

**MINUTES OF THE
SALT LAKE CITY MOSQUITO ABATEMENT DISTRICT
June 18, 2015
BOARD MEETING**

1. Roll Call:

Presiding: Todd Erskine, Chair 2015

Time: 6:00 PM

Place: 2020 North Redwood Road, Salt Lake City, Utah 84116

Trustees Present: Todd Erskine, Chair 2015
La Vone Liddle
Dr. Dagmar Vitek (arrived 6:04 pm at the start of Item #2, left at
7:35 pm after Item #7)
Maureen M. Wilson

Trustees Excused: Karen Okabe, Vice Chair 2015

Others Present: Sammie Lee Dickson, Ph.D., Manager
Ary Faraji, Ph.D., Assistant Manager / Entomologist
Ryan Child, Wood Richards & Associates
No other members of the public were present

There were no conflicts of interest declared.

2. Presentation, Discussion and Approval of Audit for the Year Ending December 31, 2014:

Ryan Child, Wood Richards & Associates, presented the completed audit of the District's financial statements for the year ending December 31, 2014. There were two findings for 2014. The first finding was that the District's actual expenditures in the Capital Projects Fund exceeded the appropriated amount by \$2,731. Manager Dickson strongly disagrees with this finding. While it is correct that two line items of the Capital Project Fund expenditures exceeded the budgeted amount, the bottom line for expenditures of the Capital Projects Fund was not exceeded.

The second finding of the audit was a fund balance in the General Fund of more than 100% of the property tax received during the year. The District received \$2,064,799 in property taxes and had a fund balance of \$2,146,207. Manager Dickson explained that this is caused by the District using property taxes received in the prior year to be used as the General Fund income for the following year. Manager Dickson stated that the District received more property tax income than expected in 2014. The District plans to do a better job anticipating additional income from property taxes in 2015 and will plan to hold

a public hearing in December prior to finalizing the next year's budget to discuss and receive public comment on the additional property tax revenue. At the regular Board Meeting, which follows the Public Hearing, an item will be placed on the agenda to potentially amend the 2015 General Fund to account for any unexpected property tax revenue. The addition to the revenue will then be offset in expenditures with a line item that would put additional funds into Contributions to Fund Balance for 2016.

Ryan Child brought the Board's attention to their opinion section on page one of the audit which states, *'In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Salt Lake City Mosquito Abatement District, as of December 31, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.'*

Trustee Liddle made a motion to accept and approve the audit for the year ending December 31, 2014, as presented by Ryan Child, Wood Richard & Associates. The motion was seconded by Trustee Wilson and passed with a unanimous vote.

3. Approval of the May 21, 2015, Minutes of the May Monthly Board Meeting:

Trustee Erskine and Assistant Manager Faraji offered the following corrections to the pending Minutes of the May 21, 2015, Board Meeting: Item #9, fourth paragraph, first sentence, insert 'as well as' after, 'interns' and change 'VCDI' to 'VDCI.' Trustee Vitek made a motion to accept the pending Minutes of the May 21, 2015, Board Meeting with the corrections offered by Trustee Erskine and Assistant Manager Faraji. Trustee Wilson seconded the motion, which passed with a unanimous vote.

4. Presentation of the May 2015 Financial Statements and Approval of Bills for Payment:

Manager Dickson reviewed the May financial statements with the Board. All expenditures were reviewed with special attention paid to those in excess of \$1,000, as requested by the Board. A review was also made of any budget line items that were over the expected percentage of spending for this time of the budget year.

Expenses for May totaled \$141,201.25 with \$130,213.61 from the General Fund and \$10,987.64 from the Capital Projects Fund. Manager Dickson noted that the following line item expenditures were greater than 41.7% of the budget year that has elapsed: Disability Insurance (paid one month in advance); Memberships & Subscriptions (membership dues are paid early in the budget year); Travel & Conventions; Office Supplies; Computer Software and Hardware; Mobile Telephones; Interest Expenses; Equipment Maintenance; Shop Supplies; Uniforms; Electrical Power; Equipment and

Vehicles; and, Spraying Materials (about 2/3 of the yearly supply of pesticides have been purchased). Trustee Wilson made a motion to approve the May financial statement and payment of bills. The motion was seconded by Trustee Liddle and passed with a unanimous vote.

5. Discussion and Approval of an Amended 2015 Budget:

Manager Dickson explained to the Board the necessity of making some changes to the 2015 Budget so that the maximum certified tax rate for 2015 can be requested. The line item for property tax revenue in the General Fund must match the anticipated income from the certified property tax rate that is requested. Manager Dickson will be requesting approval from the Board to ask for a certified tax rate of 0.000121 which will generate \$1,893,200. Thus, this amount would replace the current budget's property tax revenue of \$1,935,500. The amount of the Previous Year Fund Balance will be increased from \$35,500 to \$81,800. The Amended 2015 Budget would still have total anticipated revenues of \$2,387,500.

Additional proposed changes to the 2015 Budget include the following line items: Medical Insurance reduced from \$150,000 to \$143,000; Computer/GPS increased from \$23,000 to \$27,000; Mobile Telephones increased from \$7,000 to \$12,000; Uniforms increased from \$6,500 to \$7,000; and, Equipment & Vehicles reduced from \$121,000 to \$117,000.

There are no proposed changes to the Capital Projects Fund.

Trustee Wilson made a motion to approve the Amended 2015 Budget as presented by Manager Dickson. The motion was seconded by Trustee Liddle and passed with a unanimous vote.

6. Discussion and Approval of a Resolution for the Certified Tax Rate:

As Manager Dickson explained in the discussion of the Amended 2015 Budget, the calculated maximum certified tax rate for this District for 2015 is down from 0.000127 in 2014 to 0.000121 in 2015. The County Auditor uses a complex formula that includes property values, new growth and past property tax collection percentages to calculate the maximum certified tax that will generate the same revenue as the previous year. The decline in the 2015 maximum certified tax rate is a result of the total value of all properties within the District being greater than the previous year. The State Auditor's certified revenue that this certified tax rate would generate is \$1,893,197. Trustee Liddle proposed the following resolution, 'The governing body of the Salt Lake City Mosquito Abatement District approves a Certified Tax Rate of 0.000121 that will generate approximately \$1,893,197 in property tax revenue for the 2015 Budget year.' The resolution was seconded by Trustee Vitek and passed with a unanimous vote.

7. Five-Year Plan:

With the initial concept drawings and the associated cost estimates for five facility addition / remodeling projects now in place, Assistant Manager Faraji has been able to prepare a proposed budget for 2016 with current revenues and another budget with a potential property tax increase, that addresses some of the concepts outlined in the five-year plan. With current revenues, the District can continue to transfer funds from the District's Committed Reserves through 2016 to balance the General Fund Budget. However, beyond 2016, and to start the improvements outlined in the five-year plan, the District will need to increase General Fund revenues through an increase in property taxes. If a property tax increase is made for the 2016 budget year, the increased funding will not be available until 2017. This would allow the entire year of 2016 for architectural design and drawings to be made, job descriptions and recruitment of a new laboratory technician position, initiating the increase of two field positions and the associated infrastructure to be done.

Assistant Manager Faraji's 2016 Budget with the property tax increase shows that to get most of the five-year plan in place it will take a thirty percent property tax increase. A thirty percent tax increase would be approximately a \$5.60 yearly increase to the average \$250,000 home in Salt Lake City. Trustee Maureen Wilson asked Assistant Manager Faraji and Manager Dickson how much of a tax increase it would take to implement the entire five-year plan. Manager Dickson said that he will put together an additional budgeting scenario that would answer that question. Trustee Liddle suggested that the District ask for more than a thirty percent increase if that is what is needed to fully fund the five-year plan. A thirty percent property tax increase will allow for the hiring of only two additional seasonal people on the bicycle crew instead of four; the bicycle crew vehicle will have to be a recycled vehicle from the current fleet; the Bookkeeper and Secretary positions will not be able to be combined into a Chief Financial Officer position and brought on as a full time position; a Rural Field Supervisor position cannot be filled; an additional Vector Control Technician cannot be added; and, the actual building projects may have to be delayed until 2018 or later.

Manager Dickson said that now that the Salt Lake City Council has approved its budget for the year, he would like to find out what the procedure is to get on their agenda to explain the District's needs and ask them to approve the District going forward with a property tax increase. Before Manager Dickson approaches the Salt Lake City Council he will meet with Trustee Okabe and bring her up to date on this issue. If timing of all the budget requirements will allow, the Board can continue this discussion at the July 16, 2015, Board Meeting before presenting to the Salt Lake City Council.

8. Report on Attended and Reminder / Approval of Upcoming Training / Meetings:

Trustees Wilson and Liddle attended a State Auditor training session for Trustees that was hosted by the South Salt Lake Valley Mosquito Abatement District on June 8, 2015. Both Trustees Wilson and Liddle have received their certificates for completion of their yearly training.

The DSLASA Board met for its second quarter Board Meeting on June 11, 2015, at 5:00 pm, at the offices of the Mosquito Abatement District-Davis in Kaysville, UT. Trustees Erskine and Liddle along with Assistant Manager Faraji and Manager Dickson attended the meeting. Cody Cordon, Wood Richards & Associates, presented the audit of the DSLASA financial statements for the year ended December 31, 2014. Several control issues were addressed with the leaving of the former contract Bookkeeper and the replacement by Shirley Cox, Bookkeeper for Mosquito Abatement District – Davis.

Assistant Manager Faraji took personal leave, May 24 through June 5, 2015, to go on a trip to Iran with his former major professor to give talks about medical entomology to four universities. They gave talks in Tehran at: the University of Tehran College of Agriculture and Natural Resources, Karaj Campus, and the Entomological Society of Iran, Iranian Research Institute of Plant Protection, Tehran University of Medical Sciences, Department of Medical Entomology and Vector Control. In Mashhad, he gave talks at Ferdowsi University of Mashhad, College of Agriculture, and in Shiraz at the Shiraz University of Medical Sciences, Department of Medical Entomology and Vector Control. Dr. Faraji stated that all in all, it was a wonderful trip and a once in a lifetime experience. His hope is to open the doors for collaborations and exchange of students/interns. He stated that the people of the country absolutely loved his professor and himself and they had no logistical or political problems in the country whatsoever. "In fact, many people came up to them to stress the importance between the views of the people and that of the theocratic government," he noted.

Board Members were asked to check their calendars and decide if they are able to attend two meetings this fall, the Utah Mosquito Abatement Association's Annual Meeting, October 4-6, 2015, and the Utah Association of Special District's Annual Meeting, November 4-6, 2015, both using the Provo Marriot as the host hotel.

9. Verizon Fiber Optic Project:

On the north side of the District's property, from Redwood Road east to the Salt Lake City Sewage Treatment Plant is an easement for communications. Verizon will be placing two four inch conduits for fiber optic cables in the easement this summer. The manager of the project has been in contact with Manager Dickson and promises to be the least disruptive of the District's operations as possible.

10. Manager's Report:

The month of May had at least 18 days with measurable precipitation resulting in the fifth wettest May on record with 4.19" of precipitation measured at the Salt Lake International Airport. This resulted in many low lying areas in the district being flooded for the first time in many years. Eggs lying dormant in many of these areas hatched along with normal larval sources creating an adult nuisance mosquito population that was about four times the three year average. The good news is that the vector species were well below the three year average for this time of year.

Assistant Manager Faraji continues working with the two summer interns, on the research project designed to measure the size and amount of adulticide that reaches the ground from aerial ULV spraying. This has required several extremely long days for the interns and Assistant Manager Faraji. Assistant Manager Faraji has been able to incorporate the summer intern hired by Mosquito Abatement District – Davis into the project as well. One of the interns from this district and the one from Mosquito Abatement District – Davis will be using the data generated through this project as the basis for their Public Health Masters degrees.

There have been three states, Texas, Oklahoma, and Kansas, that have each reported a human case of West Nile virus in 2015. Utah is one of eight states that have reported WNV activity other than in humans in 2015. For Utah, it was the death of a Flamingo from the Tracey Aviary in February that is being reported. There has been no other activity of WNV reported in Utah this year. The District has been submitting 'mosquito pools' to the Unified State Health Laboratory for WNV surveillance.

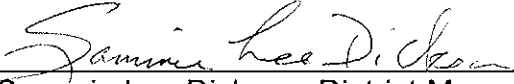
11. Probable Agenda Items for the July 16, 2015, Board Meeting:

Probable items on the agenda for the July 16, 2015, Board Meeting, immediately include a discussion on a proposed tax increase for 2016, discussion of an extended five-year plan budget, an update on field operations and an update on West Nile virus activity.

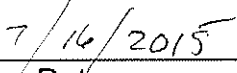
A bagged lunch will be available for Trustees at noon preceding the Board Meeting that begins at 12:30 PM.

12. Adjournment:

Trustee Liddle made a motion to adjourn the July Board Meeting at approximately 8:07 PM.



Sammie Lee Dickson, District Manager



Date

Todd Erskine
Todd Erskine, Board Chair 2015

7/16/15
Date

