

Marin/Sonoma Mosquito & Vector Control District

Board of Trustees
595 Helman Lane
Cotati, CA 94931

December 11, 2019

MINUTES

1. **CALL TO ORDER**

President McCaffery 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
Glass, Una	Snyder, Richard
Giovanatto, Carol	Witt, David
Harlem, Pamela <i>Arrived at 7:06</i>	McCaffery, Shaun
Hootkins, Susan	

Members absent:

Blair, Ken
Gallian, Laurie
Kinser, Alannah
Thompson, Michael

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

Others present:

Phil Smith, District 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. PUBLIC TIME

Ms. Deborah Tavares asked to be provided with materials from Dr. Karl Malamud-Roam's talk presented to the Board on July 10, 2019. She also spoke about an issue she heard about at a Sonoma Clean Power meeting, which is that deferred maintenance of PG&E's infrastructure is leading them to transfer of responsibility for maintenance to public ownership of "microgrids." Lastly, she remarked that PG&E is advocating for the electrification of all travel worldwide.

Lou Tavares inquired about rodent issues in Sonoma county and whether the District had suggestions for mitigating the problem, particularly in encampments of persons experiencing homelessness.

5. CONSENT CALENDAR

A. CHANGES TO AGENDA/APPROVAL OF AGENDA

B. MINUTES – Minutes of the Board Meeting held November 13, 2019.

C. FINANCIAL

Warrants – November 2019

November Payroll: \$184,255.20

November Expenditures: \$264,767.61

Total: \$449,022.81

D. ENDING ACCOUNT BALANCES:

Operating Fund: \$6,651,411.97

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

Motion passed with:

Ayes: Trustee Ackerman, Trustee Bloom, Trustee Davis, Trustee Deicke, Trustee Giovanatto, Trustee Glass, Trustee Harlem, Trustee Hootkins, Trustee Khush, Trustee Naythons, Trustee Rowland, Trustee Schulze, Trustee Snyder, Trustee Witt and Trustee McCaffery

No: (none)

Abstain: (none)

Absent: Trustee Blair, Trustee Gallian, Trustee Kinser and Trustee Thompson

6. NEW BUSINESS

A. Presentation of Fiscal Year (FY) 2018-19 Financial Audit by Vikki Rodriguez, Partner at Maze & Associates. Report from Audit Committee.

Ms. Rodriguez reported that Maze conducted the District's financial audit for the fiscal year ending on June 30, 2019. Three reports were provided to the Board, including the Memorandum of Internal Control (MOIC), Required Communications, and the Basic Financial Statements.

Ms. Rodriguez noted that the MOIC, also known as the Management Letter, is where audit findings would have been discussed, had there been any. The

District's internal controls were reviewed and Maze found them to be adequate. There were no material weaknesses detected and there were no significant deficiencies to report. Ms. Rodriguez said she considered the MOIC to be a clean Management Letter and also made the following observations: The Required Communications section discussed how the audit process of the audit went and whether there were any significant changes from the prior year. She also noted that the audit process went very smoothly; there were no difficulties in performing the audit, no significant audit adjustments, no significant past adjustments and no major changes to the reporting.

Ms. Rodriguez explained that the draft of the Basic Financial Statements had been reviewed in detail by the District's Audit Committee. She then gave a page by page explanation of the statements, during which she fielded several questions from Trustees. Ms. Rodriguez further noted that Maze had issued an unmodified audit opinion for FY 2018-19, which is the cleanest possible opinion. She noted that there were no new Government Accounting Standards Board (GASB) pronouncements that had any impact on the report. One change made this audit year pertained to capital assets. The threshold for reporting capital Assets increased to \$5,000 so any assets valued under this amount were removed from the schedule. Interest income had risen due to the general increase in rates during the period audited.

Ms. Rodriguez explained that the pension information in the audit is generated from an actuarial evaluation conducted by the Marin County Employees' Retirement Association (MCERA) and they usually run one year behind, due to the relative timing of the MCERA study and the District's audit process. According to MCERA's figures, the District's share of the net pension liability (NPL) was \$5,121,598 at the present 7% discount rate. Ms. Rodriguez noted the sensitivity of the NPL to a potential increase or decrease in the assumed discount rate.

The District had just received a new actuarial valuation for Other Post-Employment Benefits (OPEB), which was not factored in this report because it was dated July 2019. The effects of this report will be seen in next year's audit. Moreover, the additional payment towards the OPEB liability was made after the measurement date of June 30, 2018. Therefore, it was not factored into this audit but it will reduce the net OPEB liability reported in next year's audit.

Following Ms. Rodriguez's presentation of the FY 2018-19 audit, Trustees asked a series of questions and Ms. Rodriguez responded to them.

Manager Smith extended appreciation to Jennifer Crayne, Financial Manager, for her excellent work associated with preparing the District's portion of the audit tasks. This sentiment was echoed by several Trustees. In addition, Manager Smith thanked Ms. Rodriguez for her expertise and hard work, noting that this was her sixth and final audit of the District's financial affairs. The next audit will be conducted by a different engagement partner at Maze & Associates.

Public Comment: Ms. Deborah Tavares inquired whether the cost of transitioning the District's fleet to electric vehicles was accounted for and whether there would be any allowance for building retrofitting in 2020. She also asked whether there was a reserve account to deal with the effects of climate change due to droughts, fires and floods etc. President McCaffery noted that these issues are being dealt with by staff and Board committees.

It was M/S Trustee Snyder/Trustee Davis to accept the FY 2018-19 Audit:

Motion passed with:

***Ayes:** Trustee Ackerman, Trustee Bloom, Trustee Davis, Trustee Deicke, Trustee Giovanatto, Trustee Glass, Trustee Harlem, Trustee Hootkins, Trustee Khush, Trustee Naythons, Trustee Rowland, Trustee Schulze, Trustee Snyder, Trustee Witt and Trustee McCaffery*

***No:** (none)*

***Abstain:** (none)*

***Absent:** Trustee Blair, Trustee Gallian, Trustee Kinser and Trustee Thompson*

B. State Disability Insurance and Paid Family Leave Benefits Policy (Proposed Addition to District Employee Policy Manual)

Manager Smith explained that as part of the current Memorandum of Understanding (MOU) that was signed in 2017 between the District and Western Council of Engineers (WCE), it was agreed that the District would transition from providing private insurance plans covering short and long term disability to all employees (including the District Manager and Assistant Manager) contributing to and belonging to the State Disability Insurance (SDI) system.

It was subsequently discovered that Paid Family Leave (PFL), which is a program run by the Employment Development Department (EDD), is also available to those who make contributions to SDI. PFL or SDI benefits pay about two-thirds of an employee's salary and employees have the option to pick up the shortfall with their leave balances.

At the time, the parties did not consider the potential need for integration of SDI or PFL benefits with accrued leave balances, thus making employees checks whole for as long as their leave balances permit.

A recent request from an employee to integrate leave balances with PFL highlighted the need for the type of SDI/PFL integration policy that was presented to the Board for review. Concluding his introductory remarks, Manager Smith noted that the District met and conferred with the Western Council of Engineers and their employee representatives, who suggested some valuable improvements to the draft policy, after which it was deemed ready for the Board's consideration.

Manager Smith answered questions from the Board. Several trustees also made comments.

It was M/S Trustee Snyder/Trustee Witt to:

- 1. Approve the new State Disability Insurance and Paid Family Leave Benefits Policy and direct staff to incorporate it in the District Employee Policy Manual.*
- 2. Repeal sections L-700 and L-1100 of the existing District Employee Policy Manual.*

Motion passed with:

***Ayes:** Trustee Ackerman, Trustee Bloom, Trustee Davis, Trustee Deicke, Trustee Giovanatto, Trustee Glass, Trustee Harlem, Trustee Hootkins, Trustee Khush, Trustee Naythons, Trustee Rowland, Trustee Schulze, Trustee Snyder, Trustee Witt and Trustee McCaffery*

***No:** (none)*

***Abstain:** (none)*

***Absent:** Trustee Blair, Trustee Gallian, Trustee Kinser and Trustee Thompson*

C. Mutual Aid Agreement with Other Mosquito Districts.

Manager Smith explained that the proposed Mutual Aid Agreement was initiated by, and first implemented between Alameda County Mosquito Abatement District and San Mateo County Mosquito & Vector Control District. Other districts have also been invited to join the arrangement. This type of agreement is commonly used by police and fire departments to provide rapid access to skilled staff and equipment in a disaster or other emergency situation. The policy sets forth the provisions for deployment of personnel as well as the financial and logistical considerations associated with requesting staff or loaning staff to another district. The proposed agreement was reviewed by the present participants of the agreement as well as general counsel and the legal counsel of the Mosquito & Vector Control Association of California (MVCAC). It was also provided to the employee representatives and Executive Director of WCE for review along with the side letter of agreement (item D. below) intended to provide temporary language until a successor MOU incorporating this language is approved.

President McCaffery and Manager Smith noted Trustees' comments and addressed questions from the Board.

Public Comment: Ms. Deborah Tavares advised the board to hold off approving the Mutual Aid Agreement, due to the varying property tax costs raising a concern that the District would not be able to recover the full amount of its expenses. Additionally, Ms. Tavares feels that it could increase the District's burden and take away resources that may be needed within its service area.

It was M/S Trustee Giovanatto/Trustee Snyder to approve the Mutual Aid Agreement and authorize the Manager to sign it:

Motion passed with:

***Ayes:** Trustee Ackerman, Trustee Bloom, Trustee Davis, Trustee Deicke, Trustee Giovanatto, Trustee Glass, Trustee Harlem, Trustee Hootkins, Trustee Khush, Trustee Naythons, Trustee Rowland, Trustee Schulze, Trustee Snyder, Trustee Witt and Trustee McCaffery*

***No:** (none)*

***Abstain:** (none)*

***Absent:** Trustee Blair, Trustee Gallian, Trustee Kinser and Trustee Thompson*

D. Mutual Aid Agreement with other Mosquito Districts: Side Letter of Agreement with Western Council of Engineers (WCE).

Manager Smith explained that the side letter is intended primarily to lay out provisions pertaining to travel expenses, pay, and overnight stays in the jurisdiction of the requesting party. It was mutually agreed between the District and WCE that these provisions are needed to provide temporary language until a successor MOU incorporating appropriate language is approved.

Manager Smith answered comments and questions from the Board.

Public Comment: Ms. Deborah Tavares inquired about the timeframe to repay an employee who incurred expenses when deployed under the proposed agreement.

Manager Smith responded that the District runs accounts payable twice a month and the employee would be reimbursed at the next available accounts payable event.

It was M/S Trustee Snyder /Trustee Davis to authorize the Board President to execute the agreement with WCE:

Motion passed with:

Ayes: Trustee Ackerman, Trustee Bloom, Trustee Davis, Trustee Deicke, Trustee Giovanatto, Trustee Glass, Trustee Harlem, Trustee Hootkins, Trustee Khush, Trustee Naythons, Trustee Rowland, Trustee Schulze, Trustee Snyder, Trustee Witt and Trustee McCaffery

No: (none)

Abstain: (none)

Absent: Trustee Blair, Trustee Gallian, Trustee Kinser and Trustee Thompson

E. Revised Agreement with Liebert Cassidy Whitmore for Negotiations and Legal Services.

Manager Smith reported that the District's MOU Committee narrowed down eight candidates to serve as negotiator to its final recommendation, Ms. Kelly Tuffo of Liebert Cassidy Whitmore. Under terms of the proposed agreement, Ms. Tuffo, two supporting attorneys and additional staff would represent the District during negotiations for a successor MOU in early 2020.

President McCaffery questioned whether there would be a budget impact from enacting the agreement, to which Manager Smith responded that \$28,000 had already been allocated during the annual budget process and staff considered this amount to be adequate.

It was M/S Trustee Giovanatto/Trustee Snyder to approve the revised agreement with Liebert Cassidy Whitmore and authorize the Board President to sign it with the following changes;

- On page 2, section 5, Arbitration – insert “certified mail return receipt request”*
- And*
- Switch the words from “will” to “shall throughout agreement*

Motion passed with:

Ayes: Trustee Ackerman, Trustee Bloom, Trustee Davis, Trustee Deicke, Trustee Giovanatto, Trustee Glass, Trustee Harlem, Trustee Hootkins, Trustee Khush, Trustee Naythons, Trustee Rowland, Trustee Schulze, Trustee Snyder, Trustee Witt and Trustee McCaffery

No: (none)

Abstain: (none)

Absent: Trustee Blair, Trustee Gallian, Trustee Kinser and Trustee Thompson

F. Closed Session pursuant to California Government Code Section 54957.

PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Position: District Manager. Report and recommendations by Executive Committee.

G. Reconvene to Open Session. Report from closed session (if any)
Direction was given to staff.

7. COMMITTEE & STAFF REPORTS

A. Executive Committee

President McCaffery reported that staff is preparing a budget amendment that will be reviewed by the Budget Committee and presented at the January Board meeting. Included will be a proposal to increase staffing by restoring the third field supervisor position that was left unfilled following a retirement some years ago. Assuming the appointee came from within the District, that person would be replaced by an external hire and one more vector control technician recruited, increasing the total head count by two. The cost of landscape redesign and installation with local native and drought resistant type plants is estimated at \$50,000 and would lower the ongoing costs of water, staff time and landscape maintenance services while improving appearance. NBS' annual financial forecasts are slated to be presented in spring 2020. MRG's capital assets & funding studies will be presented in March. The recruitment for Education Program Specialist closes Friday December 20th. The replacement air-conditioning chiller unit has been installed and will be usable in time for next year's summer weather.

B. Nomination Committee

Trustee Schulze announced the following nominations for the 2020 Board Officer positions:

- President – Carol Giovanatto
- Vice President – Pamela Harlem
- 2nd Vice President – Michael Thompson
- Secretary – Richard Snyder

8. **MANAGER'S REPORT**

Manager Smith advised that he didn't have anything additional to add to his written reports but solicited questions. *(Manager and Assistant Manager's reports were included in the December Board packet)*

Trustee Davis requested that the leaves be swept up off the public parking lot sidewalks as they posed a slip hazard. Manager Smith undertook to have this work performed immediately.

9. **WRITTEN COMMUNICATIONS**


No written communications.

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

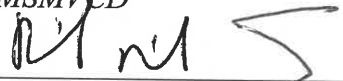
Trustee Carol Giovanatto informed the Board that she will no longer use the surname Giovanatto and will now be known by her married name of Pigoni.

11. **ADJOURNMENT**

There being no further business to come before the Board, it was M/S Trustee Davis/Trustee to adjourn the meeting at 8:57 pm.



District Representative
MSMVCD



Trustee
MSMVCD Board of Trustees



Date of Approval



Date of Approval