

**Metropolitan
Mosquito Control District**

Executive Committee

May 24, 2023

9:15 AM

Information Packet

**METROPOLITAN MOSQUITO CONTROL DISTRICT
MEETING ANNOUNCEMENT**

COMMITTEE: **Executive Committee Meeting**
 Metropolitan Mosquito Control District
 2099 University Avenue West
 St. Paul, MN 55104

DATE: **Wednesday, May 24, 2023**
TIME: **9:15 AM**

A G E N D A

1. Approval of Minutes March 22, 2023, Meeting*
2. Legislative Update – Peg Larsen, Kim Scott
3. Anoka County Lease
4. Executive Director Search Update
5. 2023 Plans and Initial 2024 Budget and Levy Discussion
6. Executive Director’s Report
7. Other Issues
8. Adjournment

* Action Requested

Commissioner Mike Gamache	Anoka County
Commissioner Tom Workman	Carver County
Commissioner Liz Workman	Dakota County
Commissioner Kevin Anderson	Hennepin County
Commissioner Rena Moran	Ramsey County
Commissioner David Beer	Scott County
Commissioner Fran Miron	Washington County

CANCELLED: Executive Committee Meeting: Wednesday, June 28, 2023, 9:15 a.m.
Next Commission Meeting: Wednesday, July 26, 2023, 9:15 a.m.

METROPOLITAN MOSQUITO CONTROL DISTRICT
EXECUTIVE COMMITTEE MEETING

MINUTES
MARCH 22, 2023
9:15 AM

Commissioner (Chair) Fran Miron called the meeting to order at 9:20 a.m.

Roll Call:

Commissioner Mike Gamache	Anoka County
Commissioner Liz Workman	Dakota County
Commissioner Rena Moran	Ramsey County
Commissioner David Beer	Scott County
Commissioner Fran Miron	Washington County

Staff:

Arleen Schacht, Interim Executive Director/Business Administrator
Cassie Sweeney-Truitt, Administrative Assistant

Visitors:

Kim Scott, RCS Consulting
Peg Larsen, RCS Consulting
Joe Langel, MMCD Legal Counsel

Commissioner Fran Miron welcomed all in attendance and thanked them for attending the meeting.

Approval of Minutes for January 25, 2023, Executive Committee Meeting

Commissioner Liz Workman offered the following resolution and moved its adoption.

Resolution 1:

Resolved, that the January 25, 2023, Executive Committee Meeting minutes be approved as presented.

Commissioner Gamache seconded the motion, the resolution was approved unanimously.

Cancellation of the June 28, 2023, Executive Committee Meeting

Commissioner Gamache offered the following resolution and moved its adoption.

Resolution:

Resolved, that the June 28, 2023, Executive Committee Meeting to be canceled.

The regular June Executive Committee meeting is scheduled for June 28. It appears that a new Executive Director will not be in place yet at that time and Interim Executive Director Ms. Schacht will be on vacation.

The Committee should determine whether it is necessary to change the regularly scheduled meeting in Ms. Schacht's absence. The options are to cancel the meeting, hold it without Ms. Schacht, or reschedule it as a special meeting when Interim Executive Director Schacht is available.

If the meeting date is changed or the meeting is canceled, it should be done by motion of the Executive Committee.

Commissioner Moran seconded the motion, the resolution was approved unanimously.

Intergovernmental Issues

We are continuing to shepherd the law change that the Commission requested through the Legislative process. The House State and Local Government omnibus bill, HF 1830, will be heard in committee this week; the bill includes the change to Minn. Stat. § 473.704 Subd. 3, to eliminate the requirement that the MMCD Director be an entomologist.

Conversations with the Senate State and Local Government Chair, Erin Murphy, are ongoing and will include outreach by Commissioner Moran.

It has been an unusually busy session with an unprecedented 6,000 bills introduced, a record \$17B surplus, state budgets needing to be determined for the next two years, and discussions around the pent-up demand for bonding infrastructure projects. Before the Legislature takes its Easter/Passover break, starting April 5th, all the major budget bills must be moved out of their respective committees to the full Finance committees.

Executive Director's Report

The bill was submitted requesting the statutory language be changed. Previous discussions by the executive committee included adding a requirement to the MMCD Bylaws stating there be a staffing requirement, that MMCD must employ, at a minimum, one entomologist at all times, unfortunately no written bylaws were found on file. It was determined the Executive Committee bring a vote to the full commission to adopt MMCD bylaws.

Prior to voting to approve the cancellation of the June Executive Committee Meeting, the committee asked what information was generally discussed at the June meeting, one main component of this meeting is the preliminary levy and budget, more specifically the levy which

will require a vote at the July Commission meeting. Ms. Schacht confirmed the preliminary levy and budget will be presented in the May Executive Committee meeting packet for review and to make a recommendation to the full commission in July.

Further discussion related to restoring services that were reduced in 2017, discussed possible extending services to some areas of P2, adding another drone to add to the treatment program and the possibilities with drones in the future.

Adjournment

Chair Miron adjourned the meeting at 10:02 am.

METROPOLITAN MOSQUITO CONTROL COMMISSION MEETING

MAY 24, 2023

Requested by:

Arleen Schacht

Action requested:

Anoka County Lease

Background

In February 2023 the Anoka County bond debt for the 2007 Andover facility improvements was paid in full by MMCD. On April 20, 2023, the District received termination documents, prepared by the Anoka County bond counsel, to close-out the financing transaction that was required in 2007 to build the facilities at the Anoka County location. The documents are to terminate the lease/subleases and Trustee (Wells Fargo) arrangements that were made for the financing.

The bond counsel also prepared the District a resolution for MMCD Commission approval, to terminate the documents/lease.

Unfortunately, the District has encountered an issue with respect to ownership of the financed improvements.

Joe Langel, MMCD legal counsel, will discuss the matter in more detail with the Executive Committee.

METROPOLITAN MOSQUITO CONTROL COMMISSION MEETING

MAY 24, 2023

Requested by:

Arleen Schacht

Informational:

Executive Director Search Update

Background:

In March 2023 the MMCD Commission approved to move forward with submitting a bill to the Legislature requesting to change the statutory language by removing, by statute, that director “shall be an entomologist.” *Minn. Stat. § 473.704, subd. 3.*

A bill was submitted to the Legislature and on May 9, 2023, MMCD received notice from Peg Larsen, lobbyist from RCS Consulting, that the bill to change the statutory language passed.

At this time MMCD will resume working with Pat Melvin, Management Consultant with DDA Human Resources, Inc., to begin recruiting for the Executive Director position.

Mr. Melvin has requested a hiring committee be established and intends to set up a time to interview the committee, as a group, to discuss what the MMCD Commission is looking for in the next Executive Director.

Mr. Melvin stated earlier that the process to fill the Executive Director position can take up to 6 months.

METROPOLITAN MOSQUITO CONTROL COMMISSION MEETING

MAY 24, 2023

Requested by:

Arleen Schacht

Informational:

2023 Plans and Initial 2024 Budget and Levy Discussion

Background:

Fund Balance Impact

- By year end 2016 the unassigned portion of the fund balance had fallen to \$6.5M approximately \$2M below the minimum requirement based on the policy,
- 2017 Cost Reduction strategies were implemented – reduced budget by \$1.2M
- 5+ seasons of lower-than-normal precipitation or drought conditions.
- COVID 19 pandemic (2020-2022) restrictions.
- Since 2017 each year revenue exceeded expenses
- Based on 2022 preliminary audit figures the unassigned portion of the fund balance is \$25M, an increase of \$19M, since 2017.

2023

- Plan to treat about 15,000 P2 acres compared to 7,473 in 2022
- Plan to expand the surveillance in P2
- If we experience another dry year plan to expand P2 services further, as well as look for other ways to expand services across the District.
- Will continue to evaluate and expand the P1 priority area yearly to address any areas in the Metro where population expansion is occurring. In 2022, the District changed 13 sections from P2 to P1, expanding the priority treatment acres by over 2,500 acres.
- Purchased a second drone in the fall of 2022.
- Expanded our drone program for the 2023 season at the Maple Grove facility.
- Hired 2 additional season staff to treat wetlands with the drone (2022 treated 350 acres by drone)
- The remaining 4 facilities will be evaluating their areas, wetlands, and treatments needs, as we look to identify how and where we can further expand the drone program in the District.

2015 was a high service year and the District treated over 320,000 larval acres, (record acres) and the total expenses was \$19,186,196. In comparison, if we were to treat the same number of acres in 2023, with the current costs of material, helicopter and wages, the total expenses would be approximately \$20,375,250, exceeding the 2023 budget by \$441,376. If this scenario were to happen, approval to use reserve funds would be needed. However, total acres treated the last several years were significantly less, if that is the case for 2023, the current budget will suffice.

2024 Budget Factors

Weather - with our services based so much on weather, it is very hard to predict

Health Care expense

- The District is in the last year of a 2-year agreement with PEIP, (Public Employees Insurance Plan).
- Over the last 5 years our premiums have increased 40 percent.
- Recent discussions with our insurance brokers, compared to other local governments, the District is falling behind in the employer contribution portion of the premiums.
- In August will go out to the market for bids from other healthcare providers, what we learn will determine whether the District can increase the employer contribution to remain competitive.

Helicopter Agreement

- Current helicopter agreement (3 years) with Scott's Helicopter expires in the fall of 2023
- Expect to see an increase due to increased rates per acres and an increase in jet fuel prices, as well as the possibility of adding back in a 7th helicopters. (In 2017 we moved to 6 helicopters to help with the cost reductions).
- Soon after the 2023 season we will go out for bids for a new agreement.

Recommended next steps:

- We propose the following:
 - A 2% increase in the 2024 levy – getting closer to a balanced budget. (Does not include other revenue). The approved proposed levy deadline is August 1, 2023. (See table on page 4).
 - Currently we are not prepared to provide a proposed budget increase. We feel it is premature to provide a budget with so many factors that could have a significant impact on our 2024 budget. According to the budget schedule, budget discussions begin in August with the final budget approval at the December Commission meeting. (See table on page 4). That timeline provides the opportunity to do our due diligence and gather the information that is needed to provide as accurate budget as possible.
 - Another consideration would be to have no levy or budget increases in 2024 and use reserves funds if necessary.
 - This will set the stage for the 2025 and 2026 levy and budget.

Table below shows a 2% levy increase and no budget increase.

	Actual 2020	Actual 2021	Actual 2022	Approved 2023	Proposed 2024
Beginning Balance	\$17,696,175	\$22,818,534	\$26,246,353	\$30,745,308	\$30,580,904
<i>Revenues/Sources</i>					
<i>Property Taxes</i>					
Anoka County	\$1,700,239	\$1,771,755	\$1,794,143	\$1,837,080	1,873,821.78
Carver County	\$661,245	\$667,310	\$670,605	\$683,585	697,256.31
Dakota County	\$2,435,571	\$2,450,506	\$2,472,427	\$2,528,413	2,578,980.97
Hennepin County	\$8,640,370	\$8,625,821	\$8,746,025	\$8,969,843	9,149,240.15
Ramsey County	\$2,664,781	\$2,673,674	\$2,747,567	\$2,846,891	2,903,829.23
Scott County	\$865,377	\$880,508	\$898,626	\$920,482	938,891.29
Washington County	\$1,557,754	\$1,591,980	\$1,594,397	\$1,633,176	1,665,839.58
Market Value Credit	-	-	-	-	-
Total Property Taxes	\$18,525,337	\$18,661,553	\$18,923,790	\$19,419,470	\$19,807,859
<i>Other Financing Sources</i>					
Other Financing Sources	\$0	\$0	\$0	\$0	\$0
Miscellaneous	\$80,788	\$166,410	\$526,554	\$350,000	\$500,000
Total Other Sources	\$80,788	\$166,410	\$526,554	\$350,000	\$500,000
Total Revenue	\$18,606,125	\$18,827,963	\$19,450,344	\$19,769,470	\$20,307,859
<i>Expenditures/Uses</i>					
Commissioners	\$705	\$624	\$783	\$2,802	\$1,400
Control Operations	\$13,182,273	\$14,190,274	\$13,611,930	\$18,295,837	\$18,295,837
Capital Outlay	\$269,275	\$365,746	\$316,798	\$527,520	\$527,520
Administration	\$900,890	\$924,070	\$1,047,032	\$1,107,715	\$1,109,117
TOTAL	\$14,353,143	\$15,480,714	\$14,976,543	\$19,933,874	\$19,933,874
<i>Ending Fund Balance</i>					
Nonspendable/Committed/Assigned	\$7,621,567	\$6,387,860	\$5,128,068	\$5,128,068	\$5,128,068
Unassigned/Working Capital/Tax Delinquencies	\$15,196,967	\$19,939,063	\$25,642,394	\$25,452,836	\$25,826,821
TOTAL	\$22,818,534	\$26,246,353	\$30,745,308	\$30,580,904	\$30,954,889
<i>Amount From Fund Balance Used For Expenditures</i>					
	(\$4,252,982)	(\$3,347,249)	(\$4,473,801)	\$164,404	(\$373,985)

MMCD Calendar for Budget Year 2024

Commission and Executive Committee provide direction to develop budget	May / June 2023
Commission approves preliminary 2024 levy and budget direction	July 26, 2023
Approved proposed levy deadline for the District	August 1, 2023
Review 2024 budget and levy proposals	August 23, 2023
Proposed levy certification due	September 10, 2023
Executive Committee reviews proposed budget (Subject to change)	September 27, 2023
Commission reviews proposed budget (Subject to change)	October 25, 2023
Executive Committee reviews budget	November 16, 2023
Parcel Specific Property Tax Notice	November 10 – 24, 2023
Commission adopts Final 2024 Levy & Budget (December Commission meeting)	December 20, 2023
Truth in Taxation Hearing (Commission & Staff)	December 20, 2023
Continuation Hearing, if necessary, (Commission & Staff)	December 20, 2023
Certify Adopted Payable 2024 Levy (Staff)	December 21, 2023

MEMORANDUM

TO: MMCD Board of Commissioners
FROM: Joseph Langel, MMCD Attorney
DATE: August 26, 2016
RE: Tax Levy Schedule

At the Commission meeting on August 24th (2016), there was a discussion about the budget calendar. Specifically, questions were raised about when MMCD's property tax levy must be certified to the Commissioner of the Department of Revenue. The calendar in the Information Packet showed that the initial levy certification deadline is August 1st.

Some Commissioners questioned the validity of that date given that it is earlier than other taxing districts. A quick review of Minnesota Statutes chapter 275 (the property tax levy statute) indicated that (1) MMCD is defined as a special taxing district; and (2) "each special taxing district shall adopt and certify to the county auditor a proposed property tax levy" "on or before September 15." *Minn. Stat. §§ 275.065, subd. 1(b), 275.066 (16)*. It therefore appeared that September 15th is, in fact, the correct deadline.

The quick statutory review during the meeting, however, did not reveal the additional provisions in Minnesota Statutes chapter 473, which relate specifically to MMCD. Section 473.711, subdivision 5, provides that MMCD "must certify its property tax levy to the commissioner of revenue by August 1 of the levy year." This specific provision overrides the more general provision in Chapter 275.

The Commissioner of Revenue reviews the tax levy to ensure that the tax is within MMCD's statutory levy limitation. That determination must be completed by September 10th. *Minn. Stat. § 473.711, subd. 5*. The Commissioner notifies the MMCD that the levy is appropriate and provides the amount of levy for each member county. The levy data is transmitted to the respective counties by September 15th. The Commission adopts the final levy and holds the Truth in Taxation hearing in December.

Let me know if anyone has additional questions about this process.

To: Commission Members
From: Arleen Schacht
Re: Executive Director's Report
Date: May 2023

1. DIRECTOR'S INITIATIVES

The recruiting efforts and the District Human Resources and hiring staff have worked hard to continue to attract a diverse pool of qualified candidates for District jobs. A large proportion (about 55% in 2023) of our seasonal hires are returning staff, but several of the returning staff have worked for the District for many years are beginning to retire, so we expect a continued gradual increase in diversity. Seasonal technicians hired this year include 27% who are female, 10% minority, and 16% individuals with a disability.

Staff have done a great job communicating that MMCD is a great organization to work for. Most employees hear about MMCD through word of mouth, from friends that previously worked or work for the District. The District does use a variety of mediums to post ads for seasonal employees; newspapers, fair booths, internet/website, Indeed, job fairs etc. Nearly all seasonal positions have been filled.

2. MOSQUITO CONTROL SERVICES

- The weather in the first two weeks of May has been ideal for staff to get a lot of work done. Staff continue to find water in the wetlands that had been dry the past two years. Staff are also finding mosquito larvae in many of these wetlands, they have worked hard treating by helicopter, drone, and by hand.
- We have hired 183 seasonal staff; we are optimistic we will fill the remaining 9 positions.
- Field Operations Supervisors are conducting orientations, training, and promoting safety with the seasonal employees that are currently working in the field.
- From April 27th – May 9th, we treated 44,000 acres by helicopter. These treatments were in response to our spring brood, the mosquitos that hatch after the snow and ice melt. In comparison, in 2022, we only treated 20,000 acres by helicopter.
- We started treating with the 2 drones on May 3rd. To date, our drones have treated over 130 acres. We are excited to see how many acres these drones can treat in 2023.
- Staff have inspected over 8,700 wetlands, taken over 4,600 samples, and have treated approximately 2,400 acres by hand or backpack.
- Staff have done 203 black fly inspections in the small streams and rivers. They have also done 79 treatments in the streams and rivers that were found to be breeding above threshold. The Minnesota River is continuing to rise again, when the river leaves its banks, we are not able to treat it, which could mean an increase in adult black fly numbers.
- Staff have collected 986 tires so far this season. This work is important as it removes habitats for disease vector mosquitoes to lay their eggs in.
- Staff continue to work with and test our data software, Mapster.
- During the week of May 15th, we will treat approximately 8,000 acres by helicopter with Natular and P35, which are pre-hatch control materials. These pre-hatch materials are

effective in controlling mosquitoes for approximately 30 days. By treating these wetlands, we make our operations more efficient, and it allows us to react faster to inspect and treat the other wetlands when we get significant rain.

- Starting the last week of May and first week of June, we plan to treat 13,750 acres by helicopter for our cattail mosquito. These are the wetlands that we inspected last fall and were found to be breeding with *Coquillettidia perturbans* larvae. These larvae can overwinter and survive by attaching to the cattail roots. They would then typically emerge as adult mosquitoes in mid to late June.

3. TECHNICAL SERVICES

- Communicating with American Mosquito Control Association's (AMCA) technical advisor and national colleagues on cooperative agreements with Federal, State, and Local agencies/organizations. Gathering information to assist with discussions with the Minneapolis Park Board and Roberts Bird Sanctuary questions.
- Assisting with coordination of serving and standardizing London Fog truck-mounted adulticiding equipment with vendor. Coordinating purchasing four additional units to update our fleet.
- Assisting with coordination of servicing and standardizing Clarke electric truck-mounted adulticiding equipment. Working with vendor to bring in a technician to service equipment.
- Making arrangements with vendor to demo a new passive mosquito counting field trap that can identify mosquito species by wing beat frequencies. May be a way to expand our surveillance program in unrepresented areas of the district with minimal staff interaction.
- Working with an AMCA group on training program to assist Pan African Mosquito Control Association (PAMCA) develop an understanding of how a mosquito larviciding program can benefit their operations. Most African mosquito control programs use adulticide spraying which is becoming ineffective due to product resistance and poorly developed IPM programs.
- Developing new tick field sampling methods to expand surveillance programs in large parks and wildlife areas. Working with Centers for Disease Control (CDC) to evaluate collected ticks for pathogens of tick-borne illnesses.

Technical Services Lab

- The Lab has three new technicians – all being trained in larval and adult mosquito identification.
- The last technician, a returnee, will begin in June.
- Black fly sampling for larvae in our five major rivers has started; adult collections this week show the beginning of the emergence of black flies.
- Adult mosquito surveillance began May 15, some CO2 traps have detected the beginning emergence of the spring *Aedes* mosquitoes.

Mosquito-borne Disease Prevention

- Jamestown Canyon Virus – Spring *Aedes* larval control is nearly complete.

- La Crosse Encephalitis – Crews are working to reduce LAC vector habitat.
 - 669 Tires removed for recycling
 - 65 Containers eliminated
 - 2 Tree holes filled
- West Nile virus – We are working with 19 municipal partners to conduct larval control in underground stormwater management structures.
- West Nile virus – Larval control of catch basins and other stormwater management structures will begin during the last week of May.
- West Nile virus – Testing of adult mosquitoes for WNV will begin as vectors are captured in late May or early June.
- Eastern equine encephalitis – Surveillance for EEE vectors started this week.

4. PUBLIC AFFAIRS

MMCD in the News

MMCD was featured in the news media 27 times last year and the Communications Team made a goal to achieve 30 media stories for 2023. As of May 12, we have already been featured in 29 news stories including statewide and local media and a mixture of online, print, television, and radio. Here are some of the recent coverage MMCD has received:

- [CBS News: Why this mosquito season in Minnesota could be worse than most](#)
- [KSTP: Metro area group plans fight against mosquitoes as temperatures rise](#)
- [KARE 11: Metropolitan Mosquito Control prepares for worst hatching season in recent years](#)

City Press Release

We sent our annual press release to cities and townships about the start of mosquito control season and to prepare residents to start seeing helicopters and field staff in their communities. Most of the 100+ cities and townships published the release in some format on their websites, in their newsletters, or on social media pages.

Upcoming Events

We are gearing up for summer events with a few fun activities happening in the coming weeks:

- Saturday, June 3rd - Lake Phalen Water Fest (MMCD Booth)
- Sunday, June 4th - Grand Old Day (MMCD Booth)
- Sunday, June 11th - Take-a-Kid Fishing with Dakota County Parks (MMCD Booth)
- Thursday, June 15th - Brooklyn Park Safety Camp (MMCD Learning Station)