

San Gabriel Valley Mosquito & Vector Control District
1145 N. Azusa Canyon Road
West Covina, California 91790

Board of Trustees Meeting
June 12, 2009

Minutes

Trustees Attending

- 1 Stephen Sham (Alhambra)
- 2 Roger Chandler (Arcadia)
- 3 Joseph Rocha (Azusa)
- 4 Rick Barakat (Bradbury)
- 5 Henry Morgan (Covina)
- 6 Linda Elderkin (Claremont)
- 7 Margaret Finlay (Duarte)
- 8 Charles Myers (Glendora)
- 9 Jeff Parriott (Industry)
- 10 Manuel Garcia (Irwindale)
- 11 Dan Holloway (La Puente)
- 12 Frank Hall (Co. of Los Angeles)
- 13 Dan Kirby (Monrovia)
- 14 Dave Barron (Monterey Park)
- 15 Elliott Rothman (Pomona)
- 16 Robert Bruesch (Rosemead)
- 17 Jeffrey Templeman (San Dimas)
- 18 Janice Nelson (Sierra Madre)
- 19 Kenneth Gillanders (Temple City)
- 20 Mary Su (Walnut)

Trustees Absent

- 1 Ernest Gutierrez (El Monte)
- 2 Robert Neher (La Verne)
- 3 Albert Huang (San Gabriel)
- 4 Steve Herfert (West Covina)

Staff Attending

Steve West
 Kenn Fujioka
 Kelly Middleton
 Rose Alba
 Esther Elliott
 Carol Anne Hagele
 Mel Cook
 Ramona Deacon

Guests

Paul Kaymark, CPA
 Henry Eng, CPA

Minutes

1. Call to Order

The Meeting was called to order by President Chandler at 7:03 AM.

2. Pledge of Allegiance and Silent Roll Call

The Pledge of Allegiance was led by President Chandler.

3. Opportunity for Public Comment on Non-Agenda Items

Front Office Manager Rose Alba introduced the two finalists to the *RFP* for Auditing Services for the District. Paul Kaymark, CPA and Henry Eng, CPA each gave a 5 minute presentation.

4. Consent Calendar

A motion by Trustee Sham to approve the Consent Calendar as reported was seconded and unanimously approved.

- A. List of Claims for May, 2009
- B. Budget Status Report for May, 2009

- C. Minutes of Board of Trustees Meeting May, 2009
- D. Surveillance and Vector Report
- E. Abatement Report
- F. Education Program

5. April Monthly Treasurer Report / District Working Balance Report for June, 2009

A motion by Trustee Hall to approve the Monthly Treasurer Report / District Working Balance Report was seconded and unanimously approved.

6. Consider Approval of Resolution 2009-02 Inclusive of FY 2009-2010 Budget and Assessment Report

President Chandler opened the public hearing at 7:06 AM to discuss the District's Budget and Assessment Rates for FY 2009-2010.

The Board Clerk reported no communications have been received.

District Manager Steve West introduced Dr. Kenn Fujioka to make the budget presentation indicating he is increasing the Assistant Manager's role in anticipation of retiring in the next few years.

The District Manager indicated there are calculations in the budget relating to his contract amendment which he is discussing with the Personnel and Finance Committees. He indicated the two committees will meet jointly after the Board meeting to potentially conclude the discussion.

Assistant Manager Kenn Fujioka reported the Proposed Budget for FY 2009-2010 is \$2,827,000, an increase of \$112, 551 or 4.1% over the previous fiscal year. The assessment does not exceed the current formula, and there are 46¢ remaining on the assessment before the formula would require a recalculation.

Dr. Fujioka further communicated that the assessment is affected by decreased interest revenue of \$30,000. This results from interest rates decreasing almost 50% during the past six months.

Of benefit to the District's budget is the contractual work provided by SCI Consulting Group whose contract was approved last year to administer our assessment. Prior to this year the County of Los Angeles had been paid to administer and collect our assessment. SCI has assumed this responsibility and has identified an additional 7,096 parcels that were not on the tax rolls which translates to increased assessment revenue of approximately \$56,000.

Dr. Fujioka summarized the two primary proposed expenditures. The first is a \$50,000 increase for extra help employees. Because of WNV, the amount of time the staff spends in the field throughout the year has increased, and the number of residential foreclosures and abandoned pools throughout the District has also increased substantially. To meet this demand staff recommends retaining extra help until December with a break from January to March. The second major item is \$60,000 for a field electronic data collection system for technicians. This updated system would increase efficiency by eliminating double data entry, a savings of time in the Operations Section.

The Budget also contains a Five-Year-Plan which presents a speculative scenario upon

which the District may proceed. Some items are more secure than others and each has a five year cost calculation with totals for each future fiscal year. In addition to this background, Dr. Fujioka stated that the District Reserves listed at the end of FY 2009 total \$1.9 million dollars.

Dr. Fujioka continued that the FY 2009 assessment revenue greatly exceeded staff estimates to our surprise and determined that the Los Angeles County Assessor's Office erroneously charged District residences the maximum assessment rate of \$8.98 which produced an excess gross income of \$146,000. The Budget therefore reflects a decrease in the assessment to "repay" landowners, and we propose to fund our operations with the funds inappropriately collected.

The minimum assessment for this Proposed Budget is \$8.32, a decrease from the correct assessment of \$8.51 for this fiscal year. The proposed maximum assessment is \$18.55, a decrease from \$18.96. Dr. Fujioka concluded his presentation and invited questions from the Board.

President Chandler noted no one from the public was in attendance to address the Board.

A motion by Trustee Finlay to close the public hearing was seconded and unanimously approved. The public hearing was closed at 7:15 a.m.

Board Discussion

Trustee Templeman commented that the budget did not reflect a move by the State to increase worker's compensation by 23% because of medical costs. He continued that if that occurred approximately \$12,000 would need to be taken out of the reserves.

District Manager West commented that staff was aware of this and although it was after the budget had been prepared, he assured the Board that this cost could be funded by savings in other areas in the budget.

Trustee Bruesch commented that the price of gas has gone up again this year and asked if the budget reflects the increase.

Assistant Manager Fujioka reported last year's gas costs were projected to peak at \$4.00 a gallon, but it never reached that amount. This year we were more practical in our estimation.

In response to an employee benefits question by Trustee Finlay, Assistant Manager Fujioka replied that Social Security had decreased by \$10,800. This apparent anomaly results from \$7,000 budgeted for retirement benefits for the extra help employees after they reach 1,000 hours, but once in the PERS system Social Security is not paid producing the decrease.

In a further answer to Trustee Barakat's question, Office Manager Rose Alba reported that extra help hours are tracked very carefully and because extra help employees are returning in the same fiscal year, they have met the 1,000 hours criteria and Social Security is no longer paid. However, they would then be enrolled in the PERS system.

Trustee Elderkin asked how the Los Angeles County Assessor's office overcharged residents.

Assistant Manager Fujioka explained that when we submit a budget there are two assessment summary sheets; one has the proposed assessment and the other, by law, shows a maximum assessment that can be imposed on the residents. They quite simply used the wrong sheet.

President Chandler assured Trustee Barron that the Finance Committee reviewed this budget.

A motion by Trustee Rothman to approve the FY 2009-2010 Budget was seconded and unanimously approved.

7. Presentation by Henry Eng, CPA, San Marino, CA, Responder to Auditor Request For Proposal.

District Manager Steve West reported that at the request of the Treasurer of the Board we initiated a *Request For Proposal* (RFP) process several months ago to determine whether or not the Board wished to pursue a change from the current auditor.

The Finance Committee reviewed responses to the RFPs and ultimately reduced the number of candidates to Mr. Henry Eng and Mr. Paul Kaymark from the firm of Charles Z. Fedak and Company. The Committee asked that each make a five minute presentation to the Board upon which the Board could rely to determine its choice of an auditor. The District Manager indicated ultimately a Letter of Engagement for the selected auditor would be prepared for signature.

Henry P. Eng, Certified Public Accountant began that he is sole practitioner of a full service firm whose main emphasis is to provide audit, accounting and tax services to local government agencies. Mr. Eng began thirty years ago with an accounting career with the County of Los Angeles Auditor/Controller Office doing financial audits. He left the County for the opportunity to gain experience outside of government agencies and eventually started his own accounting practice.

His firm provides individualized personal service with minimum disturbance to the work place staff. His expertise includes financial audits, reviews and compilations, tax planning, cash flow and projection analysis. References were provided and he encouraged the District staff to call them.

8. Presentation by Paul Kaymark, of Charles Z. Fedak & Company, CPAs, Cypress, CA, Responder to Auditor Request For Proposal.

Paul Kaymark, of Charles Z. Fedak & Company, CPA explained that the company has over fifteen years experience in public accounting and auditing government entities. The Company's team approach is to conduct an audit comprised of team members who are specialists in the governmental special district sector. A list of professional references was provided and staff is encouraged to call them.

9. Consider Nomination of a Board Member for the Office of Seat A, Region 5, on the California Special District Association Board of Directors

A motion from Trustee Rothman to nominate Dave Barron for the Office of Seat A, Region 5, on the California Special District Association Board of Directors was seconded and unanimously approved.

10. District Administration

A. Permit application / Sixth Circuit Courts

The District has applied for and received its permit to conduct ground larviciding control. This is a temporary reprieve, and various legal issues are still unresolved. The Environmental Protection Agency (EPA) has filed a request of the Sixth Circuit Court to stay their pesticide spraying restriction for two years to provide the EPA time to resolve the issue.

Trustee Elderkin requested a detailed memo of the problem.

B. Helicopter Surveillance

The District has almost concluded our helicopter observation for “green” swimming pools. The Pasadena Police Department continues to provide outstanding professional support. With their assistance about 350 pools have been detected.

The City of Monrovia’s City Council has adopted new code enforcement regulations facilitating access to back yards. We suggest other cities investigate this new procedure to determine if their City Councils can enact these regulations.

Trustee Elderkin requested a memorandum regarding the program and her City specifically.

Trustee Hall requested information on South Pasadena and Baldwin Park. The District Manager indicated he has communicated the Board’s direction to South Pasadena but has not received a response. Baldwin Park has been sent an interim agreement for FY 2009-2010.

Trustee Barron asked if is possible for the District to conduct a Prop 218 election in South Pasadena. District Manager West will check with the District’s Counsel.

11. Disease Surveillance

Assistant Manager Kenn Fujioka reported the first human case of WNV has been identified in South Dakota, and, Fresno County is the “hot spot” in California. They are reporting positive birds, mosquitoes and squirrels. Based on this level of activity we expect human cases relatively soon.

Very important and worrisome public health news relates to the H1N1 flu virus. World Health Organization (WHO) has raised the influenza pandemic alert from Phase 5 to Phase 6. This is WHO’s highest level. Of considerable concern is this virus appearing in Egypt which has a current H5NI bird flu problem. If the viruses combine, there is the possibility of a more pathogenic and easily transmissible infection between humans. Staff will continue to monitor this very closely.

Trustee Nelson reported there was a WNV infected blood donor detected last week so all blood centers now are alerted to employ increased sensitivity summer WNV blood screening.

12. Trustee Reports

None

13. New Business

President Chandler announced that he and Trustee Sham can not attend next months

meeting and asked that Trustee Morgan chair the Board meeting.

Trustee Templeman asked the Board to consider selecting an auditor for the District such that the FY 2009 process could begin expeditiously. The Board agreed to this request.

In response to the Board's decision to proceed on Trustee Templeman's request District Manager Steve West reported that all references provided by the responders have been called and both companies come highly recommended. On a comparison of the two companies, the Charles Fedak company charges a higher fee.

Trustee Elderkin mentioned that our previous auditor thought our Red Wing software needed to be upgraded and wondered if these two companies had been advised.

District Manager West stated that these particular companies had not been so informed. The Finance Committee determined at an earlier meeting this year that the District need not change to QuickBooks given the complications of adapting to new software. Red Wing is not outdated but is less well known in California.

Trustee Barakat pointed out that a problem with small companies is their failure to provide the same service when the principal is unavailable. He asked what would be the best solution in this case.

Trustee Templeman accepted this comment and suggested a transition plan would be appropriate.

Trustee Templeman motioned to select the company of Henry Eng, CPA as the District's Auditor, and staff is directed to request Mr. Eng to provide a transition plan in the event that something happens to him. Trustee Bruesch seconded the motion which was unanimously approved.

Trustee Finlay commented that it was brought to her attention that the Board's Sub-Committees meet "regularly" but do not report to the Board their actions.

Trustee Templeman stated that the Committees do report back as an agenda item.

District Manager West stated he will make sure the Board is advised of Committee recommendations in a timely manner.

14. President Chandler announced that members of the Personnel Committee and Finance Committee will meet immediately following the adjournment of the Board meeting to discuss Unrepresented Employee, District Manager.

15. Adjournment

A motion by Trustee Barakat to adjourn the meeting was seconded and unanimously approved. The meeting was adjourned at 7:58 AM.