

## Marin/Sonoma Mosquito & Vector Control District

Board of Trustees  
595 Helman Lane  
Cotati, CA 94931

May 13, 2020

### MINUTES

1. **CALL TO ORDER**

President Pigoni called the meeting to order at 7:04 pm.

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL**

**Members present:**

Ackerman, Bruce	Khush, Ranjiv
Bloom, Gail	Naythons, Matthew
Davis, Tamara	Rowland Jr., Herb
Deicke, Art	Schulze, Ed
Ettlin, Julia	Snyder, Richard
Gallian, Laurie	Thompson, Michael
Glass, Una	Witt, David
Harlem, Pamela	Pigoni, Carol
Hootkins, Susan	

**Members absent:**

McCaffery, Shaun  
Predovich, Monique

**Open seats:** Corte Madera, Cotati, one Marin County at Large, one Sonoma County at Large and Tiburon

**Others present:**

Phil Smith, District Manager  
Erik Hawk, Assistant Manager  
Dawn Williams, Confidential Administrative Assistant  
Jennifer Crayne, Financial Manager  
Janet Coleson, General Counsel

A quorum was present, and due notice had been published.

4. **APPOINTMENT OF NEW TRUSTEE**

This item was moved to a subsequent meeting because Trustee Monique Predovich was unable to attend.

5. **PUBLIC TIME**

No public comment.

6. **CONSENT CALENDAR**

A. **CHANGES TO AGENDA/APPROVAL OF AGENDA**

B. **MINUTES** – Minutes of the Board Meeting held March 11, 2020.

C. **FINANCIAL**

Warrants – March 2020

March Payroll: \$182,959.52

March Expenditures: \$612,966.12

Total: \$795,925.64

D. **FINANCIAL**

Warrants – April 2020

April Payroll: \$193,771.41

April Expenditures: \$426,068.45

Total: \$619,839.86

E. **ENDING ACCOUNT BALANCES:**

Operating Fund: \$11,481,153.87

F. **3<sup>rd</sup> QUARTER FINANCIAL STATEMENT FOR FY 2019/20**

*It was M/S Trustee Davis/Trustee Snyder to accept the Consent Calendar:*

*Motion passed with a roll call vote:*

*Ayes: Trustee Ackerman, Trustee Bloom, Trustee Davis, Trustee Deicke, Trustee Ettlin, Trustee Gallian, Trustee Glass, Trustee Harlem, Trustee Hootkins, Trustee Khush, Trustee Naythons, Trustee Rowland, Trustee Schulze, Trustee Snyder, Trustee Thompson, Trustee Witt and Trustee Pigoni*

*No: (none)*

*Abstain: (none)*

*Absent: Trustee McCaffery and Trustee Predovich*

7. **NEW BUSINESS**

A. **“Special Contribution Due to Reserve Restructure.” Presentation by Marilyn Oliver, Vice President, Bartel & Associates.**

Ms. Oliver gave a detailed explanation of the written report that Bartel Associates prepared for the District. The report’s primary aim was to help the Board decide whether to make an additional contribution to the District’s Other Post-Employment Benefits (OPEB) trust account at the California Employer’s Retiree Benefit Trust (CERBT) and if so, the amount of such a contribution to be made as part of the District’s FY 2020-21 budget. Tables

and narrative sections in the report illustrated the results of stochastic calculations simulating the potential outcomes of various scenarios, each involving different investment allocations and funding amounts. Ms. Oliver noted the sensitivity of the outcomes to variations in investment returns and described the potential risks of over-funding the irrevocable trust account.

Currently, CERBT allows member agencies to invest in only one of three available investment allocation options: CERBT Strategy 1, 2 or 3. However, CERBT staff recently advised that, starting later this year, member agencies will be able to apportion their funds between any two of the Strategies (but not all three). Accordingly, it was noted that should the District decide to make an additional contribution in the next few months, the funds would be added to the District's existing balance in Strategy 1 at CERBT. Strategy 1 has the highest nominal earning potential but carries greater risk. Strategies 2 and 3 are more conservative but their earning potentials are lower. When CERBT gives member agencies the option to reallocate their funds, the District could elect to remain invested wholly in Strategy 1 or transfer some or all of its assets to the other two options in order to balance the portfolio as it sees fit.

On behalf of the Budget Committee, Trustee Gail Bloom noted that at the Committee's recent meeting, the members unanimously recommended that the Board adopt Scenario 3 from Bartel's report; namely making a special contribution to OPEB of \$2.159M, aimed at increasing the funded ratio in the CERBT account to about 55%. Part of the rationale for taking a less aggressive approach than originally envisaged (funding to 80% or above), was to conserve capital during the turbulent economic conditions associated with the SARS-CoV-2 pandemic.

*It was M/S Trustee Gallian/Trustee Davis to add special contribution Scenario 3 to the FY 20-21 budget, bringing the funding ratio to 55%, placing these funds into CERBT Strategy 1, and to pursue any further action at a later time.*

*Motion passed with a roll call vote:*

*Ayes: Trustee Ackerman, Trustee Bloom, Trustee Davis, Trustee Deicke, Trustee Ettlin, Trustee Gallian, Trustee Glass, Trustee Harlem, Trustee Hootkins, Trustee Khush, Trustee Naythons, Trustee Rowland, Trustee Schulze, Trustee Snyder, Trustee Thompson, Trustee Witt and Trustee Pioni*

*No: (none)*

*Abstain: (none)*

*Absent: Trustee McCaffery and Trustee Predovich*

**B. Proposed Budget for Fiscal Year (FY) 2020-21: Presentation by staff and recommendation by the Budget Committee. Please refer to the enclosed proposed Annual Budget and the Budget Highlights document.**

Financial Manager Jennifer Crayne gave a detailed PowerPoint presentation explaining the current revenue trends, fund balances, legacy benefits, capital replacement schedules and anticipated expenditures. *(See attached Fiscal Year 2020/21: Proposed Budget Highlights in the May board packet)*

Trustee Bloom reported for the Budget Committee that this proposed budget contained no significant changes from the prior year, and after detailed review, the Committee's recommendation was to accept the initial draft budget.

*It was M/S Trustee Gallian/Trustee Schulze to accept the initial draft of the FY 20-21 budget and provide direction to staff to bring the final FY 20-21 budget to the next Board meeting for approval:*

*Motion passed with a roll call vote:*

***Ayes:** Trustee Ackerman, Trustee Bloom, Trustee Davis, Trustee Deicke, Trustee Ettlin, Trustee Gallian, Trustee Glass, Trustee Harlem, Trustee Hootkins, Trustee Khush, Trustee Naythons, Trustee Rowland, Trustee Schulze, Trustee Snyder, Trustee Thompson, Trustee Witt and Trustee Pigoni*

***No:** (none)*

***Abstain:** (none)*

***Absent:** Trustee McCaffery and Trustee Predovich*

**C. Resolution No. 2019/20-02**

A Resolution of Intention to Levy Assessments for FY 2020-21, Preliminarily Approving Engineer's Report for the Marin/Sonoma Mosquito and Vector Control District, Vector Control Assessment District (Assessment No. 1).

John Bliss, President of the SCI Consulting Group, provided a brief explanation of the District's primary revenue sources; ad valorem taxes and two Benefit Assessment Districts.

Every year the Board reviews and approves the Engineer's Reports and then sets the date for the Public Hearing. The following month, a Public Hearing is held during which the Board votes on two Resolutions, for Assessment District No. 1 and Assessment District No. 2 respectively, thus ordering the levies.

Assessment District No. 1, which was formed in 1996, just before Proposition 218 passed, covers most of the parcels in the District and provides the great majority of the assessment revenue for the District. The proposed rate for FY 2020-21 on Assessment No. 1 is capped at \$12 per single-family equivalent benefit unit, which means that the rate cannot be raised above the \$12 limit.

Assessment District No. 2 was formed in 2004 with a balloted assessment that annexed the areas of the two counties that were not then serviced by the District. Assessment District No. 2 has a Consumer Price Index (CPI) escalator, which allows the Board to increase the assessment annually according to the Bay Area CPI, up to a maximum of 5% per year. The proposed rate for FY 2020-21 Assessment No. 2, Zones A and West Marin is \$28.26 per single family equivalent benefit unit and Assessment No. 2, Zone B \$27.03 per single-family equivalent benefit unit.

*It was M/S Trustee Snyder/Trustee Gallian to approve Resolution No. 2019/20-02:*

*Motion passed with a roll call vote:*

*Ayes: Trustee Ackerman, Trustee Bloom, Trustee Davis, Trustee Deicke, Trustee Ettlín, Trustee Gallian, Trustee Glass, Trustee Harlem, Trustee Hootkins, Trustee Khush, Trustee Naythons, Trustee Rowland, Trustee Schulze, Trustee Snyder, Trustee Thompson, Trustee Witt and Trustee Pigoni*

*No: (none)*

*Abstain: (none)*

*Absent: Trustee McCaffery and Trustee Predovich*

**D. Resolution No. 2019/20-03**

A Resolution of Intention to Levy Assessments for FY 2020-21, Preliminarily Approving Engineer's Report for the Marin/Sonoma Mosquito and Vector Control District, Northwest Mosquito, Vector Disease Control Assessment District (Assessment No. 2)

*It was M/S Trustee Snyder/Trustee Schulze to approve Resolution No. 2019/20-03:*

*Motion passed with a roll call vote:*

*Ayes: Trustee Ackerman, Trustee Bloom, Trustee Davis, Trustee Deicke, Trustee Ettlín, Trustee Gallian, Trustee Glass, Trustee Harlem, Trustee Hootkins, Trustee Khush, Trustee Naythons, Trustee Rowland, Trustee Schulze, Trustee Snyder, Trustee Thompson, Trustee Witt and Trustee Pigoni*

*No: (none)*

*Abstain: (none)*

*Absent: Trustee McCaffery and Trustee Predovich*

**E. Proposed Successor Agreement with the West Marin Mosquito Council (WMMC)**

Manager Smith explained that the proposed agreement, which describes the methods and materials used by the District in West Marin, is very similar to the prior agreement from 2016. Some minor wording changes were made to improve clarity and to remove redundant language that pertained solely to the initial term of the prior agreement. Recently, the West Marin Mosquito Council approved the proposed successor agreement and WMMC Co-Chair Elizabeth Goldblatt provided a statement of support that was read aloud to the Board.

Trustee Gallian noted on pg. 2 the letter (a.) should be changed to letter (f.) Mr. Smith acknowledged the error and undertook to make the correction in the final version.

*It was M/S Trustee Schulze/Trustee Snyder to approve the attached four-year Agreement between the District and the West Marin Mosquito Council:*

*Motion passed with a roll call vote:*

*Ayes: Trustee Ackerman, Trustee Bloom, Trustee Davis, Trustee Deicke, Trustee Ettlin, Trustee Gallian, Trustee Glass, Trustee Harlem, Trustee Hootkins, Trustee Khush, Trustee Naythons, Trustee Rowland, Trustee Schulze, Trustee Snyder, Trustee Thompson, Trustee Witt and Trustee Pigoni*

*No: (none)*

*Abstain: (none)*

*Absent: Trustee McCaffery and Trustee Predovich*

## **8. COMMITTEE & STAFF REPORTS**

### **A. Executive Committee**

President Carol Pigoni informed the Board that the committee met on April 5 via teleconference. Items that were discussed included the Bartel report regarding the CERBT and OPEB contribution options, and the draft budget was presented by Financial Manager Jennifer Crayne. Assistant Manager Erik Hawk provided updates on Operations and Laboratory activities and also spoke about how work is being performed as safely as possible during the COVID-19 pandemic. Manager Smith updated the committee on current projects such as the landscaping improvements, the proposal to change the format of the minutes and the engineered plans for the new storage shed. The committee discussed the status of recruitments (pending) and noted that the space planning study is on hold due to the shelter-in-place order. Proposed changes to the District Employee Policy Manual are currently under discussions with the employee's Union. Also in the policy arena, President Pigoni spoke about the possible creation of a District Operations Manual and the proposed overhaul of the Public Notification Policy for mosquito control operations. Manager Smith informed the Board that the Marin County Grand Jury had just issued another report on web transparency, noting that staff would prepare draft responses for the Board's consideration at the June meeting.

## **9. MANAGER'S REPORT**

Assistant Manager Hawk verbally added to the written reports, acknowledging Field Supervisor Marc Nadale and Field Technician Teresa Thomas-Nett for their excellent work in the West Marin area. He noted that they have collaborated well with the local communities and worked diligently within the parameters of the West Marin agreement.

He went on to note that staff members have provided great service despite the difficult working conditions caused by the COVID-19 pandemic. Lastly, he noted that the District, which worked in partnership with Audubon California and the U.S. Fish & Wildlife Service on the Sonoma Creek Enhancement Project, was acknowledged on the Monitoring Report as a partner agency. This recognition is noteworthy, showing the wetland community that not only does the District provide mosquito control and other public health services, but it exercises good stewardship of wildlife in the seasonal and tidal wetlands. *(Manager's and Assistant Manager's reports were included in the May Board packet)*

**10. WRITTEN COMMUNICATIONS**

No additional communications were provided other than the statement from Dr. Liza Goldblatt that Manager Smith read aloud to the Board as part of item 7E.

**11. OPEN TIME FOR BOARD OR STAFF COMMENTS**

Trustee Schulze noted that he had attended a few meetings where Erik Hawk’s name was mentioned by the Audubon Society and the had District received accolades for its work with the airboat during the time that Highway 37 was flooded.

Manager Smith mentioned that Trustees and several members of the public have raised concerns about the Asian Hornet (aka Murder Hornet), which has not been found in this area, although staff will monitor for it.

**12. ADJOURNMENT**

Following Adjournment:

**A. Closed Session pursuant to California Government Code Section 54957.6  
CONFERENCE WITH LABOR NEGOTIATORS**

District Representatives: Kelly Tuffo, Liebert Cassidy Whitmore  
Philip Smith  
Erik Hawk

Employee Organization: Western Council of Engineers

There being no further business to come before the Board, it was M/S Trustee Schulze/Trustee Snyder to adjourn the meeting at 9:28 pm and go into closed session.

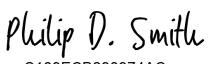
*Motion passed with a roll call vote:*

*Ayes: Trustee Ackerman, Trustee Bloom, Trustee Davis, Trustee Deicke, Trustee Ettlin, Trustee Gallian, Trustee Glass, Trustee Harlem, Trustee Hootkins, Trustee Khush, Trustee Naythons, Trustee Rowland, Trustee Schulze, Trustee Snyder, Trustee Thompson, Trustee Witt and Trustee Pioni*

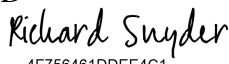
*No: (none)*

*Abstain: (none)*

*Absent: Trustee McCaffery and Trustee Predovich*

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District Representative

MSMVCD DocuSigned by:  
  
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Trustee  
MSMVCD Board of Trustees

6/23/2020

Date of Approval

6/24/2020

Date of Approval