$11,200 | \$11,000 | \$10,153 | \$847 |
| Drug Testing | \$1,478 | \$1,000 | \$1,500 | \$1,384 | \$115 |
| Environmental Services | \$2,009 | \$2,100 | \$4,700 | \$4,338 | \$362 |
| Legal Services | \$29,170 | \$10,000 | \$10,000 | \$9,230 | \$770 |
| Special Department Expenses | \$9,748 | \$15,100 | \$16,100 | \$14,860 | \$400 |
| Travel Expenses | \$5,159 | \$6,650 | \$5,200 | \$4,800 | \$512 |
| Travel Mileage | \$359 | \$1,265 | \$1,265 | \$1,168 | \$97 |
| Training | \$3,469 | \$6,000 | \$3,000 | \$2,769 | \$231 |
| Conferences | \$2,730 | \$3,700 | \$8,950 | \$8,261 | \$689 |
| Meals | \$2,171 | \$7,503 | \$10,563 | \$9,750 | \$813 |
| Lodging | \$8,969 | \$7,810 | \$11,760 | \$10,854 | \$905 |
| Programming Services | \$12,911 | \$4,500 | \$4,900 | \$4,523 | \$377 |
| Chgs. Aud. Prop. Tax Svcs. | \$26,658 | \$36,000 | \$30,000 | \$27,690 | \$2,310 |
| Publications & Legal Notices | \$300 | \$500 | \$300 | \$277 | \$23 |
| Software | \$2,650 | \$500 | \$300 | \$277 | \$23 |
| Computers | \$640 | \$36,000 | \$2,000 | \$1,846 | \$154 |
| Taxes & Assessments | - | \$40 | \$40 | \$37 | \$3 |
| Professional Banking Services | \$2,423 | \$6,000 | \$6,000 | \$5,538 | \$462 |
| Total Administrative Expense | \$300,377 | \$344,363 | \$335,692 | \$309,844 | \$25,848 |
| Utility Expense | \$20,434 | \$18,000 | \$21,000 | \$19,383 | \$1,617 |
| Utilities | \$15,890 | \$15,500 | \$18,000 | \$16,614 | \$1,386 |
| Operating Expense | | | | | |
| Agricultural/Pesticides | \$215,123 | \$220,000 | \$230,000 | \$213,900 | \$16,100 |
| Clothing/Personal Supply | \$483 | \$800 | \$1,000 | \$923 | \$77 |
| Personal Safety Clothing | \$5,713 | \$4,770 | \$5,250 | \$4,845 | \$404 |
| Communications | \$4,907 | \$6,100 | \$5,700 | \$5,261 | \$439 |
| Cell Phones | \$12,606 | \$14,160 | \$13,960 | \$12,885 | \$1,075 |
| Maintenance-Equipment | \$3,751 | \$9,000 | \$8,000 | \$7,384 | \$616 |
| Vehicle Maintenance | \$7,151 | \$10,140 | \$13,890 | \$12,820 | \$1,070 |
| Building Equipment | \$2,849 | \$500 | \$1,000 | \$923 | \$77 |
| Software Maintenance | - | \$700 | \$1,200 | \$1,108 | \$92 |
| Computer Maintenance | \$495 | \$700 | \$4,500 | \$4,154 | \$346 |
| Equipment Maint. Parts and Supplies | \$13,041 | \$6,000 | \$5,000 | \$4,615 | \$385 |
| Out of Agency Vehicle Maint. | \$8,908 | \$12,060 | \$14,860 | \$13,384 | \$1,144 |
| Maintenance-Structures | \$6,005 | \$19,290 | \$9,190 | \$8,482 | \$707 |
| Medical/Laboratory Supplies | \$7,214 | \$13,200 | \$14,500 | \$13,383 | \$1,116 |
| Janitorial Services | \$3,309 | \$3,850 | \$4,200 | \$3,876 | \$323 |
| Minor Equipment | \$6,505 | \$12,814 | \$13,534 | \$12,183 | \$1,016 |
| Gasoline | \$38,775 | \$40,000 | \$41,000 | \$37,843 | \$3,157 |

| | | | | | |
|--------------------------------|--------------------|--------------------|--------------------|--------------------|------------------|
| Rents & Leases-Equipment | \$5,370 | \$13,600 | \$13,200 | \$12,183 | \$1,016 |
| Rents & Leases-Structures | \$100 | \$200 | \$200 | \$185 | \$15 |
| Safety Equipment | - | - | \$1,500 | \$1,384 | \$115 |
| TOTAL OPERATING EXPENSE | \$377,175 | \$387,884 | \$401,684 | \$372,364 | \$29,319 |
| TOTAL EXPENSES | \$2,455,526 | \$2,518,641 | \$2,530,524 | \$2,344,659 | \$185,864 |

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:

Lab Building Remodel-\$350,000

Proposed Revenue Transfers:

From: VCJPA Contingency Fund-\$57,265

From: Facility Improvement Reserve-\$350,000

TOTAL TRANSFER: \$407,265

FISCAL YEAR 2015-2016 BUDGET

TOTAL BUDGET EXPENDITURES

\$2,880,524

TOTAL BUDGET REVENUES

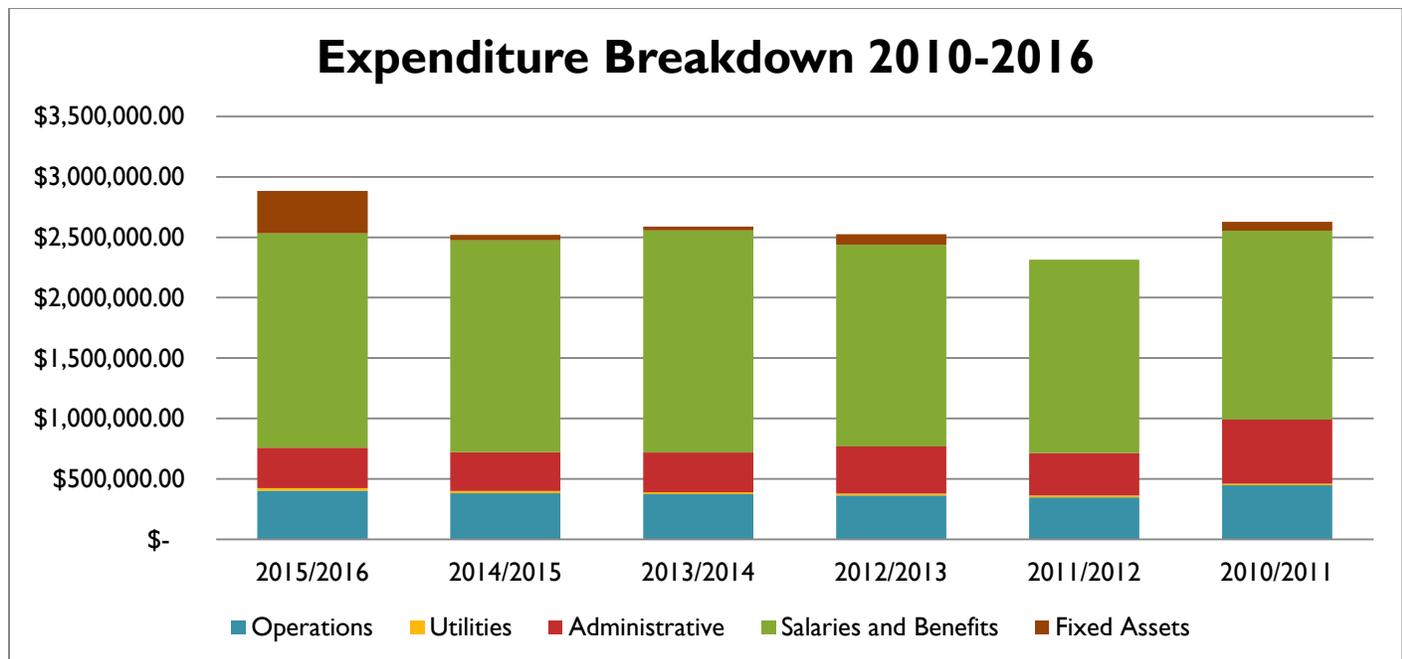
\$2,880,524

General Fund Revenue and Fund Balance

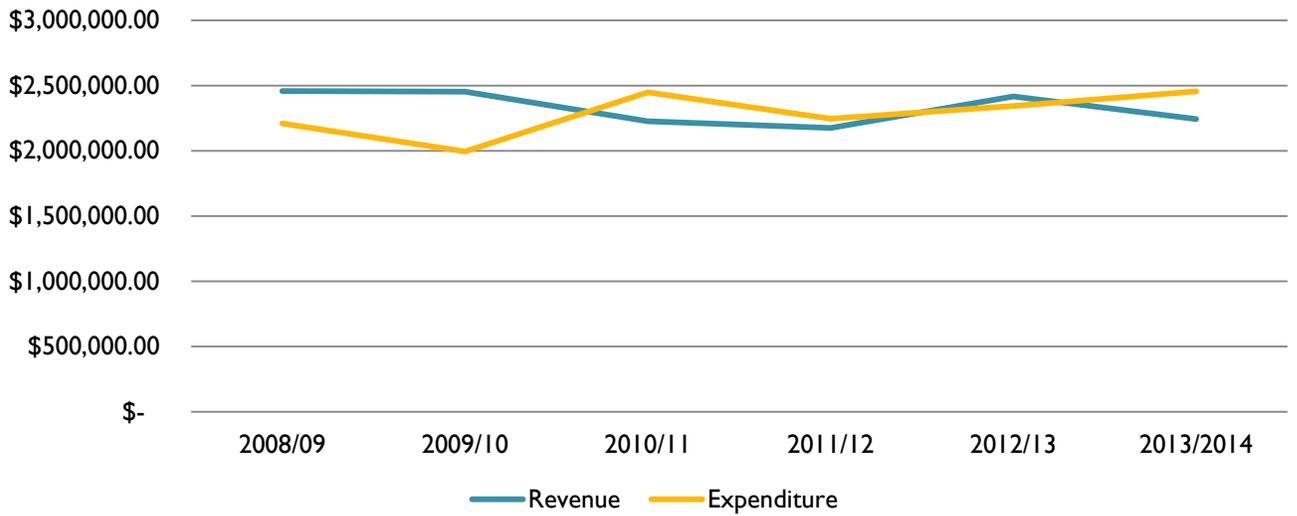
The General Fund is the operating fund of the District and is used to account for all financial activities. The District functions on a July 1- June 30th fiscal year.

Components of the Fund Balance:

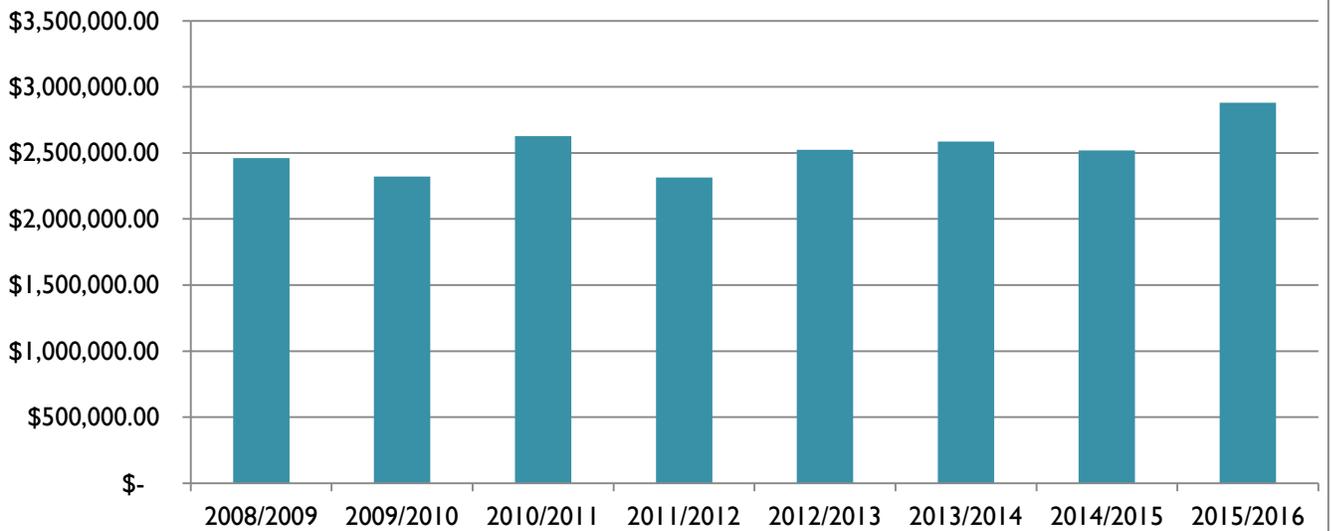
| | | | |
|----------------------|---------------------------|--|-------------|
| Non-spendable | | Inventory | \$120,946 |
| Restricted | | None | - |
| Unrestricted | | | |
| | Committed | | |
| | | Public Health Emergency | \$300,000 |
| | | Facility Improvements | \$200,000 |
| | | Bio-Control Development | \$50,000 |
| | | Existing Facility Renovation | \$87,000 |
| | | Fixed Asset Replacement | \$71,000 |
| | | IT Equipment Replacement | \$55,000 |
| | | Revenue Stabilization | \$43,476 |
| | | VCJPA Excess | \$143,000 |
| | Assigned | | |
| | | Operations (General Fund) | \$2,473,258 |
| | Unassigned | | |
| | | Estimate of Dry Financing (Cash in Treasury) | \$1,450,000 |
| | Total Fund Balance | | \$4,993,680 |



Actual Revenue vs Actual Expenditures



8 Year Budget Look



Noteworthy Items of the 2015-2016 Fiscal Year Budget

- Overall we are anticipating a **0.21%** increase in Salaries and Benefits.
- We are proposing a small increase in Benefit Assessment Area #1 to \$17.00. This modest increase is being suggested because the District has been in deficit spending since the economy downturn dramatically lowered property tax revenues. Even with the increase, it will be necessary to use temporary funding from the VCJPA Member Contingency Fund-\$57,265 and the Facility Improvement Reserve-\$350,000.
- We are expecting an increase in Revenue of **3%** due to the housing industry picking up speed, the additional RDA funds and general increase in both benefit assessments.
- We've reduced administrative costs by **3%**; we'll see an increase for Operational costs by **3%** and an estimated **14%** increase in Utilities attributed an increase in both energy use and cost.

District Goals for 2015-2016

- Update and begin on the revised strategic plan
- Begin the laboratory remodel project.
- Start the new financial process with the separation from the County system.
- Work on evolving the financial reporting and tracking to a higher level of automation and sophistication.
- Effectively renegotiate terms with the Union that ensure the District's financial stability and provides for a compensation package that encourages recruitment and retention.