

**GREATER LOS ANGELES COUNTY VECTOR CONTROL DISTRICT
MINUTES NO. 2013-03**

The regular meeting of the Board of Trustees of the Greater Los Angeles County Vector Control District was held at 7:00 p.m. on Thursday, March 14, 2013, at the District office at 12545 Florence Avenue, Santa Fe Springs, California.

TRUSTEES PRESENT

Sally Flowers, (*City of Artesia*)
Danny Harber, (*City of Bell*)
Ray T. Smith, (*City of Bellflower*)
Pedro Aceituno, Vice Pres. (*City of Bell Gardens*)
Dr. Jeff Wassem, President (*City of Burbank*)
Harold Williams, (*City of Carson*)
Mark Bollman, (*City of Cerritos*)
Steve Tye, Sec.-Treasurer (*City of Diamond Bar*)
Rachel C. Johnson, (*City of Gardena*)
Armine Perian, (*City of Glendale*)
Barry Bruce, (*City of Hawaiian Gardens*)
Jim Remington, (*City of La Habra Heights*)
Pauline Deal, (*City of La Mirada*)
Steve Croft, (*City of Lakewood*)
Robert Campbell (*City of Long Beach*)
Steven Appleton, (*City of Los Angeles*)
Jim Morton, (*City of Lynwood*)
Cheri Kelley, (*City of Norwalk*)
Tom Hansen, (*City of Paramount*)
Nina Herrera, (*City of San Fernando*)
Jeff Groseth (*City of San Marino*)
Michael Madrigal, (*City of Santa Fe Springs*)
Dr. Hazel Wallace, (*City of Signal Hill*)
Owen Newcomer (*City of Whittier*)

TRUSTEES ABSENT

Josue Barrios, (*City of Cudahy*)
Dr. James Lawson, (*County of Los Angeles*)
Edward Varela, (*City of Maywood*)
Gustavo Camacho, (*City of Pico Rivera*)
Maria Davila, (*City of South Gate*)
Hector Delgado, (*City of South El Monte*)

TRUSTEES ABSENT-EXCUSED

Tina Baca Del Rio, (*City of Commerce*)
Roger C. Brossmer, (*City of Downey*)
Elba Guerrero, (*City of Huntington Park*)
Christina Cortez, (*City of Montebello*)
Robert Newman, (*City of Santa Clarita*)

OTHERS PRESENT

Kenneth L. Bayless, *General Manager*
Mark Daniel, *Director of Operations*
Susanne Klueh, *Director of Scientific-Tech. Services*
Truc Dever, *Director of Community Affairs*
Robert Miller, *Director of Human Resources*
Carolyn Weeks, *Director of Finance*
Luke DeNitto, *Maintenance Supervisor*
Steven Flower, *Legal Counsel*

1. CALL TO ORDER

President Wassem called the meeting to order at 7:00 p.m.

2. QUORUM (ROLL) CALL

Following roll call, it was recorded that 24 Trustees were present and 11 were absent.

3. INVOCATION

Trustee Campbell gave the invocation.

4. PLEDGE OF ALLEGIANCE

Trustee Deal led the Pledge of Allegiance.

5. CORRESPONDENCE

NONE

6. INTRODUCTIONS

Trustee Herrera introduced her grandparents in the audience.

7. PUBLIC COMMENT

NONE

8. CONSENT AGENDA (8.1-8.3)

8.1 Consideration of **Minutes 2013-02** of regular Board Meeting held on February 14, 2013. (**EXHIBIT A**)

8.2 Consideration of **Resolution 2013-03** Authorizing Payment of Attached Requisition Schedule for February 1, 2013 through February 28, 2013. (**EXHIBIT B**)

8.3 Consideration of **Resolution 2013-04** Adopting the Look Back Measurement Safe Harbor Under the Patient Protection and Affordable Care Act (**EXHIBIT C**)

Analysis: The Resolution is recommended in order to plan for and avoid potential penalties that the District may face under the Patient Protection and Affordable Care Act (ACA) starting January 1, 2014. Under ACA, the District could be subject to a penalty if it fails to offer affordable health coverage to an employee who averages 30 hours or more of service per week in any given month. The purpose of the safe harbor is to measure the hours of employees. Because the District has many seasonal employees, the safe harbor will allow the District to measure and average the hours of service for its employees over a one year time span. If a seasonal employee averages under 30 hours of service per week over the entire year, the District will not be subject to a penalty for failing to offer health coverage. Without the safe harbor, the District could be subject to a penalty for any given month if a seasonal employee averages 30 hours or more of service per week. Implementation of the safe harbor requires specific legal restrictions relating to timing and length of periods that must be established. The attached Resolution complies with those legal restrictions.

Trustee Morton made a motion to approve the consent agenda. Trustee Deal seconded the motion. The motion passed unanimously.

9. COMMITTEE REPORTS

9.1 Ad Hoc GASB 45 Committee

P. Aceituno, Chair

- Consideration of GASB 45 actuarial report and funding options. (**EXHIBIT D**)

Trustee Aceituno reported that the committee met several times over the past few months and is prepared to make a recommendation to the Board. The recommendation is to establish a blended trust system to meet OPEB liabilities which would give the district flexibility to pay as it is able. This fiscal year, the district would contribute \$650,000 from its reserves and next year, it would contribute another \$625,000.

Trustee Flowers stated that she voted with the group in order to take the issue to the Board; however she does not agree with it. She wanted to clarify to the Board members that there were only several options presented. The District could continue to “pay as you go” or pay up what the district is deficient over 10 years to 30 years. Ten years would be the most aggressive option, meaning the

OPEB liabilities would be fully funded after 10 years. Trustee Flowers emphasized that she is a strong believer that if the district can pay its bills now, it should do it.

Trustee Newcomer provided an alternative perspective, which was in favor of the committee's recommendation. He doesn't believe the district should be locked in to a set payment amount each year without consideration of its other bills and ability to pay. He does not want to have to increase assessments on taxpayers in order to meet these set payment requirements each year. By putting money that the district already has into a trust and making additional contributions as it is able, the district can remain flexible and assess the situation year-by-year.

Trustee Croft pointed out that the committee's recommended hybrid plan makes an assumption about the rate of inflation and other variables. He agreed with Trustee Flowers that the district should plan forward with reserves.

Trustee Kelley reiterated that if the district decides on a 10 or 30 year payment plan, it locks the district into paying and possibly increasing assessments forever.

There was further discussion by a number of Trustees about the pros and cons of each plan. Trustee Aceituno then asked for a motion. Trustee Newcomer made a motion to approve the committee's recommendation of a hybrid plan. Trustee Flowers asked that the motion be broken down into its five parts.

Trustee Newcomer revised his motion to approve the creation of a trust account using \$650,000 from the district OPEB reserves to make the first year payment (FY12/13) and also a subsequent payment of \$625,000 in the next fiscal year (FY13/14). A second part of the motion was to direct staff to evaluate the CalPERS CERBT and the PARS trusts and report back to the Board with a recommendation on which trust to utilize. The motion was seconded by Trustees Campbell and Smith. The motion passed unanimously.

After additional discussion Trustee Newcomer made a second motion to adopt a hybrid (or blended) payment philosophy which allows the district to continue to make the "pay-as-you-go" payments yet allows the district the flexibility to make additional payments to the trust as it is able. Each year, the district would decide what it is able to contribute and determine how much, if any, it wants to contribute to the trust. Trustee Groseth seconded the motion. The Trustees voted and 16 voted in favor of the motion, 6 voted against the motion, and there were 2 abstentions. The motion passed.

9.2 Audit Committee

O. Newcomer, Chair

- Consideration of proposal from auditors Lance, Soll & Lunghard, LLP for contract extension. Auditing services expired with fiscal year ending June 30, 2012. (*EXHIBIT E*)

Trustee Newcomer reported that the committee met to discuss the proposal to renew the existing auditor's contract for 3 years. In the first year, there will be no increase in contract fees. In the second year, the fees will increase by 3% and in the third year, the fees will remain the same. The committee recommended approval to rehire Lance, Soll, and Lunghard LLP.

Trustee Smith made a motion to approve the contract renewal. Trustee Campbell seconded the motion. The motion passed unanimously.

10. STAFF PROGRAM REPORTS: FEBRUARY 2013

10.1 Manager's Report

Kenneth L. Bayless, General Manager

Ken Bayless thanked the Board members for their decision on GASB 45. He also reported that the MVCAC Legislative Day would be held on March 20 in Sacramento. Three Trustees will be accompanying staff during meetings with state representatives.

Ken also provided a brief overview of the pond project at the district. He showed photographs of staff working together to clean out the dirt and silt in the pond and discussed plans to fix this district water feature.

10.2 Scientific-Technical: (Staff Report A)

S. Kluh, Sci.-Tech Dir.

Susanne Kluh thanked the Board for allowing staff to attend the AMCA annual conference in New Jersey. She reported that the meeting was very productive, and staff returned with many great ideas in dealing with the Asian tiger mosquito infestation in the San Gabriel Valley. Staff will now seek to implement new concepts learned from the East Coast infestation and use these methodologies to help with the eradication efforts.

10.3 Operations: (Staff Report B)

M. Daniel, Operations Dir.

Mark Daniel reported that he attended a meeting sponsored by the Council for Watershed Health. He reported that there is on-going momentum to revitalize the LA River. So far, vector control has not been a consideration in these discussions. Mark is taking steps to get in contact with the agencies involved in the revitalization efforts to heighten their awareness about mosquito production and the public health impacts of such projects.

Trustee Williams stated that he would be happy to assist staff in getting the word out. Trustee Appleton mentioned that several non-profit agencies are involved in the design proposals. He recommended a meeting with the managers of the non-profits.

10.4 Community Affairs: (Staff Report C)

T. Dever, Community Affairs Dir.

Truc Dever reminded Trustees to submit their Form 700 by the April 2nd deadline. She also gave a brief report on the Education Foundation. The Foundation elected a new President, Ray Smith and added a new member, David Warren of Whittier. Efforts are still underway to organize a fundraiser for the Foundation.

10.5 Fiscal: (Staff Report D)

C. Weeks, Finance Director

Carolyn Weeks referred to her written report and had nothing further to add.

10.6 Human Resources: (Staff Report E)

R. Miller, Human Resources Dir.

Robert Miller reported that recruitment has begun for the PIO position and Scientific-Technical Services field assistant. Human Resources will work with the Operations Department on recruitment of seasonal employees shortly.

10.7 Legal Counsel Report

S. Flower, Legal Counsel

Legal Counsel Steven Flower had nothing further to report.

11. OTHER

The Board may consider items not on the agenda provided that the Board complies with the Government Code (Brown Act) §54954.2(b).

Dr. Wassem welcomed Trustee Appleton and congratulated him on his reappointment to the Board.

12. ADJOURNMENT

The next Board of Trustees meeting will be scheduled on Thursday, April 11, 2013. The meeting will be held at 7:00 p.m. at the District's headquarters office at 12545 Florence Avenue, Santa Fe Springs.

The meeting adjourned at 8:07 p.m.