

23187 Connecticut Street
Hayward, CA 94545

T: (510) 783-7744
F: (510) 783-3903

acmad@mosquitoes.org

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Subru Bhat

Union City

Ryan Clausnitzer

General Manager

**ACMAD Finance Committee
Agenda**

5:00 P.M-5:30 P.M. 1/23/2023

Hybrid Meeting of the Finance Committee

Physically held at the Office of the District

23187 Connecticut Street, Hayward, CA 94545 and

Teleconferencing at <https://us02web.zoom.us/j/83988170981>

see below for additional details.

Committee Members:

Elisa Márquez, Chair

Subru Bhat

Eric Hentschke

Topics:

1. Roll call.
2. Approval of April 13th, 2022, meeting minutes. **(Action Required)**
3. Review staff proposal to change credit card providers **(Action Required)**
 - a. Umpqua Commercial Card Program proposal
4. Review staff proposal to realign reserve funds **(Action Required)**
 - a. California CLASS investment option flier
 - b. Investment, Cash, & Reserve January statement
 - c. Financial reserve policies
5. Adjourn

**The Finance Committee is not a decision-making body and can only make recommendations to the Board. All decisions are made by the full Board at the regular meeting of the Board of Trustees.*

ANYONE ATTENDING THE MEETING MAY SPEAK ON ANY AGENDA ITEM AT THEIR REQUEST.

Please Note: Board Meetings are accessible to people with disabilities and others who need assistance. Individuals who need special assistance or a disability-related modification or accommodation (including auxiliary aids or services) to observe and/or participate in this meeting and access meeting-

related materials should contact Ryan Clausnitzer at least 48 hours before the meeting at 510-783-7744 or acmad@mosquitoes.org.

IMPORANT NOTICE REGARDING MEETING PARTICIPATION:

All members of the public seeking to observe and/or to address the local legislative body may participate in the meeting by attending in person at the address listed above, telephonically, or otherwise electronically in the manner described below.

HOW TO OBSERVE THE MEETING:

In Person: Attend in person at the Office of the District located at 23187 Connecticut Street, Hayward, CA 94545.

Telephone: Listen to the meeting live by calling Zoom at **(669) 900-6833** Enter the **Meeting ID# 839 8817 0981** followed by the pound (#) key.

Computer: Watch the live streaming of the meeting from a computer by navigating to <https://us02web.zoom.us/j/83988170981>

Mobile: Log in through the Zoom mobile app on a smartphone and enter **Meeting ID# 839 8817 0981**

HOW TO SUBMIT PUBLIC COMMENTS:

Before the Meeting: Please email your comments to acmad@mosquitoes.org, write "Public Comment" in the subject line. In the body of the email, include the agenda item number and title, as well as your comments. If you would like your comment to be read aloud at the meeting (not to exceed three minutes at staff's cadence), prominently write "Read Aloud at Meeting" at the top of the email. All comments received before 12:00 PM the day of the meeting will be included as an agenda supplement on the District's website under the relevant meeting date and provided to the Trustees at the meeting. Comments received after this time will not be read aloud but will be added to the record after the meeting.

During the Meeting: The Board President or designee will announce the opportunity to make public comments. Speakers will be asked to provide their name and city of residence, although providing this is not required for participation. Each speaker will be afforded up to 3 minutes to speak unless another time is specified. Speakers should remain silent and/or will be muted until their opportunity to provide public comment.

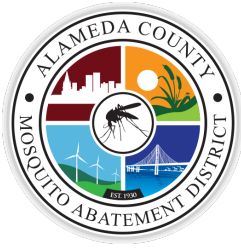
In Person: Members of the public may raise their hand and wait to be recognized by the Board President or designee.

Telephone: Press star (*)9, which will alert staff that you have a comment to provide.

Computer or Mobile: Use the "raise hand" feature to alert staff that you have a comment to provide.

PUBLIC RECORDS:

Public records that relate to any item on the open session agenda for a meeting are available for public inspection. Those records that are distributed after the agenda posting deadline for the meeting are available for public inspection at the same time they are distributed to all or a majority of the members of the Board. The Board has designated the District's website located at <https://www.mosquitoes.org/board-of-trustees-regular-meetings> as the place for making those public records available for inspection. The documents may also be obtained by emailing acmad@mosquitoes.org.



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**ACMAD Finance Committee
Minutes**

4/13/2022

Board of Trustees

President

Subru Bhat

Union City

Vice-President

Victor Aguilar

San Leandro

Secretary

Cathy Roache

County at Large

Tyler Savage

Alameda

Preston Jordan

Albany

P. Robert Beatty

Berkeley

Shawn Kumagai

Dublin

George Young

Fremont

Courtney Welch

Emeryville

Elisa Márquez

Hayward

Steven Cox

Livermore

Jan O. Washburn

Oakland

Eric Hentschke

Newark

Hope Salzer

Piedmont

Julie Testa

Pleasanton

Ryan Clausnitzer

General Manager

Committee Members:

Preston Jordan, Chair

Victor Aguilar

Subru Bhat

Tyler Savage

Courtney Welch

George Young

Topics:

The Chair called the meeting to order at 4:31 P.M.

1. Trustees Jordan, Aguilar, Bhat, Savage, and Young were present on the Zoom meeting, Trustee Welch was absent, Ryan Clausnitzer and Michelle Robles were present on the teleconference representing the District and to record the minutes.

2. Approval of the March 9th, 2022 meeting minutes.

Motion: Trustee Bhat moved to approve the minutes

Second: Trustee Aguilar

Vote: motion carries: unanimous

3. Review 2nd draft of the 2022-2023 ACMAD Budget. (Information only)

Discussion:

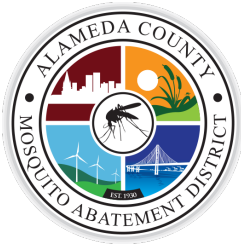
After a presentation by the General Manager on the changes from the 1st draft, Chairman Jordan thanked staff for incorporating the changes, explained a work-around for circular logic issues in excel, and requested clarification on the budget approval process (this version of the budget will be presented at the April regular meeting with another reading in May, for approval). Trustee Aguilar asked for clarification on a column on the salary page (% increase due to longevity).

4. Adjourn at 4:52 P.M.

Respectfully submitted,

Approved as written and/or corrected at the Finance Committee meeting held 1/23/2023.

Trustee _____
Finance Committee Member



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General Manager

Changing Credit Card Providers

Background:

One of our strategic plan goals this year is to review and improve our credit card process. Currently, the district uses Cal-Card for credit card services. Although we have not had any significant issues with the card program, there are limited review options for management, the current reconciliation process for credit card receipts is inefficient, and because of these shortcomings, the credit card rebates are underutilized. Staff met with Umpqua bank, CSDA's Commercial Card Program, to determine if this card service would streamline the reconciliation process while providing improved management credit card review leading to additional rebate revenue.

Analysis:

We currently receive the credit card statements once a month which are reconciled with the paper receipts. These transactions are then manually entered into the accounting software—weeks after the charges are made. This reconciliation process takes about a workday each month, not counting the time needed to ask purchasing agents, the nine staff members who are assigned credit cards, for receipts they may have neglected to file. To review the current card balance or to randomly audit the program, management must log into the system and manually query each card holder's individual transactions.

Umpqua has developed an application that would allow purchasing agents to upload photos of their receipts and assign their purchases to the proper budget account immediately. This would eliminate a significant number of resources and allow staff to have digitalized copies of receipts for recordkeeping. Staff will submit their expense report, and once approved by management, transactions will be uploaded into the accounting software. Management can set up automated reports (daily, weekly) to ensure transactions are being reviewed on a consistent basis.

Umpqua bank offers an annual rebate of 1.00% on all purchases compared to Cal-Card's 1.35%. But since we have purposely limited our credit card purchases due to the limited controls and transaction management, we will encourage transferring more of our check payments (e.g., utilities, phone services, pesticides) to credit card purchases, allowing the district to utilize the rebate and bring in more revenue.

Pricing:

To set up the expense management program there will be a one-time fee of \$1,500.00 and the district will then pay \$100.00 monthly.

Recommendation:

Staff is recommending moving our credit card services from Cal-Card to Umpqua bank, CSDA's Commercial Card Program.

Attachment:

- Presentation from Umpqua bank



California Special Districts Association Commercial Card Proposal



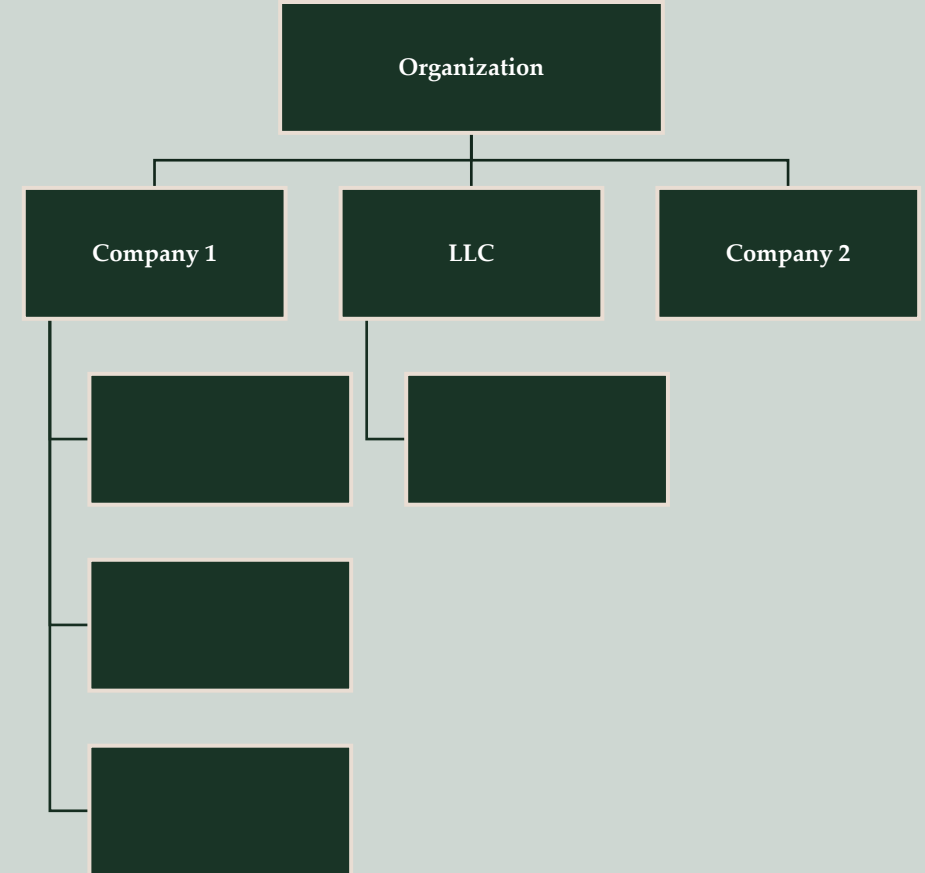
Our One-Card Solution

Umpqua Bank Cards can be configured to meet any and all needs in a one card.

Customize Your Company Set-Up

- Travel & Expense Cards (merchant categories can be customized)
- Purchasing Cards (including Virtual Cards if needed)
- Fleet Cards (restricted to only fuel purchases)
- Automated payables & Integrated payment

A direct data feed into Concur, Expensify, Chrome River or most other third-party expense solutions is available



How We Protect You

Our commercial card consolidates the specialized features and benefits of purchasing, travel and fleet cards into one powerful and flexible business tool.

Visa Liability Waiver

Protect your company against unauthorized use and charges by employees

Up to \$100,000
per cardholder

Visa Travel & Emergency Services

Emergency card replacement

Lost luggage assistance

Auto rental collision waiver

Travel accident insurance

Medical & legal referral

Emergency messaging

Visa Fraud Protection

Protection against unauthorized charges

Ability to review and dispute transactions that may be fraudulent or authorized

“ It’s no joke that the loss of trust is far more damaging than the loss of money.”

Kelly Paxton, Author

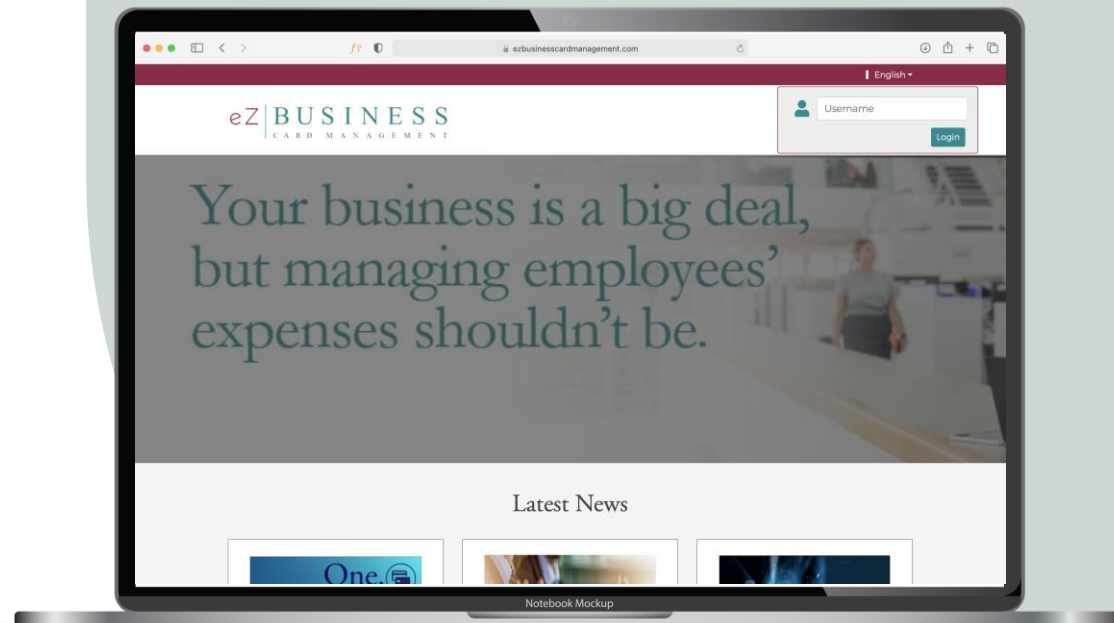


Custom Controls Made for Your Team

With unlimited administrator access, make changes, get updates, and manage data in real-time, whenever and wherever you need it most.

What you can do:

- Manage cardholder limits (temporary or permanent)
- Order new cards
- Dispute transactions (if needed)
- Establish card blocks or close cards
- View statements and transaction details
- View authorizations and pending transactions
- View, sort, customize, and download transaction reports with detail
- Apply Merchant Category Code (MCC) restrictions at company or card level



Technology Where You Need It

Get our innovative payment technology on-the-go with all our Commercial Card capabilities connected to your wireless device.



Contactless Card

It's fast and easy to use—just tap and go on applicable card readers

One-time codes ensure each unique transaction is secure

Reduce your contact with people and surfaces



Mobile Wallet

Easy to shop online and in store with instant approvals and tap-to-go technology

Lighten your pockets! With the mobile wallet, you reduce the need to carry physical cards



Visa Commercial Pay

Request and deploy virtual cards on-demand

Digitally issue virtual cards to employee and contractor's mobile devices

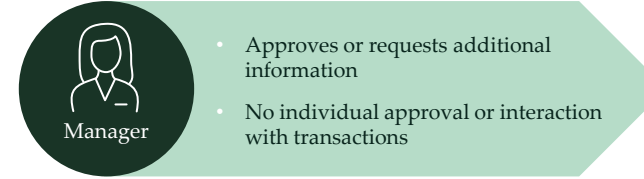
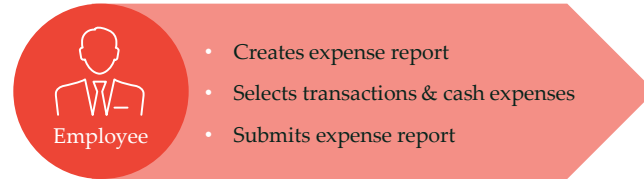
Centrally manage business travel spend



Expense Management Where You Need It

Expense Management and Reporting Systems provide a seamless fit to your expense report workflow needs

The expense reporting workflow



How Umpqua helps

Expense Reporting Functions

- View and code transactions to company GLs and codes
- Non-card reimbursement option for cash, mileage, etc
- Mobile receipt imaging available

System can be used by cardholders and non-cardholders

Expense report approval workflow to managers or approvers

Administrative control of program and design

Customized to your company's accounting structure and coding requirements

Data analysis and extract reports

Upload transaction detail to your accounting software or ERP solution

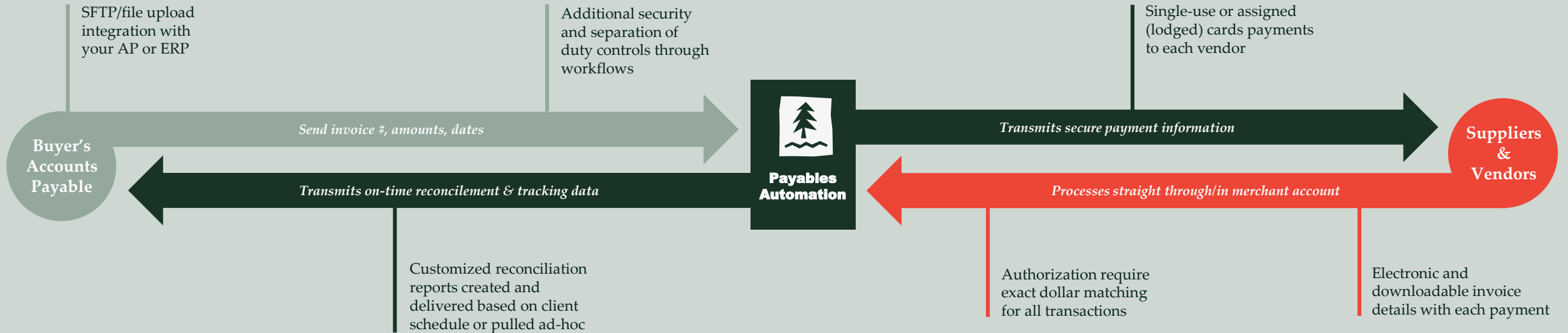


Optimize Your Accounts Payable Process

Now you can get greater control and efficiency over your company's payables and maintain liquidity by streamlining the management of your company's accounts payable process.

How It Works:

Our automated payables platform allows you to achieve efficiency and drive cost savings down through a secure, card-based payments solution for your vendors and suppliers.



Single Use & Adjustable Limit Options

Single Use Accounts (SUA)

Revolving pool of accounts

Minimum dormancy 90 days

One to one reconciliation

Industry best practice



Adjustable Limit Accounts (Lodged Cards)

Dedicated vendor card number

Demanded by some vendors



Supplier Enablement Services Outline



Umpqua's role

Umpqua representatives' partner with buyers (you) and their suppliers to streamline accounts payable processes, with quicker and more efficient payment to suppliers using Virtual card payments.

Leverage partnership with Visa, BillTrust and/or Boost to analyze supplier data and compile target list



Manage supplier recruiting campaign

Support various types of card payments: Single Use, Lodged and Virtual Cards

Leverage skilled team for inbound/outbound calling effort and email communication

Tailored message to meet buyers needs

Provide detailed reporting and tracking



Reduced workload for the buyer

Approve target list & communication materials

Manage internal coordination

Support campaign activities when needed

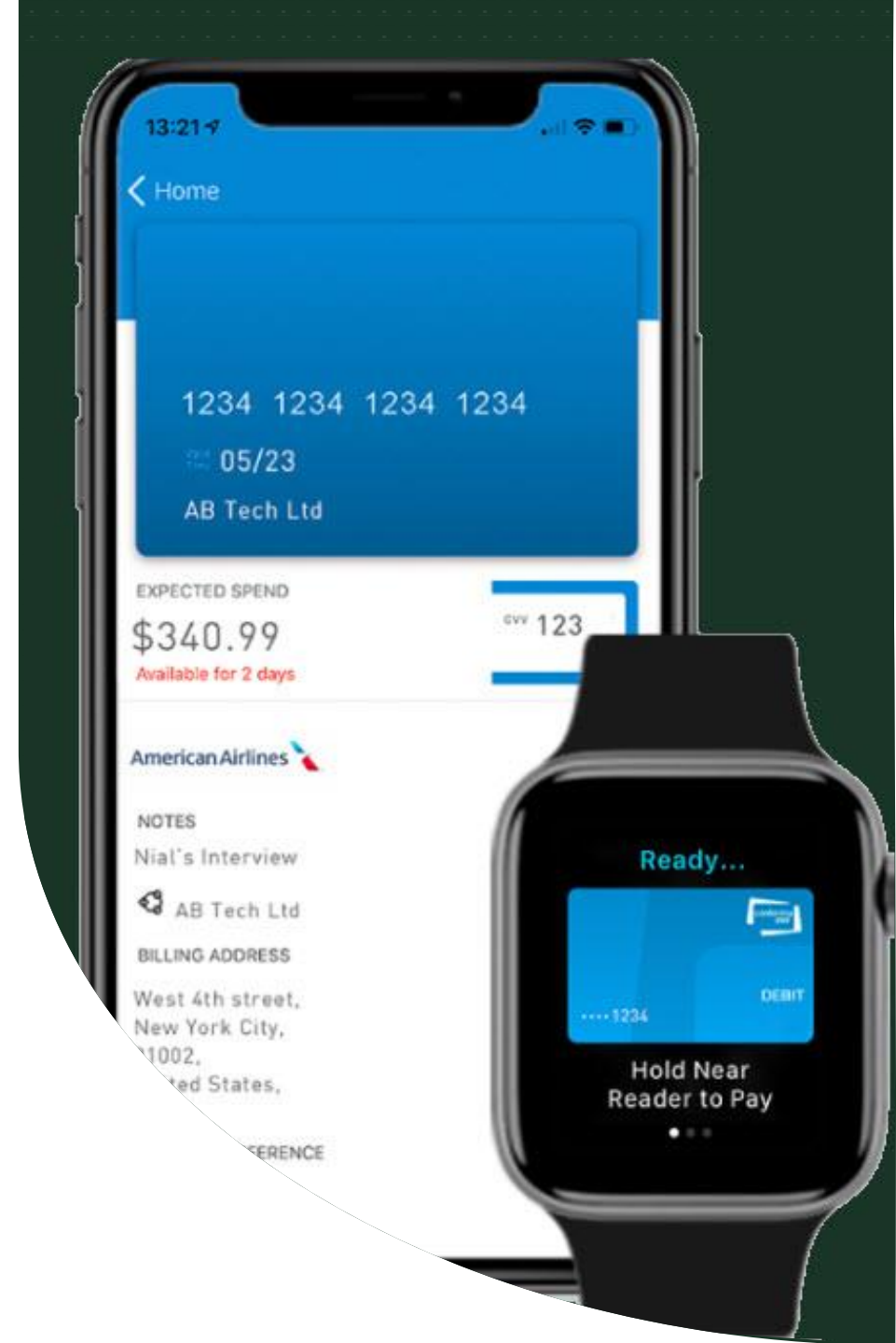
Activate enrolled suppliers in ERP





Visa Commercial Pay

Instant Issuance, App Based, Travel Management Integration



Efficiently deliver virtual accounts with visibility and control.



Instantly issue virtual cards



Integrate with travel providers



Manage spend controls



Track total trip cost with receipts



Eliminate cash advances



Partial and full programs



Capture rich transaction data



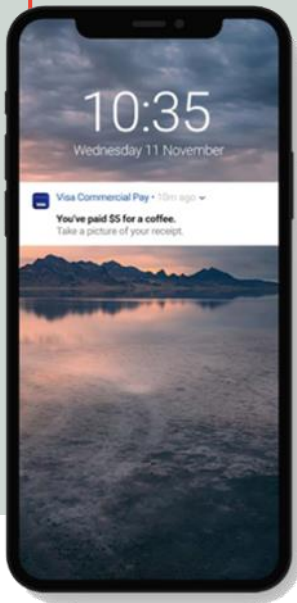
Online cardholder requests



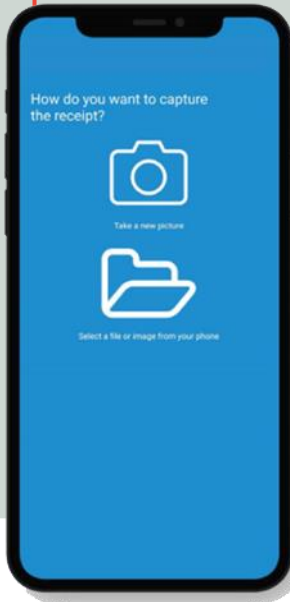
Instant Issue

Virtual cards for vendors, travelers and contractors

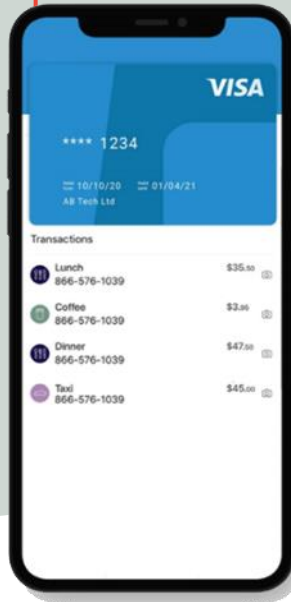
Real-time notifications to remind users to take pictures of their receipts as they spend.



Add a receipt with a picture or forward it from an email.



Review transactions for each card.



Flexibility and Control

- Users can request cards from their phones
- Approvals by default, hierarchy, or combination
- Unique virtual cards sent for single or multi use
- Spend limitations can be set to include transaction, time frame, merchant types
- Capture required coding and receipts via the app
- Control centrally or distribute “pools” of funds to project, department, or task managers
- Company level controls and reporting via web portal

Digital

- Mobile Wallets-Apple Pay, Google Pay, Samsung Pay
- Instant issuance of card to the app
- Push the card to phone wallet for tap to pay functionality (q1 2022)



Benefits

- **Increase usage controls and visibility**
- **Worry free issuance – no mail or delivery process that comes with delays and risk of lost cards**
- **Increased speed of issuance – especially beneficial for remote employees, contractors, students, etc**
- **No lost cards**
- **Employee convenience – people are rarely without their mobile phones**
- **Ease of cancellation – cancelled centrally and no need to collect the card**
- **Reduces or eliminates card sharing**



CSDA CUSTOM CARD

Benefits

- Excite your teams and create a thoughtful employee experience with branded CSDA employee credit cards
- Create brand recognition outside of your organization whenever your team uses the credit card
- Easy to recognize so your employees know they're using the right payment methods at the right time



Revenue Share Opportunity

Umpqua Bank offers CSDA members revenue share designed to reward your current activity and achieve your company's growth and implementation goals.

1.00%

On annual spend exceeding \$1.00

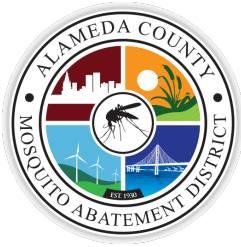


Thank You



UMPQUA
BANK

Together
for better



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Reserve account realignment

Background:

The district had an existing LAIF account for local government investment reserve options when it became a participant in CAMP of November of 2017. In March of 2022, the district chose to be a founding member of a *new* local government investment pool, California CLASS, by depositing \$500,000 in July of 2022 which also allowed it to have a Trustee on the Board of the Joint Powers Authority: The General Manager, who was appointed by the CSDA Board of Directors to a 3-year term.

Analysis:

While the performance of CAMP and California CLASS are comparable, they both outperform LAIF (currently, by 2%) because of its investment authorization found in California Government Code §53601 vs, §16430 & §16480. 4. Also, CAMP and California pay interest monthly, rather than quarterly with LAIF.

While CAMP and California CLASS are comparable local government investment options, the district benefits from *more* participation with California CLASS based on its direct oversight as a Board member, participation with similarly sized local governments written into the formation documents, cost structure, customer service, and client portal.

Soon, California CLASS is launching an option to PRIME called Enhanced Cash. This differs from PRIME as it has a longer weighted average maturity and is thus more suited to an investment horizon of 12-18 months.

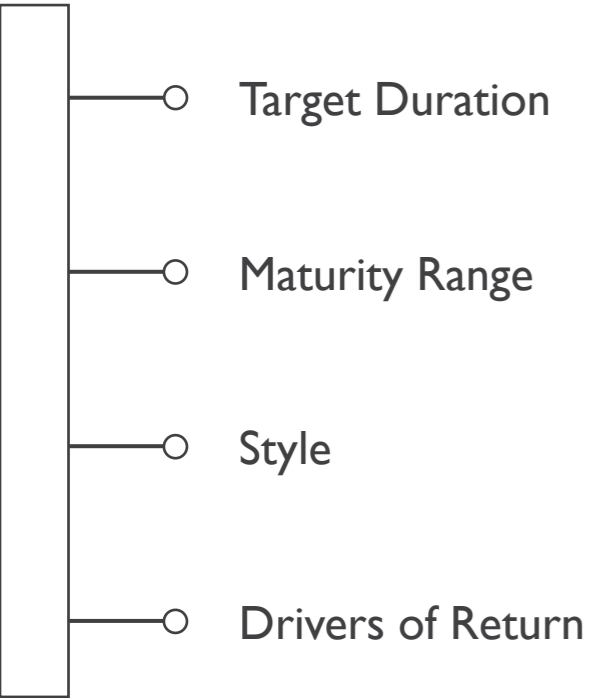
Recommendation:

Staff is recommending the following adjustments to our investment reserve accounts and to evaluate interest income every quarter between reserve accounts (LAIF, California CLASS, CAMP) and adjust accordingly.

Current Reserve Accounts	Proposed Reserve Accounts
LAIF (operational funds)	<i>California CLASS Prime: Operational Funds</i>
CAMP: Repair & Replace	<i>California CLASS Prime: Repair & Replace *</i>
CAMP: Operational Reserve	<i>California CLASS Prime Class: Op. Reserve *</i>
CAMP: Capital Reserve	<i>(No change)</i>
California CLASS Prime: Pub Health	<i>(No change) *</i>
County Account	<i>LAIF (portion of County Funds)</i>

* Move these accounts to California CLASS Enhanced Cash, when available.

Complementary Investment Strategies



California CLASS Prime	
Target Duration	60 Day WAM Maximum
Maturity Range	One to 397 Days
Style	<ul style="list-style-type: none"> o Stable NAV o Overnight Cash o Operating Core
Drivers of Return	Federal Funds Target Rate Monetary policy expectations Shape of the yield curve Asset allocation Security selection

California CLASS Enhanced Cash	
Target Duration	1.5 – 2 Years
Maturity Range	One to five years
Style	<ul style="list-style-type: none"> o Actively Managed o Focused on Income o Longer Investment Horizon
Drivers of Return	Duration management Shape of the yield curve Asset allocation Security selection

California CLASS offers two complementary strategies that prudently seek to achieve higher returns on operating and reserve funds. California CLASS enables public agencies to take advantage of the full range of investments authorized in the Code of California with the guidance of a professional fund manager.

Please refer to the disclosure slide of this presentation for more information.

California Local Government Investment Pool Options

	California CLASS		LAIF
Portfolio Type	Prime Style MMF	Enhanced Cash	Enhanced Cash*
Purpose	Short term liquidity	Core reserve strategy	Short term liquidity
Investment Advisor	PTA	PTA	CA State Treasurer
Rating	AAAm	AAAf SI	Not Rated
Liquidity Offered	Daily	Next Day	Daily
Investment Authorization	53601	53601	16430 and 16480.4
Weighted Average Maturity	60-day max	9mos – 1.25yr	Unlimited**
Interest Paid	Monthly	Monthly	Quarterly
Rate	Calculated Daily	Calculated Daily	Posted Weekly
Governance	Board of Trustees		Local Investment Advisory Board

**Alameda County Mosquito Abatement District
Investment, Reserves, and Cash Balance Report
December 31, 2022. (6 of 12 mth, 50%)**

Account #	Investment Accounts	Beginning Balance	Deposits	Withdrawals	Earnings ¹	Ending Balance	
1004	LAIF	\$ 1,049,385.10	\$ -	\$ (464,000.00)	\$ -	\$ 585,385.10	
1005	OPEB Fund	\$ 4,428,659.98	\$ -	\$ -	\$ (104,130.78)	\$ 4,324,529.20	
1006	VCJPA Member Contingency ²	\$ 341,986.00	\$ -	\$ -	\$ -	\$ 341,986.00	
1008	CAMP: Repair and Replace	\$ 2,657,380.05	\$ -	\$ -	\$ 9,714.05	\$ 2,667,094.10	
1010	CAMP: Operating Reserve	\$ 1,971,656.16	\$ -	\$ -	\$ 7,207.39	\$ 1,978,863.55	
1011	CAMP: Capital Reserve Fund	\$ 373,919.88	\$ -	\$ (3,757.50)	\$ 1,353.13	\$ 371,515.51	
1012	PARS: Pension Stabilization ³	\$ 1,984,673.57	\$ -	\$ -	\$ 79,194.03	\$ 2,063,867.60	
1013	California CLASS: Public Health Emergency Fund	\$ 533,018.06	\$ -	\$ -	\$ 1,895.57	\$ 534,913.63	
Total		\$ 13,340,678.80	\$ -	\$ (467,757.50)	\$ (4,766.61)	\$ 12,868,154.69	
		Beginning Balance			Withdrawals	Activity	Ending Balance
Cash Accounts							
1001	Bank of America (Payroll Account) *	\$ 69,897.55			-	-	\$ 158,686.67
1002	Bank of The West (Transfer Account) *	\$ 336,209.07			-	-	\$ 340,254.83
1003	County Account	\$ 786,093.26	\$	-	\$ 2,601,237.42	\$	\$ 3,387,330.68
1013	Petty Cash	\$ 288.64	\$	-	\$ (13.05)	\$	\$ 275.59
Total		\$ 1,192,488.52	\$	-	\$ 2,601,224.37	\$	\$ 3,886,547.77

1 - Earnings are booked as unrealized gains/losses. These earnings would not be recognized as "realized" gains/losses until the accounts are liquidated.

2 - VCJPA Member Contingency balance is as of September 30, 2022.

3- PARS - Pension Stabilization balance is as of November 30, 2022.

APPENDIX 200-1

ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT PUBLIC HEALTH EMERGENCY FUND

Purpose of Fund:

The purpose of the Public Health Emergency Fund is to mitigate the financial impact of unusually high levels of vector-borne disease activity or prevent a future threat to public health from a newly detected invasive mosquito species.

Policy:

In order to achieve the objectives of this policy the Board of Trustees shall adhere to the following guidelines:

1. This fund shall be known as the “Public Health Emergency Fund.”
2. The Public Health Emergency Fund shall be designated as a Committed Fund.
3. These funds will be used to replenish operating cash flow in the General Fund should circumstances cause the District to incur greater than normal expenses to prevent or manage an imminent threat to public health from vectors and vector-borne disease.
4. Expenditure of Public Health Emergency Funds must be authorized by the Board of Trustees at a publicly noticed meeting.
5. Expenditures from this designated fund that are subsequently recovered, either partially or fully, from State sources, shall be utilized solely for the purpose of refunding the Public Health Emergency Fund.
6. Investment earnings from the Public Health Emergency Fund may be credited to the District’s General Fund.
7. The Public Health Emergency Fund may be invested in financial institutions and instruments that maintain the highest level of liquidity, such as checking, savings, and interest earning savings accounts.
8. Annual replenishment will vary, depending upon other designation requirements and current year expense requirements.
9. This policy shall be reviewed on an annual basis for long-term adequacy and use restriction.

Target Fund Level:

The target balance of this fund is based on an estimate of likely operational needs should the most likely public health threat scenario become reality. This target balance will be reviewed annually and adjusted as needed to remain current. However, it is recognized that having a minimum fund balance of \$500,000 would be prudent.

APPENDIX 200-2

ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT REPAIR AND REPLACE FUND

Purpose of Fund:

The purpose of the Repair and Replace Fund is to set aside sufficient financial resources to ensure timely replacement and upgrade of the District's vehicles, mobile equipment, laboratory equipment, operational equipment, administrative equipment, and facilities.

Policy:

In order to achieve the objectives of this policy the Board of Trustees shall adhere to the following guidelines:

1. This fund shall be known as the "Repair and Replace Fund."
2. The Repair and Replace Fund shall be designated as a Committed Fund.
3. These funds will be used to pay for capital assets according to the District budget and purchasing policies.
4. Each year, funds can be transferred from the Repair and Replace Fund to the General Fund to cover the cost of capital purchases designated and approved during the annual budgeting process.
5. Funds transferred from the Repair and Replace Fund shall be expended solely for the purpose of replacement, repair, and upgrade of existing District vehicles and equipment, or for renovations or replacement of District facilities.
6. The Repair and Replace Fund may be invested in financial institutions and instruments that maintain the highest level of liquidity, such as checking, savings, and reserve accounts.
7. Investment earnings from the Capital Improvement Fund may be credited to the District's General Fund.
8. Annual replenishment will vary, depending upon other designation requirements and current year expense requirements.
9. This policy shall be reviewed on an annual basis for long-term adequacy and use restriction.

Target Fund Level:

The target balance for this fund is determined by the District's capital asset replacement program and the total cumulative depreciation for the District's capital assets as stated in the District's Basic Financial Statements prepared by the auditor each year. This target

will be reviewed annually and adjusted as needed with the additions, deletions, or replacements of capital assets. A more thorough review shall be completed every 5 years to update the escalation rates, the discount rate, net present value, and overall cash flow required to extend the replacement plan another 5 years. This fund shall be funded in order of preference in 3 or 4-year installments, a lump sum payment, or pay as you go.

APPENDIX 200-3

ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT OPERATING RESERVE FUND

Purpose of Fund:

This fund would act as a rate stabilizer, covering unforeseen losses in revenue caused by drastic reductions in property taxes. This fund will preserve the District's credit worthiness, ensure adequate financial resources are available for timely payment of District obligations, and provide liquidity throughout the fiscal year.

Policy:

In order to achieve the objectives of this policy the Board of Trustees shall adhere to the following guidelines:

1. The fund shall be known as the "Operating Reserve Fund."
2. The Operating Reserve shall be designated as a Committed reserve fund.
3. Each year, funds can be transferred from the General Fund to the Operating Reserve Fund to ensure the target fund balance is met.
4. Funds transferred from the Operating Reserve Fund shall be expended solely for the purpose covering unforeseen losses in revenue caused by drastic reductions in property taxes.
5. Investment earnings from the Operating Reserve Fund may be credited to the District's General Fund.
6. Annual replenishment will vary, depending upon other designation requirements and current year expense requirements.
7. This policy shall be reviewed on an annual basis for long-term adequacy and use restrictions.

Target Fund Level:

The target fund level for the Operating Reserve Fund is to maintain a minimum equal to 60% of discretionary General Fund revenues, as of July 1st of each fiscal year. If underfunded, 25% of excess revenues will be deposited into the Operation Reserve Fund. This target fund level was established based upon the following general guidelines:

1. The District shall maintain a balance in the Operating Reserve Fund equal to approximately 60% of budgeted expenditures for the fiscal year.
2. For the purpose of this policy, budgeted expenditures shall include all expenditures associated with the following:

- (a) Salaries and Employee Benefits; and
- (b) Services and Supplies.

APPENDIX 200-4

ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT CAPITAL RESERVE FUND

Purpose of Fund:

The purpose of the Capital Reserve Fund is to set aside money for large projects rather than withdrawing those funds from the general fund account. Projects may include future capital assets that are ineligible for repair and replace funding such as flooring and painting, or adding new capital assets that are not listed in the capital asset replacement program.

Policy:

In order to achieve the objectives of this policy the Board of Trustees shall adhere to the following guidelines:

1. This fund shall be known as the “Capital Reserve Fund.”
2. The Capital Reserve Fund shall be designated as a Committed Fund.
3. These funds will be used to finance large projects that may be identified in the strategic plan.
4. Each year, funds can be transferred from the General Fund to Capital Reserve Fund to ensure the target fund balance is met.
5. Funds transferred from the Operating Capital Reserve shall be expended solely on capital projects that have been identified in the strategic plan
6. This policy shall be reviewed on an annual basis for long-term adequacy and use restriction.

Target Fund Level:

The target balance of this fund is based on large future capital project needs. This target balance will be reviewed annually and adjusted as needed to remain current. If under-funded, 25% of excess revenues will be deposited into the Capital Reserve Fund.

APPENDIX 200-5

ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT PENSION STABILIZATION FUND

Purpose of Fund:

The purpose of the Pension Stabilization Fund is to ensure that increasing pension costs are offset by investments in interest-earning accounts.

Policy:

In order to achieve the objectives of this policy the Board of Trustees shall adhere to the following guidelines:

1. This fund shall be known as the "Pension Stabilization Fund."
2. The Pension Stabilization Fund shall be designated as a Restricted Fund.
3. These funds will be used to offset increases in pension costs from unfunded liabilities.
4. The Pension Stabilization Fund will be invested in financial institutions that restrict the funds for only pension-related expenses.
5. This policy shall be reviewed on an annual basis for long-term adequacy and use restriction.

Target Fund Level:

The target balance of this fund is based on the annual CalPERS actuarial report of unfunded liability. This target balance will consider funds in CalPERS combined with the amount in PARS to not exceed 100% of liabilities. If under-funded, 25% of excess revenues will be deposited into the PARS 115 Trust.

Withdrawal:

Withdrawals may be considered in the event of:

- Pension costs affecting operational costs;
- If the growth of pension contribution rates (in dollars) is greater than the growth in property tax revenue;
- Paying off specific pension liabilities that will result in interest savings greater than interest earnings on the Trust Fund;
- Economic conditions or fiscal demands arise, e.g. non-discretionary expenditures exceeding revenues.

APPENDIX 200-6

ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT OTHER POST-EMPLOYEE BENEFITS (OPEB) FUND

Purpose of Fund:

The purpose of the Other Post-Employee Benefits (OPEB) Fund is to ensure that agreed-upon health, dental, and vision benefits to retired employees will be fulfilled.

Policy:

In order to achieve the objectives of this policy the Board of Trustees shall adhere to the following guidelines:

1. This fund shall be known as the "Other Post-Employee Benefits (OPEB) Fund."
2. The Other Post-Employee Benefits (OPEB) Fund shall be designated as a Restricted Fund.
3. These funds will be used to annually replenish expenses occurred in the General Fund used to provide health, dental, and vision benefits to qualified retired employees along with fund management.
4. The Other Post-Employee Benefits (OPEB) Fund will be invested in financial institutions that restrict the funds for only OPEB-related expenses.
5. This policy shall be reviewed on an annual basis for long-term adequacy and use restriction.

Target Fund Level:

It is the intent of the District to fully fund the OPEB. The funded status of the OPEB will be assessed based upon the most recent actuarial valuation. Should the plan drop below 90% funded, the District shall consider making an annual contribution equal to at least 50% of the annual determined contribution (ADC) as defined by the most recent actuarial valuation (or whatever percentage the District deems appropriate) from excess revenues. Additionally, the District will review this policy at a minimum biennially, coincident with preparation of the actuarial valuation, to determine if changes to this policy are necessary to ensure adequate resources are being accumulated to fund OPEB benefits.

Withdrawal:

Annual withdrawals are calculated after the close of the fiscal year by adding the prior year's retiree health care, dental, and vision costs along with retiree reimbursements and US Bank and PFM administrative fees.