

**MINUTES OF THE
SALT LAKE CITY MOSQUITO ABATEMENT DISTRICT
21 July 2016
BOARD MEETING**

1. Roll Call:

Presiding: Karen Okabe, Chair

Time: 12:39 PM

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

Trustees Present: Karen Okabe, Chair 2016
La Vone Liddle, Vice-Chair
Carlton Christensen
Maureen M. Wilson

Excused: Dr. Dagmar Vitek

Others Present: Ary Faraji, Ph.D., Manager
Gregory White, Ph.D., Assistant Manager
Aleta Fairbanks, CFO

Manager Faraji confirmed that the voice recorder was turned on; there were no conflicts of interest declared.

2. Approval of the 16 June 2016 Minutes of the June Public Hearing (Certified Tax Rate and Budget Amendments) Meeting:

The Board Members were provided an opportunity to review the pending Minutes of the 16 June 2016 Public Hearing Meeting prior to this meeting. There were no changes or edits provided by the Board. Trustee Liddle made a motion to approve the 16 June 2016 Public Hearing Meeting Minutes as presented; the motion was seconded by Trustee Wilson and passed with a unanimous vote.

3. Approval of the 16 June 2016 Monthly Board Meeting Minutes:

A draft copy of the minutes had been provided previously to the Board Members for review and comment. As no additional modifications were indicated at the meeting, Trustee Liddle made a motion to approve the 16 June 2016 Board

Meeting Minutes as presented. The motion was seconded by Trustee Christensen and carried unanimously.

4. Presentation of the June 2016 Financial Statements and Approval of Bills for Payment:

Manager Faraji reviewed the June financial statements with the Board. All expenditures were reviewed. As requested by the Board, special attention was paid to those costs in excess of \$1,000. Documentation for credit card purchases over \$1,000 as well as fund balance sheets were made available to 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 June totaled \$144,653.98 from the General Fund and \$2,474.30 from the Capital Projects Fund. Manager Faraji noted that, due to the budget modifications approved in June, there were no unexpected line-item expenditures greater than 50% of the budget year that has elapsed.

Trustee Christensen made a motion to approve the June financial statements and payment of bills. The motion was seconded by Trustee Wilson and passed unanimously.

5. Discussion and Approval of the Updated Resolution for 2016 Certified Tax Rate:

Manager Faraji gave the Board an update concerning his discussions with the State Tax Commission in regards to the District's 2016 Certified Tax Rate. Previously, since the District had initially approached the Salt Lake City Council with a proposed tax increase of 47%, the State Tax Commission felt that only the revenue requested from the 47% increase should be provided to the District. But, after minor corrections on the budget, the official resolution adopted by the Salt Lake City Council at a later date actually requested a 53% increase, generating a larger amount of revenue than initially requested. However, the Tax Commission felt that the Truth in Taxation process should reflect the initial amount that the District requested and not the corrected amount. As a result, Manager Faraji presented a certified tax rate of 0.000168 to the Board at the June Public Hearing, requesting revenues of \$2,895,900. The Board adopted a resolution reflecting the above certified tax rate and revenues and also provided an official letter to the Salt Lake County Auditor's Office for their records.

In early July, Manager Faraji later received a call from the State Tax Commission explaining that the same situation had occurred with Salt Lake County and also several other Special Districts. After further investigations, the State Tax Commission had reversed its initial stance and had decided to provide the

additional revenue to the parties involved. They have made the corrections on the Tax Rate Summary website and have asked the agencies involved to adopt a new resolution to reflect the new tax rate and requested revenue. The new tax rate for the District will be 0.000171, requesting revenues of \$2,953,198 (generating an additional \$57,298). Manager Faraji was informed that, since this is an administrative change, a public hearing does not need to be held. However, the District should adopt a new resolution reflecting the updated tax rate and revenue request and also provide a new letter to the Salt Lake County Auditor.

Trustee Christensen proposed the following resolution: "The governing body of the Salt Lake City Mosquito Abatement District approves a Certified Tax Rate of 0.000171 that will generate approximately \$2,953,198 in property tax revenue for the 2016 Budget year." The resolution was seconded by Trustee Liddle and passed with a unanimous vote.

The following letter will be provided to Scott Tingley, County Auditor with the Salt Lake County Auditor's Office:



SALT LAKE CITY MOSQUITO ABATEMENT DISTRICT

2020 North Redwood Road
Salt Lake City, Utah 84116
Telephone: 801-355-9221
Fax: 801-355-9227
www.slcmad.org



2016-2017

Ary Faraji, PhD
Manager

21 July 2016

Gregory S. White, PhD
Assistant Manager

Aleta H. Fairbanks, MPrA, CPA
Chief Financial Officer

Salt Lake County Auditors Office
Scott Tingley, County Auditor
2001 South State Street, #N3-300
PO Box 144575
Salt Lake City, UT 84114-4575

Board of Trustees

Karen S. Okabe
Chair

La Vone Liddle
Vice Chair

Carlton J. Christensen
Trustee

Dagmar Vitek, MD, MPH
Trustee

Maureen Wilson
Trustee

Dear Mr. Tingley,

On a motion by Trustee LIDDLE and seconded by Trustee CHRISTENSEN and passing by a unanimous vote, the following resolution was adopted on 21 July 2016:

Be it resolved that a certified tax rate of 0.000171 for the year 2016 be adopted to meet the Salt Lake City Mosquito Abatement District property tax budget revenue requirements of \$2,953,198.

This action will be recorded in the Minutes of the 21 July 2016 Board Meeting held at the District's office at 12:30 p.m., 21 July 2016.

Sincerely,

A handwritten signature in blue ink, appearing to read "Ary Faraji".

Ary Faraji
SLCMAD Manager

A handwritten signature in blue ink, appearing to read "Karen Okabe".

Karen Okabe
SLCMAD Board Chairman

6. Update on Retirement Benefits Policy:

Manager Faraji reminded that Board that a policy change for the "Termination Due to Retirement" had been unanimously approved during the 16 June 2016 Board Meeting, subject to the State of Utah Public Employee's Health Plan (PEHP) review and input. The following recommended changes were approved by Crystal Clark, Enrollment Representative II at PEHP:

Our current policy reads as below:

- B. Insurance Termination, Transition, and Conversion.
 - (1) Termination. When an employee is terminated from employment with Salt Lake City Mosquito Abatement District, the District will cease making contributions to the employee's insurance plans.
 - (a) Termination due to Retirement. A retiring employee can elect to continue to be covered through the District medical health care plan for single, double or family coverage by either using accumulated value of sick leave and/or vacation earnings or by making direct monthly payments to the District for the full cost of the medical health coverage. When the retired employees' accumulated value of sick leave and/or vacation is exhausted then the retired employee can continue to pay direct monthly payments to the District for the full cost of the medical health coverage. If the retired employee fails to make the monthly payment in a timely manner, the District can terminate the retired employee from its medical health care coverage.

Here are our recommended changes:

Termination due to Retirement. A retiring employee may elect to continue to be covered through single, double, or family coverage for medical, dental, Medicare Supplement and Part D Rx plan, and/or any other insurance plan available to the District. If the retiring employee is under age 65, the retiring employee may select the same health benefit options that are available to current employees of the District. If the retiree is under age 65 and his/her spouse is over age 65, then the older spouse may either remain on the retiree's plan until the retiree is age 65 or enroll into a Medicare Supplement and Part D Rx plan. (Anyone not on an ACTIVE employer plan must enroll into Medicare A & B at age 65.) If the retiring employee is over age 65, then he/she may select the Medicare Supplement plans that are offered by the State of Utah Public Employees Health Plan. If the retiree is over age 65 and his/her spouse is younger, the younger spouse may remain covered on the retiree plan until age 65, even though the retiree has moved onto a Medicare Supplement plan. If there are children on the plan, they may also stay on the retiree plan with the younger spouse. The retiree may decide when to terminate dental insurance; it does not have to end at age 65. If an accumulated value of Sick Leave and/or Vacation earnings is available, the retired employee may fund the desired coverage by either using this accumulated value or by making payments to the District for the full cost of the insurance coverage. When the retiree's accumulated value of Sick Leave and/or Vacation is exhausted, the retired employee may continue to make direct monthly payments to the District for the full cost of the desired coverage. If the retiree dies, the surviving spouse and enrolled children may continue coverage under the group plan. If the retiree/spouse fails to make the payments in a timely manner, the District may terminate the retired employee's coverage.

From: Crystal Clark [mailto:Crystal.Clark@pehp.org]
Sent: Tuesday, July 19, 2016 1:37 PM
To: aleta@slcmad.org; ary@slcmad.org
Cc: Kory Shino <Kory.Shino@pehp.org>
Subject: RE: SLCMAD's Retirement Benefits

Hi,

This is the version I would recommend going with. It addresses all the questions I normally have, except one.....

If the retiree dies, would you allow the surviving spouse and/kids to continue coverage under the group plan?

Thanks for your help & Have a great day!

Crystal Clark
Enrollment Rep II
[PEHP Health & Benefits](#)
500 E 200 S Salt Lake City, UT 84102 PH: 801-866-7575 Fax: 801-245-7575
crystal.clark@pehp.org *Trust, Commitment, Value, Innovation, Excellence*

7. Selection of Bond Counsel:

Manager Faraji received two proposals in response to the Bond Counsel Request for Proposals that were advertised in June. One proposal was from Chapman and Cutler LLP, while the other was from Ballard Spahr LLP. Both applicants were selected for interviews. Manager Faraji, Assistant Manager White, and CFO Fairbanks interviewed both applicants on 14 July 2016. After detailed discussions, it was decided that, although both applicants are adequately qualified to represent the District, Ballard Spahr possessed a larger amount of experience working with mosquito abatement districts and the selection committee felt more comfortable with the latter in future financing needs. Trustee Liddle made a motion that the District should select Ballard Spahr as our Bond Counsel. The motion was seconded by Trustee Christensen and carried with a unanimous vote.

8. Consideration for Adoption of a Declaration of Official Intent of the Board of Trustees of the Salt Lake City Mosquito Abatement District, Utah (the "District") to Reimburse itself from the Proceeds of Bonds for Certain Capital Expenditures Advanced by the District; Establishing the Maximum Principal Amount of Such Expenditures; and Authorizing Incidental Action; and Related Matters:

Manager Faraji informed the Board that, in order to start the process of bonding, much compliance and open meeting law requirements must be adhered to in detail. He presented the Board with a short reimbursement resolution, which does not provide any specifics of a bond issue or obligations with a Bond Counsel; however, it does provide a formal Board action which would enable the District to initiate the official process of expense reimbursements (should there be a need). Manager Faraji also mentioned that a more formal parameters resolution would be presented to the Board during the August Board Meeting. Trustee Christensen made a motion for the adoption of a declaration of official intent of the Board of Trustees of the Salt Lake City Mosquito Abatement District, Utah (the "District") to reimburse itself from the proceeds of bonds for certain capital expenditures advanced by the District; establishing the maximum principal amount of such expenditures; and authorizing incidental action; and related matters. The motion was seconded by Trustee Wilson and passed with a unanimous vote.

The following document was approved and signed on behalf of the SLCMAD Board of Trustees:

RESOLUTION NO. 7-21-2016

Salt Lake City, Ute

21 July 2016

The Board of Trustees (the "Board") of the Salt Lake City Mosquito Abatement District, Utah, met in special session at its regular meeting place at 2020 North Redwood Road, Salt Lake City, Utah, on 21 July 2016, at the hour of 12:30 p.m., with the following members of the Board being present:

Karen Okabe	Chair
La Yone Liddle	Vice Chair/Trustee
Carlton Christensen	Trustee
Maureen Wilson	Trustee

Also present:

Ary Faraji	District Manager
Gregory White	District Assistant Manager
Aleta Fairbanks	Chief Financial Officer

Absent:

Dagmar Vittek	Trustee
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After the meeting had been duly called to order and after other matters pertinent to this resolution had been discussed, the District Manager presented to the Board a Certificate of Compliance with Open Meeting Law with respect to this 21 July 2016 meeting, a copy of which is attached hereto as Exhibit A.

The following resolution was then introduced in written form, was fully discussed, and pursuant to motion duly made by Trustee CHRISTENSEN and seconded by Trustee WILSON, was adopted by the following vote:

AYE: OKABE CHRISTENSEN
LIDDLE WILSON

NAY: NONE

The resolution is as follows:

DECLARATION OF OFFICIAL INTENT OF THE BOARD OF TRUSTEES OF THE SALT LAKE CITY MOSQUITO ABATEMENT DISTRICT, UTAH (THE "DISTRICT") TO REIMBURSE ITSELF FROM THE PROCEEDS OF BONDS FOR CERTAIN CAPITAL EXPENDITURES ADVANCED BY THE DISTRICT; ESTABLISHING THE MAXIMUM PRINCIPAL AMOUNT OF SUCH EXPENDITURES; AND AUTHORIZING INCIDENTAL ACTION.

WHEREAS, the Salt Lake City Mosquito Abatement District, Utah (the "District") may incur significant costs for purchasing land and the construction of new facilities (collectively, the "Project"), and

WHEREAS, the District has determined that it may finance a portion of the cost of the Project with the proceeds of obligations of the District or a related entity the interest on which is excludable from gross income for federal income tax purposes ("tax-exempt bonds"); and

WHEREAS, no costs of the Project to be reimbursed were paid more than 60 days prior to the date of this Resolution, other than preliminary expenditures (not exceeding 20% of the aggregate issue price of the tax-exempt bonds issued to finance the Project), provided that such preliminary expenditures shall not include costs of land acquisition or site preparation or other costs of construction or acquisition of the Project,

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

Section 1. Declaration of Official Intent to Finance Capital Expenditures, Maximum Authorized Debt The Board of the District hereby declares its intention and reasonable expectation to use proceeds of tax-exempt bonds to reimburse itself for expenditures for costs of the Project. The tax-exempt bonds are to be issued, and the reimbursements made, by the later of 18-months after the payment of the costs or after the Project is placed in service, but in any event, no later than three years after the date the original expenditure was paid. The maximum principal amount of the tax-exempt bonds which will be issued to finance reimbursable costs of the Project is not expected to exceed \$6,000,000.

Section 2. Nature of Project Costs The costs of the Project consists entirely of capital expenditures or costs of issuance of the bonds, and no cost of the Project to be reimbursed with the proceeds of the tax-exempt bonds is a cost of working capital.

Section 3. Incidental Action The appropriate officers of the District are hereby authorized and directed to take or approve the taking of such actions as may be necessary or appropriate in order to preserve the ability of the District to facilitate the financing of the Project in accordance with the federal tax regulations and this Resolution.

Section 4. No Replacement Proceeds The District will not, at any time within one year after any allocation of proceeds of the tax-exempt bonds to reimburse any expenditure, use the reimbursed funds to create a sinking fund for any issue of tax-exempt bonds, or to otherwise replace the proceeds of any issue of tax-exempt bonds.

Section 5. Effective Date; Repeal This Resolution shall take effect immediately. All prior resolutions or portions thereof inconsistent herewith are hereby repealed.

APPROVED AND ADOPTED this 21 July 2016.

(SEAL)

By: [Signature]
Chair

ATTEST:

By: [Signature]
District Manager

9. Update on Aerial Services Contract:

Manager Faraji (SLCMAD) and Manager Hatch (Mosquito Abatement District Davis) have received two proposals in response to the Request for Qualifications for Aerial Mosquito Control Pesticide Application Services. One proposal is from the current contractor, Vector Disease Control International, while the second proposal is from Clarke Mosquito Control. Managers Faraji and Hatch would like one or two Board Members from each District to serve on a selection committee and also assist with further interviews and contract negotiations. The selection committee will be conducting interviews on Monday morning, 1 August 2016, at either the SLCMAD or MAD-D facility. Trustee Liddle volunteered to serve on the selection committee. It was further discussed that Todd Erskine, who is a current Board Member for the Davis-Salt Lake Aerial Spray Authority, may be willing to also serve on the selection committee. Manager Faraji will reach out to Mr. Erskine and assist with arrangements. The intent of both Districts is to provide each respective Board a final contractor selection for the August Board Meeting.

10. Five-Year Plan Update:

- **Annexation:**

Manager Faraji provided the Board with an update on ongoing efforts for the annexation process. It was reported that the Magna Mosquito Abatement District adopted a resolution at their July Board Meeting agreeing to allow SLCMAD to pursue full annexation of the areas in Magna MAD that fall under the jurisdiction of Salt Lake City. The incentive behind this official move by Magna MAD was, because the way current laws are written, their overall generated revenue is not affected: if their District loses a portion of its taxing area, their certified tax rate balances in other areas. Conversely, if SLCMAD adds new areas to our service and taxing boundary, our tax rate also balances and overall revenues are not increased. This would entail taking on additional work with no financial incentive; however, Manager Faraji and staff believe that this is the appropriate measure to be taken at the current time. Manager Faraji and Assistant Manager White have also spoken to our legal counsel (Mark Anderson) and have initiated the process of annexation in regards to Magna and other areas of the District. Management was also informed that the District should consider another tax increase in 2-3 years in order to account for the additional work (personnel time, equipment, and pesticides) that the District will be incurring.

- **Prison Relocation (RDA):**

Manager Faraji, Assistant Manager White, and Manager Lusty from the Magna MAD attended a monthly meeting by the Utah Administrative Services for the new correctional facilities. Manager Faraji was asked by Merilee Richins, Director of Operations, to provide a presentation at the meeting on the impact of mosquitoes and other insects in the area of the proposed prison relocation. Manager Faraji was also asked numerous questions regarding mosquitoes and mosquito control by the official and public members who were present at this meeting. Additionally, members of the media were also present and asked a variety of questions in response to Manager Faraji's presentation. There was a large amount of support in the room by all members present, regarding the efforts by the mosquito abatement districts for the suppression of biting flies in the area. Manager Faraji informed the members that the cost for suppressing mosquito populations to tolerable levels in the area would impact an additional \$160,000 a year to the SLCMAD budget, while Manager Lusty stated that an additional \$50,000 per year would be needed for the Magna MAD. Manager Faraji stated that he is still pursuing a legislative fix; he has spoken to the Executive Director of the Utah Association of Special Districts (LeGrand Bitter) and is in the process of setting up a meeting with influential political representatives.

11. Update on Zika Virus and Ongoing Surveillance Efforts:

Manager Faraji informed the Board that the State of Utah Health Department and the Salt Lake County Health Department conducted a press conference on 8 July 2016 to report a case of travel-related Zika virus infection in an individual who was staying in Salt Lake County. The individual was later deceased, but the cause of death may or may not be implicated as a result of Zika virus. An additional press conference on 18 July 2016 also reported that a close caregiver to the deceased individual had also tested positive for Zika virus; however, the second individual had no record of out of state travel and may have acquired the virus locally. As a result, an intensive investigation was launched by local, county, and state health officials, in addition to federal-level counterparts. The Centers for Disease Control also dispatched two vector entomologists, Dr. Harry Savage and Marvin Godsey; Manager Faraji is assisting with logistics, and the SLCMAD is serving as the base of operations for these individuals. The CDC personnel and local mosquito abatement districts have been working long hours (including weekends) to conduct surveillance for the presence of invasive mosquito species and to test all captured mosquito species for the presence of Zika or other arboviruses. Although the exact method of local transmission to the second individual may never be definitively known, the mosquito abatement districts are working diligently to provide evidence against a vector-borne transmission route.

12. Update on Aerial Application Trials:

Assistant Manager White provided the Board with an update on the aerial application trials using Dibrom adulticide and the ultra-violet dye used to distinguish the microscopic droplets. All of the applications conducted so far during 2016 have shown excellent droplet characteristics and penetration of the product under field conditions. Additionally, the laboratory interns and personnel are conducting mosquito trapping twice a week in order to further provide efficacy data on the targeted mosquito populations following an adulticide application. These trials will continue throughout the 2016 active mosquito season. Manager White also updated the Board on a larvicidal trial that the laboratory is conducting in catch basins to better determine the efficacy of the main product (VectoLex WSP) used in those habitats.

13. Compensation Time Discussion and Approval:

Manager Faraji updated the Board about the current policy in place for the accumulation of compensation hours. He mentioned that, since some employees may accrue more hours than the 240 hours that are currently provided in the policies, we may need to make a policy adjustment to allow for the accumulation of additional hours in an effort to avoid paying overtime. Manager Faraji also mentioned that some government agencies may utilize an employee Sick Leave Policy that promotes and rewards employees for good attendance. If an employee does not use a stipulated number of sick leave hours, s/he is entitled to participate in a sick leave buy-back program at the end of each year. A discussion also ensued regarding the definition of exempt and non-exempt employees. The Trustees indicated that changes in the policy should be reviewed by legal counsel. Manager Faraji was tasked with asking our legal counsel with personnel and human resources expertise (Rachel Anderson) to look into this policy and report back to the Board. Manager Faraji also stated that, since we review all personnel and handbook policies at the beginning of each year, it may be better to include such changes as a larger overhaul to the employee handbook and policies.

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

- Canada-Latin America-Caribbean Zika Virus Program, CIHR, 30-31 August 2016, Ottawa, Canada:

Manager Faraji has received a personal invitation to participate in this meeting. The purpose of the meeting is to review grants/proposals so that priority may be put in place for those with a larger practical public health and vector control component. The Canadian government will cover airfare and

hotel, but Manager Faraji requested the days to attend the meeting. The Board agreed to provide support for Manager Faraji to attend this meeting.

- Society for Vector Ecology, 12-15 September 2016, Anchorage AK:

Manager Faraji has regularly attended this meeting in the past; however, given his time constraints and additional meetings during that same month, he mentioned that Assistant Manager White would like to attend this meeting instead. The Board provided support for Assistant Manager White to attend this meeting.

- AMCA Interim Board Meeting, 19-21 September 2016, San Diego CA:

Manager Faraji reminded the Board that he has been elected to serve as the West Central Representative for the Executive Board of the American Mosquito Control Association. The AMCA generally holds an annual meeting and an interim board meeting several months prior to the general meetings in order to finalize budgets and select host city locations. The Board provided support for Manager Faraji to attend this meeting.

- ESA International Congress of Entomology, 26-30 September 2016, Orlando FL:

Manager Faraji will be hosting a symposium on "Unmanned Aerial Vehicles for Mosquito Control" at this conference. The Board had previously approved supporting Manager Faraji's attendance at this meeting.

- UMAA Annual Meeting, 2-4 October 2016, Midway UT:

This meeting will be attended by the Board of Trustees and all of the SLCMAD full time staff.

- Northwest Mosquito & Vector Control Association Annual Meeting, 5-7 October 2016, Welches OR:

Manager Faraji attended the NWMVCA Annual Meeting last year and, although it was a smaller meeting, it was very productive. It is important to support this organization; they have asked Manager Faraji to present at this conference again this Fall. The Board provided support for Manager Faraji to attend this meeting.

- Utah Association of Special Districts, 2-4 November 2016, Ogden UT:

Manager Faraji, Assistant Manager White, CFO Fairbanks, and all interested Trustees will be attending this meeting.

- Florida Mosquito Control Association, 13-16 November 2016, Miramar FL:

Manager Faraji was asked to attend this meeting and present on his findings with control measures against container-inhabiting mosquitoes, such as the vectors for Zika virus. Since these invasive mosquitoes are of high interest currently, many organizations are interested in effective control measures against these mosquitoes. Because Manager Faraji has been asked to speak at this meeting; the FMCA will pay for his registration and lodging. The Trustees gave Manager Faraji permission to take the time off to attend this meeting.

15. Manager's Report:

Manager Faraji had previously provided the Board with a copy of the Manager's Report for review. This report was for informational purposes, and it was only briefly discussed with the Board. Manager Faraji provided an update on full time and also seasonal staff, with special emphasis on policies and procedures that need to be addressed. He also discussed workman's compensation incidents and other staff occurrences. Manager Faraji informed the Board that Education Specialist Greg Jensen is currently on a two-week military leave for his annual training, and he has been asked to serve on the National Guard base for an additional two months. He is currently scheduled to return to work at the beginning of October.

16. Probable Agenda Items for 18 August 2016 Board Meeting, 12:30 PM:

- Manager's Report
- Bond Parameters Resolution
- Aerial Mosquito Control Pesticide Application Services Contract
- Five-Year Plan Update

A boxed meal will be available at 12:00 PM for the Board Members prior to the August Board Meeting.


17. Adjournment:

The meeting was adjourned at 3:03 PM.



Ary Faraji, District Manager

18 AUG 2016
Date



Karen Okabe, Board Chair

18 AUGUST 2016
Date

