



*An Independent Special District  
Serving Orange County Since 1947*

---

# AGENDA

---

## 747TH MEETING

**BOARD OF TRUSTEES  
ORANGE COUNTY VECTOR CONTROL DISTRICT**

**FEBRUARY 19, 2009  
THURSDAY  
3:00 P.M.**

**13001 GARDEN GROVE BOULEVARD  
GARDEN GROVE, CALIFORNIA 92843-2102**

The mission of the Orange County Vector Control District is to provide the citizens of Orange County with the highest level of protection from vectors and vector-borne diseases.

**BOARD OF TRUSTEES**  
**Orange County Vector Control District**  
**AGENDA**  
**747th Meeting, February 19, 2009**  
**Thursday, 3:00 P.M.**

**ITEMS**

**OPEN HOUSE FOR NEW OFFICE REMODEL:**

- ⇒ Open House Prior to Board of Trustees Meeting

**COMMITTEE MEETINGS:**

- ⇒ 2:15 p.m. – Building, Property & Equipment Committee - Discuss Haster Street Property Office Lease (Item 13)
- ⇒ 2:00 p.m. – Budget and Finance Committee - GASB 45 Trust Fund Review
- ⇒ 2:00 p.m. – Operations Committee - Discuss Nuisance Abatement Procedures

**REGULAR MEETING – 3:00 P.M.:**

1. Pledge of Allegiance
2. Roll Call
3. Introduction of Visitors
4. Introduction of New Trustees
5. Public Participation
6. Trustee Bella from the City of Santa Ana Completed Five Years of Service
7. District Manager Information Items
8. Consent Calendar Items – Items for Approval by General Consent
  - 8A - Appointment of Trustee Representative to the County of Orange
  - 8B - Approve Resolution No. 333 to Adopt a Fee Schedule for Laboratory Services
  - 8C - Approve Resolution No. 334 Entitled California Public Employees' Retirement System (CalPERS) Employer Pick-Up
  - 8D - Approval of Trustees Committee Assignments for 2009
  - 8E - Report of District Activities
9. Approval of Minutes
10. Accept and Approve Monthly Financial Report; and Receive and File Warrant Register
  - 10A - Monthly Financial Report
  - 10B - Warrant Register
11. Mid-Year Budget Review and Amendments for Fiscal Year 2008-09; and Five Year Financial Model for Fiscal Years 2009-10 through 2013-14
12. Approve Adjacent Property Office Lease for 12888 and 12890 Haster Street, Garden Grove
13. Written Communications – Trustee Reports from the MVCAC Conference
14. Comments from the Board of Trustees
15. Other Business
16. Adjournment  
(Meeting Calendar follows agenda.)

## AGENDA

**AGENDA:** This Agenda contains a brief general description of each item to be considered. Except as otherwise provided by law, no action shall be taken on any item not appearing in the following Agenda.

**NOTICE:** The public is entitled to copies of all documents that are made part of the agenda packet. If any document or other writing pertaining to an agenda item is distributed to all or a majority of the Board after the packet is prepared, a copy of that writing may be obtained by contacting the Clerk of the Board at 714-740-4141.

**PUBLIC PARTICIPATION:** Citizens desiring to comment on specific agenda items are requested to indicate their interest to the Executive Assistant/Clerk of the Board before the start of the meeting. At the beginning of the meeting, members of the public may address the Board of Trustees on agendized items, or non-agendized items of interest that are within the subject matter jurisdiction of the Board of Trustees. A member of the public shall be allowed a period of up to three (3) minutes, or a time at the discretion of the President of the Board, to address the Board of Trustees.

**ADA AGENDA NOTICE:** “In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the District Office at (714) 971-2421. Notification 48 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accessibility to this meeting. [28 CFR Part 35]”

**BOARD ACTIONS:** The Board may not legally take action on any item presented at this time other than to direct staff to investigate a complaint or place an item on a future agenda unless (1) by a majority vote, the Board determines that an emergency situation exists, as defined by Government Code Section 54956.5, or (2) by a two-thirds vote, the Board determines that the need for action arose subsequent to the agenda being posted as required by Government Code Section 54954.2(b).

**WEB SITE:** The Agenda and Minutes are available through the Internet at [www.ocvcd.org](http://www.ocvcd.org). You can access the Agenda on the Monday prior to the Board of Trustees meeting. The Minutes are approved at the next regular Board of Trustees meeting and are available online the following Monday.

1. **PLEDGE OF ALLEGIANCE:** To be lead by Trustee Winder (Alternate: Trustee Tsunoda).

2. **ROLL CALL:**

Cypress	Sandra Montez, President		
San Clemente	Joe Anderson, Vice-President		
Brea	Roy Moore, Secretary		
Aliso Viejo	Phillip B. Tsunoda	La Palma	Larry A. Herman
Anaheim	Lucille Kring	Los Alamitos	Ken C. Parker
Buena Park	Jim Dow	Mission Viejo	Gail Reavis
Costa Mesa	Wendy Leece	Newport Beach	Dr. Virginia L. Barrett
Dana Point	Steven H. Weinberg	Orange	Denis Bilodeau
Fountain Valley	Cheryl Brothers	Placentia	Greg Sowards
Fullerton	Dr. F. Richard Jones	Rancho Santa Margarita	Gary Thompson
Garden Grove	Dr. Sheldon S. Singer	San Juan Capistrano	Laura Freese
Huntington Beach	Joe Carchio	Santa Ana	Fred S. Bella
Irvine	Rosemary Dugard	Seal Beach	Michael Levitt
Laguna Beach	Toni Iseman	Stanton	Al Ethans
Laguna Hills	Melody Carruth	Tustin	Lou Bone
Laguna Niguel	Robert Ming	Villa Park	James Rheins
Laguna Woods	Dr. Robert Bouer	Westminster	Frank Fry, Jr.
La Habra	James Gomez	Yorba Linda	Jim Winder
Lake Forest	Jean D. Jambon	County of Orange	John M. W. Moorlach

3. **INTRODUCTION OF VISITORS:**

4. **INTRODUCTION OF NEW TRUSTEES:** President Montez will introduce new Trustees John Moorlach, County of Orange, and Dr. F. Richard Jones, City of Fullerton.

5. **PUBLIC PARTICIPATION:** At this time, members of the public may address the Board of Trustees regarding **agenda items or items of interest** that are within the subject matter jurisdiction of the Board of Trustees. Generally, the Board will not enter into a dialogue during this period.

Speakers should have a “Speaker Card” completed and presented to the Clerk of the Board prior to the start of the Board meeting.

Comments shall be limited to **three minutes per person**, unless different time limits are set by the President, subject to the approval of the Board.

6. **TRUSTEE BELLA FROM THE CITY OF SANTA ANA COMPLETED FIVE YEARS OF SERVICE:** Trustee Fred Bella, from the City of Santa Ana, completed five years of service on the Board of Trustees. Trustee Bella was appointed to the Board in February 2004, and served on the Policy and Personnel; Building, Property and Equipment; Operations; and Supplemental Services Committees. Trustee Bella has attended 59 of the 59 meetings of the Board for a 100 percent attendance record. President Montez will present a five year service certificate to Trustee Bella at the Board meeting.

[Staff Contact: V. Blaylock. Phone: (714) 971-2421, Ext. 112]

7. **DISTRICT MANAGER INFORMATION ITEMS:**

\*\*\*\*\*CONSENT CALENDAR\*\*\*\*\*

8. **CONSENT CALENDAR – Items for Approval by General Consent:** All Consent Calendar items may be acted upon by one motion unless a Trustee requests separate action on a specific item.

8A- **Appointment of Trustee Representative to County of Orange:** Accept communications dated January 30, 2009, from the Board of Supervisors appointing Supervisor John M. W. Moorlach as the County of Orange representative to a four year term of office. His term of office will end December 31, 2012.

[Staff Contact: V. Blaylock. Phone: 714-971-2421, Ext. 112]

8B - **Approve Resolution No. 333 to Adopt a Laboratory Fee Schedule for Services Provided:** The District’s Scientific and Technical Services Department has offered to provide laboratory testing services for several vector-borne diseases to outside governmental agencies. The State of California does not provide year-round disease surveillance services for all types of diagnostic tests that the District’s lab can perform. Additionally, most mosquito and vector control districts do not have the required laboratory expertise that Orange County Vector Control District can provide.

The District has prepared Resolution No. 333, entitled Adopting a Fee Schedule for Services Provided Outside the District (Exhibit A), which outlines the types of laboratory tests that can be provided to outside agencies and the cost of each. The expenses associated with each item include District overhead. Interested agencies will be charged the cost of each test, as shown in the attached resolution, as well as be responsible for all shipping expenses associated with the transport of all samples.

**Recommended Action:** It is the District Manager’s recommendation that the Board of Trustees adopt Resolution No. 333, entitled Adopting a Laboratory Fee Schedule for Services Provided.

[Staff Contact: R. Cummings. Phone: (714) 971-2421, Ext. 138]

(Consent Calendar continued next page)

8. CONSENT CALENDAR – Items for Approval by General Consent: (continued)

8C - **Approve Resolution No. 334 Entitled California Public Employees’ Retirement System (CalPERS) Employer Pick-Up:** Resolution No. 334, entitled California Public Employees’ Retirement System Employer Pick-Up (Exhibit B), is a CalPERS required resolution that would be utilized in the event the District would mandate employees’ to pay any portion of the employee share in the future. The resolution would allow employees’ the advantage of having before-tax contributions. This resolution is in response to IRS Code Section 414(h)(2).

**Recommended Action:** It is the District Manager’s recommendation that the Board of Trustees approve Resolution No. 334 entitled California Public Employees’ Retirement System Employer Pick-Up.

[Staff Contact: K. Price. Phone: (714) 971-2421, Ext. 137]

8D - **Approval of Trustee Committee Assignments for 2009:** Approve the committee assignments for 2009 as listed in Exhibit C. This has been compiled from a questionnaire. New committees will commence in March.

[Staff Contact: V. Blaylock. Phone: (714) 971-2421, Ext. 112]

8E - **Report of District Activities:** Enclosed with the Agenda is the Report of District Activities as submitted by staff to the Board of Trustees by separate report dated February 13, 2009.

**Recommended Action:** Receive and File.

[Staff Contact: V. Blaylock. Phone: (714) 971-2421, Ext. 112]

\*\*\*\*\*END OF CONSENT CALENDAR\*\*\*\*\*

9. **APPROVAL OF MINUTES:** Approve without reading the Minutes of the 746th Meeting of the Board of Trustees held January 15, 2009, enclosed as a separate item with the agenda.

[Staff Contact: V. Blaylock. Phone: (714) 971-2421, Ext. 112]

10. **ACCEPT AND APPROVE MONTHLY FINANCIAL REPORT; AND RECEIVE AND FILE WARRANT REGISTER:** Kelly Price, Director of Administrative Services, will present the financial report and warrant register, and address any questions the Board may have regarding these reports.

10A - **Monthly Financial Report:**

**Recommended Action:** Accept for inclusion as Exhibit I, the Orange County Vector Control District Monthly Financial Report for the period ending January 31, 2009.

10B - **Warrant Register:**

**Recommended Action:** Receive and file payment of Warrant Register (Exhibit II) dated February 19, 2009, in the amount of \$479,516.34 as presented by In-House Check Runs dated January 5, 7, 12, 15, 20, 21, 23 and 29, 2009. (The financial information is enclosed as a separate item with the agenda packet.)

[Staff Contact: K. Price. Phone: (714) 971-2421, Ext. 137]

11. **MID-YEAR BUDGET REVIEW AND AMENDMENTS FOR FISCAL YEAR 2008/09; AND FIVE YEAR FINANCIAL MODEL FOR FISCAL YEARS 2009/10 – 2013/14:**

Mid-Year Budget Review, FY 2008/09

Operating revenues are projected to be up by approximately \$158,400 or 1.5 percent. This is due to property tax budgeted with an increase of 2 percent. The actual for FY 2008/09 was 3.7 percent. In addition, contractual services increased due to more requests from contracted agencies, as well as an adjustment to fees charged to these agencies for services provided.

The District’s operating expenditures are up slightly by approximately \$30,950 or 0.3 percent, compared to the budgeted figures from the beginning of the fiscal year. The reason for this is the West Nile outbreak experienced in the County last summer. Specifically, District expenditures for the West Nile outbreak were as follows:

Overtime Salaries (Full-Time and Seasonals)	\$ 80,000
Laboratory Expenses	33,500
Mosquito Fish	3,000
Pesticides	21,000
<u>Aerial Surveillance</u>	<u>39,000</u>
<b>Total</b>	<b>\$176,500</b>

A transfer from the Emergency Vector Control Fund for these expenditures is requested. When this transfer is accounted for in the operating fund, expenditures are down by approximately \$126,550 or 1.4 percent. The primary reason for this is salary savings. The operating fund reserve is estimated to be over \$2.9 million (approximately 34 percent of the operating budget) and the District will enter fiscal year 2009/10 with prudent fund balances.

#### Budget Amendments, FY 2008/09

Five budget amendments are recommended by Staff as part of the mid-year review:

1. A transfer from the Emergency Vector Control Fund to the Operating Fund in the amount of \$176,500.
2. A decrease of \$3,200,000 in the appropriation in account 60.000.7535. It is the recommendation of the District Manager to not proceed with the planned facility improvement project, a new in-door fish hatchery and vehicle maintenance facility. These funds will be retained for economic uncertainties facing the District as a result of the current recession.
3. An appropriation is requested of \$25,000 to account 60.000.7545. This appropriation will fund a renovation of the District's existing vehicle maintenance facility. The renovation will include the purchase of a new vehicle hoist and the re-roofing of the buildings car port area.
4. An appropriation is requested of \$20,000 to account 60.000.7540. This appropriation will fund a fish pond rehabilitation project due to a new fish hatchery facility being cancelled. Funds for this will be expensed to renovate the existing in-ground ponds on District property.
5. A transfer from the Operating Fund to the Retirement Contingency Fund in the amount of \$600,000. This transfer will be used to address the financial unknown the District is facing with regards to Orange County Retirement System (OCERS).

The retirement investment income has been significantly affected by the downturn in economy. As of December 31, 2007 the District's retirement plan had unrecognized interest income in the amount of \$1.3 million that will be credited by OCERS over the next three fiscal years. The contract between OCERS and the District dictates a "true-up" report on recalculated liabilities in December 2010. Due to the OCERS current rate of return of -24% (as of November 2008), it appears the District may have to make an additional payment in 2011. With this possibility in the future, the District Manager is recommending this transfer to begin setting aside funds for this obligation.

### Five Year Financial Model

In addition to the mid-year review, Staff has also updated the District's five year financial model. The model is a guide intended to be used as an aide for future financial decisions and planning. In order to project figures, Staff must use certain assumptions. Therefore, an assumed rate of inflation, interest and property tax growth rates are used.

The first major factor addressed within the model is property tax. Approximately 40 percent of the District's revenue is derived from this source. Due to the significant economic affects to housing prices in Orange County, Staff estimated a 3 percent decline in assessed valuation for the first year of the model, FY 2009/10. This conservative figure is below the estimate from the County Auditor - Controller of a zero to 2.5 percent increase for next fiscal year. For future years, the District has factored in a slow recovery of property tax each year of the model.

The second significant factor addressed in the model is the issue of retirement and possible rate increases in the future. In addition to the Retirement Contingency transfer mentioned above for FY 2008/09, annual transfers have been factored into this fund: \$400,000 for FY 2009/10 and \$100,000 for each year after.

The District has also addressed a possible increase in the future with regards to California Public Employees' Retirement System (CalPERS) rates. CalPERS is estimating a possible rate increase of up to 25 percent taking affect in FY 2011/12. According to the CalPERS actuary, this is a worst case scenario and will be dependent on the rate of investment return over the next two fiscal years.

Another significant factor addressed in the model is the District's commitment to fully funding the annual required contribution (ARC) regarding the post retirement health plan (GASB 45) program. The complete ARC amount of approximately \$362,000, as well as premium expenses associated with the program are accounted for as annual transfers for the duration of the model. The District has the opportunity to transfer funds for retiree health premiums from the programs trust; however, this option is not included in the model and the District is fully funding the program along with the ARC.

The model does not include any additional full-time personnel and no decreases in basic District services provided to the Public. Two decreases in the District's benefit assessment are included in the model. The first in FY 2009/10, adjusting the rate from \$5.10 per parcel down to \$5.06 per parcel. The second in FY 2010/11, adjusting the rate to \$5.02 per parcel. Overall the model illustrates that the District is in sound financial condition and in a good position to address the impacts from the current economic recession.

**Recommended Action**

1. Receive and file the Mid-Year Budget Review for Fiscal Year 2008/09 and the Five Year Financial Model for Fiscal Years 2009/10 – 2013/14.
  
2. It is the District Manager’s recommendation that the Board of Trustees approve the following Budget Amendments for Fiscal Year 2008/09:
  - A. A transfer from the Emergency Vector Control Fund to the Operating Fund in the amount of \$176,500.
  
  - B. A decrease of \$3,200,000 in the appropriation in account 60.000.7535, Facility Improvement – Vehicle Garage.
  
  - C. An appropriation of \$25,000 to account 60.000.7545, Facility Improvement – Vehicle Garage Renovation.
  
  - D. An appropriation of \$20,000 to account 60.000.7540, Fish Pond Renovation.
  
  - E. A transfer from the Operating Fund to the Retirement Contingency Fund in the amount of \$600,000.

Financial Report enclosed as a separate item with the agenda packet.

[Staff Contact: K. Price. Phone: (714) 971-2421, Ext. 137]

12. **APPROVE ADJACENT PROPERTY OFFICE LEASE FOR 12888 AND 12890 HASTER STREET, GARDEN GROVE:** The District currently has a lease for two suites at 12888 and 12890 Haster Street, Garden Grove, located adjacent to the District main office. These units are office/warehouse space and currently house the District’s Fire Ant and Special Services divisions of the Operations Department. The units are approximately 3,000 square feet combined. The current leases expire March 31, 2009. If approved, the new lease will encompass both office units. It will begin on April 1, 2009, and terminate on February 28, 2018. The termination date now coincides with the current agreement pertaining to the Operations Department located in the same business complex.

The newly negotiated monthly rent amount is \$2,880.00 per month for the duration of the lease with no increases. This equates to approximately \$0.96 per square foot. The District rent for the final year of the current lease was \$0.99 a square foot, or \$2,970 per month. The current average rate for a similar office/warehouse space in the surrounding area is approximately \$1.10 per square foot.

**Recommended Action:** It is the District Manager's recommendation that the Board of Trustees approve the office lease for 12888 and 12890 Haster Street, Garden Grove (Exhibit D).

[Staff Contact: K. Price. Phone: (714) 971-2421, Ext. 137]

13. **WRITTEN COMMUNICATIONS - TRUSTEE REPORTS FROM THE MVCAC CONFERENCE:** Attached as Exhibit E are reports from Trustees Ethans, Herman, and Montez that were submitted after attendance at the 2009 Annual Conference of the Mosquito and Vector Control Association of California. These reports are required to comply with AB 1234.
  
14. **COMMENTS FROM THE BOARD OF TRUSTEES:** At this time, members of the Board of Trustees may comment on agenda or non-agenda matters and ask questions of or give directions to staff, provided that NO action is taken on non-agenda items unless authorized by law.
  
15. **OTHER BUSINESS:**
  
16. **ADJOURNMENT:** Next Regular Board of Trustees Meeting, March 19, 2009.

**ORANGE COUNTY VECTOR CONTROL DISTRICT**

**MEETING CALENDAR**

<b>MEETING</b>	<b>LOCATION</b>	<b>DATE</b>
WNV Conference	Savannah, GA	February 19 - 20, 2009
VCJPA Annual Workshop	Sacramento, CA	February 26 - 27, 2009
AMCA 75th Annual Conference	New Orleans, LA	April 5 - 9, 2009
SWS 30 <sup>th</sup> Annual Meeting	Madison, WI	June 21 - 26, 2009
ESA Conference	Indianapolis, IN	December 13 - 16, 2009

- AMCA - American Mosquito Control Association
- ASTMH - American Society of Tropical Medicine and Hygiene
- CALPELRA - California Public Employees Labor Relations Association
- CalPERS - California Public Employees Retirement System
- CDFA - California Department of Food & Agriculture
- CSDA - California Special Districts Association
- CSMFO - California Society of Municipal Financial Officers
- ERMA - Employment Risk Management Authority
- ESA - Entomological Society of America
- MVCAC - Mosquito and Vector Control Association of California
- OCERS - Orange County Employees Retirement System
- RIFA - Red Imported Fire Ant
- SOVE - Society for Vector Ecology
- SWS - Society of Wetland Scientists
- VCJPA - Vector Control Joint Powers Agency
- UTMB - University of Texas Medical Branch
- WNV - West Nile Virus