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Hayward, CA 94545

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### **Newark**

Hope Salzer

### **Piedmont**

Victor Aguilar

### **San Leandro**

Subru Bhat

### **Union City**

### **Ryan Clausnitzer**

*General Manager*

## ACMAD Finance Committee

### Agenda

3:00 P.M.-5:00 P.M. 3/13/2024

23187 Connecticut Street, Hayward, CA 94545

### **Committee Members:**

Subru Bhat, Chair

Eric Hentschke

Kashef Qaadri

Cathy Roache

### **Topics:**

1. Roll call.
2. Public Comment. Chair Bhat invites any member of the public to speak at this time on any issue relevant to the district (each individual is limited to three minutes).
3. Approval of April 12<sup>th</sup>, 2023, meeting minutes. (**Action Required**)
4. Presentation by PFM (3:00-3:30):
  - a. OPEB Asset Allocation modeling
  - b. Current OPEB investment policy (**Possible committee action**)
5. Presentation by California CLASS: Enhanced CASH (3:30-4:00) (Information only)
6. Presentation by Enterprise Fleet Solution (4:00-4:30) (**Possible committee action**)
7. Review 1<sup>st</sup> draft of 2024-2025 ACMAD Budget (4:30-5:00) (Information only)
  - a. Capital replacement plan and depreciation schedule.
  - b. District finance policies (changes to be reviewed at regular meeting).
8. 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](mailto: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.

**HOW TO SUBMIT PUBLIC COMMENTS:**

**Before the Meeting:** Please email your comments to [acmad@mosquitoes.org](mailto: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.

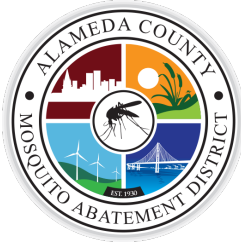
**In Person:** Members of the public may raise their hand and wait to be recognized by the Board President or designee.

**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](mailto:acmad@mosquitoes.org).

**CEQA NOTICE:**

Unless expressly stated otherwise on the agenda (that an MND or EIR is being considered), discretionary actions taken on agenda items will include a finding by the Board that the action is exempt under CEQA. More information about the CEQA determination can be found in the corresponding staff report.



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**Piedmont**

*Valerie Arkin*

**Pleasanton**

*Subru Bhat*

**Union City**

**Ryan Clausnitzer**

*General Manager*

**ACMAD Finance Committee**

**Minutes**

4/12/2023

**Committee Members:**

Subru Bhat, Interim Chair

Eric Hentschke

George Young

Cathy Roache

**Topics:**

The Interim Chair called the meeting to order at 4:17 P.M.

1. Trustees Bhat, Hentschke, Young, and Roache were present. Ryan Clausnitzer and Michelle Robles were present representing the district and to record the minutes. Jerry Legg from Five Star Bank joined via zoom for item #5.

2. Public Comment

3. Approval of the March 8<sup>th</sup>, 2023, meeting minutes.

**Motion:** Trustee Hentschke moved to approve the minutes

**Second:** Trustee Young

**Vote:** motion carries: unanimous

4. Review 2<sup>nd</sup> draft of 2023-2024 ACMAD Budget.

**Discussion:**

After a presentation by the General Manager and Financial & HR Specialist, Trustee Roache asked why there was a 100% increase for Sale of Property and Equipment & Misc. (although the percent change may seem significant, it is only a difference of \$2,500). Interim Chair Bhat asked for clarification on why there was a large drop in the financial advising account (years ago, the district hired a financial consultant to help improve our financial reports, since we haven't utilized the services within the last three fiscal years, we lowered the budget). Trustee Roache asked why there was a decrease in the membership account (we did not renew the ICMA membership).

5. Staff proposal to switch transfer banks from Bank of the West to Five Star Bank (Information only)

a. Five Star Bank Proposal

**Discussion:** Jerry Legg from Five Bank gave a background on the bank and services that are being offered to the district. Trustee Roache asked if Five Star Bank is a Brick-and-Mortar (yes, but not locally). The General Manager asked if there is ever a concern about not having the branch local (the only time you will need to go to the bank is if you have cash deposits which the district does not). The Finance Committee will recommend the proposal at the May Regular board meeting.

6. Adjourn at 4:54P.M.

**Respectfully submitted,**

Approved as written and/or corrected at the Finance Committee meeting held 4/12/2023.

Trustee \_\_\_\_\_  
Finance Committee Member

# Alameda County Mosquito Abatement District

## Asset Allocation Modeling

March 7, 2024 | [pfmam.com](http://pfmam.com)

*PFM Asset Management LLC*

**NOT FDIC INSURED : NO BANK GUARANTEE : MAY LOSE VALUE**



# Capital Market Assumptions

# What are Capital Market Assumptions?

- ▶ Expected future return, associated risk, and correlation for various asset classes over a specified period
  - ▶ Return: Expected average annual growth rate of the asset class for the period
    - 5% annualized over the next 30 years
  - ▶ Risk (Standard Deviation): Expected range of annual returns based on a normal distribution
    - 5% expected return with a 10% standard deviation has a 68% certainty of a return between -5% and 15% in any one year

# 2024 Capital Market Assumptions

	Intermediate: Next 5 Years		Long Term Projections	
	Expected Return	Expected Risk	Expected Return	Expected Risk
US Equity	7.0%	16%	7.5%	16%
U.S. Small-Cap	8.7%	19%	8.6%	19%
Int'l Developed Equity	8.2%	17%	7.1%	17%
EM Equity	8.6%	20%	7.4%	20%
Non-US Small-Cap	8.1%	20%	7.9%	20%
Short-Term Bonds	5.0%	3%	3.7%	3%
Core Bonds	6.2%	5%	4.7%	5%
Global Core	5.1%	5%	3.5%	5%
Int. IG Corp	6.4%	7%	5.4%	7%
Long IG Corp	7.2%	8%	6.2%	8%
EM Debt	7.5%	10%	6.0%	10%
High Yield	8.3%	9%	6.8%	9%
Bank Loans	7.5%	6%	5.3%	6%
Private Debt	8.1%	13%	7.1%	13%
REITs	8.4%	16%	7.0%	16%
Private Real Estate	6.0%	18%	7.2%	18%
Listed Infrastructure	6.5%	13%	6.8%	13%
Private Infrastructure	7.1%	20%	8.0%	20%
Commodities	5.0%	16%	4.0%	16%
Hedge Funds	7.9%	16%	7.6%	16%
Private Equity	9.0%	25%	9.7%	25%
Cash	3.8%	1%	2.7%	1%

*For the intermediate term (up to 5 years), our capital market assumptions derive from our assessment of current economic conditions, including corporate profits, balance sheets, etc., and current valuations for various asset classes. Our long-term assumptions are derived using an economic building block approach that projects economic and corporate profit growth and takes into consideration the fundamental factors driving long-term real economic growth, our expectation for inflation, productivity and labor force growth.*

# What is the Role of Correlation?

- ▶ An estimate of how asset classes will behave relative to one another
- ▶ The measure is standardized and ranges between -1 (perfectly negatively correlated) to +1 (perfectly correlated)
- ▶ Considering how asset classes are correlated as part of the portfolio construction process is important to ensure diversification—a fundamental principle of modern portfolio theory

# 2024 Capital Market Assumptions, Cont.

	U.S. Equity	U.S. Small-Cap	Int'l Developed Equity	EM Equity	Non-US Small-Cap	Short Bonds	Core Bonds	Global Core	Intermediate IG Corp	Long IG Corp	EM Debt	High Yield	Bank Loans	Private Debt	REITs	PE RE	Listed Infrastructure	Private Infrastructure	Commodities	Hedge Funds	Private Equity	Cash
U.S. Equity	1.0																					
U.S. Small-Cap	0.9	1.0																				
Int'l Developed Equity	0.8	0.8	1.0																			
EM Equity	0.7	0.7	0.8	1.0																		
Non-US Small-Cap	0.8	0.8	0.9	0.8	1.0																	
Short Bonds	0.2	0.2	0.1	0.1	0.1	1.0																
Core Bonds	0.1	0.1	0.2	0.2	0.2	0.5	1.0															
Global Core	0.2	0.2	0.3	0.3	0.3	0.4	0.7	1.0														
Intermediate IG Corp	0.3	0.3	0.2	0.2	0.2	0.7	0.9	0.9	1.0													
Long IG Corp	0.3	0.3	0.2	0.2	0.2	0.7	0.9	0.9	0.9	1.0												
EM Debt	0.5	0.5	0.6	0.6	0.6	0.3	0.6	0.7	0.7	0.7	1.0											
High Yield	0.7	0.7	0.5	0.5	0.5	0.3	0.4	0.4	0.7	0.4	0.8	1.0										
Bank Loans	0.4	0.4	0.3	0.3	0.3	0.4	0.1	0.3	0.5	0.3	0.7	0.7	1.0									
Private Debt	0.6	0.6	0.4	0.4	0.4	0.3	0.4	0.4	0.4	0.4	0.4	0.8	0.7	1.0								
REITs	0.6	0.7	0.7	0.6	0.6	0.2	0.3	0.3	0.3	0.3	0.3	0.5	0.4	0.4	1.0							
PE RE	0.4	0.4	0.3	0.3	0.3	0.2	0.3	0.3	0.3	0.2	0.2	0.4	0.2	0.4	0.8	1.0						
Listed Infrastructure	0.7	0.7	0.7	0.6	0.6	0.2	0.3	0.6	0.6	0.5	0.6	0.6	0.5	0.4	0.7	0.6	1.0					
Private Infrastructure	0.3	0.3	0.3	0.2	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.3	0.2	0.3	0.4	0.5	0.7	1.0				
Commodities	0.4	0.5	0.6	0.6	0.6	0.4	0.2	0.2	0.2	0.2	0.4	0.5	0.2	0.2	0.3	0.1	0.5	0.1	1.0			
Hedge Funds	0.6	0.6	0.5	0.5	0.5	0.3	0.4	0.4	0.4	0.3	0.3	0.4	0.4	0.4	0.4	0.3	0.4	0.3	0.2	1.0		
Private Equity	0.7	0.7	0.6	0.6	0.6	0.2	0.3	0.3	0.3	0.3	0.3	0.5	0.2	0.5	0.4	0.4	0.4	0.4	0.1	0.5	1.0	
Cash	0.1	0.1	0.1	0.1	0.1	0.5	0.2	0.2	0.2	0.1	0.1	0.1	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	1.0



# Asset Allocation Modeling

# Asset Allocation Summary

PFMAM 50/50 Model	
<b>Equity</b>	<b>50.0%</b>
US Equity	33.0%
Intl Developed Equity	12.0%
EM Equity	5.0%
<b>Fixed Income</b>	<b>50.0%</b>
Core Bonds	25.0%
Intermediate IG Corp	12.5%
EM Debt	6.3%
High Yield	6.3%

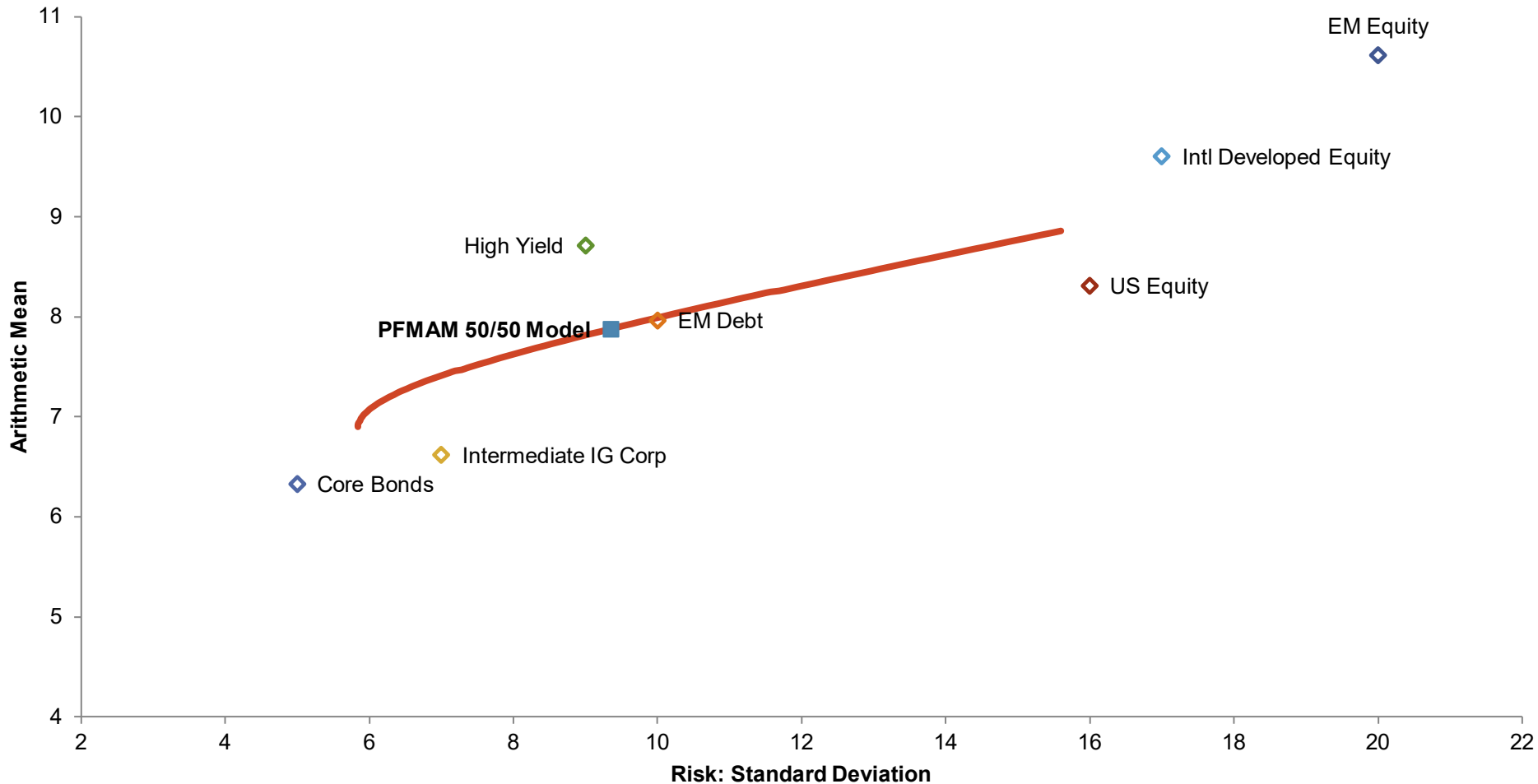
## Intermediate-Term Assump. (5 Years)

Expected Return	7.6%
Standard Deviation	9.4%
Return / Standard Deviation	0.81

## Long-Term Assump. (30 Years)

Expected Return	6.8%
Standard Deviation	9.4%
Return / Standard Deviation	0.73

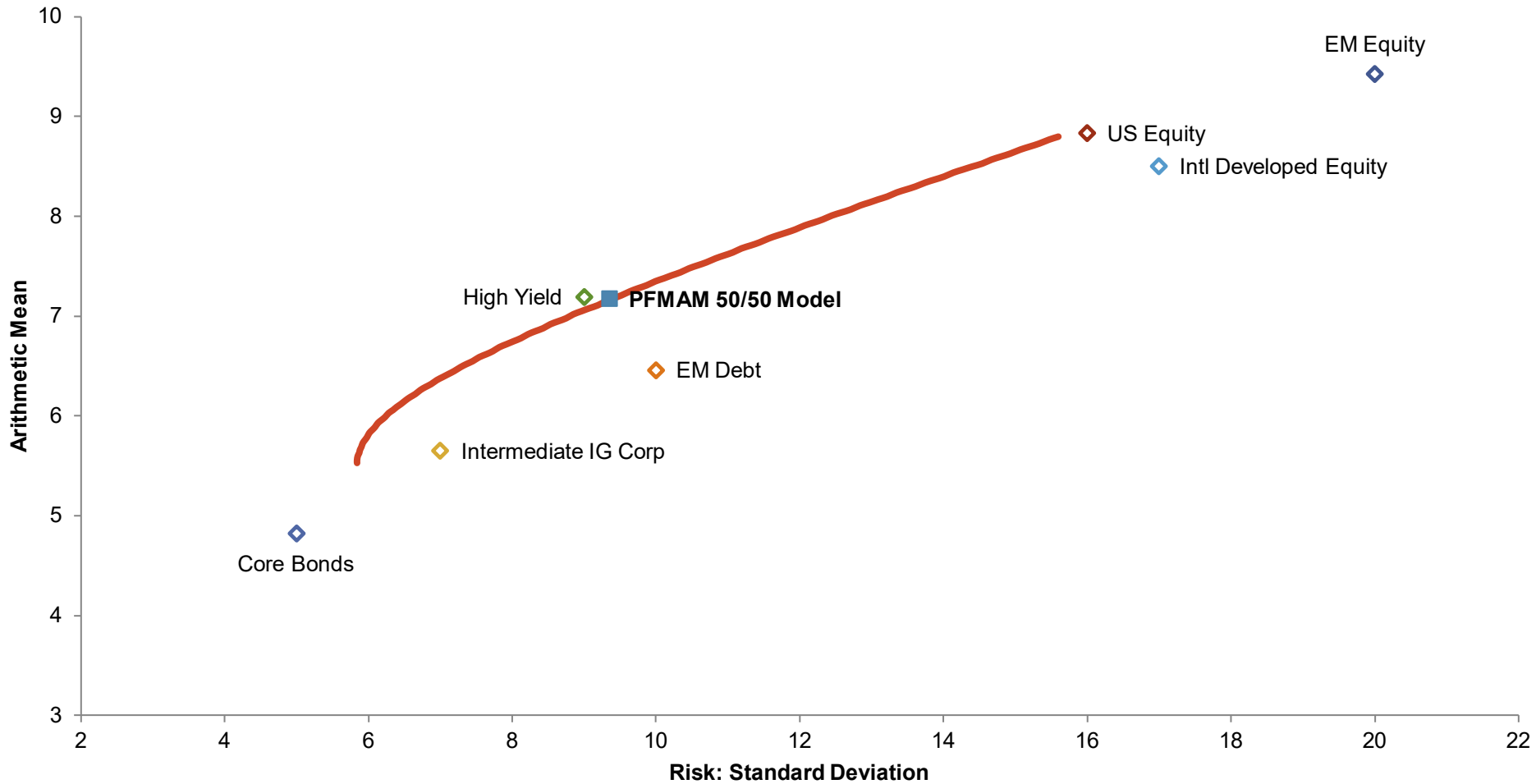
# Efficient Frontier (Intermediate-Term)



Representative as of 2/29/2024. Asset allocations and assumptions are subject to change. Please see important disclosures at the end of this presentation for additional information.

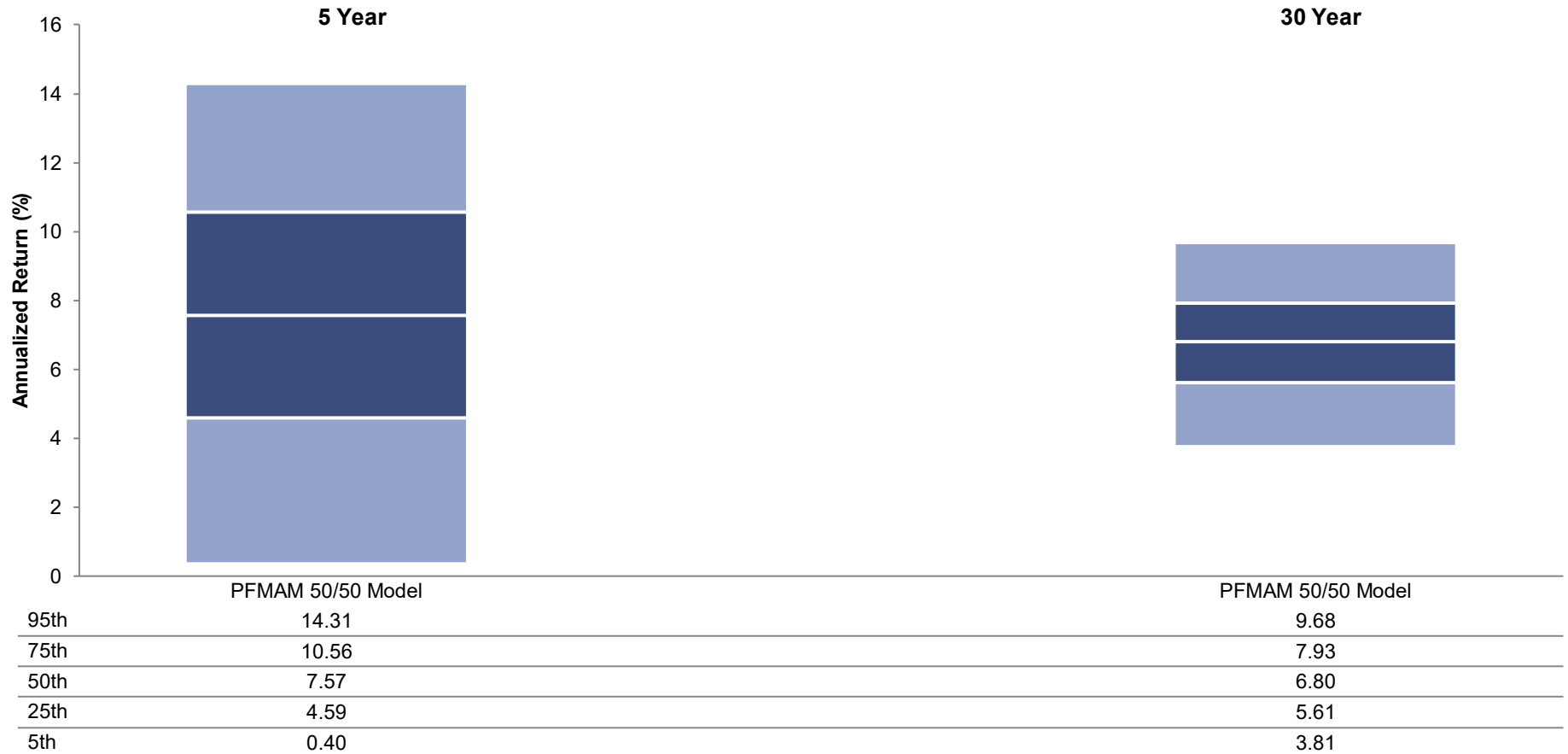


# Efficient Frontier (Long-Term)



Representative as of 2/29/2024. Asset allocations and assumptions are subject to change. Please see important disclosures at the end of this presentation for additional information.

# Return Projections (Intermediate and Long-Term)



The information provided reflects standard risk and return metrics for the portfolio depicted and are derived by running Monte Carlo simulations using PFMAM's Capital Market Assumptions and target asset class allocations. Portfolios are representative. Asset class and risk return analytics are run through FactSet. Please see additional disclosures for more information.

# Important Disclosures for Return Projections (Intermediate and Long-Term)

The information provided reflects standard risk and return metrics for the portfolio depicted and are derived by running Monte Carlo simulations using PFMAM's Capital Market Assumptions and target asset class allocations based on the specific scenario within this presentation. Please refer to PFMAM's Capital Market Assumptions for key assumptions and the methodology utilized. PFMAM's Capital Market Assumptions are available upon request.

The return data is representative in nature and should not be relied upon as independently verifiable information. There is no guarantee that the projected returns can or will be achieved. Results may vary with each use and over time. This material does not purport to contain all of the information that a prospective investor may wish to consider and is not to be relied upon or used in substitution for the exercise of independent judgement.

Past performance is not a guarantee of future results. Prior to investing, you should consult your accounting, tax, and legal advisors to understand the implications of such an investment. PARS conservative, moderately conservative, moderate, balanced, and capital appreciation are representative; asset class and risk return analytics are run through Morningstar, Inc.

The returns presented in this simulation are not actual returns experienced by a real investor, but rather simulated returns that we believe could have been achieved under controlled circumstances using a number of assumptions. No representation or warranty is made to the reasonableness of the assumptions made or that all assumptions used in achieving the returns have been stated or fully considered.

No assurance can be given as to whether the information and/or assumptions upon which this hypothetical performance is based reflect present market conditions or future market performance. Actual performance results may differ from this hypothetical performance presented. Changes in the assumptions may have a material impact on the hypothetical performance presented. Past performance is no guarantee of future results.

The material is provided to you on the understanding that, as a sophisticated investor, you will understand and accept its inherent limitations.

# Disclaimer

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**INVESTMENT POLICY STATEMENT**

**FOR**

**ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT**

**OTHER POST-EMPLOYMENT BENEFITS TRUST**

*Revised November 18, 2015*

*Revised February 13, 2019*

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The Alameda County Mosquito Abatement District (the "District") has established the Alameda County Mosquito Abatement District Other Post-Employment Benefits Trust (the "Trust"). The Trust is intended to provide for funding of non-pension post-employment benefits ("OPEB") for those employees who meet the age and service requirements outlined in the District's plan documents. The Trustees of the Trust hereby adopt this Investment Policy Statement ("Policy Statement") for the following purposes.

### **Purpose**

The main investment objective of the Trust is to achieve long-term growth of Trust assets by maximizing long-term rate of return on investments and minimizing risk of loss to fulfill the District's current and long-term OPEB obligations.

The purpose of this Policy Statement is to achieve the following:

1. Document investment objectives, performance expectations and investment guidelines for Trust assets.
2. Establish an appropriate investment strategy for managing all Trust assets, including an investment time horizon, risk tolerance ranges and asset allocation to provide sufficient diversification and overall return over the long-term time horizon of the Trust.
3. Establish investment guidelines to control overall risk and liquidity.
4. Establish periodic performance reporting requirements to monitor investment results and confirm that the investment policy is being followed.
5. Comply with fiduciary, prudence, due diligence and legal requirements for Trust assets.

### **Investment Authority**

The District has a Board of Directors (the "Board") that oversees the policies and procedures related to the operation and administration of the Trust. The Board will have authority to implement the investment policy and guidelines in the best interest of the Trust to best satisfy the purposes of the Trust. In implementing this Policy Statement, the Board believes it may delegate certain functions to:

1. An investment advisor ("Advisor") to assist the Board in the investment process and to maintain compliance with this Policy Statement. The Advisor may assist the Board in establishing investment policy objectives and guidelines and may also select investments with discretion to purchase, sell, or hold specific securities that will be used to meet the Fund's investment objectives. The Advisor will: 1) adjust asset allocation for the Fund subject to the guidelines and limitations set forth in this Policy Statement; 2) select investment managers ("Managers") and strategies consistent with its role as a fiduciary; 3) monitor and review



Managers and measure and evaluate their performance against their peers based upon the performance of the total funds under their direct management; and 4) execute other tasks as deemed appropriate in its role as Advisor for Fund assets. The investment vehicles allowed may include mutual funds, commingled trusts, separate accounts, limited partnerships and other investment vehicles deemed to be appropriate by the Advisor. The Advisor shall never take possession of securities, cash or other assets of the Fund, all of which shall be held by the custodian. The Advisor must be registered with the Securities and Exchange Commission.

2. A custodian selected by the Trustees to maintain possession of physical securities and records of street name securities owned by the Trust, collect dividend and interest payments, redeem maturing securities, and effect receipt and delivery following purchases and sales. The custodian may also perform regular accounting of all assets owned, purchased, or sold, as well as movement of assets into and out of the Trust.
3. A trustee appointed by the Trustees, such as a bank trust department, if the Trust does not have its own Trustees, to assume fiduciary responsibility for the administration of Trust assets; provided, however, that if the Board shall have appointed an investment advisor, then any trustee appointed under this paragraph shall have no authority with respect to selection of investments.
4. Specialists such as attorneys, auditors, actuaries and, retirement plan consultants to assist the Board in meeting its responsibilities and obligations to administer Trust assets prudently.

### **Statement of Investment Objectives**

The investment objectives of the Trust are as follows:

1. To invest assets of the Trust in a manner consistent with the following fiduciary standards: (a) all transactions undertaken must be for the sole interest of Trust beneficiaries, and (b) assets are to be diversified in order to minimize the impact of large losses from individual investments.
2. To provide for funding and anticipated withdrawals on a continuing basis for payment of benefits and reasonable expenses of operation of the Trust.
3. To conserve and enhance the value of Trust assets in real terms over the long-term through asset appreciation and income generation, while maintaining a reasonable investment risk profile.
4. To minimize principal fluctuations, subject to performance expectations over the long-term Time Horizon (as defined below).
5. To achieve a long-term level of return commensurate with contemporary economic conditions and equal to or exceeding the investment objective set forth in this Policy Statement under the section labeled "Performance Expectations".

## Investment Guidelines

Within this section of the Policy Statement, several terms will be used to articulate various investment concepts. The descriptions are meant to be general and may share investments otherwise considered to be in the same asset class. They are:

"Growth Assets" - a collection of investments and/or asset classes whose primary risk and return characteristics are focused on capital appreciation. Investments within the Growth Assets category can include income and risk mitigating characteristics, so long as the predominant investment risk and return characteristic is capital appreciation. Examples of such investments or asset classes are: domestic and international equities or equity funds, and certain real estate investments.

"Income Assets" - a collection of investments and/or asset classes whose primary risk and return characteristics are focused on income generation. Investments within the Income Assets category can include capital appreciation and risk mitigating characteristics, so long as the primary investment risk and return characteristic is income generation. Examples of such investments or asset classes are: fixed income securities, guaranteed investment contracts, and certain real estate investments.

"Real Return Assets" - a collection of investments and/or asset classes whose primary risk and return characteristics are focused on real returns after inflation. Investments within the Real Return category can include inflation protected securities, commodities, and certain real estate investments.

### Time Horizon

The Trust's investment objectives are based on a long-term investment horizon ("Time Horizon") of five years or longer. Interim fluctuations should be viewed with appropriate perspective. The Board has adopted a long-term investment horizon such that the risks and duration of investment losses are carefully weighed against the long-term potential for appreciation of assets.

### Liquidity and Diversification

In general, the Trust may hold some cash, cash equivalent, and/or money market funds for near-term Trust benefits and expenses (the "Trust Distributions"). Remaining assets will be invested in longer-term investments and shall be diversified with the intent to minimize the risk of long-term investment losses. Consequently, the total portfolio will be constructed and maintained to provide diversification with regard to the concentration of holdings in individual issues, issuers, countries, governments or industries.

### Asset Allocation

The Board believes that to achieve the greatest likelihood of meeting the Trust's investment objectives and the best balance between risk and return for optimal diversification, assets will be invested in accordance with the targets for each asset class as follows to achieve an average total annual rate of return that is equal to or greater than the Trust's actuarial discount rate or target rate of return over the long-term, as described in the section titled "Performance Expectations".

<u>Asset Classes</u>	<u>Asset Weightings</u>	
	<u>Range</u>	<u>Target</u>
<b>Growth Assets</b>		
Domestic Equity	13% - 53%	33%
International Equity	0% - 37%	17%
Other	0% - 10%	0%
<b>Income Assets</b>		
Fixed Income	30% - 75%	50%
Other	0% - 10%	0%
<b>Real Return Assets</b>	0% - 10%	0%
<b>Cash Equivalents</b>	0% - 20%	0%

The Advisor and each Manager will be evaluated against their peers on the performance of the total funds under their direct management.

### Rebalancing Philosophy

The asset allocation range established by this Policy Statement represents a long-term perspective. As such, rapid unanticipated market shifts or changes in economic conditions may cause the asset mix to fall outside Policy Statement ranges. When allocations breach the specified ranges, the Advisor will rebalance the assets within the specified ranges. The Advisor may also rebalance based on market conditions.

### Risk Tolerance

Subject to investment objectives and performance expectations, the Trust will be managed in a style that seeks to minimize principal fluctuations over the established Time Horizon.

### Performance Expectations

Over the long-term, five years or longer, the performance objective for the Trust will be to achieve an average total annual rate of return that is equal to or greater than the Trust's actuarial discount rate, which is expected to be 6%. Additionally, it is expected that the annual rate of return on Trust assets will be commensurate with the then prevailing investment environment. Measurement of this return expectation will be judged by reviewing returns in the context of industry standard benchmarks, peer universe comparisons for individual Trust investments and blended benchmark comparisons for the Trust in its entirety.

### Selection of Investment Managers

The Advisor shall prudently select appropriate Managers to invest the assets of the Trust. Managers must meet the following criteria:

- The Manager must provide historical quarterly performance data compliant with Global Investment Performance Standards (GIPS<sup>®</sup>), Securities & Exchange Commission ("SEC"), Financial Industry Regulatory Agency ("FINRA") or industry recognized standards, as appropriate.
- The Manager must provide detailed information on the history of the firm, key personnel, support personnel, key clients, and fee schedule (including most-favored-nation clauses). This information can be a copy of a recent Request for Proposal ("RFP") completed by the Manager or regulatory disclosure.
- The Manager must clearly articulate the investment strategy that will be followed and document that the strategy has been successfully adhered to over time.
- The investment professionals making the investment decisions must have a minimum of three (3) years of experience managing similar strategies either at their current firm or at previous firms.
- Where other than common funds such as mutual funds or commingled trusts are utilized, the Manager must confirm receipt, understanding and adherence to this Policy Statement and any investment specific policies by signing a consent form provided to the Manager prior to investment of Trust assets.

### Guidelines for Portfolio Holdings

#### Direct Investments by Advisor

Every effort shall be made, to the extent practical, prudent and appropriate, to select investments that have investment objectives and policies that are consistent with this Policy Statement (as outlined in the following sub-sections of the "Guidelines for Portfolio Holdings"). However, given the nature of the investments, it is recognized that there may be deviations between this Policy Statement and the objectives of these investments. No funds with a net asset value of each share of less than \$10 shall be purchased or held. All fixed-income funds are excluded from this requirement.

## Limitations on Managers' Portfolios

### EQUITIES

No more than the greater of 5% or weighting in the relevant index (Russell 3000 Index for U.S. issues and MSCI ACWI ex-U.S. for non-U.S. issues) of the total equity portfolio valued at market may be invested in the common equity of any one corporation; ownership of the shares of one company shall not exceed 5% of those outstanding; and not more than 40% of equity valued at market may be held in any one sector, as defined by the Global Industry Classification Standard (GICS).

Domestic Equities: Other than the above constraints, there are no quantitative guidelines as to issues, industry or individual security diversification. However, prudent diversification standards should be developed and maintained by the Manager.

International Equities: The overall non-U.S. equity allocation should include a diverse global mix that is comprised of the equity of companies from multiple countries, regions and sectors.

### FIXED INCOME

Fixed income securities of any one issuer shall not exceed 5% of the total bond portfolio at time of purchase. The 5% limitation does not apply to issues of the U.S. Treasury or other Federal Agencies. The overall rating of the fixed income assets as calculated by the Advisor shall be at least "A", or investment grade, based on the rating of one Nationally Recognized Statistical Rating Organization ("NRSRO").

The Trust will avoid mutual funds whose primary focus is adding value through the use of high yield bonds. This does not exclude investment grade fixed-income funds which may contain a small component of high yield securities.

Fixed income investments will not contain more than an aggregate of 10% in derivative instruments such as options, futures contracts, or swap agreements. It is understood that mortgage-backed and asset-backed securities are not considered derivative instruments.

### OTHER ASSETS (ALTERNATIVES)

Alternatives may consist of real estate and commodities, when deemed appropriate. The total allocation to this category may not exceed 10% of the overall portfolio. Prior to adding an allocation to any of the following asset classes, with the exception of publicly-traded mutual fund vehicles, the Advisor shall receive approval from the Board.

Real Estate: Consists solely of publicly traded Real Estate Investment Trust ("REIT") securities. Investments of this type are designed to provide a stable level of income combined with potential for

price appreciation, particularly in periods of unexpected inflation. For purposes of asset allocation targets and limitations, publicly traded REITs will be categorized as "Other" under the Growth Assets category.

Inflation Hedge: Shall consist of pooled vehicles holding among other assets: Treasury Inflation Protected Securities ("TIPS"), commodities or commodity contracts, index-linked derivative contracts, certain real estate or real property funds and the equity of companies in businesses thought to hedge inflation. Inflation hedge assets will be reported in the Real Return Assets category.

## CASH EQUIVALENTS

Cash equivalents shall be held in funds complying with Rule 2(a)-7 of the Investment Company Act of 1940.

### Portfolio Risk Hedging

Portfolio investments designed to hedge various risks including volatility risk, interest rate risk, etc. are allowed to the extent that the investments are not used for the sole purpose of leveraging Trust assets. One example of a hedge vehicle is an exchange traded fund ("ETF") which takes short positions.

### Prohibited Investments

Except for purchase within authorized investments, securities having the following characteristics are not authorized and shall not be purchased or held: letter stock and other unregistered securities, direct commodities or commodity contracts, or private placements (with the exception of Rule 144A securities), or venture capital funds, private equity, or hedge funds and stocks with a value of less than \$10.00. Further, derivatives, options, or futures for the sole purpose of direct portfolio leveraging are prohibited. Direct ownership of real estate, natural resource properties such as oil, gas or timber and the purchase of collectibles is also prohibited. All investments shall have a ready market and be listed on a major exchange.

### Safekeeping

All assets of the Trust shall be held by a custodian approved by the Board for safekeeping of Trust assets. The custodian shall produce statements on a monthly basis, listing the name and value of all assets held, and the dates and nature of all transactions in accordance with the terms in the Trust Agreement. Investments of the Trust not held as liquidity or Investment Assets shall, at all times, be invested in interest-bearing accounts. Investments and portfolio securities may not be loaned.

## Control Procedures

### Review of Investment Objectives

The Advisor shall review annually and report to the Board the appropriateness of this Policy Statement for achieving the Trust's stated objectives. It is not expected that this Policy Statement will change frequently. In particular, short-term changes in the financial markets should not require an adjustment in this Policy Statement.

### Review of Investment Performance

The Advisor shall report on a quarterly basis to the Board to review the investment performance of the Trust. In addition, the Advisor will be responsible for keeping the Board advised of any material change in investment strategy, Managers, and other pertinent information potentially affecting performance of the Trust.

The Advisor shall compare the investment results on a quarterly basis to appropriate peer universe benchmarks, as well as market indices in both equity and fixed income markets. Examples of benchmarks and indexes that will be used include the Russell 3000 Index for broad U.S. equity strategies; S&P 500 Index for large cap U.S. equities, Russell 2000 Index for small cap U.S. equities, MSCI ACWI ex-U.S. Index for broad based non-U.S. equity strategies; MSCI Europe, Australasia, and Far East (EAFE) Index for developed markets international equities, Barclays Capital Aggregate Bond Index for fixed income securities, and the U.S. 91 Day T-bill for cash equivalents. The Russell 3000 Index will be used to benchmark the U.S. equities portfolio; the MSCI ACWI ex-U.S. Index will be used to benchmark the non-U.S. equities portfolio; the Barclays U.S. Aggregate Bond Index will be used to benchmark the fixed income portfolio. The categories "Other" will be benchmarked against appropriate indices depending on the specific characteristics of the strategies and funds used.

### Voting of Proxies

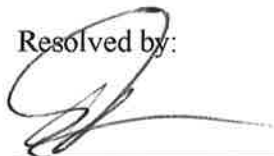
The Board recognizes that proxies are a significant and valuable tool in corporate governance. The voting rights of individual stocks held in separate accounts or collective, common, or pooled funds will be exercised by the investment managers in accordance with their own proxy voting policies. The voting rights of funds will be exercised by the Advisor.

**Adoption of Investment Policy Statement**

Any changes and exceptions to this Policy Statement will be made in writing and adopted by the Board. Once adopted, changes and exceptions will be delivered to each Manager, as appropriate, by the Advisor.

**Approved by the Alameda County Mosquito Abatement District Board of Directors:**

Resolved by:



\_\_\_\_\_  
Chair

FEB 13, 2019

Date



## What is California CLASS?

California Cooperative Liquid Assets Securities System (California CLASS) is a joint exercise of powers entity authorized under Section 6509.7, California Government Code. California CLASS is a pooled investment option that was created via a joint exercise of powers agreement by and among California public agencies. California CLASS offers public agencies a convenient method for investing in highly liquid, investment-grade securities carefully selected to optimize interest earnings while maximizing safety and liquidity. The California CLASS Prime and Enhanced Cash funds offer public agencies the opportunity to strengthen and diversify their cash management programs in accordance with the safety, liquidity, and yield hierarchy that provides the framework for the investment of public funds.

## How is it governed and managed?

California CLASS is overseen and governed by a Board of Trustees. The Board is made up of public agency finance professionals who participate in California CLASS and are members of the Joint Powers Authority (JPA). The Board of Trustees has entered into an Investment Advisor and Administrator Agreement with Public Trust Advisors, LLC. Public Trust is responsible to the Board for all program investment and administrative activities as well as many of the services provided on behalf of the Participants.

## How can we participate?

Enrolling in California CLASS is simple. Public agencies may become Participants simply by filling out the Participant Registration Form that can be found in the document center on the California CLASS website. Public agencies may submit the completed registration packet to California CLASS Client Services for processing at [clientservices@californiaclass.com](mailto:clientservices@californiaclass.com). To obtain account forms and fund documents, visit [www.californiaclass.com/document-center/](http://www.californiaclass.com/document-center/).

## Endorsed By:



LEAGUE OF  
**CALIFORNIA  
CITIES**

[www.calcities.org](http://www.calcities.org)



**California Special  
Districts Association**

*Districts Stronger Together*

[www.csda.net](http://www.csda.net)

## Participants benefit from the following:

- Same-day availability of funds in Prime Fund (11:00 a.m. PT cut-off)
- Deposits by wire or ACH
- Ratings of 'AAAm' & 'AAAf/S1'
- Prime fund transacts at stable NAV
- Portfolio securities marked-to-market daily
- Secure online access for transactions and account statements
- No withdrawal notices for Prime Fund
- Participant-to-Participant transactions
- Interest accrues daily and pays monthly
- No maximum contributions
- No minimum balance requirements
- No transaction fees\*
- Annual audit conducted by independent auditing firm\*\*
- Dedicated client service representatives available via phone or email on any business day

\*You may incur fees associated with wires and/or ACH transactions by your bank, but there will be no transaction fees charged from California CLASS for such transactions.  
\*\*External audits may not catch all instances of accounting errors and do not provide an absolute guarantee of accuracy.



## What are the objectives of California CLASS?

### Safety

The primary investment objective of the California CLASS Prime fund is preservation of principal. Both California CLASS portfolios are managed by a team of investment professionals who are solely focused on the management of public funds nationwide. The custodian for California CLASS is U.S. Bank, N.A.

### Liquidity

When you invest in the California CLASS Prime fund, you have access to your funds on any business day. You must notify California CLASS of your funds transaction requests by 11:00 a.m. PT via the internet or phone. There are no withdrawal notices for the daily-liquid California CLASS Prime fund. Enhanced Cash is a variable NAV fund that provides next-day liquidity and a one-day notification of withdrawal.

### Competitive Returns

California CLASS strives to provide competitive returns while adhering to the objectives of safety and liquidity. Participants benefit from the investment expertise and institutional knowledge provided by the team of Public Trust professionals. Portfolio performance is strengthened by the extensive knowledge of California public agency cash flows that the Public Trust team possesses.

### Ease of Use

To make cash management streamlined and efficient, California CLASS includes many features that make it easy to access account information and simplify record keeping. Participants can transact on any business day using the California CLASS phone number (877) 930-5213, fax number (877) 930-5214, email [clientservices@californiaclass.com](mailto:clientservices@californiaclass.com) or via the California CLASS Online Transaction Portal at [www.californiaclass.com](http://www.californiaclass.com).

### Flexibility

You may establish multiple California CLASS subaccounts. You will receive comprehensive monthly statements that show all of your transaction activity, interest accruals, and rate summaries. These statements have been specifically designed to facilitate public sector fund accounting and to establish a clear accounting and audit trail for your records.

### Legality

California CLASS only invests in securities permitted by California State Code Section 53601; permitted investments are further restricted to those approved by the Board of Trustees as set forth in the California CLASS Investment Policies.

**Have Questions?** Contact us or visit [www.californiaclass.com](http://www.californiaclass.com) for more information.



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Any financial and/or investment decision should be made only after considerable research, consideration, and involvement with an experienced professional engaged for the specific purpose. **Past performance is not an indication of future performance. Any financial and/or investment decision may incur losses.** Please see the Information Statement for further details on the fee calculation and other key aspects about California CLASS. California CLASS Prime is rated 'AAAm' by S&P Global Ratings. A 'AAAm' rating by S&P Global Ratings is obtained after S&P evaluates a number of factors including credit quality, market price exposure, and management. For a full description on rating methodology, please visit [www.spglobal.com](http://www.spglobal.com). California CLASS Enhanced Cash is rated by 'AAA/SI' by FitchRatings. The 'AAAF' rating is Fitch's opinion on the overall credit profile within a fixed-income fund/portfolio and indicates the highest underlying credit quality of the pool's investments. The 'SI' volatility rating is Fitch's opinion on the relative sensitivity of a portfolio's total return and/or net asset value to assumed changes in credit spreads and interest rates. The 'SI' volatility rating indicates that the fund possesses a low sensitivity to market risks. For a full description on rating methodology, please visit [www.fitchratings.com](http://www.fitchratings.com). Ratings are subject to change and do not remove credit risk.



## A JOINT POWERS AUTHORITY INVESTMENT POOL

### Client-First & User-Friendly Cash Management Solutions Designed for California Public Agencies of All Sizes

#### California CLASS provides Participants the following benefits:

- ✓ Convenient, modern transaction portal
- ✓ Dedicated client service team equally committed to all California public agencies
- ✓ Portfolios managed in accordance with California Government Code
- ✓ Transparent governance by Board of Trustees
- ✓ Portfolios marked-to-market with net asset value and yields posted to website daily

Fund Option	Prime	Enhanced Cash
Portfolio Type	Prime-style fund	Enhanced cash
Purpose	Operating Funds	Strategic Reserves
Rating	'AAAm'	'AAAf/S1'
Min/Max Investment	None	None
Withdrawals	Unlimited	Unlimited
Investment Horizon	Day-to-Day	12-18 Months
Liquidity	Same-Day	Next-Day
WAM	≤60 days	90-200 days
Net Asset Value (NAV)	Stable \$1.00 per share	Variable \$10.00 per share

Learn more about building an optimal liquidity portfolio for your public agency; contact us today.



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Many factors affect performance including changes in market conditions and interest rates and in response to other economic, political, or financial developments. Investment involves risk including the possible loss of principal. No assurance can be given that the performance objectives of a given strategy will be achieved. California CLASS is not a bank. An investment in California CLASS is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although California CLASS seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. Please review the California CLASS Information Statement before investing. Past performance is no guarantee of future results. Any financial and/or investment decision may incur losses. California CLASS is rated 'AAAm' by S&P Global Ratings. A 'AAAm' rating by S&P Global Ratings is obtained after S&P evaluates a number of factors including credit quality, market price exposure, and management. For a full description on rating methodology, please visit [www.spglobal.com](http://www.spglobal.com). California CLASS Enhanced Cash is rated 'AAAf/S1' by FitchRatings. The 'AAAf' rating is Fitch's opinion on the overall credit profile within a fixed-income fund/portfolio and indicates the highest underlying credit quality of the pool's investments. The 'S1' volatility rating is Fitch's opinion on the relative sensitivity of a portfolio's total return and/or net asset value to assumed changes in credit spreads and interest rates. The 'S1' volatility rating indicates that the fund possesses a low sensitivity to market risks. For a full description on rating methodology, please visit [www.fitchratings.com](http://www.fitchratings.com). Ratings are subject to change and do not remove credit risk.





## FLEET MANAGEMENT

*Alameda County  
Mosquito Abatement  
District*

*March 2024*



# EXECUTIVE SUMMARY



## Initial Meeting Recap

- Acquisitions through local dealers, cash payments
- WEX Telematics
- Fuel Card through Umpqua Bank
- Resale through Gov Bids



## Fleet Overview

- 22 vehicles, different sizes & manufacturers
- Need 4x4 vehicles for rural projects
- Want to transition to an EV plan
- No Maintenance plans for EV



## Key Objectives

- Implement a proactive Fleet Plan
- Understand financial impact of right vehicle/right term
- Fleet Uniformity
- Explore funding options

# COMPREHENSIVE OFFERING, SO YOU CAN FOCUS ON YOUR OBJECTIVES

Customized to best fit the needs of your business.



# Right Vehicle Selection

Holding period: 1 year | Annual mileage: 5,000



**2024 Nissan Frontier**

SV 4x2 Crew Cab 5 ft. box  
126 in. WB



**2024 Toyota Tacoma**

SR 4x2 Double Cab 5 ft. box



**2024 Ford Ranger**

XL 4x2 SuperCrew 5 ft. box  
128.7 in. WB



**2024 Chevrolet Colorado**

LT 4x2 Crew Cab 5 ft. box  
131 in. WB



**2024 GMC Canyon**

Elevation 4x2 Crew Cab 5 ft. box  
131 in. WB

Total cost of ownership	\$42,183	\$38,913	\$38,071	\$37,818	\$37,366
Monthly expense*	\$1,011.18	\$963.97	\$1,103.42	\$944.35	\$1,143.94
Estimated equity at term	\$10,094	\$11,461	\$9,703	\$12,453	\$13,813
<b>Cents per mile</b>	<b>\$0.79</b>	<b>\$0.72</b>	<b>\$0.70</b>	<b>\$0.70</b>	<b>\$0.68</b>

\*Monthly Expense is comprised of payment for the vehicle as well as any additional program enrollment.

# Alameda County Mosquito Abatement District - Fleet Profile

## Fleet Profile

## Fleet Replacement Schedule

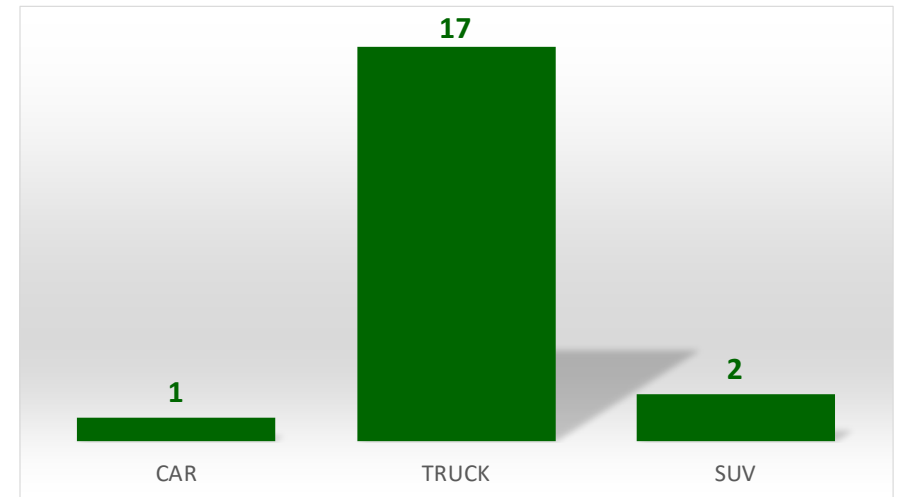
## Replacement Criteria

Vehicle Type	# of Type	Average Age (years)	Average Annual Mileage
Hybrid Sedan	1	10.2	4,800
Compact SUV 4x2	2	19.3	3,900
Compact Pickup Ext 4x4	8	7.0	7,500
1/2 Ton Pickup Reg 4x2	1	10.2	5,700
1/2 Ton Pickup Reg 4x4	6	14.2	8,300
1/2 Ton Pickup Ext 4x4	2	10.2	6,600
Totals/Averages	20	11.0	7,100

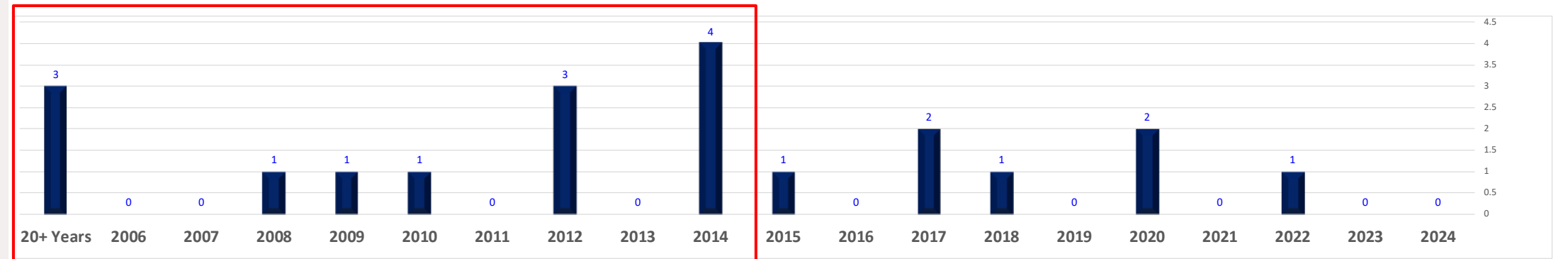
2024	2025	2026	2027	2028	Under-Utilized
1	0	0	0	0	0
2	0	0	0	0	0
1	1	3	2	1	0
1	0	0	0	0	0
6	0	0	0	0	0
2	0	0	0	0	0
13	1	3	2	1	0

- \* Fiscal Year 2024 = 10 years old and older, or odometer over 100,000
- \* Fiscal Year 2025 = 8 years old and older, or odometer over 80,000
- \* Fiscal Year 2026 = 6 years old and older, or odometer over 60,000
- \* Fiscal Year 2027 = 4 years old and older, or odometer over 40,000
- \* Fiscal Year 2028 = Remaining Vehicles
- \* Underutilized = Annual Mileage less than 500

## Vehicle Types



## 13 Vehicles over 10 years Old Model Year Analysis





# 10 year savings model option 1

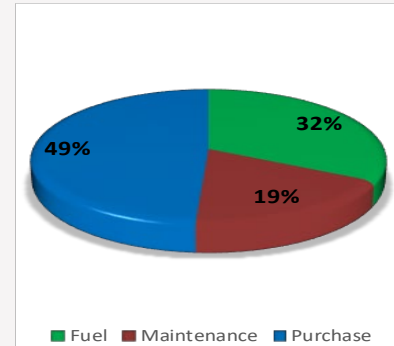
## Alameda County Mosquito Abatement District - Fleet Planning Analysis

Fleet Assumptions & Proposals

<b>Fleet Analyzed</b>	<b>20</b>	<b>Fleet Growth</b>	<b>0.00%</b>	<b>Proposed Fleet</b>	<b>20</b>
<b>Current Cycle</b>	<b>18.18</b>	<b>Annual Miles</b>	<b>7,100</b>	<b>Proposed Cycle</b>	<b>1.60</b>
<b>Current Maint.</b>	<b>\$130.17</b>	<b>Total Annual Miles</b>	<b>142,000</b>	<b>Proposed Maint.</b>	<b>\$36.04</b>
<b>Maint. Cents Per Mile</b>	<b>\$0.22</b>	<b>Current MPG</b>	<b>13</b>	<b>Price/Gallon</b>	<b>\$5.00</b>

### Fleet Costs Analysis

Fiscal Year	Fleet Mix			Fleet Cost							Annual	
	Fleet Size	Annual Needs	Owned	Leased	Purchase / Upfront Cash	Lease*	Equity (Owned)	Equity (Leased)	Maintenance	Fuel	Fleet Budget	Net Cash
<b>Average</b>	<b>20</b>	<b>1.1</b>	<b>20</b>	<b>0</b>	<b>82,266</b>	<b>0</b>	<b>-4,932</b>		<b>31,240</b>	<b>54,615</b>	<b>163,189</b>	<b>0</b>
'24	20	13	7	13	270,428	70,965	-69,513	-206,299	16,556	47,515	129,653	33,536
'25	20	11	6	14	223,061	75,684	-10,620	-225,159	15,427	46,969	125,363	37,826
'26	20	14	3	17	275,970	89,844	-48,060	-281,736	12,038	45,331	93,387	69,802
'27	20	16	1	19	311,243	99,284	-23,765	-319,455	9,779	44,238	121,324	41,864
'28	20	17	0	20	328,879	104,003	-13,785	-361,486	8,650	43,692	109,954	53,235
'29	20	20	0	20	393,883	104,003		-338,314	8,650	43,692	211,914	-48,725
'30	20	17	0	20	328,879	104,003		-338,314	8,650	43,692	146,911	16,278
'31	20	17	0	20	328,879	104,003		-338,314	8,650	43,692	146,911	16,278
'32	20	17	0	20	328,879	104,003		-338,314	8,650	43,692	146,911	16,278
'33	20	17	0	20	328,879	104,003		-361,486	8,650	43,692	123,739	39,450



<b>10 Year Savings*</b>	<b>\$275,823</b>	<b>Net Sustainable Impact*</b>	<b>\$13,168</b>
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\*includes total unrealized gains of \$0

### Current Fleet Equity Analysis

YEAR	2024	2025	2026	2027	2028	Under-Utilized
<b>QTY</b>	<b>13</b>	<b>1</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>0</b>
<b>Est \$</b>	<b>\$5,347</b>	<b>\$10,620</b>	<b>\$16,020</b>	<b>\$11,883</b>	<b>\$13,785</b>	<b>\$0</b>
<b>TOTAL</b>	<b>\$69,513</b>	<b>\$10,620</b>	<b>\$48,060</b>	<b>\$23,765</b>	<b>\$13,785</b>	<b>\$0</b>
	<b>Estimated Current Fleet Equity**</b>					<b>\$165,743</b>

\* Lease Rates are conservative estimates

\*\*Estimated Current Fleet Equity is based on the current fleet "sight unseen" and can be adjusted after physical inspection

Lease Maintenance costs are exclusive of tires unless noted on the lease rate quote.

### KEY OBJECTIVES

#### Lower average age of the fleet

65% of the current light and medium duty fleet is over 10 years old  
Resale of the aging fleet is significantly reduced

#### Reduce operating costs

Newer vehicles have a significantly lower maintenance expense  
Newer vehicles have increased fuel efficiency with new technology implementations

#### Maintain a manageable vehicle budget

Challenged by inconsistent yearly budgets



FLEET MANAGEMENT

2/5/2024

Confidential

# 10 year savings model option 2

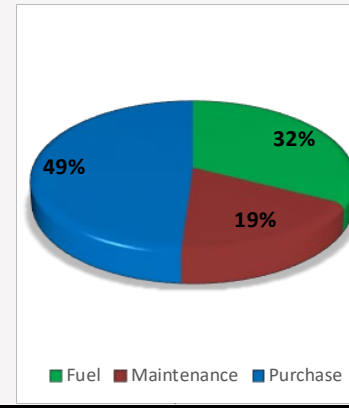
## Alameda County Mosquito Abatement District - Fleet Planning Analysis

Fleet Assumptions & Proposals

<b>Fleet Analyzed</b>	20	<b>Fleet Growth</b>	0.00%	<b>Proposed Fleet</b>	20
<b>Current Cycle</b>	18.18	<b>Annual Miles</b>	7,100	<b>Proposed Cycle</b>	1.60
<b>Current Maint.</b>	\$130.17	<b>Total Annual Miles</b>	142,000	<b>Proposed Maint.</b>	\$36.04
<b>Maint. Cents Per Mile</b>	\$0.22	<b>Current MPG</b>	13	<b>Price/Gallon</b>	\$5.00

### Fleet Costs Analysis

Fleet Mix			Fleet Cost								Annual		
Fiscal Year	Fleet Size	Annual Needs	Owned	Leased	Purchase / Upfront Cash	Lease*	Equity (Owned)	Equity (Leased)	Maintenance	Fuel	Fleet Budget	Net Cash	
<b>Average</b>	<b>20</b>	<b>1.1</b>	<b>20</b>	<b>0</b>	<b>82,266</b>	<b>0</b>	<b>-4,932</b>		<b>31,240</b>	<b>54,615</b>	<b>163,189</b>	<b>0</b>	
'24	20	13	7	13	270,428	70,965	-69,513	-206,299	16,556	47,515	129,653	33,536	
'25	20	11	6	14	223,061	75,684	-10,620	-225,159	15,427	46,969	125,363	37,826	
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'29	20	20	0	20	393,883	104,003		-338,314	8,650	43,692	211,914	-48,725	
'30	20	17	0	20	328,879	104,003		-338,314	8,650	43,692	146,911	16,278	
'31	20	17	0	20	328,879	104,003		-338,314	8,650	43,692	146,911	16,278	
'32	20	17	0	20	328,879	104,003		-338,314	8,650	43,692	146,911	16,278	
'33	20	17	0	20	328,879	104,003		-361,486	8,650	43,692	123,739	39,450	
<b>10 Year Savings*</b>											<b>\$275,823</b>	<b>Net Sustainable Impact*</b>	<b>\$13,168</b>



\*includes total unrealized gains of \$0

### Current Fleet Equity Analysis

YEAR	2024	2025	2026	2027	2028	Under-Utilized
QTY	13	1	3	2	1	0
Est \$	\$5,347	\$10,620	\$16,020	\$11,883	\$13,785	\$0
<b>TOTAL</b>	<b>\$69,513</b>	<b>\$10,620</b>	<b>\$48,060</b>	<b>\$23,765</b>	<b>\$13,785</b>	<b>\$0</b>
<b>Estimated Current Fleet Equity**</b>					<b>\$165,743</b>	

\* Lease Rates are conservative estimates

\*\*Estimated Current Fleet Equity is based on the current fleet "sight unseen" and can be adjusted after physical inspection

Lease Maintenance costs are exclusive of tires unless noted on the lease rate quote.

### KEY OBJECTIVES

#### Lower average age of the fleet

65% of the current light and medium duty fleet is over 10 years old  
Resale of the aging fleet is significantly reduced

#### Reduce operating costs

Newer vehicles have a significantly lower maintenance expense  
Newer vehicles have increased fuel efficiency with new technology implementations

#### Maintain a manageable vehicle budget

Challenged by inconsistent yearly budgets



FLEET MANAGEMENT

# 10 year savings model option 3

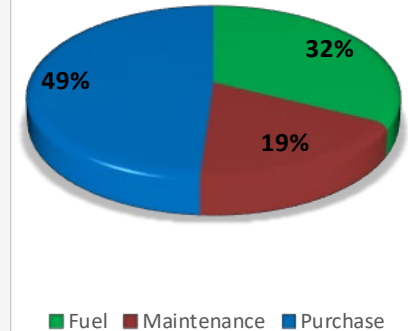
## Alameda County Mosquito Abatement District - Fleet Planning Analysis

### Fleet Assumptions & Proposals

<b>Fleet Analyzed</b>	<b>20</b>	<b>Fleet Growth</b>	<b>0.00%</b>	<b>Proposed Fleet</b>	<b>20</b>
<b>Current Cycle</b>	<b>18.18</b>	<b>Annual Miles</b>	<b>7,100</b>	<b>Proposed Cycle</b>	<b>1.60</b>
<b>Current Maint.</b>	<b>\$130.17</b>	<b>Total Annual Miles</b>	<b>142,000</b>	<b>Proposed Maint.</b>	<b>\$36.04</b>
<b>Maint. Cents Per Mile</b>	<b>\$0.22</b>	<b>Current MPG</b>	<b>13</b>	<b>Price/Gallon</b>	<b>\$5.00</b>

### Fleet Costs Analysis

Fleet Mix			Fleet Cost							Annual		
Fiscal Year	Fleet Size	Annual Needs	Owned	Leased	Purchase / Upfront Cash	Lease*	Equity (Owned)	Equity (Leased)	Maintenance	Fuel	Fleet Budget	Net Cash
<b>Average</b>	<b>20</b>	<b>1.1</b>	<b>20</b>	<b>0</b>	<b>82,266</b>	<b>0</b>	<b>-4,932</b>		<b>31,240</b>	<b>54,615</b>	<b>163,189</b>	<b>0</b>
'24	20	13	7	13	270,428	70,965	-69,513	-206,299	16,556	47,515	129,653	33,536
'25	20	11	6	14	223,061	75,684	-10,620	-225,159	15,427	46,969	125,363	37,826
'26	20	14	3	17	275,970	89,844	-48,060	-281,736	12,038	45,331	93,387	69,802
'27	20	16	1	19	311,243	99,284	-23,765	-319,455	9,779	44,238	121,324	41,864
'28	20	17	0	20	328,879	104,003	-13,785	-361,486	8,650	43,692	109,954	53,235
'29	20	20	0	20	393,883	104,003		-338,314	8,650	43,692	211,914	-48,725
'30	20	17	0	20	328,879	104,003		-338,314	8,650	43,692	146,911	16,278
'31	20	17	0	20	328,879	104,003		-338,314	8,650	43,692	146,911	16,278
'32	20	17	0	20	328,879	104,003		-338,314	8,650	43,692	146,911	16,278
'33	20	17	0	20	328,879	104,003		-361,486	8,650	43,692	123,739	39,450



**10 Year Savings\***

**\$275,823**

**Net Sustainable Impact\***

**\$13,168**

\*includes total unrealized gains of \$0

### Current Fleet Equity Analysis

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QTY	13	1	3	2	1	0
Est \$	\$5,347	\$10,620	\$16,020	\$11,883	\$13,785	\$0
<b>TOTAL</b>	<b>\$69,513</b>	<b>\$10,620</b>	<b>\$48,060</b>	<b>\$23,765</b>	<b>\$13,785</b>	<b>\$0</b>
<b>Estimated Current Fleet Equity**</b>					<b>\$165,743</b>	

\* Lease Rates are conservative estimates

\*\*Estimated Current Fleet Equity is based on the current fleet "sight unseen" and can be adjusted after physical inspection

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Challenged by inconsistent yearly budgets



FLEET MANAGEMENT

## Upqua Bank Vs Wex



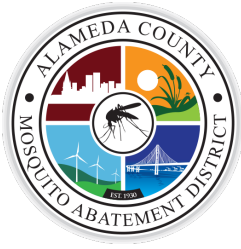


**THANK YOU**



**FLEET MANAGEMENT**





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Eric Hentschke

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Hope Salzer

**Piedmont**

Victor Aguilar

**San Leandro**

Subru Bhat

**Union City**

**Ryan Clausnitzer**

*General Manager*

March 8<sup>th</sup>, 2024

**RE: ACMAD's 2024-25 Budget: First Draft**

Dear ACMAD Finance Committee,

Please accept the first draft of the 2024/25 budget.

**Salaries & Fringe Benefits** - Salaries are projected to increase by 14%, driven by board-approved salary adjustments for specific positions, the addition of a new position, the transition of Trustee in Lieu payments to payroll, and a temporary uptick in the District's contribution to employees' 457 plans. CalPERS Retirement payments for Classic Members rises to 13.31% from 13.26%, and for PEPRA Members, it increased to 8.18%, from 8.00%. Additionally, Medicare & Social Security expenses are set to increase by 16%, attributed to the issues stated above. Fringe Benefits are anticipated to rise by 13%, primarily due to the addition of a new position and increased Kaiser premium rates. It is important to note that we have assumed a 6% increase for the 2025 health rates, as the final rates are expected to be released in June.

**Staff Budget** - Clothing and Personal supplies are expected to increase by 6%, due to the surge in supply costs and potential adjustments to the employees' boot allowance. Laundry services & supplies are expected to increase by 23% due to recent changes in the terms with our contracted uniform company, necessitating contact renegotiation. A 13% increase in Utilities is projected, attributed to the operational demands of the new fish facility and the addition of an all-electric fleet vehicle. Professional services are set to increase by 11%, driven by the required additional actuarial reports, and increased pricing for an environmental consultant and HR services. Anticipating a 6% increase in insurance (VCJPA), with preliminary and final premiums expected in April and June, respectively. Operation expenses are expected to rise by 18% due to increased costs in pesticides, aerial pool survey flight, enhanced supplies for the mosquito fish program, and the addition of a new budget line item for drones. Household expenses are expected to increase by 6% due to higher janitorial service fees and increased supply costs. We are expecting a 21% increase for Information Technology/ Communication due to the raised service fees for the MapVision database, which may be offset by fewer database change orders.

Based on these estimates, we project a net income **surplus of \$241,020**. This surplus does not include cash carried over and unused capital project funding. Adding those amounts and conservatively subtracting the amount necessary to operate from July to December and reserve transfers from the prior year leaves the District with a **\$907,031 surplus**.

Several vehicles are scheduled for replacement as indicated in the capital asset plan. We recommend using this budgetary surplus to transfer the amount needed to replace these vehicles, either through a purchase or lease option, with 25% dedicated to our Pension Rate Stabilization reserve fund.

We are happy to answer any questions.

Sincerely,

ACMAD Staff

attachments:2024/25 budget & visuals, capital asset replacement plan, finance policies

	Budget 24/25	Year to year % budget change	Budget 23/24	Actual 22/23	A vs B	Budget 22/23	Actual 21/22	Budget 21/22	Actual 20/21	Budget 20/21
<b>REVENUES</b>										
Ad Valorem Property Taxes	\$ 3,095,524	9%	\$ 2,842,050	\$ 3,005,363	9%	\$ 2,755,397	\$ 2,759,272	\$ 2,580,814	\$ 2,624,188	\$ 2,300,000
Special Tax & Benefit Assessment	\$ 2,480,470	24%	\$ 2,008,405	\$ 2,455,911	24%	\$ 1,981,814	\$ 2,389,830	\$ 1,981,959	\$ 2,326,677	\$ 1,821,600
Interest earned (restricted fund interest NOT included as revenue)	\$ 20,000	0%	\$ 20,000	\$ 288,784	1344%	\$ 20,000	\$ (4,799)	\$ 30,000	\$ 19,208	\$ 30,000
Sale of Property and Equipment & Misc.	\$ 5,000	0%	\$ 5,000	\$ 12,304	392%	\$ 2,500	\$ 121,218	\$ 5,000	\$ 1,038	\$ 5,000
Reimbursable Retiree Health Benefits and fees from OPEB	\$ 158,398	0%	\$ 158,348	\$ 142,690	1%	\$ 140,946	\$ 135,592	\$ 168,091	\$ 163,355	\$ 164,913
<b>Total Revenue (see figure 1)</b>	<b>\$ 5,759,392</b>	<b>14%</b>	<b>\$ 5,033,804</b>	<b>\$ 5,905,052</b>	<b>20%</b>	<b>\$ 4,900,658</b>	<b>\$ 5,401,113</b>	<b>\$ 4,765,864</b>	<b>\$ 5,134,466</b>	<b>\$ 4,321,513</b>
<b>EXPENDITURES</b>										
Salaries (including deferred comp. & trustee in lieu payments)	\$ 2,805,387	14%	\$ 2,462,469	\$ 2,318,987	-2%	\$ 2,371,703	\$ 2,121,872	\$ 2,236,282	\$ 2,037,043	\$ 2,116,177
CalPERS Retirement	\$ 652,655	18%	\$ 553,955	\$ 525,487	-2%	\$ 534,559	\$ 471,085	\$ 473,950	\$ 423,110	\$ 423,350
Medicare & Social Security	\$ 46,706	16%	\$ 40,292	\$ 33,692	-13%	\$ 38,763	\$ 30,026	\$ 33,062	\$ 27,867	\$ 31,278
Fringe Benefits	\$ 686,322	13%	\$ 605,491	\$ 604,258	7%	\$ 564,969	\$ 484,487	\$ 579,596	\$ 502,898	\$ 527,031
<b>Total Salaries, Retirement, &amp; Benefits (pgs. 2,3) (see figure 3)</b>	<b>\$ 4,191,070</b>	<b>14%</b>	<b>\$ 3,662,207</b>	<b>\$ 3,482,424</b>	<b>-1%</b>	<b>\$ 3,509,995</b>	<b>\$ 3,107,470</b>	<b>\$ 3,322,891</b>	<b>\$ 2,990,918</b>	<b>\$ 3,097,835</b>
Service & Supplies (Clothing & Personal supplies)	\$ 9,500	6%	\$ 9,000	\$ 7,518	-16%	\$ 9,000	\$ 7,882	\$ 10,000	\$ 4,859	\$ 10,000
Service & Supplies (Laundry services & supplies)	\$ 16,000	23%	\$ 13,000	\$ 12,853	-1%	\$ 13,000	\$ 10,417	\$ 15,000	\$ 9,125	\$ 15,000
Utilities	\$ 26,700	13%	\$ 23,700	\$ 19,416	-11%	\$ 21,700	\$ 18,135	\$ 17,000	\$ 15,422	\$ 12,000
Small tools and instruments	\$ 3,000	0%	\$ 3,000	\$ 2,120	-29%	\$ 3,000	\$ 1,963	\$ 3,000	\$ 2,189	\$ 3,000
Maintenance (Landscaping & Facility)	\$ 30,000	0%	\$ 30,000	\$ 18,062	-40%	\$ 30,000	\$ 26,671	\$ 35,000	\$ 20,262	\$ 25,000
Maintenance (Equipment)	\$ 30,000	0%	\$ 30,000	\$ 36,210	21%	\$ 30,000	\$ 25,355	\$ 35,000	\$ 22,290	\$ 35,000
Transportation, travel, training, & board	\$ 114,525	-11%	\$ 127,990	\$ 133,125	11%	\$ 119,840	\$ 120,419	\$ 127,630	\$ 74,653	\$ 122,400
Professional services	\$ 136,200	11%	\$ 122,950	\$ 93,115	-39%	\$ 152,200	\$ 97,726	\$ 203,450	\$ 91,623	\$ 176,200
Memberships, dues, & subscriptions.	\$ 27,000	0%	\$ 27,000	\$ 24,594	-34%	\$ 37,000	\$ 25,103	\$ 24,000	\$ 22,906	\$ 23,337
Insurance - VCJPA	\$ 224,677	6%	\$ 211,959	\$ 177,963	-1%	\$ 179,436	\$ 160,933	\$ 150,611	\$ 141,650	\$ 137,524
Community education	\$ 55,000	4%	\$ 53,000	\$ 28,194	-49%	\$ 55,000	\$ 26,225	\$ 39,500	\$ 26,317	\$ 38,575
Operations	\$ 308,500	18%	\$ 261,500	\$ 120,639	-47%	\$ 227,500	\$ 182,576	\$ 239,000	\$ 223,362	\$ 241,000
Household expenses	\$ 22,700	6%	\$ 21,350	\$ 18,517	-7%	\$ 19,950	\$ 25,388	\$ 17,350	\$ 15,881	\$ 16,750
Office expenses	\$ 10,000	-23%	\$ 13,000	\$ 7,248	-40%	\$ 12,000	\$ 7,003	\$ 12,000	\$ 9,748	\$ 12,000
Information Technology/ Communication	\$ 125,500	21%	\$ 104,000	\$ 97,711	-9%	\$ 107,400	\$ 74,950	\$ 112,400	\$ 71,771	\$ 111,400
Laboratory	\$ 140,000	0%	\$ 140,000	\$ 106,784	-19%	\$ 132,500	\$ 82,354	\$ 144,000	\$ 64,136	\$ 139,000
<b>Total Staff Budget (pg. 4) (see figure 4)</b>	<b>\$ 1,279,302</b>	<b>7%</b>	<b>\$ 1,191,449</b>	<b>\$ 904,069</b>	<b>-21%</b>	<b>\$ 1,149,526</b>	<b>\$ 893,100</b>	<b>\$ 1,184,941</b>	<b>\$ 816,194</b>	<b>\$ 1,118,186</b>
Contingency	\$ 48,000	0%	\$ 48,000	\$ -		\$ 46,000	\$ -	\$ 50,000	\$ -	\$ 50,000
<b>Total Expenditures (see figure 2)</b>	<b>\$ 5,518,372</b>	<b>13%</b>	<b>\$ 4,901,656</b>	<b>\$ 4,386,493</b>	<b>-7%</b>	<b>\$ 4,705,521</b>	<b>\$ 4,000,570</b>	<b>\$ 4,557,832</b>	<b>\$ 3,807,112</b>	<b>\$ 4,266,021</b>
<b>SURPLUS (DEFICIT)</b>	<b>\$ 241,020</b>		<b>\$ 132,148</b>	<b>\$ 1,518,559</b>		<b>\$ 195,136</b>	<b>\$ 1,400,543</b>	<b>\$ 208,032</b>	<b>\$ 1,327,354</b>	<b>\$ 55,491</b>
<b>CASH CARRIED OVER (pg. 5)</b>	<b>\$ 666,011</b>		<b>\$ 1,081,184</b>			<b>\$ 882,263</b>	<b>\$ 1,530,673</b>	<b>\$ 1,530,673</b>	<b>\$ 1,530,673</b>	<b>\$ 161,656</b>
<b>SURPLUS (DEFICIT) AFTER OPERATIONAL CASH NEEDS</b>	<b>\$ 907,031</b>		<b>\$ 1,188,332</b>			<b>\$ 1,077,400</b>	<b>\$ 1,738,705</b>	<b>\$ 1,738,705</b>	<b>\$ 1,738,705</b>	<b>\$ 217,147</b>
<b>RESERVE ACCOUNT ALLOCATIONS</b>										
	<b>Transfers</b>		<b>Transfers</b>	<b>Actual 22/23</b>		<b>Budget 22/23</b>	<b>Actual 21/22</b>	<b>Budget 21/22</b>	<b>Actual 20/21</b>	<b>Actual 20/21</b>
VCJPA Member Contingency Fund	\$ -		\$ (4,351)	\$ (43,103)		\$ (43,103)	\$ -	\$ -	\$ -	\$ -
PARS: Pension Rate Stabilization	\$ 226,758		\$ 297,083	\$ 269,350		\$ 269,350	\$ 434,676	\$ 434,676	\$ -	\$ -
CA CLASS: Public Health Emergency Fund	\$ (40,813)		\$ (41,085)	\$ (26,732)		\$ (26,732)	\$ -	\$ -	\$ -	\$ -
CA CLASS: Repair and Replace Fund (pg. 7)	\$ 569,339		\$ 866,685	\$ 537,912		\$ 537,912	\$ 1,311,625	\$ 1,311,625	\$ -	\$ 314,315
CA CLASS: Operating Reserve Fund	\$ -		\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ (25,000)
CAMP: Capital Reserve Fund	\$ 151,748		\$ 70,000	\$ 70,009		\$ 339,974	\$ 10,006	\$ (7,596)	\$ -	\$ (72,168)
<b>Total reserve allocations (pg. 7) (see figure 5)</b>	<b>\$ 907,031</b>		<b>\$ 1,188,332</b>	<b>\$ 807,436</b>		<b>\$ 1,077,400</b>	<b>\$ 1,756,307</b>	<b>\$ 1,738,705</b>	<b>\$ -</b>	<b>\$ 217,147</b>
<b>SURPLUS (DEFICIT) AFTER RESERVE ALLOCATIONS</b>	<b>\$ -</b>		<b>\$ -</b>			<b>\$ -</b>				

Salaries 7/1/24 - 6/30/25

Date of hire	Position	2024-25	Longevity	Longevity Amount	New Salary	# mo	Subtotal	Deferred Comp.	(per pay period)
Jul-99	VS3	\$ 11,417.29	5%	\$ 570.86	\$ 11,988.15	12	\$ 143,858	\$ 2,157.87	\$ 89.91
Mar-14	VB2	\$ 10,721.81	2%	\$ 214.44	\$ 10,936.25	12	\$ 131,235	\$ 1,968.52	\$ 82.02
Aug-18	VS1	\$ 10,316.30	0%	\$ -	\$ 10,316.30	3	\$ 30,949	\$ 464.23	\$ 77.37
	VS2	\$ 10,851.85	1%	\$ 108.52	\$ 10,960.37	6	\$ 65,762	\$ 986.43	\$ 82.20
	VS3	\$ 11,417.29	1%	\$ 114.17	\$ 11,531.46	3	\$ 34,594	\$ 518.92	\$ 86.49
Apr-02	VB2	\$ 10,721.81	4%	\$ 428.87	\$ 11,150.68	12	\$ 133,808	\$ 2,007.12	\$ 83.63
Nov-03	VB2	\$ 10,721.81	4%	\$ 428.87	\$ 11,150.68	12	\$ 133,808	\$ 2,007.12	\$ 83.63
Mar-02	RPA3	\$ 12,640.12	4%	\$ 505.60	\$ 13,145.72	11	\$ 144,603	\$ 2,169.04	\$ 98.59
	RPA4	\$ 13,272.12	4%	\$ 530.88	\$ 13,803.00	1	\$ 13,803	\$ 207.05	\$ 103.52
Jul-15	Mgr	\$ 17,218.38	1%	\$ 172.18	\$ 17,390.56	12	\$ 208,687		
Sep-15	VB2	\$ 10,721.81	1%	\$ 107.22	\$ 10,829.03	12	\$ 129,948	\$ 1,949.23	\$ 81.22
Jul-15	IT5	\$ 12,484.96	1%	\$ 124.85	\$ 12,609.81	12	\$ 151,318	\$ 2,269.77	\$ 94.57
Nov-19	VB1	\$ 10,212.28	0%	\$ -	\$ 10,212.28	4.5	\$ 45,955	\$ 689.33	\$ 76.59
	VB2	\$ 10,721.81	1%	\$ 107.22	\$ 10,829.03	7.5	\$ 81,218	\$ 1,218.27	\$ 81.22
Jul-15	LAB5	\$ 14,215.84	1%	\$ 142.16	\$ 14,358.00	12	\$ 172,296	\$ 2,584.44	\$ 107.68
Jul-91	Sup 5	\$ 14,075.09	6%	\$ 844.51	\$ 14,919.60	12	\$ 179,035	\$ 2,685.53	\$ 111.90
Jul-20	POC4	\$ 11,231.86	0%	\$ -	\$ 11,231.86	12	\$ 134,782	\$ 2,021.73	\$ 84.24
Dec-22	MCT3	\$ 8,823.21	0%	\$ -	\$ 8,823.21	11	\$ 97,055	\$ 1,455.83	\$ 66.17
	MCT4	\$ 9,264.41	0%	\$ -	\$ 9,264.41	1	\$ 9,264	\$ 138.97	\$ 69.48
Apr-16	FHS4	\$ 10,712.01	1%	\$ 107.12	\$ 10,819.13	11	\$ 119,010	\$ 1,785.16	\$ 81.14
	FHS5	\$ 11,247.61	1%	\$ 112.48	\$ 11,360.09	1	\$ 11,360	\$ 170.40	\$ 85.20
Sep-15	VB2	\$ 10,721.81	1%	\$ 107.22	\$ 10,829.03	12	\$ 129,948	\$ 1,949.23	\$ 81.22
Jan-23	MCT3	\$ 8,823.21	0%	\$ -	\$ 8,823.21	6	\$ 52,939	\$ 794.09	\$ 66.17
	MCT4	\$ 9,264.41	0%	\$ -	\$ 9,264.41	6	\$ 55,586	\$ 833.80	\$ 69.48
Feb-15	Mech 5	\$ 11,199.76	1%	\$ 112.00	\$ 11,311.76	7	\$ 79,182	\$ 1,187.73	\$ 84.84
	Mech 5	\$ 11,199.76	2%	\$ 224.00	\$ 11,423.76	5	\$ 57,119	\$ 856.78	\$ 85.68
NEW	STEP 1	\$ 7,605.70	0%	\$ -	\$ 7,605.70	6	\$ 45,634	\$ 684.51	\$ 57.04
NEW	STEP 2	\$ 8,002.96	0%	\$ -	\$ 8,002.96	6	\$ 48,018	\$ 720.27	\$ 60.02
							\$ 2,640,777	\$ 36,481.36	

Seasonals:

Rate (ave)	#	Hours
\$	23.00	4 1,000
\$92,000		

Unemployment	\$ 12,000.00	\$3,128.00
<b>\$95,128.00</b>		

Trustees:

Rate (monthly per diem)	# of Trustees	Monthly
\$	100.00	15 \$ 1,500.00
Annual \$ 18,000.00		

Salary	\$ 2,640,777.23
CalPERS Ret.	\$ 652,655.30
Seasonals	\$95,128.00
Trustees	\$18,000.00
<b>Subtotal</b>	<b>\$ 3,388,560.53</b>
Mgr 457	\$ 12,000.00
Mgr Vehicle All.	\$ 3,000.00
Staff 457	\$ 36,481.36
Medicare tax	\$ 39,886.27
Social Security	\$ 6,820.00
<b>Grand Total</b>	<b>\$ 3,486,748.16</b>

CalPERS

	Wages	Employer rate	Unfunded Liability Payment	Total PERS Payments
13.31% Classic	\$ 1,411,164.15	\$ 187,825.95	\$ 360,298.00	\$ 548,123.95
8.18% Pepra	\$ 1,229,613.08	\$ 100,582.35	\$ 3,949	\$ 104,531.35
				<b>\$ 652,655.30</b>



CalPERS Plan Code	Current Year Health Rates	Next Year Health Rates (est)	Total Health Costs	Dental Rates	Total Dental	Life Ins. Rates	Total Life Insurance	Vision Rates	Total Vision	SDI	Benefit Cost per person
5332	2,042.82	2,165.39	25,249.26	161.05	1,932.60	6.11	73.32	20.81	249.72		27,504.90
5331	1,021.41	1,082.69	12,624.63	94.06	1,128.72	6.11	73.32	13.40	160.80		13,987.47
5331	1,021.41	1,082.69	12,624.63	94.06	1,128.72	6.11	73.32	13.40	160.80		13,987.47
5333	2,655.67	2,815.01	32,824.08	251.93	3,023.16	6.11	73.32	33.01	396.12		36,316.68
5251	1,021.41	1,082.69	12,624.63	251.93	3,023.16	6.11	73.32	33.01	396.12		16,117.23
5333	2,655.67	2,815.01	32,824.08	251.93	3,023.16	6.11	73.32	33.01	396.12		36,316.68
5253	2,655.67	2,815.01	32,824.08	251.93	3,023.16	6.11	73.32	33.01	396.12		36,316.68
5333	2,655.67	2,815.01	32,824.08	251.93	3,023.16	6.11	73.32	33.01	396.12		36,316.68
5252	2,042.82	2,165.39	25,249.26	161.05	1,932.60	6.11	73.32	20.81	249.72		27,504.90
5331	1,021.41	1,082.69	12,624.63	94.06	1,128.72	6.11	73.32	13.40	160.80		13,987.47
5252	2,042.82	2,165.39	25,249.26	161.05	1,932.60	6.11	73.32	20.81	249.72		27,504.90
5332	2,042.82	2,165.39	25,249.26	161.05	1,932.60	6.11	73.32	20.81	249.72		27,504.90
5333	2,655.67	2,815.01	32,824.08	251.93	3,023.16	6.11	73.32	33.01	396.12		36,316.68
5333	2,655.67	2,815.01	32,824.08	251.93	3,023.16	6.11	73.32	33.01	396.12		36,316.68
5332	2,042.82	2,165.39	25,249.26	161.05	1,932.60	6.11	73.32	20.81	249.72		27,504.90
5333	2,655.67	2,815.01	32,824.08	251.93	3,023.16	6.11	73.32	33.01	396.12		36,316.68
5332	2,042.82	2,165.39	25,249.26	161.05	1,932.60	6.11	73.32	20.81	249.72		27,504.90
5333	2,655.67	2,815.01	32,824.08	251.93	3,023.16	6.11	73.32	33.01	396.12		36,316.68
4331	1,021.41	1,082.69	12,624.63	94.06	1,128.72	6.11	73.32	13.40	160.80		13,987.47
<b>Subtotal</b>	<b>38,609.33</b>		<b>477,211.32</b>	<b>3,609.91</b>	<b>43,318.92</b>	<b>116.09</b>	<b>1,393.08</b>	<b>475.55</b>	<b>5,706.60</b>	<b>23,767.00</b>	<b>551,396.91</b>
.32% Admin Cost			1,527.08								1,527.08
<b>Staff Totals</b>			<b>478,738.40</b>		<b>43,318.92</b>		<b>1,393.08</b>		<b>5,706.60</b>	<b>23,767.00</b>	<b>552,923.99</b>

CalPERS Plan Code	Current Year Health Rates	Next Year Health Rates (est)	Total Health Costs	Dental Rates	Total Dental	Life Ins. Rates	Total Life Ins.	Vision Rates	Total Vision	SDI	Benefit Cost per person
5361	324.79	344.28	4,014.40	-	1,500.00			20.81	249.72		5,764.12
	-	-	-	94.06	1,128.72			20.81	249.72		1,378.44
6051	448.15	475.04	5,539.13	94.06	1,128.72			13.40	160.80		6,828.65
6082	896.30	950.08	11,078.27	161.05	1,932.60			20.81	249.72		13,260.59
6051	448.15	475.04	5,539.13	94.06	1,128.72			13.40	160.80		6,828.65
5361	324.79	344.28	4,014.40	161.05	1,932.60			20.81	249.72		6,196.72
5331	1,021.41	1,082.69	12,624.63	94.06	1,128.72			13.40	160.80		13,914.15
6081	448.15	475.04	5,539.13	94.06	1,128.72			13.40	160.80		6,828.65
6052	896.30	950.08	11,078.27	161.05	1,932.60			20.81	249.72		13,260.59
5362	649.58	688.55	8,028.81	161.05	1,932.60			20.81	249.72		10,211.13
5362	649.58	688.55	8,028.81	161.05	1,932.60			20.81	249.72		10,211.13
5362	649.58	688.55	8,028.81	161.05	1,932.60			20.81	249.72		10,211.13
5362	649.58	688.55	8,028.81	161.05	1,932.60			20.81	249.72		10,211.13
	7,406.36		91,542.61		20,671.80			240.89	2,890.68		115,105.09
.32% Admin Costs=			292.94								292.94
<b>Annuitant Totals</b>			<b>91,835.55</b>		<b>20,671.80</b>			<b>2,890.68</b>			<b>115,398.03</b>

<b>Grand Total</b>			<b>570,573.94</b>		<b>63,990.72</b>		<b>1,393.08</b>		<b>8,597.28</b>	<b>23,767.00</b>	<b>668,322.02</b>
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Medicare Part B Reimb. 18,000.00

**686,322.02**

A/C #	BUDGET CATEGORY	staff	Budget 24/25	% change	Budget 23/24	% change	Actual 22/23	A vs B	Budget 22/23	Actual 21/22	Actual 20/21
<b>SERVICE AND SUPPLIES</b>											
5201	Clothing and personal supplies (purchased)	MW	\$ 9,500	6%	\$ 9,000	6%	\$ 7,518	-16%	\$ 9,000	\$ 7,882	\$ 4,859
5202	Laundry service and supplies (rented)	MW	\$ 16,000	23%	\$ 13,000	0%	\$ 12,853	-1%	\$ 13,000	\$ 10,417	\$ 9,125
<b>UTILITIES</b>											
5301	Garbage (Waste Mgmt)	MR	\$ 4,200	0%	\$ 4,200	14%	\$ 3,373	-9%	\$ 3,700	\$ 3,788	\$ 3,113
5302	PG & E	MR/ MW	\$ 18,000	20%	\$ 15,000	11%	\$ 12,673	-6%	\$ 13,500	\$ 10,959	\$ 8,915
5303	Hayward Water & Sewage	MR	\$ 4,500	0%	\$ 4,500	0%	\$ 3,370	-25%	\$ 4,500	\$ 3,388	\$ 3,394
5401	<b>SMALL TOOLS AND INSTRUMENTS</b>	MW	\$ 3,000	0%	\$ 3,000	0%	\$ 2,120	-29%	\$ 3,000	\$ 1,963	\$ 2,189
<b>MAINTENANCE</b>											
5501	Landscaping service	MW	\$ 5,000	0%	\$ 5,000	0%	\$ 2,988	-40%	\$ 5,000	\$ 2,780	\$ 5,012
5502	Facility Maintenance	MW	\$ 25,000	0%	\$ 25,000	0%	\$ 15,074	-40%	\$ 25,000	\$ 23,891	\$ 15,250
5503	Maintenance of equipment	MW	\$ 30,000	0%	\$ 30,000	0%	\$ 36,210	21%	\$ 30,000	\$ 25,355	\$ 22,290
<b>TRANSPORTATION, TRAVEL, TRAINING, &amp; BOARD</b>											
5601	Fuel and GPS (WexMart)	MW/MR	\$ 55,000	-8%	\$ 60,000	9%	\$ 60,798	11%	\$ 55,000	\$ 56,272	\$ 38,922
5602	Meetings, conferences, & travel	RC	\$ 40,000	21%	\$ 33,000	10%	\$ 51,432	71%	\$ 30,000	\$ 30,366	\$ 7,494
5603	Board meeting expenses	RC	\$ 950	19%	\$ 800	23%	\$ 698	7%	\$ 650	\$ 542	\$ -
5605	Board plaques and nameplates	RC	\$ 225	18%	\$ 190	0%	\$ 221	16%	\$ 190	\$ 146	\$ 184
5606	Continuing Education fees	RC	\$ 3,350	12%	\$ 3,000	0%	\$ 240	-92%	\$ 3,000	\$ 2,700	\$ 2,863
5607	Staff Training (staff dev./ college courses)	RC	\$ 15,000	0%	\$ 15,000	0%	\$ 4,936	-67%	\$ 15,000	\$ 15,693	\$ 9,890
<b>PROFESSIONAL SERVICES</b>											
5701	Audit	MR	\$ 16,000	7%	\$ 15,000	0%	\$ 14,650	-2%	\$ 15,000	\$ 14,347	\$ 14,156
5702	Actuarial reports	MR	\$ 3,700	68%	\$ 2,200	-48%	\$ 3,700	-12%	\$ 4,200	\$ 2,200	\$ 1,200
5704	Legal Services	RC	\$ 8,000	0%	\$ 8,000	0%	\$ 7,932	-1%	\$ 8,000	\$ 4,258	\$ 5,263
5706	Tax collection service (SCI)	RC	\$ 39,000	0%	\$ 39,000	5%	\$ 37,642	2%	\$ 37,000	\$ 36,673	\$ 35,545
5707	Payroll service (OnePoint)	MR	\$ 10,000	0%	\$ 10,000	0%	\$ 8,816	-12%	\$ 10,000	\$ 8,650	\$ 8,835
5708	Environmental consultant/ EcoAtlas	EC	\$ 28,700	44%	\$ 20,000	-9%	\$ -	-100%	\$ 22,000	\$ 4,121	\$ 4,121
5709	HR Services (RGS & other)	RC	\$ 5,000	100%	\$ 2,500	0%	\$ -	-100%	\$ 2,500	\$ 4,245	\$ 221
5710	OPEB management (PFM & US Bank)	RC	\$ 25,000	0%	\$ 25,000	0%	\$ 19,565	-22%	\$ 25,000	\$ 22,542	\$ 22,187
5712	Pre-employment physicals	RC	\$ 800	7%	\$ 750	-25%	\$ 810	-19%	\$ 1,000	\$ 690	\$ 95
5801	<b>MEMBERSHIPS, DUES &amp; SUBSCRIPTIONS</b>	RC	\$ 27,000	0%	\$ 27,000	-27%	\$ 24,594	-34%	\$ 37,000	\$ 25,103	\$ 22,906
5802	<b>INSURANCE - VCJPA</b>	RC	\$ 224,677	6%	\$ 211,959	19%	\$ 176,982	-1%	\$ 178,136	\$ 159,952	\$ 140,724
5901	<b>COMMUNITY EDUCATION</b>	EC	\$ 55,000	4%	\$ 53,000	-4%	\$ 28,194	-49%	\$ 55,000	\$ 26,225	\$ 26,317
<b>OPERATIONS</b>											
6101	Pesticides	JH	\$ 220,000	16%	\$ 190,000	4%	\$ 92,820	-49%	\$ 182,000	\$ 143,588	\$ 174,993
6102	Field supplies (dippers etc)	JH	\$ 3,000	0%	\$ 3,000	-14%	\$ 999	-71%	\$ 3,500	\$ 750	\$ 2,674
6103	Mosquitofish program	MW	\$ 7,500	50%	\$ 5,000	43%	\$ 2,119	-39%	\$ 3,500	\$ 1,315	\$ 2,722
6104	Spray equipment	MW	\$ 8,000	0%	\$ 8,000	0%	\$ 1,513	-81%	\$ 8,000	\$ 5,367	\$ 7,620
6105	Safety	MW	\$ 8,500	0%	\$ 8,500	0%	\$ 6,725	-21%	\$ 8,500	\$ 8,894	\$ 11,160
6106	Aerial Pool Survey	RF	\$ 25,000	25%	\$ 20,000	0%	\$ 15,100	-25%	\$ 20,000	\$ 21,300	\$ 20,000
6107	Permits	EC	\$ 4,000	100%	\$ 2,000	0%	\$ 1,363	-32%	\$ 2,000	\$ 1,362	\$ 4,193
6108	Helicopter service	JH	\$ 25,000	0%	\$ 25,000	0%	\$ -	-100%	\$ 25,000	\$ -	\$ -
6109	Drone (NEW)	EHS	\$ 7,500		\$ -		\$ -		\$ -	\$ -	\$ -
<b>HOUSEHOLD EXPENSES</b>											
6201	Janitorial service	MW	\$ 8,500	13%	\$ 7,500	0%	\$ 7,294	-3%	\$ 7,500	\$ 5,940	\$ 7,357
6202	Supplies (+ emergency)	MW	\$ 3,200	12%	\$ 2,850	0%	\$ 2,023	-29%	\$ 2,850	\$ 1,753	\$ 2,235
6203	Alarm service	RF	\$ 11,000	0%	\$ 11,000	15%	\$ 9,200	-4%	\$ 9,600	\$ 17,695	\$ 6,289
6301	<b>OFFICE EXPENSES</b>	MR	\$ 10,000	-23%	\$ 13,000	8%	\$ 7,248	-40%	\$ 12,000	\$ 7,003	\$ 9,748
<b>IT/ COMMUNICATIONS</b>											
6401	IT Expenses	RF	\$ 90,000	29%	\$ 70,000	0%	\$ 71,063	2%	\$ 70,000	\$ 50,704	\$ 42,997
6402	Telephone Service & Internet	RF	\$ 11,000	10%	\$ 10,000	-9%	\$ 8,753	-20%	\$ 11,000	\$ 10,018	\$ 9,778
6403	Website hosting	RF	\$ 3,000	0%	\$ 3,000	25%	\$ 2,400	0%	\$ 2,400	\$ 2,400	\$ 2,400
6404	Cell phone service	RF	\$ 15,000	0%	\$ 15,000	-17%	\$ 12,871	-28%	\$ 18,000	\$ 8,942	\$ 13,149
6405	Microsoft Office 365	RF	\$ 6,500	8%	\$ 6,000	20%	\$ 2,611	-48%	\$ 5,000	\$ 2,886	\$ 3,240
<b>LABORATORY</b>											
6501	Mosquito and pathogen monitoring	EHS	\$ 110,000	10%	\$ 100,000	5%	\$ 74,530	-22%	\$ 95,000	\$ 66,017	\$ 50,024
6502	Insecticide resistance	EHS	\$ 5,000	0%	\$ 5,000	-68%	\$ 8,226	-47%	\$ 15,500	\$ 11	\$ 1,943
6503	Research	EHS	\$ 25,000	-29%	\$ 35,000	59%	\$ 24,028	9%	\$ 22,000	\$ 16,326	\$ 12,169
<b>Total</b>			<b>\$ 1,279,302</b>	<b>7%</b>	<b>\$ 1,191,449</b>	<b>6%</b>	<b>\$ 904,069</b>	<b>-20%</b>	<b>\$ 1,124,526</b>	<b>\$ 893,100</b>	<b>\$ 816,194</b>

Estimate of Cash Carryover from Fiscal Year 23/24 to 24/25

	debits	credits	balance
LAIF, Operational Fund, County, and Five Star Balances as of January 31, 2024			\$ 4,671,235
February check batch #1	\$ 156,628		\$ 4,514,607
February check batch #2	\$ 243,069		\$ 4,271,538
Balance as of February 29, 2024			\$ 4,455,323 <i>estimates below</i>
March check batch #1	\$ 160,000		\$ 4,295,323
<i>March check batch #2</i>	\$ 160,000		\$ 4,135,323
Balance as of March 31, 2024			\$ 3,524,825
April check batch #1	\$ 160,000		\$ 3,364,825
Deposit		2,300,000	
April check batch #2	\$ 160,000		\$ 5,504,825
Balance as of April 30, 2024			\$ 5,504,825
May check batch #1	\$ 160,000		\$ 5,344,825
May check batch #2	\$ 160,000		\$ 5,184,825
Balance as of May 31, 2024			\$ 5,184,825
June check batch #1	\$ 175,000		\$ 5,009,825
June check batch #2	\$ 175,000		\$ 4,834,825
<b>Balance as of June 30, 2024</b>			
<b>Totals</b>	<b>\$ 1,310,000</b>	<b>\$ 2,300,000</b>	<b>\$ 4,834,825</b>
Unused capital funds (pg. 6)			\$ 140,000
Reserve transfers from prior year			\$ 1,118,332
<b>Operational requirement (July-December)</b>			<b>\$ 3,190,482</b>
<b><u>Estimated Cash Carried Over</u></b>			<b>\$ 666,011</b>

<b>CAPITAL EXPENDITURES (Outlay)</b>					
	<b>2020/21 Budgeted</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>
<b><u>20/21 Capital Reserve</u></b> (new assets & non-capital projects)					
Exterior & carport painting	\$39,000				
Lobby display	\$20,000				
<b>20/21 Capital Reserve Total</b>	<b>\$59,000</b>				
Unused capital funds (cash carried over)	\$20,500				
<b><u>21/22 Capital Reserve</u></b> (new assets & non-capital projects)					
Lobby display		\$30,000			
<b><u>21/22 Repair and Replace (replacement assets)</u></b>					
V42		\$40,000			
<b>21/22 Capital Reserve and Repair and Replace Total</b>		<b>\$70,000</b>			
Unused capital funds (cash carried over)		\$30,000			
<b><u>22/23 Capital Reserve</u></b> (new assets & non-capital projects)					
Fish Enclosure			\$ 250,000		
Lobby Display			\$ 30,000		
<b>22/23 Capital Reserve Total</b>			<b>\$ 280,000</b>		
<b><u>22/23 Repair and Replace</u></b> (replacement assets)					
MapVision - Gen 3			\$ 70,000		
Microscope			\$ 23,000		
<b>22/23 Repair and Replace Total</b>			<b>\$ 93,000</b>		
Unused capital funds (cash carried over)			\$ 70,000		
<b><u>23/24 Capital Reserve</u></b> (new assets & non-capital projects)				\$ -	
<b>23/24 Capital Reserve Total</b>				\$ -	
<b><u>22/23 Repair and Replace</u></b> (replacement assets)					
MapVision - Gen 3				\$ 140,000	
<b>23/24 Repair and Replace Total</b>				<b>\$ 140,000</b>	
Unused capital funds (cash carried over)				\$ 140,000	
<b><u>24/25 Capital Reserve</u></b> (new assets & non-capital projects)					\$ -
<b>24/25 Capital Reserve Total</b>					\$ -
<b><u>24/25 Repair and Replace</u></b> (replacement assets)					
MapVision - Gen 3					\$ 140,000
V32 (Public Ed)					\$ 40,000
V36 (Spare Truck)					\$ 40,000
V39 (Joseph)					\$ 40,000
V43(Sarah)					\$ 40,000
V46(Erick)					\$ 40,000
V47(Ben)					\$ 40,000
V48(Alex)					\$ 40,000
V50(John)					\$ 40,000
<b>24/25 Repair and Replace Total</b>					<b>\$ 460,000</b>
Unused capital funds (cash carried over)					\$ 140,000

<b><u>Committed Reserve Funds</u></b>	<b><u>Target Level</u></b>	<b><u>As of February 29, 2024</u></b>	<b><u>Transfers<sup>2</sup></u></b>	<b><u>Current Funded %</u></b>	<b><u>Proposed Funded %</u></b>
VCJPA Member Contingency Fund <sup>1</sup>	\$320,716	\$320,716	\$0	100%	100%
CA CLASS: Public Health Emergency Fund	\$500,000	\$540,813	-\$40,813	108%	100%
CA CLASS: Repair and Replace Fund	\$4,319,711	\$3,261,932	\$569,339	76%	89%
CA CLASS: Operating Reserve Fund	\$2,940,994	\$2,095,657	\$0	71%	71%
CAMP: Capital Reserve Fund <sup>2</sup>	\$0	\$308,252	\$151,748 NA		NA
<b><u>Restricted Reserve Funds</u></b>					
PARS: Pension Rate Stabilization <sup>3</sup>	\$4,670,042	\$2,525,640	\$226,758	54%	59%
Other Post Employment Benefit Fund (OPEB) <sup>4</sup>	\$3,441,610	\$4,839,233		141%	141%
<b><u>TOTAL</u></b>		\$13,892,243	\$907,031		

<sup>1</sup> Balance as of December 31, 2023.

<sup>2</sup> - Capital Reserve transferred at start of fiscal year to also include repair and replace purchases, all other transfers occur after the fiscal year.

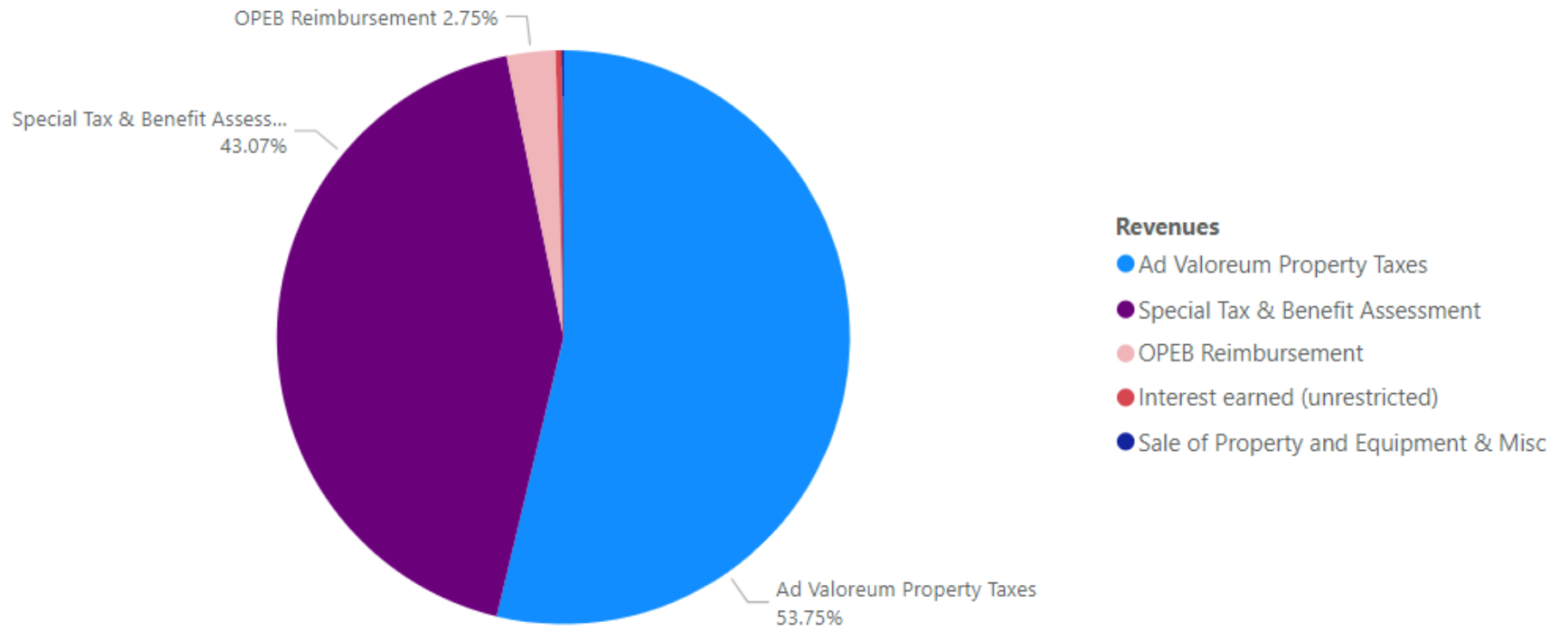
<sup>3</sup> - Balance as of January 31, 2024. Unfunded Accrued Liability as of June 30, 2022.

<sup>4</sup> - OPEB liability as of June 30, 2023.

Alameda County Mosquito Abatement District  
FY 2024/25

**Figure 1:** The District expects to receive a total revenue of \$5,759,392 for the fiscal year 2024/25. The revenue breakdown is as follows: Ad Valorem Property Taxes (\$3,095,524), Special Tax & Benefit Assessment (\$2,480,470), OPEB Reimbursement (\$158,398), Interest Earned – non-restricted( \$20,000), and Sale of Property and Equipment & Misc (\$5,000). We anticipate a 14% increase in revenue compared to the budgeted amount for the preceding fiscal year.

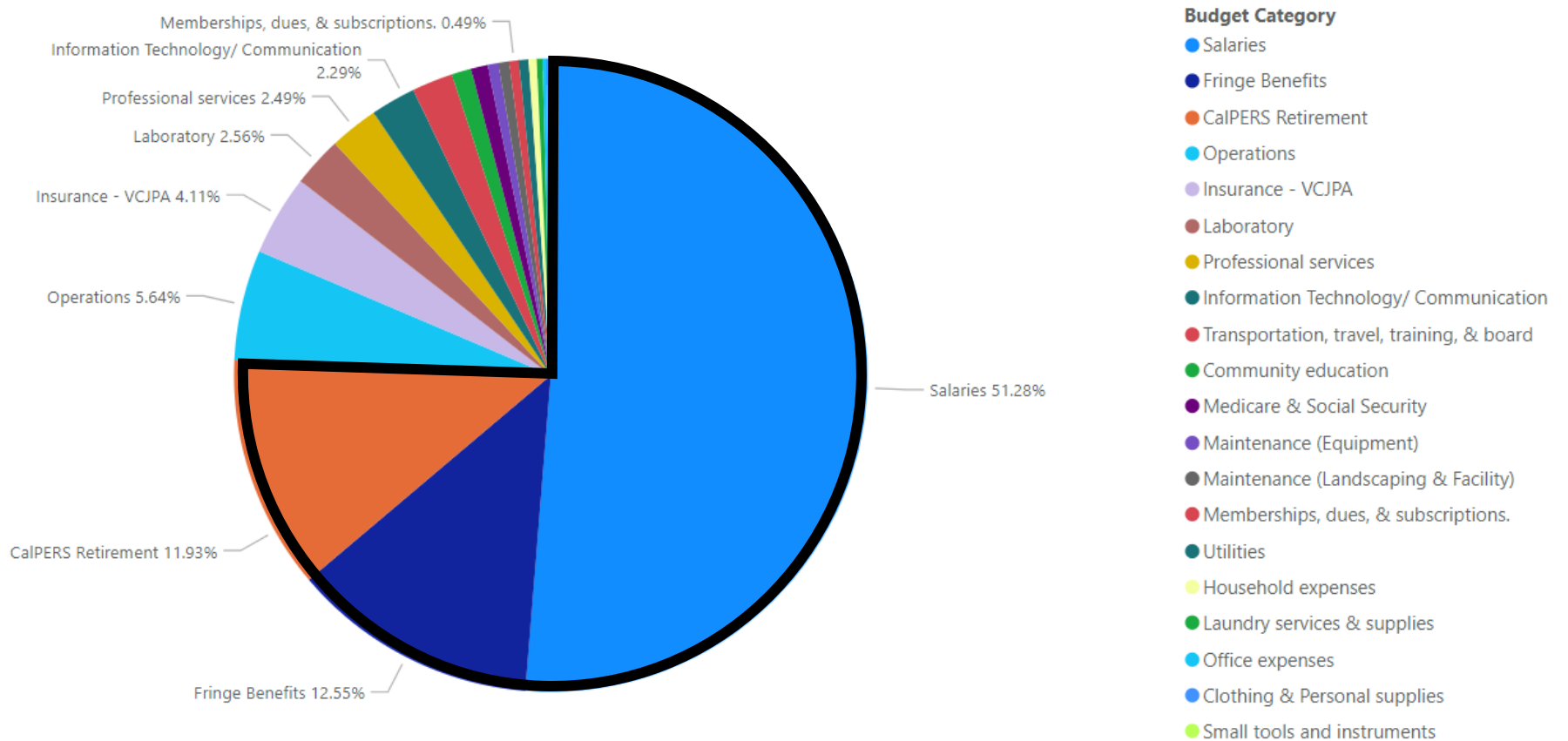
FY 2024/25 - Budgeted Revenue



Alameda County Mosquito Abatement District  
FY 2024/25

**Figure 2:** The pie chart below illustrates the breakdown of total expenditures amounting to \$5,518,372. Notably, there has been a 13% increase in total expenditures compared to the previous fiscal year.

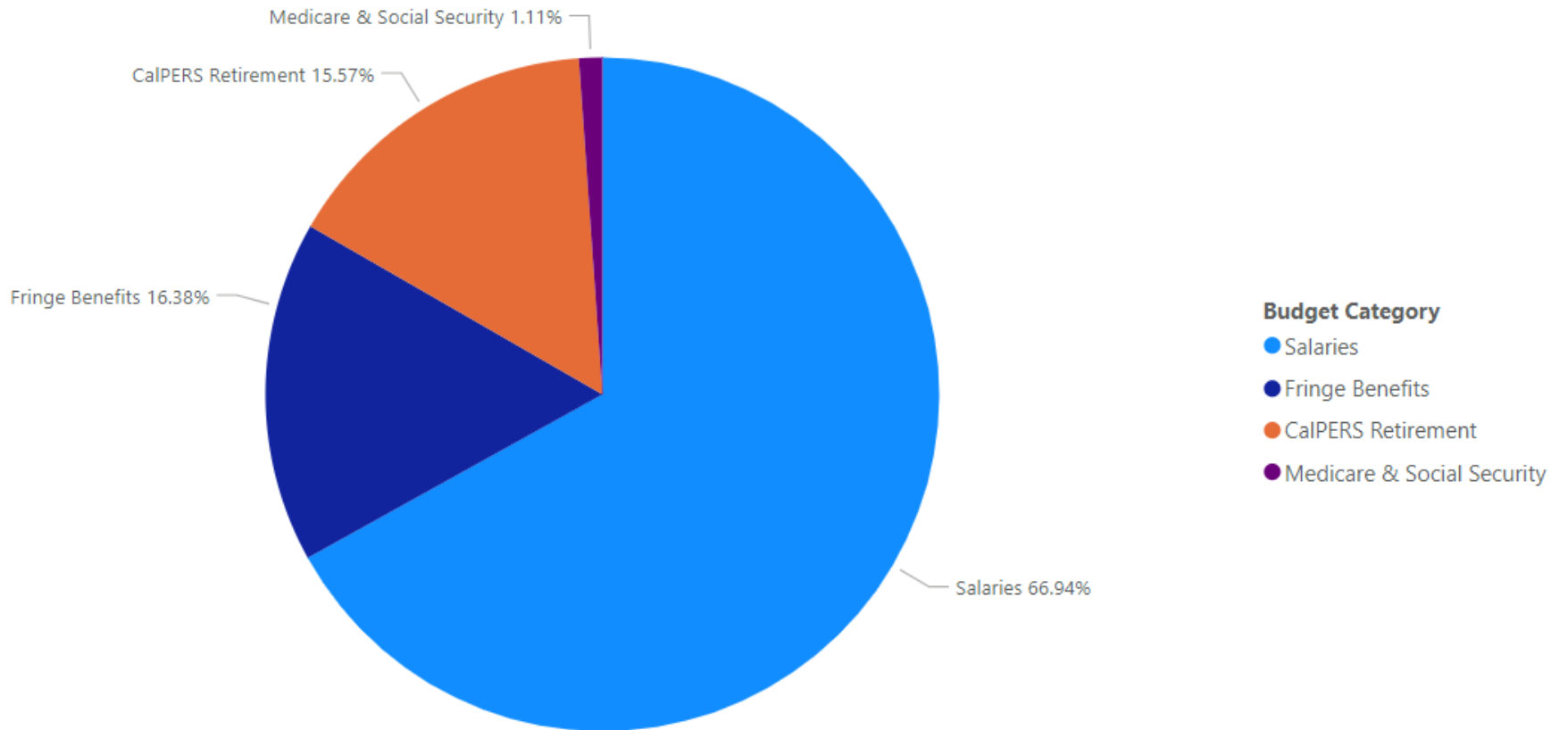
FY 2024/25 - Expenditures



Alameda County Mosquito Abatement District  
FY 2024/25

**Figure 3:** The pie chart below details the breakdown for Salaries (\$2,805,387), Fringe Benefits (\$686,322), CalPERS Retirement (\$652,655), and Medicare & Social Security (\$46,706). This represents a 14% increase from the previous fiscal year.

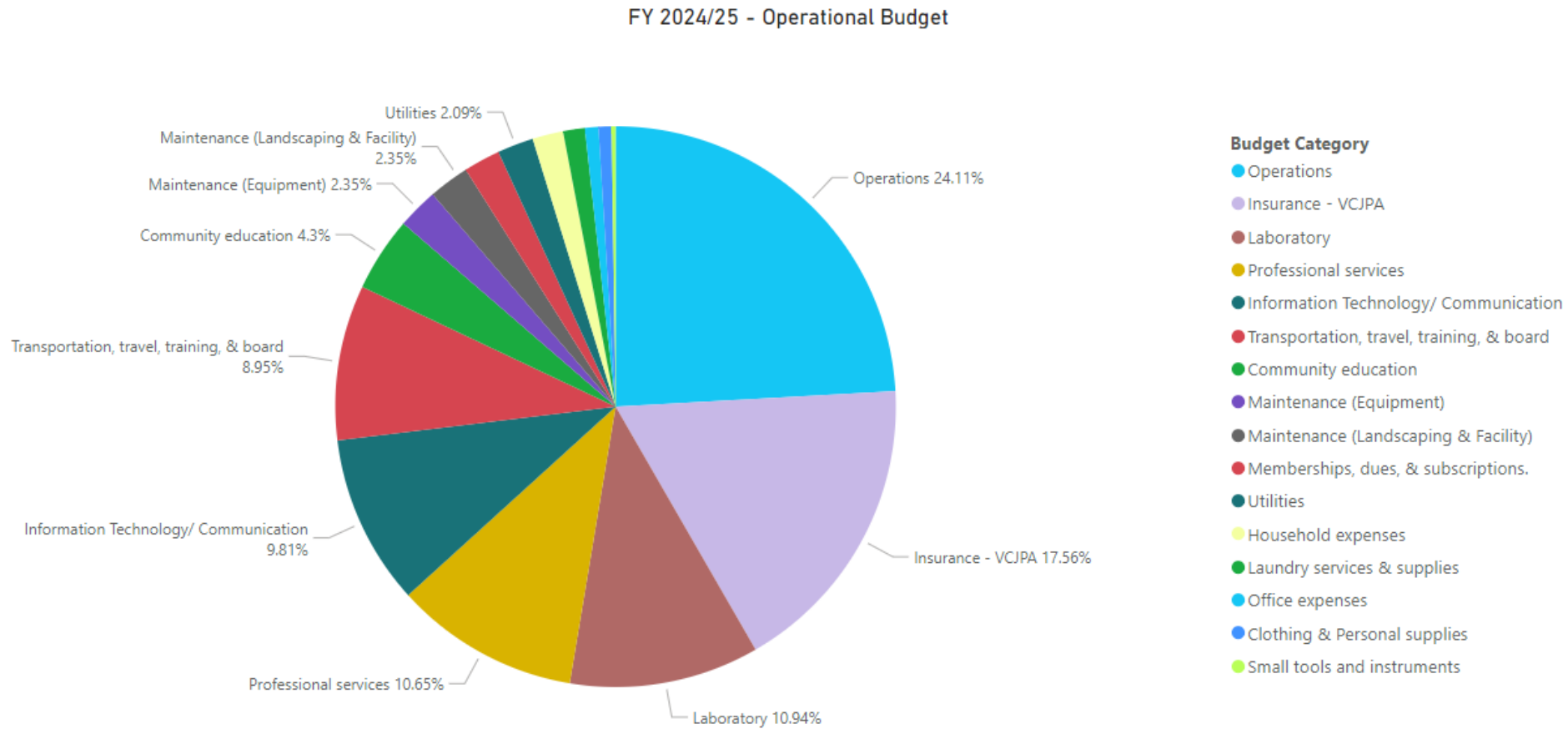
FY 2024/25 - Salaries, Fringe Benefits, CalPERS Retirement and Medicare & Social Security





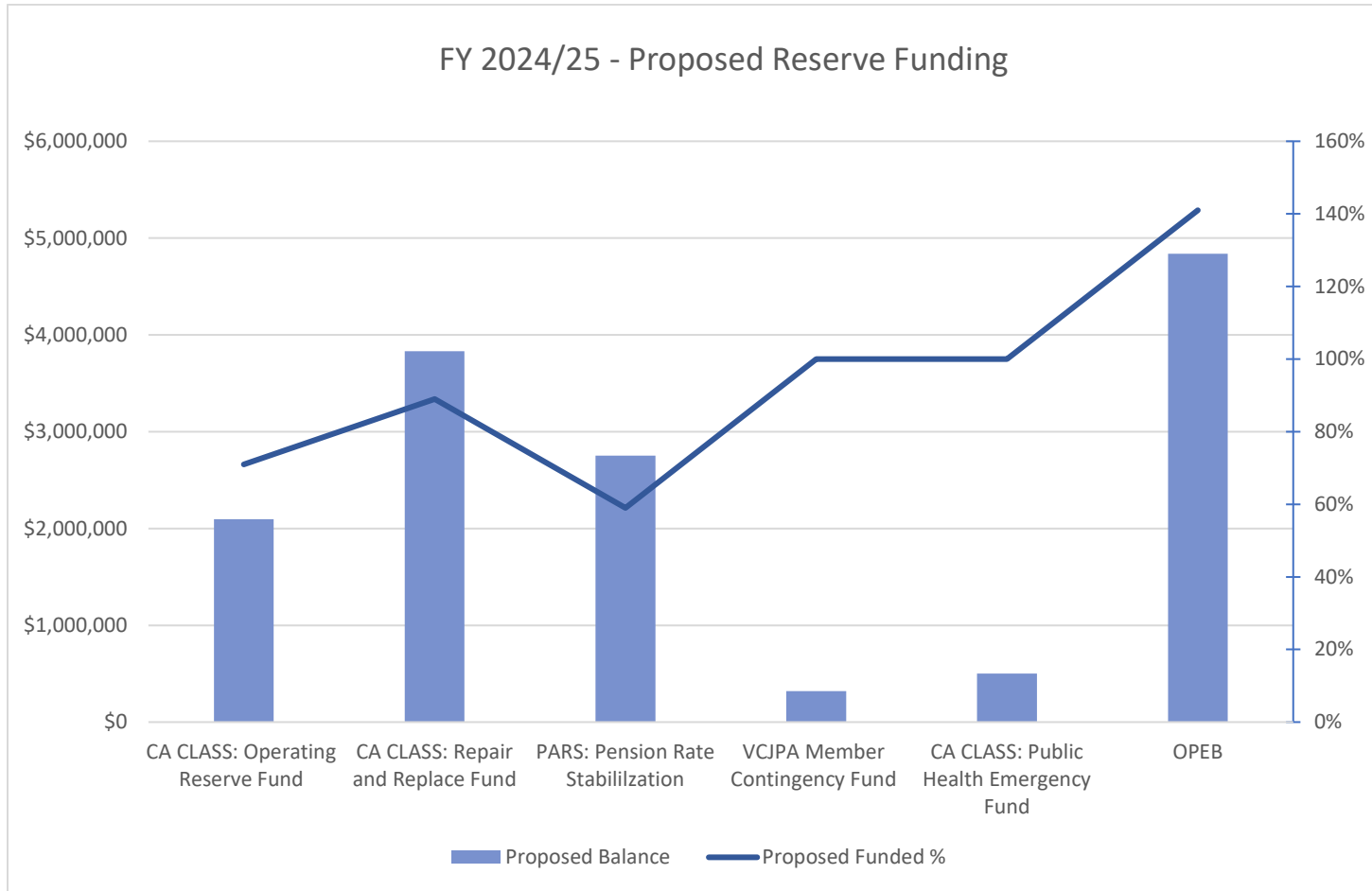
Alameda County Mosquito Abatement District  
FY 2024/25

**Figure 4:** The pie chart below displays the breakdown of the total staff budget, which amounts to \$1,279,302. This reflects a 7% increase from the previous fiscal year.



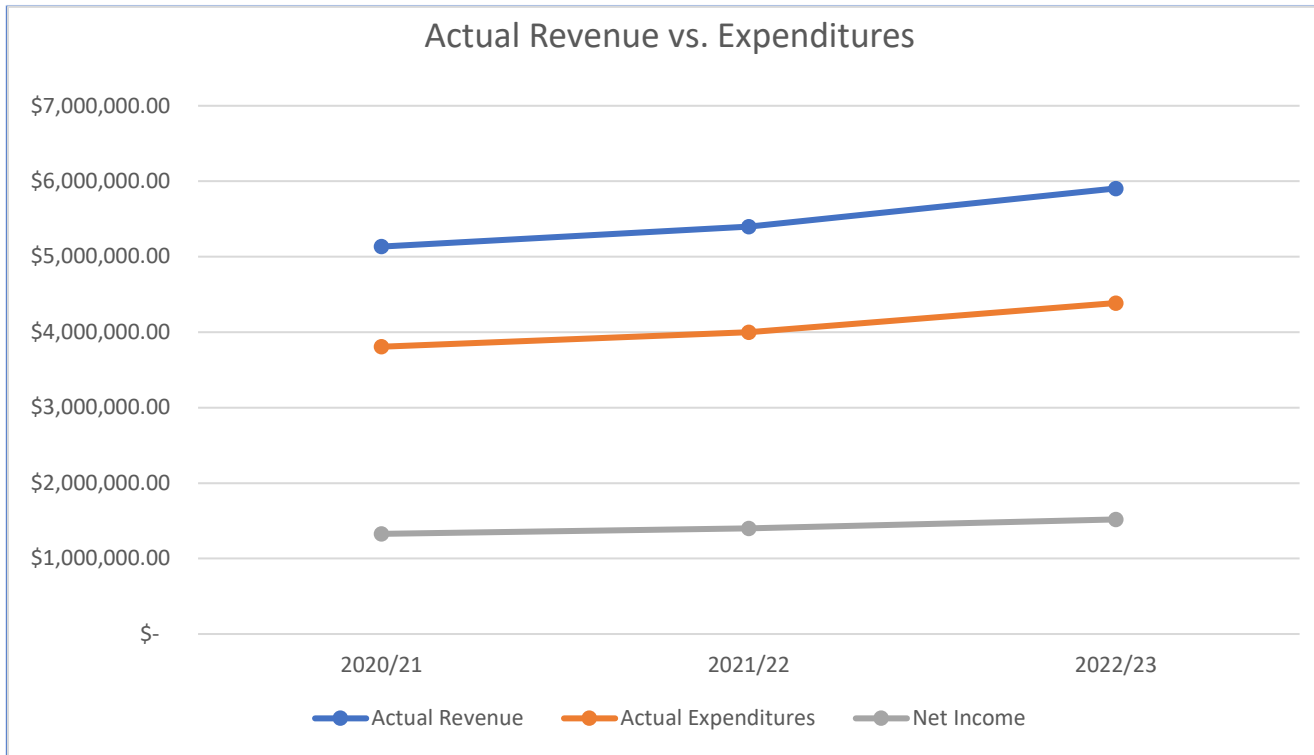
Alameda County Mosquito Abatement District  
FY 2024/25

**Figure 5:** The chart below outlines the Proposed Reserve Funding for the fiscal year 2024/25.



Alameda County Mosquito Abatement District  
FY 2024/25

**Figure 6:** The chart displayed below presents a comparison of actual revenue versus expenditures for the previous three fiscal years.



# ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT

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## Capital Asset Replacement Program Analysis and Report



*Prepared by*

**Mike Bakaldin  
Jack Dilles  
Mike Oliver**

**Municipal Resource Group, LLC**

March 2019

**ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT  
DRAFT CAPITAL ASSET REPLACEMENT PROGRAM ANALYSIS AND REPORT**

**PURPOSE OF THE PROJECT**

The Alameda County Mosquito Abatement District (District) owns a variety of capital assets, including buildings, vehicles, water craft, machinery and equipment. The District is in a position where it has the financial capacity to set aside sufficient cash over the next few years to finance the replacement of its major capital assets for the next 20 years.

The District's services are capital asset-dependent. The District owns more than 70 capital assets, all of which will eventually need to be replaced. Municipal Resource Group, LLC (MRG) was retained by the District to prepare this Capital Asset Replacement Program Analysis and Report (Report), which identifies the District's ongoing capital asset replacement requirements and proposes capital asset replacement funding strategies.

This Report includes a Capital Asset Replacement Schedule that identifies (i) a list of existing capital assets that will be replaced; (ii) the estimated useful life of each capital asset; and (iii) the estimated current and future replacement cost of each capital asset.

The Capital Asset Replacement Schedule forms the basis for the Report's Capital Asset Funding Strategies, with each strategy projecting costs over the next 20 years. MRG first performed a Pay-As-You-Go analysis to determine annual budget requirements as part of an Annual Budget Strategy. MRG then performed a Net Present Value Analysis to determine the amount of money required to be reserved now to pay for the eventual replacement of existing capital assets as part of a Reserve Fund Strategy.

The Report also includes a Cash Flow Analysis to ensure that adequate funds would be available on an annual basis to pay for the replacement of existing capital assets under the Net Present Value Analysis/Reserve Fund Strategy, including scenarios where the net present value cost is funded over one year, three years or four years.

**I. PROJECT METHODOLOGY**

MRG worked collaboratively with District staff in conducting the analysis and in preparing this Report. The Project Methodology included the following steps, tasks, analyses and deliverables:

1. MRG consultants met with key District staff to confirm the project objectives and discuss the project tasks, timelines and deliverables. MRG received a preliminary list of District assets, including year of purchase and purchase price for each asset.
2. MRG conducted a second site visit, during which specific assets were visually confirmed. MRG met with District staff to discuss capital assets that would be

replaced, and proposed methodologies for determining useful lives and replacement costs.

3. Working with District staff, MRG prepared a Capital Asset Replacement Schedule, identifying for each capital asset the year it was placed in service, as well as its useful life, original cost and current replacement cost. A list of existing capital assets that are not planned to be replaced was also prepared. District staff provided input on all assumptions and data.
4. MRG prepared a Draft Capital Asset Replacement Program Analysis and Report for consideration by District staff.

## II. CAPITAL ASSET REPLACEMENT SCHEDULE

The District's capital assets include major building systems, vehicles, shop equipment, fish equipment, and lab equipment. Several non-capital assets were included in the schedule and analysis at the request of the District, because even though these items do not qualify as capital assets, the District has an ongoing need to finance periodic replacement of these costly items.

A Capital Asset Replacement Schedule has been prepared (**Exhibit A**), which includes approximately 70 separate capital assets, each with a current replacement cost in excess of five thousand dollars. Existing capital assets that will not be replaced and assets with a replacement cost of less than five thousand dollars are not included in the Capital Asset Replacement Schedule.

The Capital Asset Replacement Schedule provides the following information:

*Year Purchased/In Service* – the year in which the capital asset was either purchased or placed into service by the District.

*Asset Description* – a brief description and/or the brand/model of the capital asset.

*Service Life* – the estimated *useful* life of the capital asset. Useful lives range from five years for certain equipment to 40 years for parking lot concrete pavement.

*Original Acquisition Cost* – the *cost*, according to the District's financial records, of the capital asset when it was purchased.

*Current Replacement Cost* – the *estimated* cost to replace the capital asset in 2019.

*Replacement Cost Source* – the *methodology* or the source of information used to estimate the current (2019) replacement cost of the capital asset. Several methods and/or sources were used to estimate current replacement cost:

*Cost + ENR-BCI* – for major building systems, the analysis uses the original cost and adjusts that cost by the Engineering News Record – 20 City Average Building Construction Cost Index (ENR-BCI) from the date the capital asset was placed into service to 2019. The ENR-BCI is a commonly used index that tracks the average cost of construction. The ENR-BCI annual average over the past 20 years is 2.92%.

*Cost + CPI* – for some capital assets, the analysis uses the original cost and adjusts that cost by a Consumer Price Index (CPI) factor. The analysis applies a 2.79% annual CPI factor from the date the capital asset was purchased to 2019, consistent with the Consumer Price Index – All Urban Consumers – San Francisco-Oakland-San Jose, which has averaged 2.79% annually over the past 20 years.

*Brand Names* – MRG and/or District staff researched supplier and trade industry costs for some of the capital assets. For example, brand name assets such as “Alco HVAC,” “John Deere,” “Mar-Len,” “Fisher Scientific” and other brands were researched to determine actual current prices (including sales tax).

*District* – replacement cost is based on District staff’s experience in acquiring capital assets.

*MRG* – replacement cost is based on MRG’s experience in conducting similar analyses.

**A. Assets Not Included in the Capital Asset Replacement Schedule**

The District has a “capitalization” standard of five thousand dollars, meaning that any asset purchase in an amount less than five thousand dollars is “expensed” and not carried in the District’s financial statements as an asset. The Capital Asset Replacement Schedule does not include existing assets with a current replacement cost of less than five thousand dollars.

District staff identified certain capital assets that will not be replaced, because of obsolescence or for other reasons. These capital assets are also not included in the Capital Asset Replacement Schedule.

When the District purchases a new vehicle, the older vehicle it has replaced is sometimes placed in a fleet “pool” and is used by staff as a back-up vehicle, until it is eventually disposed of at auction in accordance with surplus property procedures. These pool vehicles are not subsequently replaced, and are not included in the Capital Asset Replacement Schedule.

While major building systems that will require eventual replacement are included in the Capital Asset Replacement Schedule (such as roofs and HVAC systems), complete

replacement of the District’s permanent buildings is not included in the Capital Asset Replacement Schedule, for several reasons. First, assets that “depreciate” are typically included in a replacement schedule; buildings do not necessarily depreciate over time, and may in fact appreciate in value. Second, if District facilities were to be relocated to another location in the future, there would be significant resale value attributable to the existing buildings and facilities, the value of which is not known at this time. Third, purchase or construction of any future replacement buildings would likely be financed by bond proceeds, with debt service payments made in the years following the purchase or construction of the new facilities, rather than reserved in advance. Fourth, the analysis in this Report is based on a 20-year period, and the District’s relatively new buildings and facilities will not likely be replaced within that time frame.

**Exhibit B** lists the five existing capital assets that have been excluded from the Capital Asset Replacement Schedule for the reasons identified above.

### **III. CAPITAL ASSET FUNDING STRATEGIES**

The Capital Asset Replacement Schedule forms the basis of this Report’s analysis for the Capital Asset Funding Strategies. There are two primary Capital Asset Funding Strategies presented below.

#### **A. Pay-As-You-Go Analysis/Annual Budget Strategy**

The Pay-As-You-Go Analysis estimates the cost of replacing each existing capital asset in the year in which it is expected to be replaced (when the useful life expires). The cost in the replacement year is “inflation-adjusted” by one of the two following factors:

1. For major building systems, the replacement cost in the year in which the asset is expected to be replaced is based on the current replacement cost adjusted by an average annual 2.92% ENR-BCI factor from 2019 to the expected replacement year. For example, a capital asset with a current (2019) replacement cost of \$100,000 that is scheduled to be replaced in 2020 would have a 2020 replacement cost of \$103,000 (all replacement costs are rounded).
2. For equipment, vehicles and other purchased assets, the replacement cost in the year in which the asset is expected to be replaced is based on the current (2019) replacement cost, adjusted by an average annual 2.79% CPI factor from 2019 to the replacement year.

**Exhibit C** provides the Pay-As-You-Go Analysis. It provides the inflation-adjusted replacement cost for all District-owned capital assets, with 2019 as the base year replacement cost and continuing from 2020 through 2039, a 20-year period. All existing capital assets will be replaced at least once during the 20-year period, except for the parking lot concrete pavement and two 800 gallon fish tanks, which are scheduled to be replaced



after the 20-year period. Assets with relatively short useful lives may be replaced more than once during the 20-year period.

Exhibit C can be used as an Annual Budget Strategy tool, in that it estimates the amount in inflation-adjusted dollars required in any given year to replace capital assets that have reached the end of their useful lives.

The Pay-As-You-Go Analysis/Annual Budget Strategy indicates that the annual replacement cost (in inflation-adjusted dollars) would range from \$66,000 in 2028 to \$487,000 in 2035. Exhibit C identifies the replacement cost for each capital asset from 2019 through 2039. **Table IV-1**, below, provides a summary of the Annual Budget Strategy requirements in inflation-adjusted dollars.

**Table IV-1: Annual Budget Strategy Requirements, Inflation-Adjusted Dollars**

Year	Capital Budget Requirement
2019	\$74,000
2020	\$386,000
2021	\$185,000
2022	\$313,000
2023	\$83,000
2024	\$164,000
2025	\$440,000
2026	\$241,000
2027	\$407,000
2028	\$66,000
2029	\$219,000
2030	\$95,000
2031	\$205,000
2032	\$411,000
2033	\$97,000
2034	\$378,000
2035	\$487,000
2036	\$215,000
2037	\$404,000
2038	\$482,000
2039	\$251,000

It is noted that any new capital assets added to the District's inventory in future years would need to be added to the Capital Asset Replacement Schedule, and the Pay-As-You-Go Analysis would need to be rerun at regular intervals.

#### **B. Net Present Value Analysis/Reserve Fund Strategy**

The District is in a position where it has the financial capacity to set aside sufficient cash over the next few years to finance the replacement of its major capital assets for the next 20 years.

The Net Present Value Analysis estimates the amount of money that would need to be set aside in a reserve fund in 2019, which if invested at a given interest rate (also known as a discount rate) would provide sufficient funding to pay for the inflation-adjusted cost of replacing all current capital assets over the 20-year period.

The Net Present Value Analysis assumes that money in a reserve fund would accrue interest income at an annual interest rate of 2.26%, which has been the average annual California State Treasurer Local Agency Investment Fund (LAIF) interest rate over the past 20 years. A lower interest rate (discount rate) would result in a higher net present value and a higher amount required to be set aside in 2019 to fully fund the replacement of all existing capital assets. Similarly, a higher interest rate (discount rate) would result in a lower net present value and a lower amount required to be set aside in 2019 to fully fund the replacement of all existing capital assets.

**Table IV-2**, below, provides the Net Present Value Analysis. Based on the Capital Asset Replacement Schedule and an assumed interest rate/discount rate of 2.26%, the District would need to set aside \$4,319,711 in a reserve fund in 2019, which would be invested and would accrue interest at an annual rate of 2.26% over the 20-year period to provide sufficient funding for the replacement of the District’s existing capital assets.

**Table IV-2: Net Present Value Analysis, Inflation-Adjusted Dollars, 2.26% Discount Rate**

Year	Inflation-Adjusted Expense
2019	\$74,000
2020	\$386,000
2021	\$185,000
2022	\$313,000
2023	\$83,000
2024	\$164,000
2025	\$440,000
2026	\$241,000
2027	\$407,000
2028	\$66,000
2029	\$219,000
2030	\$95,000
2031	\$205,000
2032	\$411,000
2033	\$97,000
2034	\$378,000
2035	\$487,000
2036	\$215,000
2037	\$404,000
2038	\$482,000
2039	\$251,000
Net Present Value <sup>1</sup>	\$4,319,711

<sup>1</sup>The Net Present Value Discount Rate of 2.26% is based on the average quarterly Local Agency Investment Fund interest rate as reported by the California State Treasurer over the past 20 years.

If the District chose to fund the net present value over three years, it could do so by making annual deposits of \$1,472,000 into the Capital Replacement Fund in the years 2019, 2020 and 2021.

Alternatively, if the District chose to fund the net present value over four years, it could do so by making annual deposits of \$1,116,000 into the Capital Replacement Fund in the years 2019, 2020, 2021 and 2022.

It is noted that any new capital assets that are added to the District's inventory in the future would need to be added to the Capital Asset Replacement Schedule, and the Net Present Value Analysis/Reserve Fund Strategy would need to be rerun at regular intervals.

### C. Cash Flow Analysis

The Cash Flow Analysis is based on the Net Present Value Analysis. It provides the annual flow of funds in the Capital Replacement Fund, under three different scenarios. Under the three scenarios, initial capital replacement reserve deposits over one, three, or four years are assumed, plus 2.26% annual interest on the fund balance over 20 years, less capital asset expenditures over 20 years, resulting in a \$0 Capital Replacement Fund balance at the end of 20 years. The Cash Flow Analysis is provided to confirm that annual funding is adequate for the replacement of the existing capital assets under the Net Present Value/Reserve Fund Strategy, based on the assumptions described in this Report. However, it is noted that the analysis is interest rate sensitive. While the interest rates have averaged 2.26% over the past 20 years, the rates fluctuate over time. If interest rates trend low for an extended period of time or do not achieve the long-term 2.26% average, the initial Capital Reserve Fund deposits will not be sufficient to fully fund the replacement of all capital assets.

Under the first scenario, as presented in **Table IV-3**, below, the District would make a one-time deposit of \$4,319,711, to the Capital Replacement Fund in 2019, using approximately \$500,000 in funds from the Repair and Replacement Fund and from other available funds.

**Table IV-3: Scenario 1: Cash Flow Analysis/Capital Reserve Fund  
Using a One-Time Cash Deposit of \$4,319,711**

Year	Beginning Fund Balance	Plus: Interest Income (2.26%)	Less: Capital Expense	Ending Fund Balance
2019	\$4,319,711	\$97,625	(\$74,000)	\$4,343,336
2020	\$4,343,336	\$98,159	(\$386,000)	\$4,055,495
2021	\$4,055,495	\$91,654	(\$185,000)	\$3,962,150
2022	\$3,962,150	\$89,545	(\$313,000)	\$3,738,694
2023	\$3,738,694	\$84,494	(\$83,000)	\$3,740,189
2024	\$3,740,189	\$84,528	(\$164,000)	\$3,660,717
2025	\$3,660,717	\$82,732	(\$440,000)	\$3,303,449
2026	\$3,303,449	\$74,658	(\$241,000)	\$3,137,107
2027	\$3,137,107	\$70,899	(\$407,000)	\$2,801,006
2028	\$2,801,006	\$63,303	(\$66,000)	\$2,798,308
2029	\$2,798,308	\$63,242	(\$219,000)	\$2,642,550
2030	\$2,642,550	\$59,722	(\$95,000)	\$2,607,272

Year	Beginning Fund Balance	Plus: Interest Income (2.26%)	Less: Capital Expense	Ending Fund Balance
2031	\$2,607,272	\$58,924	(\$205,000)	\$2,461,196
2032	\$2,461,196	\$55,623	(\$411,000)	\$2,105,819
2033	\$2,105,819	\$47,592	(\$97,000)	\$2,056,411
2034	\$2,056,411	\$46,475	(\$378,000)	\$1,724,886
2035	\$1,724,886	\$38,982	(\$487,000)	\$1,276,868
2036	\$1,276,868	\$28,857	(\$215,000)	\$1,090,725
2037	\$1,090,725	\$24,650	(\$404,000)	\$711,376
2038	\$711,376	\$16,077	(\$482,000)	\$245,453
2039	\$245,453	\$5,547	(\$251,000)	\$ - 0 -

Under the second scenario, as presented in **Table IV-4**, below, the District would make annual deposits of \$1,472,000 in 2019, 2020 and 2021 into the Capital Replacement Fund, using approximately \$500,000 in funds available from the Repair and Replacement Fund and other available funds.

**Table IV-4: Scenario 2: Cash Flow Analysis/Capital Reserve Fund Using Three Annual Deposits**

Year	Beginning Fund Balance	Deposits	Plus: Interest Income (2.26%)	Less: Capital Expense	Ending Fund Balance
2019	\$ - 0 -	\$1,472,000	\$33,267	(\$74,000)	\$1,431,267
2020	\$1,431,267	\$1,472,000	\$65,614	(\$386,000)	\$2,582,881
2021	\$2,582,881	\$1,472,615	\$91,654	(\$185,000)	\$3,962,150
2022	\$3,962,150		\$89,545	(\$313,000)	\$3,738,695
2023	\$3,738,695		\$84,495	(\$83,000)	\$3,740,189
2024	\$3,740,189		\$84,528	(\$164,000)	\$3,660,718
2025	\$3,660,718		\$82,732	(\$440,000)	\$3,303,450
2026	\$3,303,450		\$74,658	(\$241,000)	\$3,137,108
2027	\$3,137,108		\$70,899	(\$407,000)	\$2,801,006
2028	\$2,801,006		\$63,303	(\$66,000)	\$2,798,309
2029	\$2,798,309		\$63,242	(\$219,000)	\$2,642,551
2030	\$2,642,551		\$59,722	(\$95,000)	\$2,607,273
2031	\$2,607,273		\$58,924	(\$205,000)	\$2,461,197
2032	\$2,461,197		\$55,623	(\$411,000)	\$2,105,820
2033	\$2,105,820		\$47,592	(\$97,000)	\$2,056,412
2034	\$2,056,412		\$46,475	(\$378,000)	\$1,724,886
2035	\$1,724,886		\$38,982	(\$487,000)	\$1,276,869
2036	\$1,276,869		\$28,857	(\$215,000)	\$1,090,726
2037	\$1,090,726		\$24,650	(\$404,000)	\$711,377
2038	\$711,377		\$16,077	(\$482,000)	\$245,454
2039	\$245,454		\$5,547	(\$251,000)	\$ 1

Under the third scenario, as presented in **Table IV-5**, below, the District would make annual deposits of approximately \$1,116,000 in 2019, 2020, 2021 and 2022 into the Capital Replacement Fund, using approximately \$500,000 in funds available from the Repair and Replacement Fund and other available funds.

**Table IV-5: Scenario 3: Cash Flow Analysis/Capital Reserve Fund  
Using Four Annual Deposits**

Year	Beginning Fund Balance	Deposits	Plus: Interest Income (2.26%)	Less: Capital Expense	Ending Fund Balance
2019	\$ - 0 -	\$1,116,000	\$25,222	(\$74,000)	\$1,067,222
2020	\$1,067,222	\$1,116,000	\$49,341	(\$386,000)	\$1,846,562
2021	\$1,846,562	\$1,116,807	\$66,972	(\$185,000)	\$2,845,342
2022	\$2,845,342	\$1,116,808	\$89,545	(\$313,000)	\$3,738,694
2023	\$3,738,694		\$84,494	(\$83,000)	\$3,740,189
2024	\$3,740,189		\$84,528	(\$164,000)	\$3,660,717
2025	\$3,660,717		\$82,732	(\$440,000)	\$3,303,449
2026	\$3,303,449		\$74,658	(\$241,000)	\$3,137,107
2027	\$3,137,107		\$70,899	(\$407,000)	\$2,801,006
2028	\$2,801,006		\$63,303	(\$66,000)	\$2,798,308
2029	\$2,798,308		\$63,242	(\$219,000)	\$2,642,550
2030	\$2,642,550		\$59,722	(\$95,000)	\$2,607,272
2031	\$2,607,272		\$58,924	(\$205,000)	\$2,461,196
2032	\$2,461,196		\$55,623	(\$411,000)	\$2,105,819
2033	\$2,105,819		\$47,592	(\$97,000)	\$2,056,411
2034	\$2,056,411		\$46,475	(\$378,000)	\$1,724,886
2035	\$1,724,886		\$38,982	(\$487,000)	\$1,276,868
2036	\$1,276,868		\$28,857	(\$215,000)	\$1,090,725
2037	\$1,090,725		\$24,650	(\$404,000)	\$711,376
2038	\$711,376		\$16,077	(\$482,000)	\$245,453
2039	\$245,453		\$5,547	(\$251,000)	\$ - 0 -

**IV. SUMMARY, RECOMMENDATIONS AND CONCLUSION****A. Summary**

This Capital Asset Replacement Program Analysis and Report provides a current Capital Asset Replacement Schedule and strategies to fund the replacement of the District's existing capital assets over the next 20 years.

The Pay-As-You-Go/Annual Budget Strategy provides the estimated annual inflation-adjusted amount the District would need to budget each year to replace existing capital assets. The range of inflation-adjusted budget requirements over a 20-year period ranges from \$66,000 in 2028 to \$487,000 in 2035.

The Net Present Value/Reserve Fund Strategy calculates the amount that would need to be set aside today, to be invested and accruing interest at an average of 2.26%, to fund the eventual replacement of all of the District's existing capital assets over the next 20 years should the District decide to fund the entire amount at one time. The Net Present Value/Reserve Fund Strategy amount that should be set aside in the Capital Replacement fund is \$4,319,711.

The Cash Flow Analysis, based on the Net Present Value/Reserve Fund Strategy, demonstrates that adequate funding would be available, assuming that a deposit of

\$4,319,711 is made into the Capital Replacement Fund, with interest accruing on that deposit at 2.26% annually, and that capital assets are replaced at the replacement costs and in the replacement years identified in this Report. The Cash Flow Analysis also shows that adequate funding would be available if, instead, annual deposits of \$1,472,000 were made in the years 2019, 2020 and 2021, or if annual payments of \$1,116,000 were made in the years 2019, 2020, 2021 and 2022.

There are several variables and scenarios under which these analyses and strategies would need to be updated and revised. These would include, at a minimum:

- Capital assets are not replaced based on the Capital Asset Replacement Schedule;
- Capital assets are replaced at inflation-adjusted costs that differ from this Report's estimated capital asset replacement costs;
- Additional capital assets not currently on the Capital Asset Replacement Schedule are acquired and replaced; or
- Interest rates remain low for an extended period of time and do not increase reasonably early in the 20-year period to achieve the long-term 2.26% average.

Therefore, as the District replaces existing capital assets or acquires new capital assets, it should update the Capital Asset Replacement Schedule. In addition, the District should periodically review and update the Pay-As-You-Go and Net Present Value Analyses to ensure that adequate funds are being set aside for capital asset replacement.

## **B. Recommendations**

**Recommendation 1: MRG recommends the Net Present Value/Reserve Fund Strategy with payments over either three or four years. This would require either annual deposits of \$1,472,000 in years 2019, 2020 and 2021; or annual deposits of \$1,116,000 in years 2019, 2020, 2021 and 2022.**

The District has previously and prudently established a Capital Repair and Replacement Fund. In addition, the District has other reserves, and currently has a significant positive operating margin that could be used to fund the Capital Replacement Fund. MRG does not recommend the Pay-As-You-Go/Annual Budget Strategy, since it would require an uneven annual budgetary commitment, ranging from \$66,000 in 2028 to \$487,000 in 2035 in inflation-adjusted dollars. MRG also does not recommend the Net Present Value/Reserve Fund Strategy with an up-front one-time deposit of \$4,319,711 in 2019, because it appears that insufficient funds are available at this time.

**Recommendation 2: MRG recommends that the District update the Capital Asset Replacement Schedule as it acquires new assets or replaces existing assets.**

Maintaining an accurate and up-to-date Capital Asset Replacement Schedule will make future analyses much simpler to perform. MRG will provide instructions, separate from this

Report, to assist the District in establishing a system for updating the Capital Asset Replacement Schedule.

**Recommendation 3: MRG recommends that the District update the Pay-As-You-Go and Net Present Value Analyses at approximately five-year intervals to ensure that adequate funds are being set aside for capital asset replacement.**

Regular updates to the Pay-As-You-Go and Net Present Value Analyses will ensure that the District can adjust its funding needs as new assets are acquired, existing assets are replaced, economic conditions evolve, and asset replacements outside the initial 20-year period come due. MRG will provide instructions, separate from this Report, to assist the District in establishing a system for updating the analyses.

### **C. Conclusion**

Implementation of the recommended approach to funding the Net Present Value/Reserve Fund Strategy on a three- or four-year basis, with periodic reviews, will ensure adequate funds are available to replace the items currently listed on the Capital Asset Replacement Schedule. It is important to note that as both new and replacement items are added to the list there will be a need for the District to begin to add funds to the Reserve Fund to make certain there is adequate funding for their replacement.

A five-year review and replacement fund analysis will ensure the District identifies the future replacement costs for the new and replacement items. MRG is available to assist the District in creating a review schedule and protocol to make certain the Capital Asset Replacement Schedule is maintained adequately to meet the District's future needs.

# **ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT**

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## **Capital Asset Replacement Program Analysis and Report**

### **Exhibits**



YEAR PURCHASED / IN SERVICE	ASSET DESCRIPTION	SERVICE LIFE	ORIGINAL ACQUISITION COST	CURRENT REPLACEMENT COST	REPLACEMENT COST SOURCE
<b>BUILDING MAJOR SYSTEMS</b>					
2005	HVAC (small)	20	n/a	\$8,000	ALCO HVAC
2005	HVAC (small)	20	n/a	\$8,000	ALCO HVAC
2005	HVAC (medium)	20	n/a	\$9,000	ALCO HVAC
2005	HVAC (medium)	20	n/a	\$9,000	ALCO HVAC
2005	HVAC (medium)	20	n/a	\$9,000	ALCO HVAC
2005	HVAC (large)	20	n/a	\$10,000	ALCO HVAC
2009	Electric Gate	20	\$10,275	\$14,000	Cost + ENR-BCI
2011	Roof Gutter System	15	\$17,075	\$21,000	Cost + ENR-BCI
2015	Parking Lot Asphalt Pavement	20	\$77,668	\$87,000	Cost + ENR-BCI
2005	Parking Lot Concrete Pavement (5,200 s. f.)	40	n/a	\$104,000	MRG
2015	Roof - Shop	20	\$50,608	\$57,000	Cost + ENR-BCI
2018	Roof - Office	20	\$107,000	\$133,000	District
1990	Public Ed Shed	35	n/a	\$8,000	MRG
1985	Wash Rack - Pad and Separator	40	\$8,000	\$50,000	Hydro Tech/MRG
1985	Parking Structure Roof (6,400 s.f.)	35	n/a	\$96,000	MRG

Future Cost Based on Current Cost Plus 2.92% Annual ENR-BCI

Alameda County Mosquito Abatement District  
Capital Asset Replacement Schedule

Exhibit A

Municipal Resource Group LLC  
February 2019

YEAR PURCHASED / IN SERVICE	ASSET DESCRIPTION	SERVICE LIFE	ORIGINAL ACQUISITION COST	CURRENT REPLACEMENT COST	REPLACEMENT COST SOURCE
	<b>VEHICLES</b>				
2003	2003 Ford E-150 Cargo Van 4X2	20	\$27,070	\$42,000	Cost + CPI
2005	2005 Jeep Wrangler 4X4 RHD (White)	20	\$30,140	\$44,000	Cost + CPI
2005	2005 Jeep Wrangler 4X4 RHD (Red)	20	\$30,140	\$44,000	Cost + CPI
2019	2008 Ford Ranger 4DR 4X4	10	\$22,530	\$37,000	District
2009	2009 Ford F-150 4X4	12	\$29,495	\$39,000	Cost + CPI
2019	2009 Ford Ranger 4DR 4X2	10	\$29,225	\$37,000	District
2011	2011 Ford Ranger 4DR 4X4	10	\$22,899	\$37,000	District
2011	2011 Ford F-150 4X4	12	\$29,582	\$37,000	Cost + CPI
2011	2011 Ford Ranger 4DR 4X2	10	\$22,899	\$37,000	District
2012	2012 Ford F-150 4X4 Long Bed	12	\$27,764	\$34,000	Cost + CPI
2012	2012 Ford F-150 4X4 Long Bed	12	\$27,764	\$34,000	Cost + CPI
2012	2012 Ford F-150 4X4 Long Bed	12	\$27,764	\$34,000	Cost + CPI
2014	2013 Jeep Wrangler 4X4 RHD	20	\$34,909	\$40,000	Cost + CPI
2014	2014 Ford F-150 4X4 XTRA Cab	12	\$30,783	\$35,000	Cost + CPI
2014	2014 Ford F-150 4X4 XTRA Cab	12	\$26,783	\$31,000	Cost + CPI
2014	2014 Ford Fusion Hybrid	12	\$28,146	\$32,000	Cost + CPI
2015	2014 Ford F-150 4X2 Long Bed	12	\$26,984	\$30,000	Cost + CPI
2015	2015 Nissan Frontier 4X4 XTRA Cab	12	\$26,690	\$30,000	Cost + CPI
2017	2017 GMC Canyon 4X4	12	\$37,000	\$39,000	Cost + CPI
2017	2017 GMC Canyon 4X4	12	\$37,000	\$39,000	Cost + CPI
2018	2018 GMC Canyon 4X4	12	\$37,910	\$39,000	Cost + CPI
2011	Argo All-Terrain	10	\$28,519	\$30,000	Argo Advent.
2012	Argo All-Terrain	10	\$23,949	\$30,000	Argo Advent.
2014	Argo All-Terrain	10	\$27,428	\$30,000	Argo Advent.
2015	Argo All-Terrain	10	\$27,687	\$30,000	Argo Advent.

Future Cost Based on Current Cost Plus 2.79% Annual CPI

Alameda County Mosquito Abatement District  
Capital Asset Replacement Schedule

Exhibit A

Municipal Resource Group LLC  
February 2019

YEAR PURCHASED / IN SERVICE	ASSET DESCRIPTION	SERVICE LIFE	ORIGINAL ACQUISITION COST	CURRENT REPLACEMENT COST	REPLACEMENT COST SOURCE
	<b>SHOP EQUIPMENT</b>				
2016	Mar-Len, Pressure Water System	5	\$6,875	\$8,000	Mar-Len Supply
2000	Vehicle Lift	25	\$10,000	\$15,000	Ferris Hoist District
2000	Tire Balancer	25	n/a	\$5,000	District
2000	Tire Changer	25	n/a	\$5,000	Ferris Hoist
2000	Two Ton Crane Hoist	25	\$5,000	\$8,000	District/MRG
1991	Oil Tank (BVA) and Slab	35	n/a	\$50,000	Leading Edge
2005	Mozzie Electric ULV	15	\$8,000	\$15,000	Leading Edge
1985	Leco Gas ULV/Larvicidal Rig	35	\$7,000	\$15,000	District
2018	London Fogger	10	\$17,000	\$17,000	

Future Cost Based on Current Cost Plus 2.79% Annual CPI

YEAR PURCHASED / IN SERVICE	ASSET DESCRIPTION	SERVICE LIFE	ORIGINAL ACQUISITION COST	CURRENT REPLACEMENT COST	REPLACEMENT COST SOURCE
<b>FISH EQUIPMENT</b>					
1990	Fish Tank (2,400 gal)***	35	n/a	\$24,000	Sac. Koi
2002	Filtration (large)	20	n/a	\$12,000	Sac. Koi
2015	Fish Tank, Sac. Koi (800 gal)	25	\$10,827	\$12,000	Sac. Koi
2015	Filtration (small)	10	\$7,000	\$8,000	Sac. Koi
2016	Fish Tank, Sac. Koi (800 gal)	25	\$10,469	\$12,000	Sac. Koi
<b>LAB EQUIPMENT</b>					
2015	Microscope	10	\$6,267	\$23,000	Fisher Scientbtific
2015	Microscope	10	\$6,267	\$23,000	Fisher Scientbtific
2015	Lifetech PCR Machine	5	\$33,978	\$31,000	Fisher Scientbtific
2015	Incubator	8	n/a	\$11,000	Fisher Scientbtific
2016	Lifetech Nucleic Acid Isolator	5	\$24,511	\$25,000	Fisher Scientbtific
2016	Bio Tek Spec Plate Reader	8	\$8,828	\$11,000	Fisher Scientbtific
2018	Autoclave	10	\$7,493	\$7,000	District
2018	Minus 80 Freezer	8	\$17,720	\$17,000	District
2018	Drone	5	\$26,820	\$27,000	District
<b>NON-CAPITAL ASSETS</b>					
2017	Mosquito District Database	5	\$233,000	\$246,000	Cost + CPI
2005	Painting - Exterior Main Building	15	n/a	\$25,000	Shine Painting/MRG
2005	Painting - Interior Main Building	15	n/a	\$15,000	Shine Painting/MRG
2005	Painting - Parking Structure	15	n/a	\$15,000	Shine Painting/MRG
2005	Flooring - Main Building (7,200 s. f.)	15	n/a	\$108,000	MRG
2000	Landscaping	20	n/a	\$15,000	MRG

\*\*\* Fish Tank (2,400 gal) will be replaced by two Fish Tanks (800 gal) according to District

Alameda County Mosquito Abatement District  
 Assets Not Included in Asset Replacement Schedule

Exhibit B

Municipal Resource Group LLC  
 February 2019

YEAR PURCHASED / IN SERVICE	ASSET DESCRIPTION	REASON
	<u>BUILDINGS</u>	
1985/2005	Main Building	buildings excluded by policy
2018	Pesticide Shed	buildings excluded by policy
Unknown	Parking Structures	buildings excluded by policy
	<u>BUILDING MAJOR SYSTEMS</u>	
2014	CCTV	will not be replaced
	<u>VEHICLES</u>	
2005	2005 Ford F-150 4X4	will not be replaced (spare vehicle)



YEAR PURCHASED / IN SERVICE	ASSET DESCRIPTION	SERVICE LIFE	ORIGINAL ACQUISITION COST	CURRENT REPLACEMENT COST	2038	2039
<b>BUILDING MAJOR SYSTEMS</b>						
Future Cost Based on Current Cost Plus 2.92% Annual ENR-BCI						
2005	HVAC (small)	20	n/a	\$8,000		
2005	HVAC (small)	20	n/a	\$8,000		
2005	HVAC (medium)	20	n/a	\$9,000		
2005	HVAC (medium)	20	n/a	\$9,000		
2005	HVAC (medium)	20	n/a	\$9,000		
2005	HVAC (large)	20	n/a	\$10,000		
2009	Electric Gate	20	\$10,275	\$14,000		
2011	Roof Gutter System	15	\$17,075	\$21,000		
2015	Parking Lot Asphalt Pavement	20	\$77,668	\$87,000		
2005	Parking Lot Concrete Pavement (5,200 s. f.)	40	n/a	\$104,000		
2015	Roof Installation - Shop	20	\$50,608	\$57,000		
2018	Roof Installation - Office	20	\$107,000	\$133,000	\$230,000	
1990	Public Ed Shed	35	n/a	\$8,000		
1985	Wash Rack - Pad and Separator	40	\$8,000	\$50,000		
1985	Parking Structure Roof (6,400 s.f.)	35	n/a	\$96,000		
<b>VEHICLES</b>						
Future Cost Based on Current Cost Plus 2.79% Annual CPI						
2003	2003 Ford E-150 Cargo Van 4X2	20	\$27,070	\$42,000		
2005	2005 Jeep Wrangler 4X4 RHD (White)	20	\$30,140	\$44,000		
2005	2005 Jeep Wrangler 4X4 RHD (Red)	20	\$30,140	\$44,000		
2019	2008 Ford Ranger 4DR 4X4	10	\$22,530	\$37,000		\$64,000
2009	2009 Ford F-150 4X4	12	\$29,495	\$39,000		
2019	2009 Ford Ranger 4DR 4X2	10	\$29,225	\$37,000		\$64,000
2011	2011 Ford Ranger 4DR 4X4	10	\$22,899	\$37,000		
2011	2011 Ford F-150 4X4	12	\$29,582	\$37,000		
2011	2011 Ford Ranger 4DR 4X2	10	\$22,899	\$37,000		
2012	2012 Ford F-150 4X4 Long Bed	12	\$27,764	\$34,000		
2012	2012 Ford F-150 4X4 Long Bed	12	\$27,764	\$34,000		
2012	2012 Ford F-150 4X4 Long Bed	12	\$27,764	\$34,000		
2014	2013 Jeep Wrangler 4X4 RHD	20	\$34,909	\$40,000		
2014	2014 Ford F-150 4X4 XTRA Cab	12	\$30,783	\$35,000	\$59,000	
2014	2014 Ford F-150 4X4X TRA Cab	12	\$26,783	\$31,000	\$52,000	
2014	2014 Ford Fusion Hybrid	12	\$28,146	\$32,000	\$54,000	
2015	2014 Ford F-150 4X2 Long Bed	12	\$26,984	\$30,000		\$52,000
2015	2015 Nissan Frontier 4X4 XTRA Cab	12	\$28,690	\$30,000		\$52,000
2017	2017 GMC Canyon 4X4	12	\$37,000	\$39,000		
2017	2017 GMC Canyon 4X4	12	\$37,000	\$39,000		
2018	2018 GMC Canyon 4X4	12	\$37,910	\$39,000		
2011	Argo All Terrain Vehicle	10	\$28,519	\$30,000		
2012	Argo All Terrain Vehicle	10	\$23,949	\$30,000		
2014	Argo All Terrain Vehicle	10	\$27,428	\$30,000		
2015	Argo All Terrain Vehicle	10	\$27,687	\$30,000		
<b>SHOP EQUIPMENT</b>						
Future Cost Based on Current Cost Plus 2.79% Annual CPI						
2016	Mar-Len, Pressure Water System	5	\$6,875	\$8,000		
2000	Vehicle Lift	25	\$10,000	\$15,000		
2000	Tire Balancer	25	n/a	\$5,000		
2000	Tire Changer	25	n/a	\$5,000		
2000	Two Ton Crane Hoist	25	\$5,000	\$8,000		
1991	Oil Tank (BVA) and Slab	35	n/a	\$50,000		
2005	Mozzie Electric ULV	15	\$8,000	\$15,000		
1985	Leco Gas ULV/Larvicidal Rig	35	\$7,000	\$15,000		
2018	London Fogger	10	\$17,000	\$17,000	\$29,000	
<b>FISH EQUIPMENT</b>						
Future Cost Based on Current Cost Plus 2.79% Annual CPI						
1990	Fish Tank (2,400 gal)	35	n/a	\$24,000		
2002	Filtration (large)	20	n/a	\$12,000		
2015	Fish Tank, Sac. Koi (800 gal)	25	\$10,827	\$12,000		
2015	Filtration (small)	10	\$7,000	\$8,000		
2016	Fish Tank, Sac. Koi (800 gal)	25	\$10,469	\$12,000		
<b>LAB EQUIPMENT</b>						
Future Cost Based on Current Cost Plus 2.79% Annual CPI						
2015	Microscope	10	\$6,267	\$23,000		
2015	Microscope	10	\$6,267	\$23,000		
2015	Lifetech PCR Machine	5	\$33,978	\$31,000		
2015	Incubator	8	n/a	\$11,000		\$19,000
2016	Lifetech Nucleic Acid Isolator	5	\$24,511	\$25,000		
2016	Bio Tek Spec Plate Reader	8	\$8,828	\$11,000		
2018	Autoclave	10	\$7,493	\$7,000	\$12,000	
2018	Minus 80 Freezer	8	\$17,720	\$17,000		
2018	Drone	5	\$26,820	\$27,000	\$46,000	
<b>NON-CAPITAL ASSETS</b>						
Future Cost Based on Current Cost Plus 2.79% Annual CPI						
2017	Mosquito District Database	5	\$233,000	\$246,000		
2005	Painting - Exterior Main Building	15	n/a	\$25,000		
2005	Painting - Interior Main Building	15	n/a	\$15,000		
2005	Painting - Parking Structure	15	n/a	\$15,000		
2005	Flooring - Main Building (7,200 s. f.)	15	n/a	\$108,000		
2000	Landscaping	20	n/a	\$15,000		
TOTAL, ALL ASSETS (Inflation-Adjusted Dollars)					\$482,000	\$251,000

## CHAPTER 200. FINANCIAL

### Section 201. Expenditures

By resolution of the Board of Trustees, the Board established the following policy to ~~more efficiently review and approve District expenditures~~ review and approve District expenditures more efficiently.

- 201.1 The District budget will be reviewed, approved, and modified as necessary by the Board, consistent with existing District policies, procedures, and state law.
- 201.2 The Board authorizes the General Manager to issue warrants that are consistent with the objectives of the budget.
- 201.3 The General Manager shall act as Purchasing Agent unless the Board of Trustees designates another employee. The General Manager may delegate purchasing authority to other personnel in accordance with work functions and operational feasibility.
- 201.4 Any designated Purchasing Agent, within the intent and limits of the District budget, can purchase all materials, supplies, equipment, furnishings, and other property for the District. No purchase of property by any person other than the General Manager or their designated Purchasing Agent shall be binding upon the District or constitute a lawful charge against any District funds.

### Section 202. Bidding Policies

- 202.1 Less than \$5,000. Bidding is not required when the item or service to be purchased is less than \$4,999 in value.
- 202.2 \$5,000 to \$15,000. Informal bidding shall be required when the item or service to be purchased costs between \$5,000 and \$15,000. Such bidding may be accomplished by written request for bids sent to selected bidders; by telephone survey of prices; by electronic requests for bids or surveys of prices; or by such other efforts directed towards obtaining a minimum of three bids. The Purchasing Agent shall award the bid to the lowest responsible bidder, unless the Purchasing Agent determines that the public interest requires a different action. The Board will receive a report of all purchases in this cost range. The Board of Trustees authorizes the Purchasing Agent to purchase items described by this policy, provided they do not exceed \$15,000 and do not exceed the District's approved budget amount for the item or service in consideration.
- 202.3 Above \$15,000. When the cost of the item or service to be purchased exceeds \$15,000, formal bidding shall be required. Such bidding process shall require that a notice be posted at the District office at least ten (10) days prior to the bid opening and that formal requests for bids be solicited either by newspaper



publication, trade journal publication, use of a bid service, or other reasonable solicitation. Solicited sealed bids shall be reviewed by the Board and awarded to the lowest responsible bidder based on the Purchasing Agent's analysis and recommendation, unless the Board makes a determination that it would be in the public's best interest to do otherwise. All bids will be retained as part of the District's official record per District record retention policy. See Appendix 800-1.

202.4 Bidding is Not Required for the following:

- (a) When an emergency-situation exists – Designation of an emergency shall be determined General Manager with the consent of the Board President or available Board officer;
- (b) When requiring the services of specialized professionals, such as scientists, engineers, attorneys, or accountants;
- (c) When the item or service can only be obtained from one vendor; or
- (d) When the public interest may otherwise require that bidding be dispensed with, provided that the facts constituting the basis for the exception are documented by the Board or General Manager as appropriate. Documentation for exceptions shall be retained as part of the District's official records for at least two years.

Any warrant issued under this Section 202.4 shall indicate on the warrant list the specific exemption relied upon.

202.5 The General Manager shall first review all bids received to determine if they are responsive to the bid request. The General Manager is authorized to waive minor deviations and irregularities in the bids.

202.6 The General Manager shall also have the authority to inspect and test products for quality and fitness described or identified in any bid to determine its appropriateness, and further, may investigate the character and reputation of any bidder to determine responsibility and capability. The General Manager's analysis of these factors shall be used in the determination and recommendation of the lowest responsible bidder.

202.7 The District contract shall be awarded to the lowest responsible bidder, except as otherwise provided above. When feasible, preference may be given to Alameda County vendors. If two or more bids are substantially identical, the District may accept any such bid. In its sole discretion, the District may reject any and all bids received, and it may re-advertise for additional bids, have District staff perform such work, or negotiate with the lowest bidder.

### Section 203. Contracts

- 203.1 The General Manager is hereby authorized to sign and enter into contracts on the District's behalf when the dollar value of the contract is \$25,000 or less.
- 203.2 The Board authorizes the General Manager to enter into contracts that are consistent with the objectives of the budget upon receiving approval from the Board.

### Section 204. Warrants

- 204.1 The Board shall review warrants at least monthly to ensure expenditures are within the limitations of the budget, and to raise questions, when appropriate, about any of the listed expenditures.
- 204.2 The Board hereby authorizes the withdrawal of funds from the general fund upon a warrant signed by one member of the Board and the General Manager, or ~~his/her designee~~their designee. Following substantial deposits in April and December, funds are withdrawn from the general fund and deposited into the Operational Fund. A balance adequate for covering county adjustments and administrative fees is retained.
- 204.3. In an emergency ~~situation~~ where there is not sufficient time to secure prior authorization from the Board, the Board hereby authorizes the General Manager emergency powers to withdraw funds up to \$5,000, bypassing the dual signature requirement, as noted in Section 204.2 from the District's transfer bank only. If emergency funds are withdrawn, the Board shall be notified immediately, or as reasonably possible, and the issue shall be placed on the next Board agenda for discussion.

### Section 205. Meeting Stipends

- 205.1 Consistent with Health and Safety Code section 2030, the members of the Board of Trustees may receive their actual and necessary traveling and incidental expenses incurred while on official business. In lieu of paying for actual expenses, the Board of Trustees may by resolution provide for the allowance and payment to each Trustee a sum not to exceed one hundred dollars (\$100) per month for expenses incurred while on official business. A Trustee may waive the payments permitted by this subdivision. Such compensation is in addition to any reimbursement for meals, lodging, ~~travel~~travel, and expenses consistent with this policy. (Health & Safety Code § 2051.)
- 205.2 Meetings and Service Subject Monthly In Lieu of Allowance. To be entitled to the monthly In Lieu Allowance under this policy, the official business in question must constitute one of the following:

- (a) A meeting of the District Board of Trustees within the meaning of Government Code section 54952.2(a);
- (b) A meeting of a District committee within the meaning of Government Code section 54952(b);
- (c) An advisory body meeting within the meaning of Government Code section 54952(b);
- (d) A conference within the meaning of Government Code section 54952.2(c)(2);
- (e) A meeting of any multi-jurisdictional governmental body on which the General Manager serves as the District's designated representative; or
- (f) Any meeting attended, or service provided, on a given day at the formal request of the District Board of Trustees and for which the District Board of Trustees approves payment of In Lieu of Allowance stipend.

### **Section 206. Travel and Payment of Expenses While on Official Business**

206.1 Travel and Payment of Expenses While on Official Business will be approved if:

- (a) There is a substantial benefit to the residents of Alameda County;
- (b) It includes discussion of the community's concerns with local, regional, state, and federal officials;
- (c) There is participation in local, regional, state, and national organizations whose activities affect the District;
- (d) Educational seminars are attended designed to improve officials' skill and information levels; and
- (e) Public service, team building, or leadership is promoted with service to ACMAD.

### **Section 207. ACMAD Expense Policy**

The following policy governs expenditures of District funds and reimbursement of expenses:

207.1 Authorized Expenses. District funds, equipment, supplies (including letterhead), titles, and staff time must only be used for authorized District business. The following types of expenses generally constitute authorized expenses, as long as the other requirements of this policy are met:

- (a) Expenses associated with communicating with representatives of regional, state, and national government on District adopted policy positions;
- (b) Expenses associated with attending educational seminars designed to improve officials' skill and information levels;
- (c) Expenses associated with participating in regional, state and national organizations whose activities affect the District's interests;
- (d) Expenses associated with attending District events;
- (e) Expenses associated with meetings, such as those listed above for which a meeting stipend is expressly authorized under this policy, or
- (f) Expenses associated with legislative and other District-related local, regional, state, and federal agency business, conducted over meals, where each meal expenditure must also comply with the limits and reporting requirements of local, regional, state, and federal law.

207.2 Any expenditures not included in the budget require approval by the District Board of Trustees.

207.3 Examples of personal expenses that the District will not reimburse include, but are not limited to:

- (a) The personal portion of any trip;
- (b) Political or charitable contributions or events;
- (c) Family expenses, including partner's expenses when accompanying official on District-related business, as well as children- or pet-related expenses;
- (d) Entertainment expenses, including theater, movies (either in-room or at the theater), sporting events (including gym, massage, and/or golf related expenses), or other cultural events;
- (e) Non-mileage personal automobile expenses, including repairs, traffic citations, insurance, or gasoline; and
- (f) Personal losses incurred while on District business.

Any questions regarding the propriety of a particular type of expense should be resolved by the purchasing agent before the expense is incurred.

207.4 Expense Report Content and Submission Deadline. Expense reports must document that each expense claimed has met the requirements of the policy. For example, if the meeting is with a legislator, the local agency official should explain whose meals were purchased, what issues were discussed and how those relate

to the District's adopted legislative positions and priorities. Trustees and employees must submit their expense reports within 30 days of an expense being incurred, accompanied by receipts documenting each expense. Restaurant receipts, in addition to any credit card receipts, are also part of the required documentation. Inability to provide such documentation in a timely fashion may result in the expense being borne by the individual.

- 207.5 Reports to Governing Board. At the following District Board meeting, each official shall provide a brief oral or written report on meetings or functions attended at District expense. If multiple District representatives attended, a joint report may be provided.
- 207.6 Compliance with Laws. District officials should keep in mind that some expenditures may be subject to reporting under the Political Reform Act and other laws. All agency expenditures are public records subject to disclosure under the Public Records Act.
- 207.7 Violation of this Policy. Use of public resources or falsifying expense reports in violation of this policy may result in any or all of the following: (1) loss of reimbursement privileges, (2) demand for restitution to the District, (3) the District's reporting the expenses as Trustee or employee income to state and federal tax authorities, and (4) prosecution for misuse of public resources.

### **Section 208. Cost Control**

To conserve District resources and keep expenses within community standards for public officials, expenditures should adhere to the following guidelines.

- 208.1 Transportation. District personnel are expected to use the most economical mode and class of transportation reasonably consistent with scheduling needs and cargo space requirements, using the most direct and time-efficient route. ~~In the event that~~ if a more expensive transportation mode or route is used, the cost borne by the District will be limited to the cost of the most economical, direct, efficient, and reasonable mode of transportation. District personnel are encouraged to use public transit when available and feasible and to carpool/ride share when several people are traveling to the same event by automobile. Automobile mileage is reimbursable at Internal Revenue Service prevailing rates in effect. These rates are designed to compensate the driver for gasoline, insurance, maintenance, and other expenses associated with operating the vehicle. Parking, tolls, and other similar expenses relating to travel by auto are reimbursable if necessarily incurred in connection with a meeting or function authorized under this policy.
- 208.2 Lodging. Lodging costs will be reimbursed or paid for by the District when travel on official District business reasonably requires an overnight stay. If such lodging is in connection with a conference, lodging costs should not exceed any group rate published by the conference sponsor for the meeting in question. In any

event, lodging expenses should be moderate, taking into account community standards and prevailing lodging costs for the area.

- 208.3 Meals. Meal expenses and associated gratuities should be moderate, taking into account community standards and the prevailing restaurant costs of the area. A helpful source of guidance is Internal Revenue Service per diem rates for meals and incidental expenses, which include adjustments for higher cost locations. Alcohol/personal bar bills are not an appropriate use of District resources and will not be reimbursed.
- 208.4 Telephone/Fax/Mobile. Individuals will be reimbursed for actual telephone and fax expenses incurred on District business. Telephone bills should identify which calls were made on District business.
- 208.5 Airport Parking. Long-term parking should be used for travel exceeding 24 hours.
- 208.6 Cash Advance Policy. From time to time, it may be necessary for a District representative to request a cash advance to cover anticipated expenses while traveling or doing business on the District's behalf. Such request for an advance should be submitted to the General Manager at least 14 days prior to the need for the advance with the following information:
- (a) The purpose of the expenditure(s);
  - (b) The benefits of such expenditure to the residents of District;
  - (c) The anticipated amount of the expenditure(s) (for example, actual or expected hotel rates, meal costs, and transportation expenses); and
  - (d) The dates of the expenditure(s).

Any unused advance must be returned to the District treasury within two business days of the official's return, along with an expense report and receipts documenting how the advance was used in compliance with this expense policy.

- 208.7 Credit Card Use Policy. The District does not issue credit cards to individual Trustees, but does have credit cards for selected District expenses. Trustees may use the District's credit card for such purposes as airline tickets and hotel reservations by following the same procedures as for cash advances. Receipts documenting expenses incurred on the District credit card and compliance with this policy must be submitted within five business days of use. District credit cards may not be used for personal expenses, even if the Trustee or employee subsequently reimburses the District. Purchasing agents have a credit card. Employees can purchase items approved in the budget. Employees are responsible for submitting their receipts to the Districts credit card portal. ~~Receipts are given to the Office Assistant or Administrator.~~ The receipts are reconciled to the statements and then recorded to the general ledger. Disbursement goes through the warrant process noted above.

- 208.8 In the event circumstances should arise appearing to warrant deviation from these policies, the General Manager shall secure the approval of the Board before making any changes.

### **Section 209. Conference Policy**

- 209.1 Out of State National Mosquito Control Conference. The General Manager or their delegate, trustees, and limited staff may be permitted to attend.
- 209.2 Mosquito and Vector Control Association of California (MVCAC) Conference - Outside of the Bay Area. The General Manager may require certain staff to attend. Any additional staff may request approval, and this approval will be based on workload and conference involvement.
- 209.3 MVCAC - Within the Bay Area. The General Manager may select any number of District personnel to attend such sessions as ~~he or she~~ they may designate from which, in their opinion, the employees and the District would derive the most benefit.
- 209.4 MVCAC Seminars and Workshops. Trustees are encouraged to represent the District at MVCAC seminars, workshops, committee meetings and regional meetings. Approved cost for registration, travel, lodging, and meal will be reimbursed.

### **Section 210. Loss or Damage to Personal Property**

The District will not be responsible for loss or damage to personal items when the loss or damage incurred was not work-related. Each occurrence of loss or damage to the employee's personal property will be reviewed by the Board on a case-by-case basis.

### **Section 211. Policy for Disposition of Fixed Assets**

- 211.1 Fixed assets of \$5,000 or greater current value are considered Capital Assets, have an expected useful life of three years or greater, and must have Board approval before disposal. Disposal of other fixed assets must be approved by the General Manager.
- 211.2 Disposition of fixed assets may be initiated by a Purchasing Agent. A disposal form must be completed by the initiator and approved by the General Manager and Board, consistent with District policy, before the item is disposed of, salvaged, or sold. Money received through the disposition of fixed assets shall be deposited in the Repair and Replace Fund.

## **Section 212. Policy on Petty Cash**

The District shall maintain a petty cash fund of \$500 to be used for incidental District expenditures. All reimbursements to employees must be approved by the General Manager, and the transaction documented by pre-numbered voucher with attached receipt of purchase and signed employee request for reimbursement form. The fund disbursements shall be reviewed by the Board.

## **Section 213. Fraud Policy**

- 213.1 Designated positions as defined in appendix 100-1 are responsible for the detection and prevention of fraud, misappropriations, and other irregularities. "Fraud" is defined as the intentional, false representation, or concealment of a material fact for the purpose of inducing another to act upon it to their injury. Those defined as a designated position will be familiar with the types of improprieties that might occur within their area of responsibility and be alert for any indication of irregularity. Any fraud that is detected or suspected must be reported to the General Manager or alternatively, to the Finance Committee, who coordinates all investigations.
- 213.2 Actions Constituting Fraud. The terms "fraud," "embezzlement," "misappropriation," and other fiscal irregularities refer to, but are not limited to:
- (a) Any dishonest or fraudulent act;
  - (b) Forgery or alteration of any document or account belonging to the District;
  - (c) Forgery or alteration of a check, bank draft, or any other financial document;
  - (d) Misappropriation of funds, securities, supplies, equipment, or other assets;
  - (e) Impropriety in the handling or reporting of money or financial transactions;
  - (f) Disclosing confidential and proprietary information to outside parties;
  - (g) Accepting or seeking anything of material value from contractors, vendors, or persons providing goods or services to the District;
  - (h) Destruction, removal or inappropriate use of records, furniture, fixtures, and equipment; or
  - (i) Any similar or related irregularity.
- 213.3 Investigation Responsibilities. The District Finance Committee has the primary responsibility for the investigation of all suspected fraudulent acts as defined in the policy. The Finance Committee may utilize whatever internal and/or external resources it considers necessary in conducting an investigation. If an



investigation substantiates that fraudulent activities have occurred, the Finance Committee will issue reports to the appropriate personnel, and if appropriate, the District Board of Trustees. Decisions to prosecute or refer the investigation results to the appropriate law enforcement and/or regulatory agencies for independent investigation will be made in conjunction with legal counsel and senior management, as will final dispositions of the case.

- 213.4 Confidentiality. The Finance Committee will treat all information received confidentially. Any employee who suspects dishonest or fraudulent activity will notify the General Manager or the Finance Committee immediately, and should not attempt to personally conduct investigations or interviews related to the suspected fraudulent act. (See Reporting Procedures in Section 213.6, below.) Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know. This is important ~~in order~~ to avoid damaging the reputations of persons suspected, but subsequently found innocent of wrongful conduct and to protect the District from potential civil liability.
- 213.5 Investigation Authority. Members of the District Finance Committee will have free and unrestricted access to all District records and premises and authority to examine, copy, and/or remove all or any portion of the contents of files, desks, cabinets, and other storage facilities on the premises, without the prior knowledge or consent of any individual who may use or have custody or any such items or facilities, when it is within the scope of the Committee's investigations.
- 213.6 Reporting Procedures. Care must be taken in the investigation of suspected improprieties or irregularities so as to avoid mistaken accusations or alerting suspected individuals that an investigation is underway.

An employee who discovers or suspects fraudulent activity will contact the General Manager or the Finance Committee immediately. Alternatively, the employee may use the Employee Risk Management Authority (ERMA), a part of the VCJPA self-insurance group coverage. Call Employee Reporting Line at 1-877-651-3924 to make an anonymous report. This line is monitored 24 hours a day.

The employee or other complainant may remain anonymous to the extent that the law will allow. All inquiries concerning the activity under investigation from the suspected individual(s), their legal counsel, or any other inquirer should be directed to the Finance Committee or District legal counsel. No information concerning the status of an investigation will be given out. The proper response to any inquiry is, "I am not at liberty to discuss this matter."

The individual making the report should be counseled to not contact the suspected individual in an effort to determine facts or demand restitution and to not discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by the District legal counsel or the Finance Committee.

## Section 214. Security

- 214.1 Accounting Security. Petty cash is stored in a locked file cabinet. The General Manager ~~and~~ or ~~their~~ designee will be the only employee(s) with keys to the petty cash cabinet.
- 214.2 Access to Electronically Stored Accounting Data. It is the policy of the District to utilize passwords to restrict access to accounting software and data. Only duly authorized accounting personnel with data input responsibilities will be assigned passwords that allow access to the system.
- 214.3 Storage of Backup Files. It is the policy of the District to maintain back-up copies of electronic data files. Access to back-up files shall be limited to individuals authorized by management.
- 214.4 General Office Security. During normal business hours, all visitors are required to check in at the front ~~counter~~. After hours, a key and security passcode are required for access to the District's office. Keys are issued only to employees (and janitorial services).

## Section 215. Financial Transactions

- 215.1 Warrant Authorization Signers. Warrant Requests require two signatures from the following group: Board Members and the General Manager or their designee.
- 215.2 Electronic Funds Transfers. The General Manager is authorized to transfer funds between reserve accounts, the general fund, and any vendors where electronic payments are a more efficient process. The General Manager will get pre-approval via the warrant authorization process in the previous section.
- 215.3 Cash Receipts. When miscellaneous checks come in the mail, staff will deposit the funds to the transfer account, which will then be transferred to the Districts Operational Fund. ~~prepare a deposit form and mail to the general fund with the check.~~ The District ~~keeps a copy of the~~keeps the check for records. All revenue shall be entered in the ledger.
- 215.4 Bank and Cash Account Reconciliations. The Payroll account, transfer account, and reserve accounts are reconciled monthly. The general fund ledger detail and VCJPA statements are reconciled quarterly. ~~Reserve accounts and VCJPA statements shall be reconciled once a year at the end of the year. The general fund cash general ledger detail is reconciled as soon as it is received. The Payroll imprest account is reconciled monthly.~~

## Section 216. Liabilities and Assets

- 216.1 Pension Liability. The District's retirement fund shall be at least 80% funded.

- 216.2 Capital Assets. The Financial & HR Specialist maintains a capital depreciation schedule. Items valued over \$5,000 are placed on the depreciation schedule. Disposal or sale of capital assets on this schedule must have Board approval.

### **Section 217. Payroll and Benefits**

- 217.1 The District uses a third party administrator (TPA) for payroll. Payroll is paid bisemi-monthly. The TPA prepares and files the 941 and DE6 forms. ~~The TPA delivers payroll checks to the District. Employees have the option to have direct deposit handled by the TPA.~~
- 217.2 Payroll will be recorded to the general ledger twice a month. Payroll is paid out of a separate imprest bank account. ~~Employees enter time into the District database. The reports are reviewed monthly by the management staff.~~
- 217.3 ~~Administrative/Finance Manager prepares~~Financial & HR Specialist prepares a payroll spreadsheet that is approved and signed by the General Manager, ~~or their designee~~. This report is support for the transfer of funds from the ~~County cash Operational Fund account~~ to the payroll account. A float equivalent to one payroll is maintained in the payroll account.

### **Section 218. District Fund Policy**

#### 218.1 Policy Statement

- 218.1.1 The District recognizes the importance of adopting policies for financial reserves and reserve funds that adhere to Government Accounting Standards Board (GASB) guidelines and professional standards/best practices such as those identified by, but not limited to Government Finance Officers Association (GFOA). Written, adopted financial policies regarding designated reserves are a critical element of sound short- and long-term fiscal management. The designation of funds for long-term financial goals is an important element of prudent fiscal management.

#### 218.2 Fund Policy

- 218.2.1 This policy follows the guidelines set in the Governmental Accounting Standards Board ("GASB") Statement No. 54, regarding Fund Balance Reporting and Governmental Fund Type Definitions.
- 218.2.2 In order to achieve the objectives of this policy, the Board of Trustees shall adhere to the guidelines as set forth herein.
- 218.2.3 Funds may be established from time to time by the Board of Trustees as an important component of sound financial management to meet

both short- and long-term financial objectives, and to ensure prudent financial management practices.

218.2.4 Classification of Funds. Funds may be designated by the Board of Trustees as “restricted” or “non-restricted.” These classifications are defined under GASB 54 as follows:

- (a) Restricted Funds shall be segregated and limited in use to specific and designated purposes as defined and established by the Board of Trustees. According to GASB 54, Restricted Funds are those that are constrained to specific purposes by the constitution, external resource providers (such as grantors, bondholders, and higher levels of government), or through enabling legislation. Examples of Restricted Funds, but not limited to, are pension stabilization and Other Post-Employment Benefits (OPEB).
- (b) Non-restricted Funds may be classified as “Committed” or “Assigned.” These funds do not require the physical segregation of funds, but may be segregated if desirable.
- (c) Committed Funds are defined by GASB 54 as those that are constrained to specific purposes by a formal action of the agency’s highest-level decision-making authority (the District’s Board of Trustees). Committed Funds cannot be used for any other purpose, unless the District takes the same highest-level action to remove or change the constraint. The District’s Committed funds include the Public Health Emergency, Repair and Replace, Operating Reserve, and Capital Reserve funds.
- (d) Assigned Funds are defined as those that are intended for a specific purpose, but do not meet the criteria to be classified as Restricted or Committed. Intent can be expressed by the Board of Trustees or by an official or body to which the Board of Trustees delegates the authority. The District currently has no Assigned Funds.

~~218.2.5 Investment earnings from Restricted and Non-Restricted Funds shall be credited to the District General Fund, unless otherwise stated herein.~~

218.2.65 Approval by the District’s Board of Trustees shall be required prior to the expenditure of Restricted or Committed Funds. Approval shall be determined by action at a public meeting of the Board.

218.2.76 The Board of Trustees shall maintain a written Fund Policy.

218.2.87 The Board of Trustees shall annually review the District Policy at a public meeting ~~in order~~ to determine appropriate changes, additions, and/or deletions.

### 218.3. Funds

218.3.1 The Board of Trustees hereby establishes and **commits** the following funds:

(a) Public Health Emergency Fund. Appendix 200-1.

(b) Repair and Replace Fund. Appendix 200-2.

(c) Operating Reserve Fund. Appendix 200-3.

(d) Capital Reserve Fund. Appendix 200-4.

218.3.2 The Board of Trustees hereby establishes and **restricts** the following funds:

(a) Pension Stabilization Fund. Appendix 200-5.

(b) Other Post-Employment Benefits (OPEB) Fund Appendix 200-6

### 218.4. Target Fund Levels

218.4.1 The Board of Trustees shall establish a stated target fund level for each designated fund.

### 218.5. Annual Evaluation

218.5.1 The General Manager shall perform a review and analysis of each designated fund for presentation to the Board of Trustees at a public meeting upon the occurrence of the following:

(a) Upon consideration by the Board of Trustees of the annual budget;

(b) Upon any significant change to and/or expenditure(s) from a designated fund; or

(c) Upon determination that a fund balance is less than the established target fund level for a designated fund.

### 218.6 Investment Authority

218.5.2 The District's investment program is derived from California Government Code Section 53607. The Board of Trustees retain ultimate fiduciary responsibility for the portfolio. Therefore, the Finance Committee and Board of Trustees shall receive monthly reports. The Finance Committee shall review policy 218 annually and provide feedback on the liquid assets investment strategy.

The Board has delegated the primary responsibility for the District's investment program and the authority to make investments on behalf of the District to the General Manager. Pursuant to Government Code Section 53607, this delegation shall be reconsidered during Policy 218's review.

Such investments shall be limited to the instruments authorized under applicable law, including California Government Code Sections 53601 and 53635. Unless removed by the General Manager, the District's Financial & HR Specialist has the authority to access online financial information from the asset manager.

## 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:**

~~To 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~~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~~will act as a rate stabilizer, covering unforeseen losses in revenue caused by drastic reductions in property taxes. ~~This fund~~and 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~~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~~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 underfunded, 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~~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~~when:

1. Pension costs affecting operational costs;
2. ~~If~~ the growth of pension contribution rates (in dollars) is greater than the growth in property tax revenue;
3. Paying off specific pension liabilities that will result in interest savings greater than interest earnings on the Trust Fund;
4. 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~~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.