



Coachella Valley Mosquito and Vector Control District

43420 Trader Place, Indio, CA 92201 | (760) 342-8287 | cvmosquito.org

Finance Committee Meeting

Friday, May 3, 2024

1:00 p.m.

AGENDA

Materials related to an agenda item that are submitted to the Finance Committee after distribution of the agenda packets are available for public inspection in the Clerk of the Board's office during normal business hours and on the District's website.

This meeting will be conducted by video and/or teleconference as well as in person at the District office located at the address listed above. To view/listen/participate in the meeting live, please join by calling 1-888-475-4499 (toll-free), meeting ID: [898 7385 6034](https://us02web.zoom.us/j/89873856034), or click this link to join: <https://us02web.zoom.us/j/89873856034>.

Assistance for those with disabilities: If you have a disability and need an accommodation to participate in the meeting, please contact the Clerk of the Board at (760) 342-8287 at least 48 hours prior to the meeting to inform us of your needs and to determine if accommodation is feasible. The District will attempt to accommodate you in every reasonable manner.

Before entering the District's facilities, we request that you self-screen for COVID-19 symptoms. We want to work together to help limit the spread of COVID-19.

- 1. Call to Order** – Clive Weightman, Treasurer
- 2. Roll Call**
- 3. Confirmation of Agenda**
- 4. Public Comments**

Members of the public may provide comments in person or remotely at the time of the meeting as set forth in the agenda. Public comments may also be sent by E-mail to the Clerk of the Board by 11:00 a.m. on May 3, 2024, at mscarborougheckel@cvmosquito.org. E-mails received prior to 11:00 a.m. on the day of the Finance Committee meeting will be made part of the record and distributed to the Finance Committee. This method is

encouraged as it gives the Finance Committee the opportunity to reflect upon your input. E-mails will not be read at the meeting.

A. PUBLIC Comments — NON-AGENDA ITEMS: This time is for members of the public to address the Finance Committee on items of general interest (a non-agenda item) within the subject matter jurisdiction of the District. The District values your comments; however, pursuant to the Brown Act, the Finance Committee cannot take action on items not listed on the posted Agenda. **Comments are limited to a total of three (3) minutes per speaker for non-agenda items.**

B. PUBLIC Comments — AGENDA ITEMS: This time is for members of the public to address the Finance Committee on agenda items (Open and Closed Sessions). **Comments are limited to three (3) minutes per speaker per agenda item.**

All comments are to be directed to the Finance Committee and shall be devoid of any personal attacks. Members of the public are expected to maintain a professional, courteous decorum during public comments.

5. Items of General Consent

A. Approval of Minutes from April 9, 2024, Finance Committee Meeting

6. Discussion of Budget Scenarios - David l'Anson, Administrative Finance Manager, and Jeremy Wittie, M.S., CSDM, General Manager (Pg 6)

7. Discussion of Pension Section 115 Trust - David l'Anson, Administrative Finance Manager, and Jeremy Wittie, M.S., CSDM, General Manager

8. Overview/Discussion of the DRAFT FY 2024-2025 Budget Document Structure — David l'Anson, Administrative Finance Manager, and Jeremy Wittie, M.S., CSDM, General Manager (Pg 20)

9. Trustee and/or Staff Comments/Future Agenda Items

10. Adjournment

Certification of Posting

I certify that on April 30, 2024, I posted a copy of the foregoing agenda near the regular meeting place of the Board of Trustees of the Coachella Valley Mosquito & Vector Control District and on the District's website, said time being at least 72 hours in advance of the meeting of the Board of Trustees (Government Code Section 54954.2)

Executed at Indio, California, on April 30, 2024

Megan Scarborough-Eckel, Clerk of the Board

COACHELLA VALLEY MOSQUITO AND VECTOR CONTROL DISTRICT

Finance Committee Meeting Minutes

TIME 4:30 p.m. **DATE:** April 9, 2024

LOCATION: 43420 Trader Place Indio, CA 92201

COMMITTEE MEMBERS PRESENT:

Indian Wells	Clive Weightman, Board Treasurer
Palm Desert	Doug Walker, Trustee
County at Large	Bitto Larson, Trustee

COMMITTEE MEMBERS ABSENT: None

OTHER TRUSTEES PRESENT:

None

STAFF PRESENT:

Jeremy Wittie, General Manager
David I'Anson, Administrative Finance Manager
Graciela Morales, HR Specialist/Interim Clerk of the Board
Megan Scarborough-Eckel, Clerk of the Board

MEMBERS OF THE PUBLIC PRESENT:

No

Tasks and Ownership

1. Call to Order

Treasurer Weightman called the meeting to order at 3:06 p.m. Due to technical difficulties, the meeting was suspended by Treasurer Weightman at 3:08 p.m. The meeting was reconvened at 3:11 p.m.

2. Roll Call

Roll Call indicated that all three (3) Committee members were present.

3. Confirmation of Agenda

Treasurer Weightman inquired if any agenda items needed to be shifted. Upon no objections from the Committee, the agenda was confirmed as presented.

4. Public Comments

None

5. Items of General Consent

A. Approval of Minutes from March 12, 2024, Finance Committee Meeting

On a motion from Trustee Walker, seconded by Trustee Larson, and passed unanimously, the Committee approved the minutes from March 12, 2024.

Ayes: Treasurer Weightman, Trustee Walker, Trustee Larson

Noes: None

Abstained: None

Absent: None

6. Discussion of FY2023-24 Variance - David l'Anson, Administrative Finance Manager, and Jeremy Wittie, M.S., CSDM, General Manager

A discussion was held; Committee members did not have any questions or comments for staff.

7. Items Overview/Discussion of the DRAFT FY 2024-2025 Budget — Clive Weightman, Treasurer, David l'Anson, Administrative Finance Manager, and Jeremy Wittie, M.S., CSDM, General Manager

The group discussed the budget at length.

8. Trustee and/or Staff Comments/Future Agenda Items

None

9. Adjournment

Treasurer Weightman adjourned the meeting at 4:31 p.m.

Background

At the first review of the budget, the Finance Committee directed staff to come up with scenarios based on the capital projects, CalPERS unfunded liability, revenue forecast and Emergency Reserve.

Emergency Reserve Fund for Public Health Emergency

These are liquid funds set aside for Public Health Emergencies as defined in the CVMVCD Risk Assessment Plan. The Board policy is to maintain a minimum balance of 33% of the District's operating revenue. As of June 30, 2024, the forecast balance will be \$4,907,055. According to policy this is 87% funded. The District has not used funds from this reserve in last 10 years.

Staff proposes to revise the Fund Balance Policy to rename the Emergency Reserve to ***Reserve for Contingencies*** and use it for other operating budget emergencies as well as Public Health Emergencies. The funding if revised down for FY 24-15 from 33% to 15% of operating revenue, would be \$2,541,735. The balance of \$2,365,320 would be used for Capital Project Board room and Operations Building Enhancements.

Capital Project Funds

Centrica Project

Energy efficiency and budget-friendly solution to advance the District's sustainability goals and support the EV compliance needs. The focus has been on energy savings through the replacement of lighting, HVAC, and solar inverters, replacement, and upgrade of HVAC controls (BMS), expansion of solar, and building EV charging infrastructure. The Preliminary Feasibility Assessment site walk revealed six (6) areas to be addressed:

- Interior LED Lighting: Replace linear fluorescent technology with efficient, long-lasting LED retrofit kits and fixtures. Install lighting controls to comply with the CA Title 24 Energy Code.
- Building Management System (BMS) replacement & upgrade: Replace the old Johnson Control system with a new open-source model and integrate all other areas not on the BMS system with the new controls to have a full site accessible through the BMS.
- Heating Ventilation and Air Conditioning (HVAC) Replacement: Replace aging HVAC equipment with higher efficiency in-kind systems.
- Solar Inverter Replacement: Replace existing inefficient or non-operational solar inverters to return existing solar to full production.

- Solar Photovoltaics (PV) – Expansion: Install flush-mount PV arrays on existing shade structures and roofs.
- Installation of Electric Vehicle (EV) Charging Infrastructure and charging Stations: Main service and switchgear upgrade to be ready for future full fleet electrification. Install 4 Dual-Port charging stations (8 ports total) for the first phase of fleet electrification.

The project will be funded from future energy savings over a 19-year period and is budget neutral. The approximate total cost is \$2.9 million with an Investment Tax Credit (IRA) of around \$0.5 million reducing it to \$2.4 million.

Boardroom and Operations Building Enhancements

- Boardroom upgrade, new lighting, acoustics, technology, and furniture to expand the use for the Board and growing staff needs as a multifunctional space.
- Internal upgrades in Operations Building creating new offices for public outreach and operations department staff.
- Architect already has drafted floor plan.

SIT Capital Facility Funding

On October 2021 at the Board of Trustees meeting, the Board adopted Resolution 2021-12 proclaiming support of evaluating Sterile Insect Technique (SIT) for its potential inclusion in the District’s Integrated Vector Management (IVM) program. Majority of this funding is being earmarked for a new SIT Insectary when the District is ready to move forward.

CalPERS

CalPERS unfunded accrued liability is forecast to be around \$2.4million. The annual payment (UAL) is \$81,183. Below are two potential options for addressing the UAL.

- A \$500,000 additional discretionary payment (ADP) and Fresh Start shorten amortization period to 5 years could result in saving **\$1.8million** in CalPERS interest fees.
- An ADP of \$1million and a five-year amortization period will save **\$1.9million**. CalPERS CERBT is fully funded for retiree healthcare; the annual contribution is to be reallocated to pension trust.

Staff recommends \$500,000 ADP rather than a larger ADP saving \$1.8million in interest. Paying down a larger amount such as \$1million will result in saving an extra \$100,000, however staff recommends using these funds for capital projects instead.

Revenue

County of Riverside have been budgeting 5% increase property taxes last 3 years, actual revenue increase has been over 9%. The District has seen a similar pattern for this fiscal year property revenue is forecast to be 5.6% more than budgeted. Raising the assumption to 7% from 5% will increase revenue budget by \$258,195.

Scenario Overview

	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Property Tax Assumption	5%	5%	7%	9%
Emergency Fund	\$2.5 million	\$4.9 Million	\$4.9 million	\$4.9 Million
Capital SIT	\$1 million	\$0.5 million	\$0.5 Million	\$0.5 million
Capital Facility		Spring 24/25 FY 25/16	Spring 24/25 FY 25/16	Spring 24/25 FY 25/16
Capital Centrica	\$2.8 million	\$0.8Million	Transfer \$1.1 million; remainder out of capital reserves	Transfer \$1.4 million; remainder out of capital reserves
CalPERS ADP	500,000	500	500,000	500
Pension Prefunding	500,000	200	200,000	200

Scenario 1 presented as Draft 1 at April Finance Committee Budget Workshop

- Property taxes increase 5%
- Reduce Emergency Fund from \$4.9m to \$2.5m and rename Reserve for Contingency
- Contribution to capital reserves - \$1million to SIT Capital Project and \$2.8 million to Capital Facility Fund funding both Centrica project and Board Room and Operations Offices Project for FY24-25
- CalPERS ADP payment of \$500,000 plus \$500,000 prefunding pension stabilization

OPERATING BUDGET REVENUE

The total operating revenue for FY 2024-25 is forecast to increase to \$16,686,705 which is 3.9 % higher than the estimated actual for Fiscal Year Ending (FYE) June 30, 2024, of \$16,033,527.

REVENUE	ADOPTED BUDGET 2023-2024	ESTIMATED ACTUAL 6/30/2024	% DIFFERENCE	PROPOSED BUDGET 2024-2025	% DIFFERENC E
PROPERTY TAXES CURRENT	12,553,653	13,260,845	5.6%	13,912,982	5.0%
PROPERTY TAXES PRIOR	56,290	64,588	14.7%	65,629	1.6%
INTEREST INCOME	275,000	275,000	0.0%	275,000	0.0%
MISCELLANEOUS	63,000	63,000	0.0%	63,000	0.0%
BENEFIT ASSESSMENT	2,370,094	2,370,094	0.0%	2,370,094	0.0%
TOTAL	\$15,318,037	\$16,033,527	4.7%	\$16,686,705	3.9%

OPERATING BUDGET EXPENDITURE

Total Operating budget expenditure for FY2023-24 is forecast to be \$19,577,567, 19.6% increase over the estimated actual for FYE June 30, 2024.

EXPENDITURE	ADOPTED BUDGET 2023-2024	ESTIMATED ACTUAL 6/30/2024	% DIFFERENCE	PROPOSED BUDGET 2024-2025	% DIFFERENCE
PAYROLL	9,860,222	9,581,411	-2.8%	10,953,190	12.5%
ADMINISTRATIVE	1,214,332	1,118,590	-7.9%	1,312,845	14.8%
UTILITY	139,607	138,096	-1.1%	140,543	1.7%
OPERATING	2,711,808	2,487,225	-8.3%	3,027,587	17.8%
CONTRIBUTION TO CAPITAL RESERVES	2,414,158	2,414,158	0.0%	4,143,402	41.7%
TOTAL EXPENSES & TRANSFERS	\$16,276,238	\$15,739,480	-3.7%	\$19,577,567	19.6%

Scenario 2

- Property taxes increase 5%.
- Leave Emergency Fund balance at \$4.9m
- Contribution to capital reserves \$0.5million to SIT Capital Project and \$0.8million to Capital Facility Fund, funding Centrica project for FY24-25.
- Board Room and Operations Offices Project funded FY 25/26
- CalPERS ADP payment of \$500,000 plus \$200,000 prefunding pension stabilization

OPERATING BUDGET REVENUE

The total operating revenue for FY 2024-25 is forecast to increase to \$16,686,705 which is 3.9 % higher than the estimated actual for Fiscal Year Ending (FYE) June 30, 2024, of \$16,033,527.

REVENUE	ADOPTED BUDGET 2023-2024	ESTIMATED ACTUAL 6/30/2024	% DIFFERENCE	PROPOSED BUDGET 2024-2025	% DIFFERENC E
PROPERTY TAXES CURRENT	12,553,653	13,260,845	5.6%	13,912,982	5.0%
PROPERTY TAXES PRIOR	56,290	64,588	14.7%	65,629	1.6%
INTEREST INCOME	275,000	275,000	0.0%	275,000	0.0%
MISCELLANEOUS	63,000	63,000	0.0%	63,000	0.0%
BENEFIT ASSESSMENT	2,370,094	2,370,094	0.0%	2,370,094	0.0%
TOTAL	\$15,318,037	\$16,033,527	4.7%	\$16,686,705	3.9%

OPERATING BUDGET EXPENDITURE

Total Operating budget expenditure for FY2023-24 is forecast to be \$16,686,706, 5.7% increase over the estimated actual for FYE June 30, 2024.

EXPENDITURE	ADOPTED BUDGET 2023-2024	ESTIMATED ACTUAL 6/30/2024	% DIFFERENCE	PROPOSED BUDGET 2024-2025	% DIFFERENCE
PAYROLL	9,860,222	9,581,411	-2.8%	10,653,190	10.1%
ADMINISTRATIVE	1,214,332	1,118,590	-7.9%	1,237,835	9.6%
UTILITY	139,607	138,096	-1.1%	140,543	1.7%
OPERATING	2,711,808	2,487,225	-8.3%	3,022,612	17.7%
CONTRIBUTION TO CAPITAL RESERVES	2,414,158	2,414,158	0.0%	1,632,526	-47.9%
TOTAL EXPENSES & TRANSFERS	\$16,276,238	\$15,739,480	-3.7%	\$16,686,706	5.7%

Scenario 3

- Property taxes increase 7%
- Leave Emergency Fund balance at \$4.9m
- Contribution to capital reserves \$0.5million to SIT Capital Project and \$1.1million to Capital Facility Fund, funding Centrica project for FY24-25
- Board Room and Operations Offices Project funded FY 25/26
- CalPERS ADP payment of \$500,000 plus \$200,000 prefunding pension stabilization

OPERATING BUDGET REVENUE

The total operating revenue for FY 2024-25 is forecast to increase to \$16,944,900 which is 5.7% higher than the estimated actual for Fiscal Year Ending (FYE) June 30, 2024, of \$16,033,527.

REVENUE	ADOPTED BUDGET 2023-2024	ESTIMATED ACTUAL 6/30/2024	% DIFFERENCE	PROPOSED BUDGET 2024-2025	% DIFFERENCE
PROPERTY TAXES CURRENT	12,553,653	13,260,845	5.6%	14,171,177	6.9%
PROPERTY TAXES PRIOR	56,290	64,588	14.7%	65,629	1.6%
INTEREST INCOME	275,000	275,000	0.0%	275,000	0.0%
MISCELLANEOUS	63,000	63,000	0.0%	63,000	0.0%
BENEFIT ASSESSMENT	2,370,094	2,370,094	0.0%	2,370,094	0.0%
TOTAL	\$15,318,037	\$16,033,527	4.7%	\$16,944,900	5.7%

OPERATING BUDGET EXPENDITURE

Total Operating budget expenditure for FY2023-24 is forecast to be \$16,944,900, 7.1% increase over the estimated actual for FYE June 30, 2024.

EXPENDITURE	ADOPTED BUDGET 2023-2024	ESTIMATED ACTUAL 6/30/2024	% DIFFERENCE	PROPOSED BUDGET 2024-2025	% DIFFERENCE
PAYROLL	9,860,222	9,581,411	-2.8%	10,653,190	10.1%
ADMINISTRATIVE	1,214,332	1,118,590	-7.9%	1,237,835	9.6%
UTILITY	139,607	138,096	-1.1%	140,543	1.7%
OPERATING	2,711,808	2,487,225	-8.3%	3,022,612	17.7%
CONTRIBUTION TO CAPITAL RESERVES	2,414,158	2,414,158	0.0%	1,890,720	-27.7%
TOTAL EXPENSES & TRANSFERS	\$16,276,238	\$15,739,480	-3.7%	\$16,944,900	7.1%

Scenario 4

- Property taxes increase 9%
- Leave Emergency Fund balance at \$4.9m
- Contribution to capital reserves \$0.5million to SIT Capital Project and \$1.4million to Capital Facility Fund, funding Centrica project for FY24-25
- Board Room and Operations Offices Project funded FY 25/26
- CalPERS ADP payment of \$500,000 plus \$200,000 prefunding pension stabilization

OPERATING BUDGET REVENUE

The total operating revenue for FY 2024-25 is forecast to increase to \$17,203,094 which is 7.3% higher than the estimated actual for Fiscal Year Ending (FYE) June 30, 2024, of \$16,033,527.

REVENUE	ADOPTED BUDGET 2023-2024	ESTIMATED ACTUAL 6/30/2024	% DIFFERENCE	PROPOSED BUDGET 2024-2025	% DIFFERENC E
PROPERTY TAXES CURRENT	12,553,653	13,260,845	5.6%	14,429,371	8.8%
PROPERTY TAXES PRIOR	56,290	64,588	14.7%	65,629	1.6%
INTEREST INCOME	275,000	275,000	0.0%	275,000	0.0%
MISCELLANEOUS	63,000	63,000	0.0%	63,000	0.0%
BENEFIT ASSESSMENT	2,370,094	2,370,094	0.0%	2,370,094	0.0%
TOTAL	\$15,318,037	\$16,033,527	4.7%	\$17,203,094	7.3%

OPERATING BUDGET EXPENDITURE

Total Operating budget expenditure for FY2023-24 is forecast to be \$17,203,094, 8.5% increase over the estimated actual for FYE June 30, 2024.

EXPENDITURE	ADOPTED BUDGET 2023-2024	ESTIMATED ACTUAL 6/30/2024	% DIFFERENCE	PROPOSED BUDGET 2024-2025	% DIFFERENCE
PAYROLL	9,860,222	9,581,411	-2.8%	10,653,190	10.1%
ADMINISTRATIVE	1,214,332	1,118,590	-7.9%	1,237,835	9.6%
UTILITY	139,607	138,096	-1.1%	140,543	1.7%
OPERATING	2,711,808	2,487,225	-8.3%	3,022,612	17.7%
CONTRIBUTION TO CAPITAL RESERVES	2,414,158	2,414,158	0.0%	2,148,914	-12.3%
TOTAL EXPENSES & TRANSFERS	\$16,276,238	\$15,739,480	-3.7%	\$16,944,900	8.5%

REVENUE HIGHLIGHTS

- The Benefit Assessment rate remains at \$14.39 per Single Family Equivalent with current estimate of total revenue being \$2,370,094.
- Property tax revenue to increase 7%
- Property tax increment revenue to increase 7%

EXPENDITURE HIGHLIGHTS

- Full-time equivalents (FTE), increases from 73.3 to 74.8 FTE.
- **Two Laboratory Assistant** and one **HR Assistant** positions were added to the budget. Cost of living adjustment # % for all employees.
- CalPERS Employer Rate increase from 10.66 % to 10.71 % (Classic members).
- CalPERS unfunded accrued liability (UAL) \$81,183 / \$500,000 additional discretionary payment (ADP) and Fresh Start shorten amortization period to 5 years saving \$1.8million
- Prefunding \$200,000 to California Employers' Pension Prefunding Trust (CEPPT) Fund
- CalPERS CERBT fully funded for retiree healthcare contribution reallocated to pension trust.
- \$40,000 allocated for IT Strategic Plan projects.
- \$500,000 allocated to the Sterile Insect Technique Fund Reserve
- Capital Projects – Centrica green project \$3 million / Boardroom and Operations Building design and planning phase \$250,000

CAPITAL RESERVES FORECAST

The total beginning Capital Fund balance for July 1, 2024, is estimated to be \$19,429,348, the ending balance on June 30, 2025, estimated to be \$17,551,984.

- **General Reserve** beginning balance \$12,393,867, \$1.9million transfer to Capital Facility Replacement Fund. Ending balance **\$12,393,867**.
- **Thermal Facility Remediation Fund Reserve** beginning balance \$215,877, fund transfer of \$67,000 and revenue of \$16,400. Ending balance **\$299,277**.
- **Capital Equipment Replacement Fund Reserve** beginning balance \$647,864, interest and fund transfer of \$195,298 minus planned equipment purchases of \$238,955. Ending balance **\$623,131**.
- **Capital Facility Replacement Fund Reserve** beginning balance \$4,594,466 interest and fund transfer of \$1,128,422 minus facility capital improvement expenses of \$4,039,171. Ending balance **\$2,017,274**.
- **Capital Project Sterile Mosquito Insectary Fund Reserve** beginning balance \$1,577,274, \$500,000 fund transfer from Operating Budget minus expenses of \$60,000. Ending balance **\$2,017,274**.

<u>Capital Reserves Forecast</u>	Beginning Balance July 1, 2024	Budgeted Revenue	Contribution from / (to) Operations and from Other Capital Funds	Budgeted Expenditure	Ending Balance June 30, 2025
GENERAL FUND					
Committed Reserves: <i>Public Health Emergency</i>	4,907,055				4,907,055
Assigned Reserves: <i>Operations</i>	7,000,000	16,944,899	(1,890,720) ⁽¹⁾	(15,054,179)	7,000,000
<i>Future Healthcare Liabilities (Net OPEB Liability)</i>					
<i>Unassigned</i>	486,812				486,812
Total	12,393,867	16,944,899	(1,890,720)	(15,054,179)	12,393,867
THERMAL FACILITY REMEDIATION FUND RESERVE					
Assigned Reserves: <i>Thermal Facility Remediation Fund</i>	215,877	16,400	67,000 ⁽¹⁾		299,277
Total	215,877	16,400	67,000		299,277
CAPITAL EQUIPMENT REPLACEMENT FUND					
Assigned Reserves: <i>Equipment</i>	647,864	18,924	195,298 ⁽¹⁾	(238,955)	623,131
Total	647,864	18,924	195,298	(238,955)	623,131
CAPITAL FACILITY REPLACEMENT FUND					
Assigned Reserves: <i>Facility & Vehicle Replacement</i>	4,594,466	534,718	1,128,422 ⁽¹⁾	(4,039,171)	2,218,435
Total	4,594,466	534,718	1,128,422	(4,039,171)	2,218,435
CAPITAL PROJECT SIT INSECTARY CONSTRUCTION FUND					
Assigned Reserves: <i>Capital Project Sterile Mosquito Insectary Construction</i>	1,577,274	0	500,000 ⁽¹⁾	(60,000)	2,017,274
Total	1,577,274	0	500,000	(60,000)	2,017,274
Total Fund Balance	19,429,348	17,514,941	0	(19,392,305)	17,551,984
⁽¹⁾ Transfer to/from Operating Budget					

OPERATING BUDGET REVENUE

The total operating revenue for FY 2024-25 is forecast to increase to \$16,944,900 which is 5.7% higher than the estimated actual for Fiscal Year Ending (FYE) June 30, 2024, of \$16,033,527.

REVENUE	ADOPTED BUDGET 2023-2024	ESTIMATED ACTUAL 6/30/2024	% DIFFERENCE	PROPOSED BUDGET 2024-2025	% DIFFERENC E
PROPERTY TAXES CURRENT	12,553,653	13,260,845	5.6%	14,171,177	6.9%
PROPERTY TAXES PRIOR	56,290	64,588	14.7%	65,629	1.6%
INTEREST INCOME	275,000	275,000	0.0%	275,000	0.0%
MISCELLANEOUS	63,000	63,000	0.0%	63,000	0.0%
BENEFIT ASSESSMENT	2,370,094	2,370,094	0.0%	2,370,094	0.0%
TOTAL	\$15,318,037	\$16,033,527	4.7%	\$16,944,900	5.7%

REVENUE ASSUMPTION

- Benefit Assessment rates per Single Family Equivalent (SFE) remains at \$14.39 per SFE estimated revenue \$2,370,094.
- Property Tax Current to increase by 7% in line with Assessors Valuation.

Interest revenue \$275,000, Miscellaneous revenue includes \$16,000 estimated credit card rebate, \$35,000 for USDA refund for expenses, and \$12,000 for reimbursement for testing other mosquito & vector control districts' mosquito samples for WNV or SLE.

OPERATING BUDGET EXPENDITURE

Total Operating budget expenditure for FY2023-24 is forecast to be \$16,944,900, 7.1% increase over the estimated actual for FYE June 30, 2024.

EXPENDITURE	ADOPTED BUDGET 2023-2024	ESTIMATED ACTUAL 6/30/2024	% DIFFERENCE	PROPOSED BUDGET 2024-2025	% DIFFERENCE
PAYROLL	9,860,222	9,581,411	-2.8%	10,653,190	10.1%
ADMINISTRATIVE	1,214,332	1,118,590	-7.9%	1,237,835	9.6%
UTILITY	139,607	138,096	-1.1%	140,543	1.7%
OPERATING	2,711,808	2,487,225	-8.3%	3,022,612	17.7%
CONTRIBUTION TO CAPITAL RESERVES	2,414,158	2,414,158	0.0%	1,890,720	-27.7%
TOTAL EXPENSES & TRANSFERS	\$16,276,238	\$15,739,480	-3.7%	\$16,944,900	7.1%

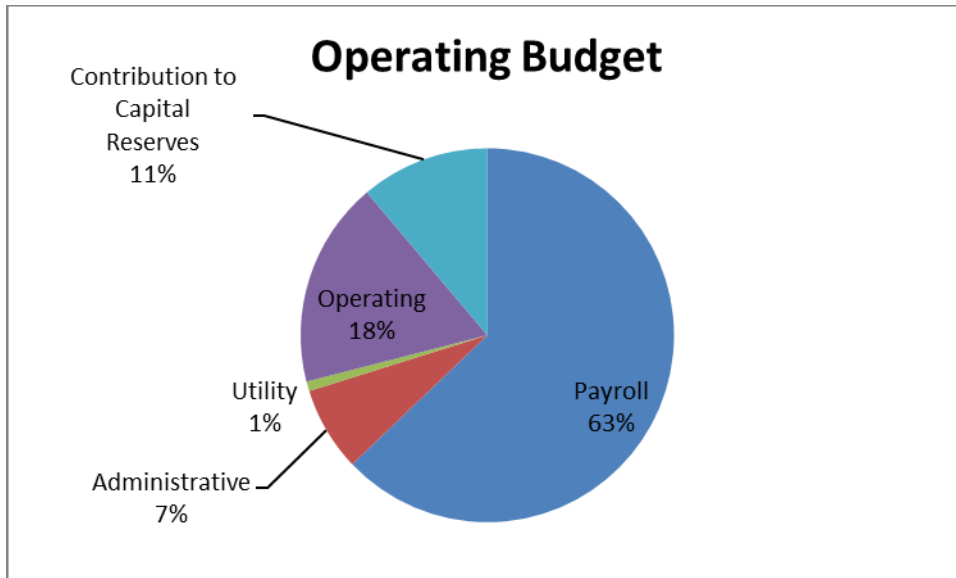


Figure 1 Operating Budget

Expenditures are broken down into Payroll, Administrative, Utility, Operating, and Contribution to Capital Reserves. Payroll costs, which account for 63% of the budget, are projected to increase by 10.1% over the estimated actual for FYE June 30, 2024. Reasons include cost of living increase, positions budgeted for full fiscal year not filled, one extra full-time position and CalPERS ADP of \$500,000.

The 2024-25 Operating expenses which are 18 % of total budget, are forecast to be 17.7% more than the latest estimate for 2023-24. Main reason are the pesticide budget increased due to inflation, and Cloud Computing services. Aerial applications for urban areas is now budgeted in the Contingency line item.

Administrative expenses are projected to increase by 9.6 %, increases include \$30,000 of funds allocated for Strategic Plan vendor, increase in workers compensation, and increase in property and liability insurance. Contribution to Capital Reserves decreased by 27.7%, prior year included one off Contribution from General Fund to Capital Reserves for capital projects.

EXPENDITURE ASSUMPTIONS

Payroll

The District employs seventy-one full-time equivalents (FTE), increased with seasonal (part-time) staff beginning early summer 3.8 FTE, totaling 74.8 full-time equivalents (FTE). This is an increase of 1.5 FTE compared to prior year.

Full Time Equivalent Fiscal Year Comparison

Department	Adopted FY2023-24		Proposed FY2024-25	
	Full Time FTEs	Part Time FTEs	Full Time FTEs	Part Time FTEs
Administration	2.0	0.0	2.0	0.0
Finance	5.0	0.0	4.0	0.0
Human Resources	3.0	0.0	4.0	0.0
Information Systems	3.0	0.0	3.0	0.0
Public Outreach	5.0	0.0	5.0	0.0
Fleet Maintenance	2.0	0.0	2.0	0.0
Buildings & Grounds Maintenance	2.0	0.0	2.0	0.0
Surveillance & Quality Control	11.0	0.4	13.0	0.4
Unmanned Aerial Applications	1.5	0.0	2.0	0.0
Control Operations	35.0	3.4	34.0	3.4
Total	69.5	3.8	73.3	3.8
			71.0	74.8

- Cost of living adjustment #% for all employees per MOU
- CalPERS Employer Rate increase from 10.66 % to 10.71 % (Classic members).
- CalPERS unfunded accrued liability (UAL) \$81,183 / \$500,000 additional discretionary payment (ADP) and Fresh Start shorten amortization period to 5 years saving \$1.8million
- Prefunding \$200,000 to California Employers' Pension Prefunding Trust (CEPPT) Fund
- CalPERS CERBT fully funded for retiree healthcare contribution reallocated to pension trust.

Human Resources Department

Position Added

- **Human Resources Assistant-** This position will assist in the ever expanding needs of our HR Department and staff and handle more administrative tasks as the District's HR Manager absorbs the duties of District Safety officer position

Position Removed

- Administrative Assistant

Surveillance and Quality Control Department

Position Added

- Laboratory Assistants (2) – These positions will assist in the expanding needs of the Surveillance and Quality control Department. This need is primarily attributed to increased work from the expansion of the invasive mosquito, *Aedes aegypti*. These positions will also allow District Biologists to refocus on their essential duties of virus testing and studies aimed at ensuring our District IVM procedures and control products are effective at reducing vectors.

Control Operations Department

Position Removed

- Administrative Assistant

Administrative Expenses

- Workers' compensation insurance increased by 10% & Liability insurance increased by 5%.
- \$30,000 allocated for Strategic Plan consultant.

Utility Expenses

- Expenses are forecast to increase 1.7% over the estimated actual for June 30, 2024.

Operating Expenses

- Motor fuel is increased 23% from latest estimate.
- Cloud Computing Services increased to \$235,037 from \$135,260. This increase primarily attributed to outcomes from the District's work in creating a strategic IT Master Plan.
- Contingency Expense of \$275,000. This includes aerial applications for urban areas and the amount is less than 10 % of the Operating Expenses minus the Research Budget. This expense is built into the budget in case there is a need to buy more equipment, chemicals, or aerial services.

CAPITAL BUDGET – SUMMARY

FUND 12 Thermal Facility Remediation Capital Fund Reserve

This fund reserve is set up to fund ongoing maintenance and capital improvements at the District's old Thermal headquarters. Remediation work was originally performed in 2008 to pave the grounds that were polluted with DDT. The fund reserve includes rental revenue of \$15,000 and a fund transfer from the General Fund of \$71,020. No expenditures are budgeted for this fiscal year.

FUND 13 Capital Equipment Replacement Fund Reserve

This fund reserve is set up to fund new and/or replacement IT, Operations, Laboratory equipment. Budget expenses total \$238,955. This is funded from an annual transfer of \$195,298 based on a funding schedule. Capital expenditure includes fiber optic upgrade to optimize the use of District technology, VMware virtual server which will allow District to test data backups without interruption of services, and replacement laptops for staff.

FUND 14 Capital Facility Replacement Fund Reserve

This fund reserve is set up to fund maintenance, repair and replacement of District facilities and vehicles. The FY2024-25 Capital Budget includes capital expenses for General Common Areas, Building Interiors, Building Exteriors, and Mechanical totaling \$4,039,171. Projects include solar panel replacement and expansion, Board room and Operations offices modernization, electric vehicle infrastructure, replacement of HVAC, LED lighting replacement and ongoing repair and maintenance projects throughout the facility to ensure facilities meet the demands of staff to fulfill District mission and to keep pace with State's desire to lower its carbon footprint.

FUND 15 Capital Project Sterile Mosquito Insectary Fund Reserve

This fund reserve is set up to fund new SIT Laboratory. The FY24-25 budget includes \$0.5million fund transfer from General Operating Budget, \$60,000 budget for equipment maintenance and feasibility study for laboratory expansion to add a new insectary for the Sterile Insect Technique (SIT).

**Coachella Valley Mosquito and Vector Control District
GENERAL OPERATING BUDGET**

	Proposed Budget 2024-2025	Adopted Budget 2023-2024	Estimated Actual 2023-2024	Actual 2022-2023
Beginning Spendable Fund Balance	12,393,867	12,260,801	12,099,820	9,435,704
REVENUES				
Property Taxes Current	14,171,177	12,553,653	13,260,845	12,421,456
Property Taxes Prior	65,629	56,290	64,588	57,154
Interest Income	275,000	275,000	275,000	217,858
Miscellaneous Revenue	63,000	63,000	63,000	30,370
Benefit Assessment Income	2,370,094	2,370,094	2,370,094	2,366,759
TOTAL REVENUES	16,944,899	15,318,037	16,033,527	15,093,597
EXPENSES				
Payroll Expense				
5101 Payroll - Full Time	6,656,349	6,374,624	6,195,624	5,910,835
5102 Payroll - Seasonal	202,865	142,020	142,020	82,457
5103 Temporary Services	14,900	14,900	8,060	3,375
5105 Overtime Expenses	29,440	30,120	33,120	29,391
5150 CalPERS Employer Payment of Unfunded Liabil	781,183	200,000	200,000	222,586
5150 CalPERS State Retirement Expense	699,692	677,051	647,051	535,869
5155 Social Security Expense	409,979	390,377	380,377	379,985
5165 Medicare Expense	95,882	91,298	86,298	90,760
5170 Cafeteria Plan Expense	1,381,508	1,332,665	1,288,518	1,261,714
5172 Retiree Healthcare	210,000	439,420	439,420	385,346
5180 Deferred Compensation	137,156	133,945	128,857	123,812
5195 Unemployment Insurance	34,235	33,801	32,065	25,921
Total Payroll Expense	10,653,190	9,860,222	9,581,411	9,052,051
Administrative Expense				
5250 Tuition Reimbursement	5,000	20,000	2,000	11,615
5300 Employee Incentive	10,000	16,500	9,597	4,922
5301 Employee Support	-	-	-	-
5302 Wellness	10,600	5,600	7,946	990
5305 Employee Assistance Program	2,500	3,200	2,446	3,650
6000 Property & Liability Insurance	332,738	333,895	332,246	256,124
Retrospective Adjustment	(15,000)	(15,000)	(17,072)	(13,602)
Sub Total	317,738			
6001 Workers' Compensation Insurance	278,798	303,447	301,020	240,855
Retrospective Adjustment	(50,000)	(50,000)	(40,281)	(52,966)
Sub Total	228,798			
6050 Dues & Memberships	52,766	46,903	48,095	45,964
State Certified Technician Fees	4,819	4,983	4,000	
6060 Public Outreach Materials	41,950	27,950	27,000	24,445
6065 Recruitment/Advertising	6,000	10,000	2,643	7,906
6070 Office Supplies	23,035	19,385	16,121	12,151
6075 Postage	6,300	6,100	3,916	5,207
6080 Computer & Network Systems	13,399	13,399	2,434	5,384
6085 Bank Service Charges	500	500	476	394
6090 Local Agency Formation Commission	3,000	3,500	2,911	2,541
6095 Professional Fees				
Finance	44,300	50,700	49,000	38,250
Information Systems	58,550	40,000	40,000	-
Administration	30,000	-	-	6,500
Public Outreach	7,000	1,800	475	1,825
Laboratory	-	-	-	4,785

**Coachella Valley Mosquito and Vector Control District
GENERAL OPERATING BUDGET**

		Proposed Budget	Adopted Budget	Estimated Actual	Actual
		2024-2025	2023-2024	2023-2024	2022-2023
6100	Attorney Fees - General Counsel	97,000	85,800	85,800	57,328
6100	Attorney Fees - Labor Relations	-	-		-
6100	Attorney Fees - Personnel	-	-		
6105	Legal Services - Abatement	-	1,000		
6106	HR Risk Management	8,000	5,210	5,885	7,819
6110	Conference Expense				
	MVCAC Committee Assignments	14,000	16,200	6,263	5,592
	Annual Conference Expense	32,800	25,200	18,360	14,679
	Trustee Travel	15,400	19,200	9,265	6,724
6115	Trustee In-Lieu Expense	13,200	13,200	12,032	12,774
6120	Trustee Support Expense	7,600	7,600	5,863	5,225
6200	Meetings Expense	11,380	26,060	7,949	3,978
6210	Promotion & Education	33,200	33,000	33,200	22,956
6220	Public Outreach Advertising	56,000	56,000	56,000	54,623
6500	Benefit Assessment Expense	83,000	83,000	83,000	80,768
Total Administrative Expense		1,237,835	1,214,332	1,118,590	879,406
Utility Expense					
6400	Utilities	137,783	137,783	135,783	127,863
6410	Telecommunications	2,760	1,824	2,313	2,325
Total Utility Expense		140,543	139,607	138,096	130,188
Operating Expense					
7000	Uniform Expense	61,749	60,025	57,191	50,854
7050	Safety Expense	45,220	36,520	33,520	35,837
7100	Physician Fees	3,000	7,000	3,982	2,660
7150	IT Communications	94,980	70,780	57,894	67,507
7200	Maintenance Supplies	3,000	3,000	3,000	3,111
7300	Building & Grounds Maintenance	47,000	47,000	50,422	58,665
7310	Calibration & Certification of Equipment	6,800	6,800	6,500	7051
7350	Permits, Licenses & Fees	9,242	8,522	9,141	7,882
7360	Software Licensing	64,529	33,512	22,305	28240
7400	Vehicle Maintenance & Repair	59,700	56,664	46,000	53,107
7420	Offsite Vehicle Maintenance & Repair	19,378	19,416	17,000	17,198
7450	Equipment Parts & Supplies	34,380	30,130	25,000	25,314
7500	Small Tools Expense	6,500	4,700	4,200	4,347
7550	Lab Operating Supplies	55,275	61,850	58,000	47,829
7570	Green Pool Surveillance	25,000	30,000	25,000	2,400
7575	Surveillance	134,610	128,810	110,000	85,020
7600	Staff Training				
	State Required CEU	2,960	2,800	2,155	632
	Professional Development	150,514	115,350	85,654	66,607
7650	Equipment Rentals	1,500	1,500	2,075	496
7675	Contract Services				
	Administration	12,000	12,000	11,862	10,487
	Information Systems	34,908	21,457	22,457	29,954
	Public Outreach	2,400	2,400	1,196	1,453
	Fleet	19,751	20,076	18,280	18,015
	Facilities	94,199	78,400	78,400	69,080
	Operations	7,000	5,000	3,148	4,203
	Abatement	-	2,000		-
7680	Cloud Computing Services	235,037	135,260	132,260	113,684

**Coachella Valley Mosquito and Vector Control District
GENERAL OPERATING BUDGET**

	Proposed Budget 2024-2025	Adopted Budget 2023-2024	Estimated Actual 2023-2024	Actual 2022-2023
7700 Motor Fuel & Oils	159,800	160,500	130,000	112,530
7750 Ops Operating Supplies	23,000	9,000	9,358	12,266
7800 Control	-	-	-	-
Chemical Control	822,830	687,016	724,016	642,710
Physical Control	10,000	17,000	-	-
Biological Control	-	-	-	-
7850 Aerial Applications	-	-	-	-
Rural	150,000	131,600	147,675	137,970
Urban	-	120,000	100,650	87,740
7860 Unmanned Aircraft Applications	-	20,000	20,000	10,964
8415 Operating Equipment	101,350	75,720	75,000	45,795
8510 Research Projects	250,000	380,000	285,283	169,796
9000 Contingency Expense	275,000	110,000	108,601	103,268
Total Operating Expense	<u>3,022,612</u>	<u>2,711,808</u>	<u>2,487,225</u>	<u>2,146,839</u>
TOTAL EXPENSES	15,054,179	13,925,968	13,325,322	12,208,484
Contribution to Capital Reserves				
8900 Thermal Remediation Reserve	71,020	67,000	67,000	38,500
8900 Capital Facility Replacement Reserve	1,124,402	1,451,860	1,451,860	395,294
8900 Capital Project - SIT Insectory	500,000	700,000	700,000	-
8900 Capital Equipment Replacement Reserve	195,298	195,298	195,298	47,506
Total Contribution to Capital Reserves	<u>1,890,720</u>	<u>2,414,158</u>	<u>2,414,158</u>	<u>481,300</u>
TOTAL EXPENSES & TRANSFERS	16,944,899	16,340,126	15,739,480	12,689,784
Operating Revenue Less Expenses, Transfers & Contin	<u>0</u>	<u>(1,022,090)</u>	<u>294,047</u>	<u>2,403,813</u>
TOTAL GENERAL FUND EXPENSES	16,944,899	16,340,126	15,739,480	12,689,784
Ending Spendable Fund Balance	<u>12,393,867</u>	<u>11,238,712</u>	<u>12,393,867</u>	<u>11,839,517</u>

**Coachella Valley Mosquito and Vector Control District
THERMAL FACILITY REMEDIATION FUND RESERVE**

	Proposed Budget 2024-2025	Adopted Budget 2023-2024	Estimated Actual 2023-2024	Actual 2022-2023
Beginning Fund Balance	215,877	148,674	180,508	122,739
REVENUE				
Misc Revenue				-
Income from Lease	15,000	15,000	15,000	15,000
Interest	1,400	1,400	1,400	3,114
Transfer From General Operatir	72,020	67,000	67,000	39,655
TOTAL REVENUE	88,420	83,400	53,900	57,769
EXPENSES				
6095 Professional Fees		50,000		
7300 Maintenance	-	-	18,531	-
8415 Capital				
TOTAL EXPENSES	-	50,000	18,531	-
Total Revenue Less Expense	88,420	33,400	35,369	57,769
Ending Fund Balance	304,297	182,074	215,877	180,508

**Coachella Valley Mosquito and Vector Control District
CAPITAL EQUIPMENT REPLACEMENT FUND RESERVE BUDGET**

	Proposed Budget 2024-2025	Adopted Budget 2023-2024	Estimated Actual 2023-2024	Actual 2022-2023
Beginning Fund Balance	647,864	946,191	703,647	581,565
REVENUE				
Transfer from General Fund				
Interest	18,924	18,924	18,924	152
Sale of Assets	-	-		57
Transfers From Operating Budget	195,298	195,298	195,298	286,361
TOTAL REVENUE	214,222	214,222	214,222	286,570
EXPENSES				
8415 Capital Outlay - IT	238,955	321,256	220,005	133,412
8415 Capital Outlay - Fleet Equipment				31,076
8415 Capital Outlay - Facilities				-
8415 Capital Outlay - Operations	-	45,145	50,000	
8415 Capital Outlay - Lab Equipment				
TOTAL EXPENSES	238,955	366,401	270,005	164,487
Total Revenue Less Expense	(24,733)	(152,179)	(55,783)	122,082
Ending Fund Balance	623,131	794,012	647,864	703,647

**Coachella Valley Mosquito and Vector Control District
CAPITAL FACILITY REPLACEMENT FUND RESERVE BUDGET**

	Proposed Budget 2024-2025	Adopted Budget 2023-2024	Estimated Actual 2023-2024	Actual 2022-2023
Beginning Fund Balance	4,594,466	3,327,488	3,350,233	2,754,085
REVENUE				
Interest	24,718	24,718	24,718	62,282
Transfers From Operating Budget	1,124,402	1,451,860	1,451,860	890,000
Sale of Assets	10,000		-	11,475
IRA Rebate	500,000			
TOTAL REVENUE	1,659,120	1,476,578	1,476,578	963,757
CAPITAL EXPENSES				
6095 Professional Services	254,471	200,000	15,017	61,542
7300 Repair & Maintenance	89,000	89,000	43,112	145,696
7310 Maintenance & calibration	12,500	12,500	12,500	12,072
815 Capital Outlay - Centrica	3,000,000			
8415 Capital Outlay - Facility		1,725,000	154,000	148,300
8415 Capital Outlay - Vehicles	383,200			
8487 Furniture & Equipment	300,000	52,000	7,715	
TOTAL EXPENSES	4,039,171	2,078,500	232,344	367,610
Total Revenue Less Expense	(2,380,051)	(601,922)	1,244,234	596,147
Ending Fund Balance	2,214,415	2,725,566	4,594,466	3,350,233

**Coachella Valley Mosquito and Vector Control District
SIT CAPITAL PROJECT FUND BUDGET**

	Proposed Budget 2024-2025	Adopted Budget 2023-2024	Estimated Actual 2023-2024	Actual 2022-2023
Beginning Fund Balance	1,577,274	846,703	862,274	-
REVENUE				
Interest	20,000		15,000	15,571
Transfers From Operating Budget	500,000	700,000	700,000	1,000,000
Sale of Assets				
TOTAL REVENUE	520,000	700,000	715,000	1,015,571
CAPITAL EXPENSES				
6095 Professional Services	40,000	40,000		
7300 Maintenance	20,000	20,000		
8415 Capital Expenditure				153,297
TOTAL EXPENSES	60,000	60,000	-	153,297
Total Revenue Less Expense	460,000	640,000	715,000	862,274
Ending Fund Balance	2,037,274	1,486,703	1,577,274	862,274