

**Metropolitan
Mosquito Control District**

**Executive Committee
September 24, 2025
9:15 AM**

Information Packet

**METROPOLITAN MOSQUITO CONTROL DISTRICT
M E E T I N G A N N O U N C E M E N T**

COMMITTEE: **Executive Committee Meeting**

IN PERSON: **Metropolitan Mosquito Control District**
2099 University Avenue West
St. Paul, MN 55104

DATE: **Wednesday, September 24, 2025**
TIME: **9:15AM**

A G E N D A

1. Call Meeting to Order
2. Roll Call
3. Approval of Agenda*
4. Consent Agenda
 - a. Approval of Minutes for June 25th, 2025 Meeting*
5. Legislative Update (Peg Larsen, Kim Scott)
6. Fund Balance Policy (Maria Mancilla-Diaz)*
7. Architectural Services RFP (Maria Mancilla-Diaz, Tim Stich)
8. OPEB Revisions (Sam Ketchum)*
9. Executive Director’s Report
10. Other Issues and Announcements
11. Adjournment

* Action Requested

Commissioner Rena Moran	Ramsey County
Commissioner John Fahey	Carver County
Commissioner Jeff Reinert	Anoka County
Commissioner Liz Workman	Dakota County
Commissioner Kevin Anderson	Hennepin County
Commissioner Dave Beer	Scott County
Commissioner Fran Miron	Washington County

Next Commission Meeting: Wednesday, October 22, 2025, 9:15 a.m.
Next Executive Committee Meeting: Thursday, November 20, 2025, 9:15 a.m.

METROPOLITAN MOSQUITO CONTROL COMMISSION MEETING

Requested by:
Daniel Huff

Action Requested:
Approve Executive Meeting Minutes – May 28, 2025

June 25th, 2025 Executive Committee Meeting Minutes

Roll Call:

Commissioner Jeff Reinert	Anoka County
Commissioner Liz Workman	Dakota County
Commissioner Rena Moran	Ramsey County
Commissioner Kevin Anderson	Hennepin County
Commissioner Dave Beer	Scott County
Commissioner John Fahey	Carver County
Commissioner Fran Miron	Washington County

Staff:

Daniel Huff, Executive Director
Jennifer Macchia, Business Office Manager
Alex Carlson, Public Affairs Manager
Monte Ebbesen, Public Affairs Assistant

Visitors:

Sam Ketchum, MMCD Legal Counsel
Kim Scott, MMCD Lobbyist
Peg Larson, MMCD Lobbyist
Dave Keen, Keen Independent Research
Manuel Perez, Keen Independent Research

Chair Rena Moran called the meeting to order at 9:15am. Commissioner Workman moved to approve the agenda; Commissioner Reinert seconded. The agenda was approved as it stood.

Chair Moran led the Committee to the next agenda item. Commissioner Workman moved to approve the May 28th, 2025 Executive Committee minutes; Commissioner Reinert seconded the motion. The Committee approved the minutes without dissent.

Chair Moran briefly introduced Mr. Dave Keen and Mr. Manuel Perez of Keen Independent Research and invited them to present on the Joint Disparity study conducted on 16 Minnesotan public entities and their purchasing from Women- and Minority-Owned Business Enterprises (“WBE” and “MBE”, respectively). Mr. Keen briefly explained that the study – and those similar – is important because it provides facts for organizations to use in case of any legal conflicts or public dissatisfaction with an organization’s purchasing practices and claims of supporting small businesses, WBEs and MBEs. He explained the study included data from July 2016 to July 2023; however, national market purchases would be disregarded. Overall, the study showed that MMCD purchased satisfactorily from small businesses but lagged behind other organizations in purchasing from WBEs and MBEs. Mr. Keen suggested that MMCD

has the means and liberty to purchase from WBEs and MBEs at a higher rate. Commissioner Moran thanked Mr. Keen and Mr. Perez for their work and opened the room to questions.

Some discussion occurred regarding the purpose of identifying and requirements for businesses as women- and minority-owned. Commissioner Moran inquired as to why Ramsey County did not participate, to which Mr. Keen responded that Ramsey County was given an offer to do so but ultimately was not included in the study. Some further discussion occurred regarding the State of Minnesota's provided list of WBEs and MBEs. Commissioner Reinert began some discussion of the responsibilities of MBEs and WBEs to do their own outreach as opposed to organizations. Mr. Keen mentioned that there are some systemic difficulties to MBEs and WBEs finding success in the market, which must be considered; often, MBEs and WBEs are "out of the loop".

Chair Moran thanked Mr. Keen and Mr. Perez again and agreed with Mr. Keen that MMCD could be more intentional with purchasing practices overall.

At Chair Moran's invitation, Mr. Keen thanked both Keen Consulting and MMCD staff for their collaborative work.

Executive Director Daniel Huff thanked Business Administrator Arleen Schacht and Business Office Manager Jennifer Macchia for their work. He suggested that increasing MMCD's purchasing from WBEs and MBEs could realistically be increased to reflect the availability and prevalence of such businesses in the market. Commissioner Beer expressed some skepticism about the desire to increase purchasing from MBEs and WBEs based purely on metrical analysis but was in support of creating more opportunities for such businesses. Chair Moran noted that, during her time in the Minnesota State Legislature, purchasing from MBEs was low when the diversity of staff and legislators was low. After the Capitol diversified, purchasing diversified.

Chair Moran then invited MMCD Lobbyists Peg Larsen and Kim Scott to provide legislative updates. Ms. Larsen began by acknowledging the recent passing and mourning of Senator Melissa Hortman and her family as well as the attack on John Hoffman. She expressed that both individuals had done admirable work in the legislature. Ms. Larsen and Ms. Scott noted that the MN legislature had passed a \$66 billion dollar budget, which included 14 budget bills. They highlighted that the budget had included funds for early detection of vector-borne disease, a success for MMCD and other public health agencies.

Chair Moran thanked Ms. Larsen and Ms. Scott for their words and work.

Chair Moran invited Mr. Huff to present on the proposed 2026 Budget and Tax Levy for the District, which was to be approved by the Executive Committee. Mr. Huff has presented extensively on the proposed budget at the May Executive Committee meeting and invited Commissioners to further discussion. Commissioner Reinert had previously suggested that administrators find budget numbers from the previous three fiscal years and a document with those numbers was provided. Mr. Huff continued that the District aspired to halt the growth of the fund balance, though all funds were allocated to specific purposes in the previous fiscal year and approved by the full Commission. Mr. Huff reiterated some details of the proposed budget, including funds to upgrade MMCD fleet vehicles. Mr. Huff noted that the largest increase of funds would be set aside for reducing the employee contribution for District-provided health insurance. Mr. Huff explained that MMCD was not competitive with other public entities in this respect. Mr. Huff explained that MMCD administrators were working with legal counsel to determine if MMCD could use a portion of MMCD's OPEB fund to offset costs. Finally, Mr. Huff mentioned that the proposed budget did not include MMCD's aspiration to expand service. Commissioner Workman asked Mr. Huff to clarify if staff intended to expand MMCD's service area or services. Mr. Huff responded that

MMCD staff aimed to serve more people more effectively within the 7-county Metropolitan area. He noted that the Priority 1 area of the District was growing and would continue to grow.

Commissioner Workman commented that greater population density within the Metropolitan area would increase taxable households, thus increasing potential available funds. Mr. Huff agreed and added that it would also spread out the levy, thus decreasing the rate of increase per household. Commissioner Miron responded that an increase in population density would add additional infrastructure to treat.

Commissioner Reinert inquired as to why a significant levy increase (over several years) was required if greater population density resulted in a balance of available funds and anticipated spending. Mr. Huff explained that the anticipated renewal and renegotiation of contracted work would likely require more money. Mr. Huff noted that MMCD has been treating more catch basins and wetlands than 10 years ago. Some discussion occurred regarding working with municipalities and other government entities to more effectively engineer urban infrastructure to avoid a need for mosquito control activities. Commissioner Miron applauded MMCD staff's approach to formulating the budget, which Commissioner Fahey concurred with. Some further discussion occurred regarding urban infrastructure and collaboration.

Mr. Huff highlighted a few more aspects of the proposed budget, ultimately recommending an 8% increase of the 2026 budget from 2025. Thus, the max levy would be set at 5.3%. If set to the max levy, the median homeowner would see a 58 cent increase per year, potentially less due to market increase. Mr. Huff reiterated the timeline of approving the budget with the Full Commission. Commissioner Miron also emphasized that the levy would not be finalized until the December Commission meeting, giving the Commission and MMCD staff to acquire any further information necessary. Commissioner Miron expressed his approval of the proposed budget and levy increase as it stood.

Commissioner Reinert suggested that the Commission determine the appropriate amount for the fund balance. Commissioner Miron responded and suggested that MMCD staff take time in the coming months to investigate; for now, the budget is satisfactory as it stands and thanked MMCD staff for their work.

Commissioner Miron then moved to approve the proposed budget and max levy increase of 5.3%. Commissioner Workman seconded. Commissioner Miron suggested to Mr. Huff that the Executive Committee further discuss the fund balance at the September Executive meeting. Some discussion occurred regarding the purchasing of control materials, and Mr. Huff clarified the timeline by which control materials are purchased. Some discussion occurred regarding the formulation of a 5-year budget in light of ongoing and future negotiations of MMCD field staff union contracts.

Commissioner Moran invited the Executive Committee to conduct a vote on the motion to approve the 2026 proposed budget and tax levy increase. The motion was approved unanimously.

Mr. Huff then presented the Executive Director's report. He mentioned recent visits by MMCD staff to vector control districts in Illinois, Business Administrator Arleen Schacht's retirement, treatment metrics of the 2025 season thus far, among other updates.

Chair Moran thanked the Executive Committee for their discussion and time. The meeting was adjourned at 11:34am.

METROPOLITAN MOSQUITO CONTROL COMMISSION MEETING

Presented by:

Kim Scott and Peg Larsen

Informational:

Legislative Update

After months of rumors and speculation, Gov. Walz has confirmed that he will run for a 3rd term as governor of Minnesota. There has never been a successful 3rd term run for governor in Minnesota before. The top contenders in the Republican field currently are Kendall Qualls, Kristin Robbins, and Scott Jensen.

The Minnesota House of Representatives once again is back to a tie. Xp Lee beat out Ruth Bittner for the District 34B special election to fill the seat held by the late Speaker Emerita Melissa Hortman. Earlier this month, the House DFL elected Zack Stephenson as their leader, the position formerly held by Hortman.

A special session may be called in September to discuss gun control proposals. Governor Walz says he will call a special session regardless of an agreement between House and Senate leaders. The catch here is that he has no control once the session starts. Legislators decide what will be discussed and how long it will go. Even if they do agree on an agenda, they can go outside of that agenda.

It was just announced that Senator Ann Rest will not run for reelection. She has been in the Senate or the House since 1984 and has a great deal of institutional knowledge.

I would like to end this report with a quote by Maya Angelou:

“Hate. It has caused a lot of problems in the world but has not solved one yet.”

METROPOLITAN MOSQUITO CONTROL COMMISSION MEETING

Presented by:

Maria Mancilla-Diaz

Action Requested:

Fund Balance Policy

At the July 2025 Commission meeting, the Commission requested that MMCD research and establish a fund balance policy to memorialize the strategic direction needed to effectively carry out the MMCD's mission. This policy would align with best practices and the recommendations of the Office of the State Auditor.

The General Fund balance consists of five components:

- **Nonspendable Balance:** Resources not in spendable form, such as inventory.
- **Committed Balance:** Funds formally committed by the Commission for specific uses, like emergency disease vector control.
- **Assigned Balance:** Funds intended for specific purposes, including employee benefit payable and treatment reserves. We will maintain an assigned balance that is at least three times the difference between the highest number of acres treated in one year compared against the 10-year average. This strategy ensures we have resources for up to three consecutive "wet years" and can replenish reserves during subsequent dry years.
- **Working Capital Budget Reserve:** A reserve equal to 55% of the next fiscal year's budgeted expenses, minus material in stock. This ensures operational continuity.
- **Assigned Capital Plan:** Any funds exceeding the Working Capital Budget Reserve are automatically assigned to the Capital Plan for projects like fleet replacement and facility improvements.

Research and Justification

This policy is based on an analysis of fund balance policies from several Minnesota government entities, including the Office of the State Auditor (OSA). Our research indicates that Minnesota entities maintain reserves between 25% and 50% of their annual budget or revenues.

- Bemidji: 50% of the subsequent year's budget.
- Ramsey County: 50% maximum, with any excess transferred to the Capital Projects Fund.
- Washington County: 20-50% of the subsequent year's expenditure.
- Scott County: 25-30% operating expenditure.
- Anoka County: 35-50% of operations.

Office of the State Auditor (OSA): The OSA provides comprehensive recommendations for fund balance policies. They advise local governments:

- Adopt a formal, comprehensive fund balance policy addressing minimum levels, resource use order, stabilization, and commitment/assignment processes.

- Maintain an unrestricted fund balance of 35-50% of fund operating revenues or no less than five months of operating expenditures. This is particularly recommended for entities that rely heavily on property taxes and have uneven cash flow.
- Consider the volatility of revenues and expenditures when determining the minimum level. Higher volatility may justify a higher fund balance.

Our proposed 55% Working Capital Budget Reserve is at the higher end of these ranges. This is intentional due to the unpredictable, weather-driven nature of our operations, which requires a larger reserve to manage potential multi-year events.

Action Requested

That the MMCD Executive Commission approve the fund balance policy revisions. This policy will be submitted for full Commission approval at the October 22, 2025 meeting.



Fund Balance Policy for MMCD

This policy outlines the five key components of the MMCD's General Fund balance, providing a clear framework for financial management. The primary objective is to maintain a stable working capital reserve and strategically allocate excess funds to the capital plan for long-term investments.

Fund Balance Components

The MMCD General Fund is composed of the following five distinct fund balance components:

1. **Nonspendable Balance:** This portion is comprised of resources that are not in a spendable form. As of the most recent financial statement, this includes control material (inventory).
2. **Committed Balance:** These funds have been formally committed by the MMCD Commission for specific, high-priority uses. This includes emergency disease vector control.
3. **Assigned Balance:** These are funds that the MMCD intends to use for a specific purpose. This includes assigned employee benefit payable and treatment reserves. We will maintain an assigned balance that is at least three times the difference between the highest number of acres treated in one year compared against the 10-year average. This strategy is designed to provide sufficient resources for up to three consecutive "wet years" (periods requiring extensive treatment) without depleting our reserves.

This approach ensures the MMCD can maintain effective treatment operations even during consecutive high-demand years, and that we can immediately replenish the fund balance in the subsequent dry years. It also ensures the Commission will always have funds available for a wet year, which is essential to our mission.

4. **Working Capital Budget Reserve:** This reserve is a vital tool for ensuring the District's financial stability and operational continuity. It is maintained at a level equal to 55% of the next fiscal year's budgeted expenses, minus the value of material in stock.

5. **Assigned Capital Plan:** Any funds remaining in the General Fund balance that exceed the required Working Capital Budget Reserve will be automatically assigned to the Capital Plan. This ensures that surplus funds are strategically used for capital projects, such as fleet replacement and facility improvements.

This policy ensures that the MMCD maintains sufficient resources for its daily operations, contingency plans, and strategic capital investments.

Previous Fund Balance Policy Revisions

See Appendix 1 at the end of the packet.

METROPOLITAN MOSQUITO CONTROL COMMISSION MEETING

Presented by:

Maria Mancilla-Diaz, Tim Stich

Informational:

RFP: Architectural Design

Background

One of the key pillars in the MMCD's strategic plan is the optimization of resources and capacity. To support this objective, the organization has initiated two critical projects: the St. Paul Lab Renovation and the new Maple Grove Storage Facility. These projects are designed to enhance operational efficiency and provide the necessary resources to support future growth and operational needs.

Following a thorough Request for Proposals (RFP) process, MMCD staff reviewed submissions from several highly qualified architectural firms. The evaluation criteria, which were clearly outlined in the RFP, focused on specific areas of expertise, including:

- Expertise in lab renovation and mechanical modernization
- Overall firm capabilities and history
- Qualifications and experience of the proposed project team

Findings and Recommendation

Based on our review and scoring process, the firm BWBR has been identified as the most qualified candidate to provide architectural and design services for both projects. Their proposal demonstrated an understanding of our specific needs and presented a clear plan that aligns perfectly with the Commission's strategic objectives.

Consistent with the principles of openness, fairness, and competitiveness as required by Minnesota law, the selection process was conducted with complete transparency. All proposals were evaluated against the same pre-defined criteria by a diverse and objective committee. The recommendation of BWBR is a direct result of this fair and competitive process.

Action Requested

Informational only. The negotiated contract will be submitted for full commission approval at the October 22, 2025 meeting.

METROPOLITAN MOSQUITO CONTROL COMMISSION MEETING

Presented by:
Sam Ketchum, J.D.

Action Requested:
OPEB Revisions

This memo outlines a proposed policy for the Other Post-Employment Benefits (OPEB) Plan Trust, which we are seeking the Commission's approval for. This new policy is designed to ensure the financial health and long-term sustainability of our OPEB Plan while also allowing the District to utilize a portion of the trust's substantial assets to fund active employee health insurance benefits.

Overview of the Proposed Policy

The key component of this policy is the authorization of an annual recurring withdrawal from the OPEB Trust. The plan allows us to withdraw 4.00% of the Fiduciary Net Position each year, provided specific financial conditions are met. This proposed withdrawal for 2025 is \$284,969.28.

This is made possible because our OPEB Trust is exceptionally well-funded. As of December 31, 2024, the Trust's assets (\$7,124,232) are more than 12 times the total OPEB liability (\$589,042). The OPEB plan has also been closed to new participants since 2008, and all post-employment benefit liability owed to former employees has been defeased, further strengthening our position.

Key Policy Requirements and Safeguards

The policy includes strict requirements to ensure financial prudence and accountability:

Annual Certification: The Business Administrator must certify annually that the Trust meets a 120.00% funding requirement relative to the Total OPEB Liability and that all post-employment benefit liability is defeased.

Restricted Use of Funds: All withdrawn funds are legally restricted for the sole purpose of funding active employee health insurance benefits. This ensures the funds are used to directly benefit our current staff.

Suspension Clause: The annual withdrawal is automatically suspended if the Trust fails to meet the required funding levels or if the Commission votes to suspend it by resolution.

Regular Reporting: The District will continue to perform biannual actuarial valuations to monitor the OPEB Plan's funding and ensure compliance with GASB Statement Nos. 74 and 75.

This policy aligns with Minnesota Statutes, Section 471.6175, which permits withdrawals from such trusts when all post-employment benefit liability has been defeased.



Other Post-Employment Benefits Plan Trust Fund Asset Management and Withdrawal Policy

I. Background and Purpose

The Metropolitan Mosquito Control Commission and Metropolitan Mosquito Control District staff are committed to the proper financial management of the District, including health insurance benefits owed to certain eligible employees after their termination of service (the “OPEB Plan”). Minnesota Statutes, Section 471.6175 authorizes public entities to create a trust to provide reliable funding for such post-employment benefit liabilities. Minnesota Statutes, Section 471.6175, subdivision 7(b)(1) also authorizes withdrawals from such a trust when all postemployment benefit liability owed to former employees has been defeased. On November 19, 2008, the Commission authorized District staff to establish such a trust. The Minnesota Public Employees Retirement Association serves as the administrator of the Trust and any withdrawals. The Minnesota State Board of Investment serves as the manager of the assets of the Trust. Pursuant to Governmental Accounting Standards Board Statement Nos. 74 and 75, the District is required to report details about the OPEB Plan and trust. However, the Commission retains the authority to determine funding levels and methodology. The Commission accordingly adopts the following policy to ensure reliable funding and accountability related to the OPEB Plan, trust, and any withdrawals.

II. Definitions

1. Actuarial Present Value of Benefits – the present value of all future projected benefits for the current participant group, if all actuarial assumptions are exactly met.
2. Fiduciary Net Position – the value of dedicated OPEB assets reported by the District.
3. GASB Statement No. 74 – the Governmental Accounting Standards Board Statement Number 74 Financial Reporting for Postemployment Benefits Other Than Pensions.
4. GASB Statement No. 75 – the Governmental Accounting Standards Board Statement Number 75 Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.
5. OPEB Plan – the specific post-employment health insurance benefits plan under which annual disbursements are made to certain eligible District employees after their termination of service.
6. PERA - Minnesota Public Employees Retirement Association.
7. Reporting Date - the fiscal year end of the OPEB Plan or District.
8. SBI - Minnesota State Board of Investment.
9. Trust – the specific trust administered by PERA and managed by SBI for which OPEB Plan assets are held and for which reimbursements and withdrawals are made.

10. Total OPEB Liability - the portion of the Actuarial Present Value of Benefits which is not attributable to future service costs (i.e., the accrued liability).

II. Policy

1. Disbursements. GASB Statement Nos. 74 and 75 have specific rules regarding the projection of benefit payments, contributions, and calculations for disbursements. Payments, contributions, and calculations for disbursements from the Trust by the District to eligible employees shall follow such rules. Disbursements shall follow the regular budget process and not require a Commission resolution.
2. Annual Funding Requirement. The Commission shall, at minimum, require annual funding of the Trust in the amount of at least one-hundred and twenty percent (120.00%) of the Total OPEB Liability.
3. Annual Funding and Defeasibility Certification. Based on actuarial analysis as of the most recent Reporting Date, the Business Administrator of the District shall certify each year to the Commission whether the following conditions have been met: (1) the Total OPEB Liability meets the annual funding requirement, and (2) all postemployment benefit liability owed to former employees have been defeased.
4. Annual Recurring Withdrawal. If the annual certification is made, it shall be District policy to make one annual withdrawal of four percent (4.00%) of the Fiduciary Net Position of the Trust as of the most recent Reporting Date. The annual recurring withdrawal shall be approved by Commission resolution. PERA requires the District to submit a form requesting any withdrawals. If approved, PERA directs SBI to transfer Trust assets to the District. The request for withdrawal shall be made using the form and process as may be required by PERA and SBI. District officials, staff, and consultants shall deposit the annual recurring withdrawal in a fund to be used for the specific purpose of financing active employee health insurance benefit costs. The use, transfer, or withdrawal of any Trust assets withdrawn pursuant to this annual recurring withdrawal shall be restricted solely to funding payments of active employee health insurance benefits.
5. Suspension of Annual Recurring Withdrawal. The annual recurring withdrawal shall automatically suspend if any of the following conditions occur:
 - a. It is determined by actuarial analysis that the Trust does not meet the annual funding requirement;
 - b. It is determined by actuarial analysis that the Total OPEB Liability owed to former employees is not defeased; or
 - c. The Commission acts by resolution to suspend the annual recurring withdrawal.
6. Reinstatement of Annual Recurring Withdrawal. If annual recurring withdrawals are suspended, such withdrawals may only resume upon Commission resolution after an annual certification demonstrates compliance with the annual funding and defeasibility requirements described under paragraph II(2).

7. Other Trust Withdrawals. Except for the annual recurring withdrawal, the District may only make any other withdrawals from the Trust if the Commission acts by resolution and pursuant to all applicable laws, regulations, and District policies.

III. Implementation and Accountability

1. Biannual Reporting Requirements. The funding approach for the OPEB Plan and Trust for the District shall be based on forecasting the Total OPEB Liability using an Actuarial Present Value of Benefits basis. At least once every two years, the District shall complete an actuarial valuation of the OPEB Plan and Trust under GASB Statement Nos. 74 and 75. The actuarial valuation shall be used to adjust the funding of the OPEB Plan as necessary.
2. Annual Budgeting Requirement. The Commission and District staff shall ensure that the Trust funding and any withdrawals are considered as part of the regular annual budget process of the Commission.
3. Other Legal Compliance. The Commission and District staff shall ensure all funding, disbursements, withdrawals, reporting, and budgeting actions comply with applicable laws, regulations, and District policies.

METROPOLITAN MOSQUITO CONTROL DISTRICT

RESOLUTION NO. ____

**RESOLUTION AUTHORIZING WITHDRAWAL FROM DISTRICT
OTHER POST-EMPLOYMENT BENEFITS PLAN TRUST ACCOUNT**

WHEREAS, the Metropolitan Mosquito Control District (the “District”) previously established an Other Post-Employment Benefits Plan that provides funding for health insurance benefits to certain eligible employees after their termination of service (the “OPEB Plan”); and

WHEREAS, Minnesota Statutes, Section 471.6175 authorizes public entities to create a trust in order to provide reliable funding for liabilities owed to employees eligible for such postemployment benefits; and

WHEREAS, on November 19, 2008, the Commission authorized District staff to establish such a trust and made an initial contribution of \$1,030,225 (the “Trust”); and

WHEREAS, based on the most recent actuarial valuation dated January 17, 2025 attached as an Exhibit A, the assets of the Trust have grown substantially from the initial 2008 contribution of \$1,030,225 to a balance of \$7,124,232 for the fiscal year ending December 31, 2024 (i.e., the “Fiduciary Net Position”); and

WHEREAS, based on the same valuation, the total OPEB Plan liability owed by the District to participant employees was \$589,042 for the fiscal year ending December 31, 2024 (the “Total OPEB Liability”); and

WHEREAS, the class of eligible participant employees closed in 2008 and therefore no other former, current, or future employees may become eligible for the OPEB Plan; and

WHEREAS, the Minnesota Public Employees Retirement Association (“PERA”) serves as the administrator of the Trust; and

WHEREAS, the Minnesota State Board of Investment (“SBI”) serves as the manager of the assets of the Trust; and

WHEREAS, pursuant to Governmental Accounting Standards Board Statement Nos. 74 and 75 (“GASB Statement Nos. 74 and 75”), the District is required to provide details about its OPEB Plan obligations and demonstrates compliance with such standards through biannual actuarial valuations; and

WHEREAS, although the OPEB Plan and Trust is governed by GASB Statement Nos. 74 and 75, administered by PERA, and managed by SBI, it is prudent to adopt a policy to ensure reliable funding and accountability related to the OPEB Plan and Trust; and

WHEREAS, the Executive Committee of the Commission has recommended that the Commission approve an Other Post-Employment Benefits Plan Trust Fund Asset Management and Withdrawal Policy (the “Policy”); and

WHEREAS, the Policy outlines requirements for annual disbursements, funding levels, withdrawals, certification, reporting, and budgeting related to the OPEB Plan and Trust; and

WHEREAS, under the Policy, the Commission intends to annually authorize a recurring withdrawal of 4.00% of the Fiduciary Net Position, as of the most recent reporting date, in order to finance active employee health insurance benefit costs; and

WHEREAS, the Policy authorizes the District to make the annual recurring withdrawal if the Business Administrator certifies to the Commission that the Trust meets an annual funding requirement of at least one-hundred and twenty percent (120.00%) of the Total OPEB Liability and all postemployment benefit liability owed to former employees has been defeased; and

WHEREAS, the Business Administrator has certified that the Trust currently meets the annual funding requirement as the assets of the Trust are 1209.50% the Total OPEB Liability at the end of fiscal year 2024 (i.e., the Fiduciary Net Position divided by Total OPEB Liability); and

WHEREAS, the Business Administrator has certified that the District has currently demonstrated that the liability owed to former employees under its OPEB Plan is defeased; and

WHEREAS, consistent with the Policy, the proposed 2025 withdrawal is \$284,969.28 (the “Withdrawal”); and

WHEREAS, PERA requires the District to submit a form requesting the Withdrawal, and if approved, PERA would direct SBI to transfer Trust assets to the District; and

WHEREAS, on October 22, 2025, the Commission was presented documentation from District staff regarding the Policy and Trust and has determined that the Withdrawal benefits the financial health and employees of the District.

NOW, THEREFORE, BE IT RESOLVED, by the Commission of the Metropolitan Mosquito Control District, as follows:

1. The Commission hereby approves the proposed Withdrawal in the amount of \$284,969.28 from the Trust.
2. District staff are authorized to take all actions necessary to make the Withdrawal and comply with all other requirements of laws and rules governing withdrawals from the OPEB Plan and Trust, including to complete, certify, and submit the required withdrawal form to PERA.
3. The use, transfer, or withdrawal of any Trust assets pursuant to this Resolution shall be restricted solely to funding payments of active employee health insurance benefits.

Adopted by the Commission of the Metropolitan Mosquito Control District, Minnesota on this 22nd day of October, 2025.

Rena Moran, Chair

ATTEST:

Maria Mancilla-Diaz, Business Administrator

METROPOLITAN MOSQUITO CONTROL COMMISSION MEETING

Presented by:
Daniel Huff

Informational:
Executive Director's Report

I had an amazing trip with my son in the Boundary Waters. Starting at Crane Lake near Voyageurs National Park, we paddled and portaged a total of 200 miles to Grand Portage and Lake Superior. Thank you for the time off — it was truly a once-in-a-lifetime adventure.



Jon Lundquist (Andover) and Daniel Huff collect cattail mosquito larvae in East Bethel.

I joined Jon Lundquist, Field Operations Supervisor in Andover, to inspect for cattail mosquitoes in Anoka County.

I also joined the team at the Le Sueur Airport for helicopter calibration. As we prepare for cattail treatments, the helicopters must be recalibrated to ensure accurate application rates. We were joined by the scientific team from Clarke, one of our material suppliers. We had previously provided feedback to Clarke regarding the formulation of one of its products, Natular, and the issues we encountered when using it in the field. As a result, the Clarke team redesigned the product. We tested the new formulation in the field using backpacks, drones, and helicopters, and our team was very pleased with its improved ease of use.



Kathy Beadle (Oakdale) coordinates helicopter flights



Helicopter drops materials



Mikayla Schweigert (Andover) collects samples



Aubrey Soukup (Plymouth) brings samples to the trailer



*Tom Pexa (Jordan) weighs materials
Caleb Corona (St. Paul) enters data*



Al (Pilot) adjusts hopper

Administration

Business Administrator Maria Mancilla-Diaz led team members Jennifer Macchia, Monte Ebbesen, Piper Romfo, and Sam Peterson in attending Clerks Academy, offered by the League of Minnesota Cities. This team will continue to support Commission meetings, manage data practices, and ensure compliance with policies traditionally handled by City and County Clerks.

Maria and her team issued two Requests for Proposals:

- Architectural services for the lab redesign and Maple Grove warehouse
- A real estate broker to analyze the market and provide options as we consider a new Plymouth facility

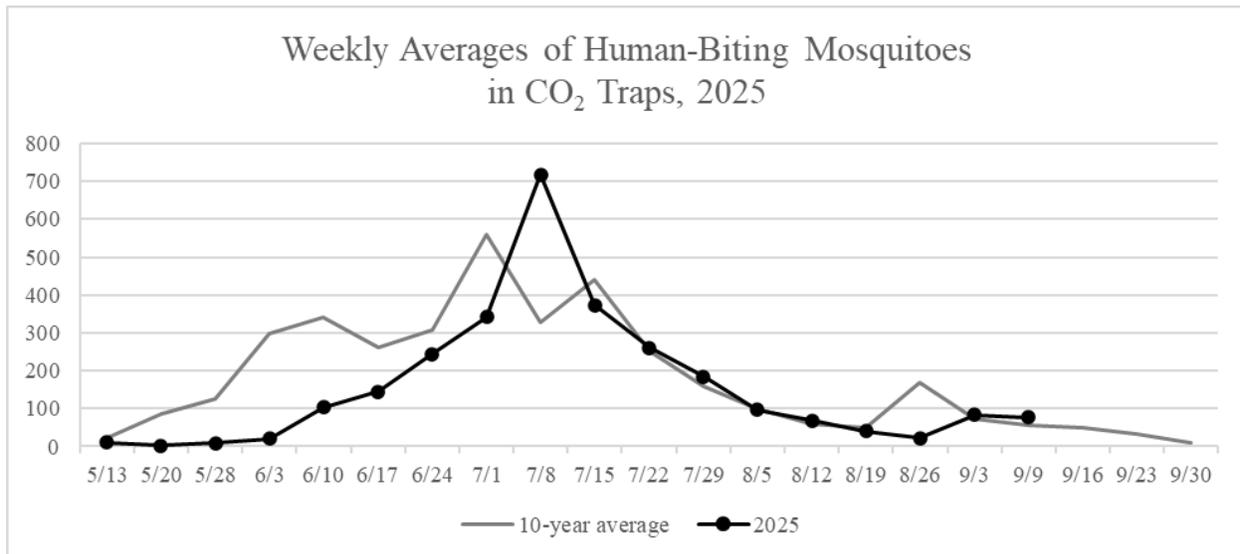
Contracts for these services will come before the full Commission for approval.

Based on previous Commission feedback, we have developed a policy for utilizing excess funds in the District's Other Post-Employment Benefits (OPEB) account. Special thanks to Maria, Jennifer Macchia, and Sam Ketchum for their work on this effort.

As follow up to Commission direction, Maria has updated the District's Fund Balance policy for review and approval.

Operations

Work completed by the lab and field teams has surpassed the already high numbers of 2024. 2025 has proven to be another wet year. We aggressively treated wetlands breeding cattail mosquitoes, including creating a two-mile treatment buffer around all Priority 1 areas. Record-high West Nile virus rates and other disease-prevention work significantly increased our workload.



After a brief “false fall” when mosquito numbers dropped, the number of mosquitoes collected in our CO₂ traps have returned to around the 10-year average for the first two weeks of September.

Vector and Disease Response

The District's new Vector Ecologist, Dr. Jordan Mandli, has had an incredibly busy first year. As Jordan reported at last month's Commission meeting, the District responded to the highest West Nile virus infection rate to date. Sadly, a Scott County resident has died from the disease, and three other District residents have been hospitalized.

A child in Carver County contracted La Crosse Encephalitis, a disease especially dangerous for young children. Fortunately, the child has fully recovered. Due to the seriousness of this disease, Jordan Mandli and the Jordan facility team responded quickly once notified by MDH. Their response included:

- Full inspection of the area
- Elimination of breeding habitat
- Application of adulticides

Of note, a tree hole with over six gallons of standing water was found and sealed by the team. They also conducted door-to-door education in the neighborhood and met with staff at a neighborhood school in the area of concern.

Field Operations

After a busy season, field work is starting to wind down. During the months of September and October, field staff are focusing their work on the cattail mosquito inspections. These mosquitoes, called *Coquillettidia perturbans*, overwinter in the larval stage attached to the root of cattails in wetlands. The wetlands are inspected in the fall and are primarily treated in late May and early June the following year. This year, we are treating with helicopter and drone approximately 8,000 acres with a product called Vectolex that can be applied in the fall to control *perturbans* larvae. These treatments will help reduce the number of acres that we'll have to treat next Spring. These cattail inspections in wetlands, as seen in the photos below, will be completed by mid-October.



Photo 1, 2, & 3. Seasonal technicians conducting cattail inspections in wetlands

Since August 15th, we have treated approximately 35,000 acres by helicopter. We will most likely finish our helicopter treatments for the 2025 season when we treat approximately 7,500 acres for the cattail mosquito by helicopter. Overall, we treated 239,978 acres by helicopter in 2025, which is approximately 5,000 acres more than we treated in all of 2024. Figure 1 shows the total acres treated by helicopter for the last 10 years.

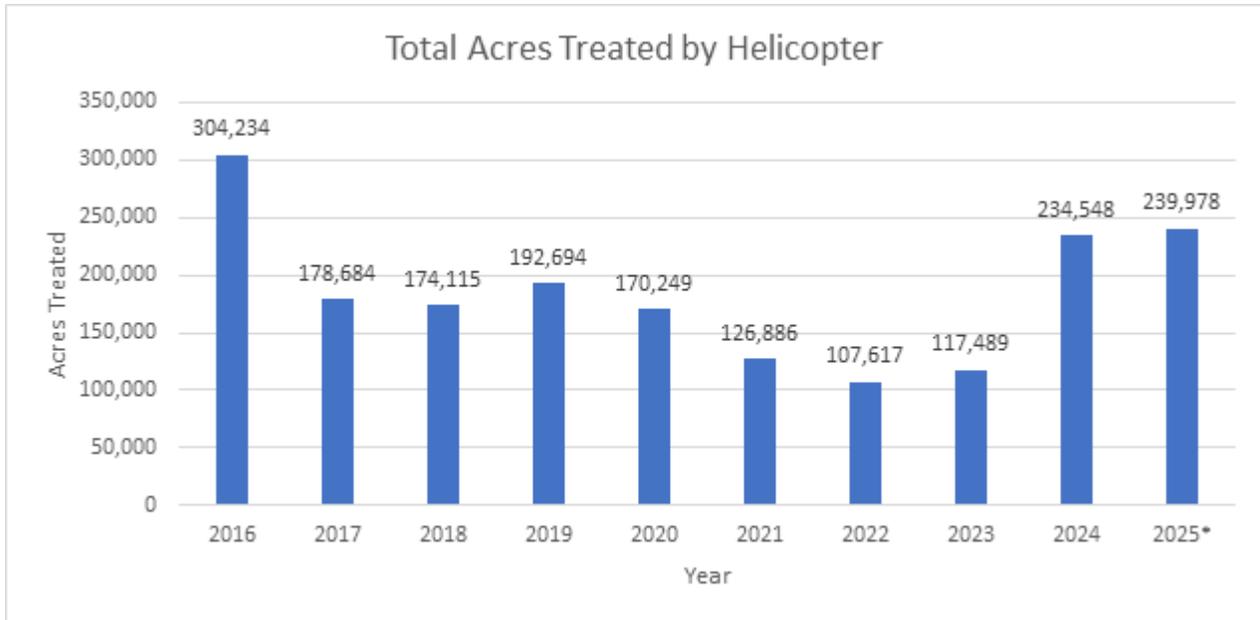


Figure 1. Total acres treated by helicopter per year (*2025 total is year to date).

MMCD drone staff, full-time and seasonal, had a meeting the first week of September to review the 2025 season, discuss new opportunities for the drones, and start planning for drone treatments in 2026. The collaboration and innovation are very apparent when listening to staff's experiences from 2025 and ideas for 2026. Photos 5 & 6 show staff interacting and discussing MMCD drones

Drone staff continue to impress with the acres they are treating. In the last month, they have treated over 2,000 acres. To date, we have treated 11,635 acres by drone, which is almost 8,000 more acres than we treated in all of 2024. The last 5 years of drone treatments can be seen below, in Figure 2.



Photo 5 & 6. Drone staff at September meeting.

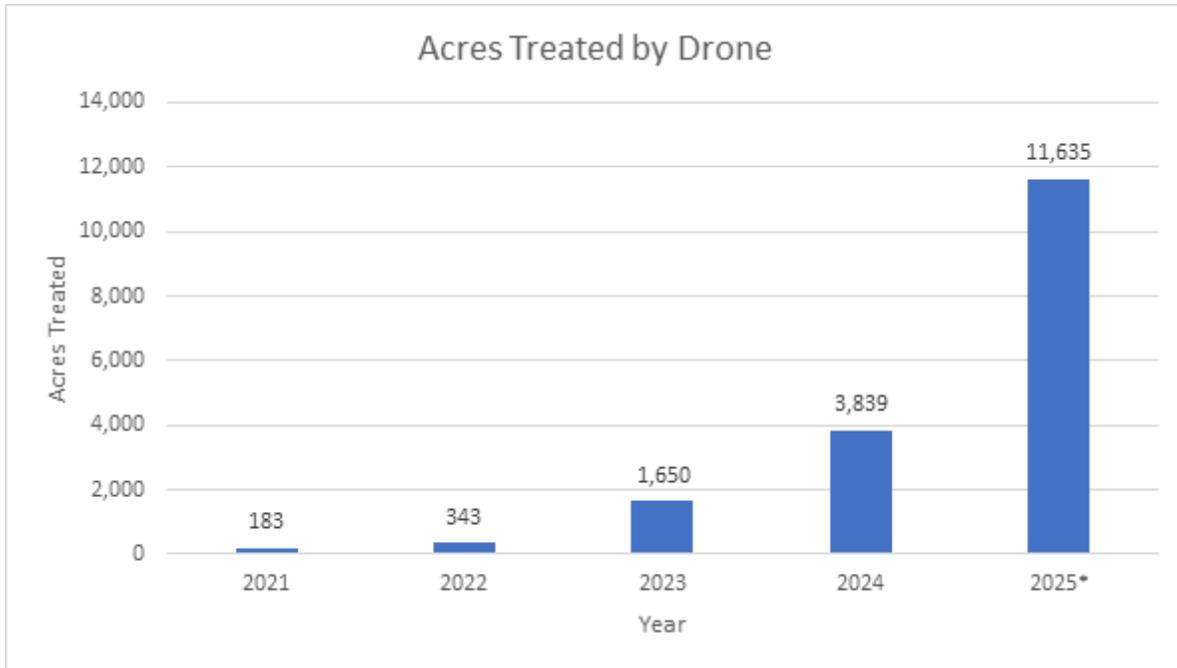


Figure 2. Total acres treated by drone per year (*2025 total is year to date)

The helicopter work and drone work are supported by our staff who are treating the smaller wetlands by hand or using a backpack sprayer. These smaller wetland treatments are very important, as many of these small wetlands are within neighborhoods. Figure 3 shows the total acres treated by ground for the last 5 years. We have treated 16,296 acres by ground so far in 2025.

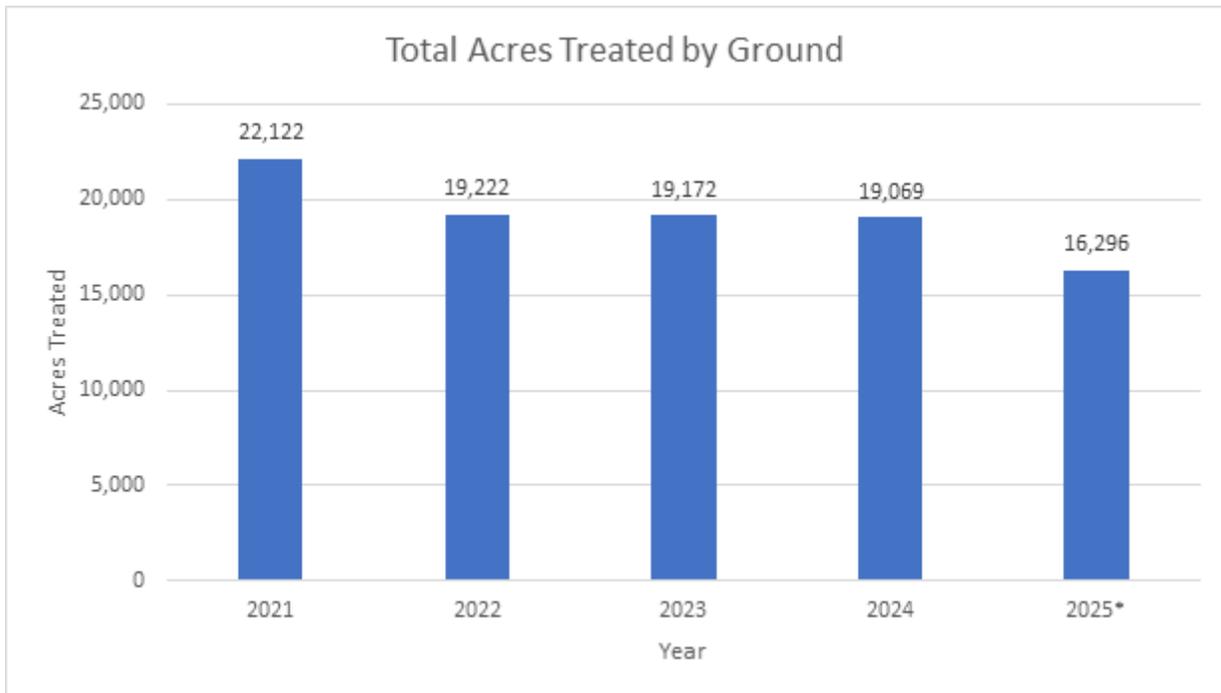


Figure 3. Total acres treated by ground per year (*2025 total is year to date)

Tire removal and disposal remain an important part of our suppression of mosquito borne disease. These tires without rims make ideal habitat for mosquitoes, that can potentially carry disease, to lay their eggs in. MMCD staff removes and disposes of junk tires throughout the metro. For the 2025 season, MMCD worked to make these tire disposals more efficient for our staff. The Rosemount facility (Dakota County) and Jordan facility (Scott and Carver County) each hosted 2 tire collection dates. When residents from these counties called MMCD with tire collection requests, they were asked to bring these tires to our staff on a scheduled day. This reduced our staff's time that they would have had to go and remove these tires and allowed them to do other important work. These events were very successful, and we plan to expand this to the other facilities for 2026. On August 27th, the Jordan facility collected 1,600 tires at their tire collection event. On September 10th, the Rosemount facility collected 800 tires at their tire collection event. Photos 7 & 8 below show the tires collected at each of these events.

Overall, the tires collected in 2025 has doubled from what we have collected in previous years. In 2025, we have collected 20,603 tires so far. The last 5 years of tire collections can be seen below, in figure 4. This increase in tire collections will be something we will continue to review and monitor, as it may have budget impacts for future years. Over the winter the workgroup will be meeting to determine the plan for tires in 2026.



Photo 7 & 8. Tires collected at the Rosemount (left) and Jordan (right) facility tire collections.



Figure 4. Total tires collected per year (*2025 total is year to date)

Integrated Services

West Nile Virus (WNV) surveillance continues as summer populations of mosquitoes start to decline with cooler fall temperatures. Staff remain active in surveillance of WNV vector species and conducting lab testing of mosquito samples. MMCD staff evaluates WNV positive field locations, and their respective actions help to minimize the risk of this mosquito-borne illness.

Catch basin treatments are being completed for the year by our St. Paul bike crews. Their final treatments will provide larval control into October. This fall, staff will conduct an electric bike evaluation for use in our catch basin operations. An electric bike may be able to increase our efficiency and carry additional weight.

A new control material, Sumilarv, continues to prove very effective in our catch basin program. This product provides extended larval control throughout the season and product evaluation trials in St Paul are showing 100% control through 9 weeks.

Public Affairs Update

Successful Year for the State Fair!

We had another great year at the Minnesota State Fair! Throughout the 12-day event we interacted with over 11,000 attendees who stopped by our booth to see our interactive displays and learn about mosquitoes, ticks, and black flies. Throughout the State Fair we had 62 MMCD staff members work at the booth (a record!) and all reported a positive experience working with the Public.

We also had 60 educators stop by their booth and provide their information to request a presentation from MMCD and 25 people requested information about employment. It was a great event and a fun way to wrap up the summer events season!



A view of the MMCD State Fair booth ready to welcome guests.

School Presentations

As we wind down summer events, we transition to school focused activities in the Fall. Our interactive school presentations have been expanding and are great for upper elementary, middle school, and high school students. In 2025 we are on pace to do about 40% more school presentations than we did in 2024. Some of the recent and upcoming school events include:

- Classroom Presentation and Dipping Demo at Twin Oaks Middle School (Prior Lake)
- Learning Stations at Girl Scouts Fall Campout (Prior Lake)
- Metro Children's Water Festival (St. Paul – 4th Graders from All Over Twin Cities)
- Classroom Presentations for Heritage E-Stem Elementary (West St. Paul)
- Outdoor Activity for St. Croix Montessori (Stillwater)
- Learning Stations at Noble Elementary (Robbinsdale)
- Virtual Presentations for Hopkins VirtualEDU (Hopkins)



Seasonal Public Affairs Assistant Abbie Brown talking to students in Brooklyn Park.

The following pages are from a previous Commission Packet and Fund Balance Policy revision.

Fund Balance/Reserve Policy

Fund Balance Policy for MMCD

This policy outlines the five key components of the MMCD's General Fund balance, providing a framework for financial management. The primary objective is to maintain a stable working capital reserve and strategically allocate excess funds to the capital plan for long-term investments.

Fund Balance Components

The MMCD General Fund is composed of the following five distinct fund balance components:

1. **Nonspendable Balance:** This portion is comprised of resources that are not in a spendable form. As of the most recent financial statement, this includes control material (inventory).
2. **Committed Balance:** These funds have been formally committed by the MMCD Commission for specific, high-priority uses. This includes emergency disease vector control.
3. **Assigned Balance:** These are funds that the MMCD intends to use for a specific purpose. This includes assigned employee benefit payable and treatment reserves. We will maintain an assigned balance that is at least three times the difference between the highest number of acres treated in one year compared against the 10-year average. This strategy is designed to provide sufficient resources for up to three consecutive "wet years" (periods requiring extensive treatment) without depleting our reserves.

This approach ensures the MMCD can maintain effective treatment operations even during consecutive high-demand years, and that we can immediately replenish the fund balance in the subsequent dry years. It also ensures the Commission will always have funds available for a wet year, which is essential to our mission.

4. **Working Capital Budget Reserve:** This reserve is a vital tool for ensuring the District's financial stability and operational continuity. It is maintained at a level equal to 55% of the next fiscal year's budgeted expenses, minus the value of material in stock.
5. **Assigned Capital Plan:** Any funds remaining in the General Fund balance that exceed the required Working Capital Budget Reserve will be automatically assigned to the Capital Plan. This ensures that surplus funds are strategically used for capital projects, such as fleet replacement and facility improvements.

~~The Metropolitan Mosquito Control Commission and staff of the Metropolitan Mosquito Control District recognize their responsibility to carry out the duties of their respective offices on behalf of the citizens of the Metropolitan area. Chief among these responsibilities is the proper financial management of the District. In recognition of such, the Commission adopts the following Fund Balance Policy to make certain that adequate reserves are maintained in operating funds so as to ensure that the District's mission to promote health and well being by protecting the public from disease and annoyance caused by mosquitoes, black flies and ticks in an environmentally sensitive manner can be accomplished.~~

~~Recognizing the need to maintain services as established within adopted budgets, the Metropolitan Mosquito Control Commission establishes the following policies for fund reserves:~~

General Fund

- ~~A. Whereas property taxes, the District's major source of funding for general operations, are remitted to the District twice each year, and whereas expenditures occur generally weighted toward the first half of the year, the need for the District to retain adequate year-end reserves to both maintain solvency and to meet cash flow needs is therefore established. Thus, the District will retain an unassigned General Fund Balance of no less than 55% of the succeeding year's budgeted expenditures to fund cash flow needs;~~
- ~~B. And, whereas property taxes not paid in a timely manner jeopardizes the District's ability to fund and maintain established service levels, therefore, the District will also retain in the unassigned General Fund Balance an amount equal to 2% of the current year's gross property tax levy as a safeguard for property tax delinquencies;~~
- ~~C. And, whereas the District will carryover unused control materials to the next operating year and also often has the opportunity to purchase control materials for the next operating year at a reduced rate, saving the taxpayers money, the District will take advantage of these opportunities and categorize the value of these materials as non spendable in the Fund Balance and 90% of this amount will offset a portion of the 55% cash flow reserve in clause A. above.~~

~~D. Therefore, the following is established as the Metropolitan Mosquito Control District's year-end minimum fund balance:~~

- ~~• Cash Flow 55% of succeeding year's budgeted expenditures~~
- ~~• Levy Delinquency 2% of current year's tax levy~~

~~E. In the event the unassigned General Fund Balance is calculated to be less than the minimum requirement at the completion of any fiscal year, the District shall plan to adjust budget/revenue resources in the subsequent fiscal years to bring the Fund Balance into compliance with this policy.~~

~~F. At the discretion of the Commission, a part of the Fund Balance may be committed for specific purposes by resolution designating the specific use of Fund Balance and the amount. The resolution would need to be approved no later than the close of the reporting period and will remain binding unless removed in the same manner, therefore: Due to the vagaries of weather patterns and mosquito and tick disease potential, the Commission commits a portion of the Fund Balance to stabilize operations and respond to extraordinary mosquito populations or disease outbreaks. The District has not historically had to use these resources often. When control effort for nuisance mosquitoes has been at or near capacity for most of the mosquito season, the Commission has authorized use of the resources to continue operations to the end of the season. Actual expenditure of these resources has occurred fewer times than the authority has been granted. For nuisance control, when the budget for Control Materials, Helicopter Operation, or Wages is expected to be exceeded by 2.5% and there is not the apparent availability to transfer funds from another budget category, the Commission may release the resources. An ongoing disease outbreak, high levels of disease vector mosquitoes and epidemiological evidence of increased mosquito borne disease risk would trigger increased control activities and possible use of emergency resources.~~

- ~~• Emergency and Disease Vector Control \$1,500,000~~

~~G. That portion of the fund balance, as measured at the end of the fiscal year, that exceeds in total the minimum fund balance and the Emergency and Disease Vector Control commitment as established above, is also considered unrestricted and may be used in the following manner:~~

- ~~• The District may assign an amount of the unrestricted Fund Balance up to the estimated obligation the District has for Employee Benefits Payable.~~
- ~~• The unrestricted Fund Balance may be held for the District's Capital Equipment and Long Term Development Projects to provide capital funding and lessen the District's reliance on borrowing to fund capital needs;~~
- ~~• The unrestricted Fund Balance may be held to fund other future obligations of the District as necessary to maintain service levels and stabilize property tax rates.~~

Authority to Assign (All Funds)

- ~~• The Commission authorizes the Director of Business Administration and/or the Executive Director to assign a Fund Balance that reflects the District's intended use of those funds.~~

Flow Assumptions: (All Funds)

- ~~When both restricted and unrestricted resources are available for use, it is the Commission's policy to first use restricted resources, and then use unrestricted resources as they are needed. When committed, assigned or unassigned resources are available for use, it is the Commission's policy to use resources in the following order: 1) committed, 2) assigned, and 3) unassigned.~~

Other Funds

- H. The District has a fiduciary fund held for the benefit of others and cannot be used for activities or operations of the District and therefore will not be considered for this policy. Should the District in the future have other operating funds, the schedule of fund balances, working capital and categorizations in all such operating funds will also be reviewed and updated to determine the adequacy of those balances using specified guidelines and criteria in conjunction with the annually adopted budgets.

All budgets will be prepared with the policies established above serving as the guiding principle in budget preparation.

Definitions: (General Fund and All Other Governmental Funds)

Nonspendable fund balance - amounts that are not in a spendable form or are required to be maintained intact.

Restricted fund balance - amounts subject to externally enforceable legal restrictions.

Unrestricted fund balance - the total of committed fund balance, assigned fund balance, and unassigned fund balance.

Committed fund balance - amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.

Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the government body or by an official or body to which the governing body delegates the authority.

Unassigned fund balance - residual amounts that are available for any purpose in the general fund.

Fund balance - the difference between assets and liabilities reported in a governmental fund.

John Kaul mentioned that PreferredOne announced it was dropping out the insurance exchange; PreferredOne cited that selling insurance through MNSure was not sustainable. John noted that PreferredOne's departure has become an issue in this year's political races.

Stephen Manweiler reported that in 2011, the Commission adopted provisions of the current Fund Balance Policy to satisfy Government Accounting Standards Board Statement #54. In 2013, the Commission approved a resolution that committed \$1,500,000 to Emergency and Disease Vector Control to stabilize operations when conditions require additional control. The resolution also committed \$1,000,000 to early retirement of the Anoka Lease Bond.

*Fund Balance
Policy*

During the development of the 2015 Budget and review of actual revenue receipts and expenditures between 2011 and 2014, Bill Caesar recommended two changes to the Fund Balance Policy to better reflect actual values. Both changes apply to "unassigned funds" funds. First, property tax delinquencies have been less than 2% instead of the 5% indicated in the current Fund Balance Policy. Second, calculating Working Capital as 55% of the projected 2016 budget minus 90% of control materials ("non-spendable") instead of the current 2/3 (67%) more accurately reflects changes in the Fund Balance observed between 2011 through 2014.

Resolution 2:

Commissioner Ische offered the following resolution and moved its adoption:

Whereas, the proposed Fund Balance Policy of the Metropolitan Mosquito Control District meets the needs of District operation as well as meeting the requirements of GASB 54 to provide better information on the restrictions placed on the Fund Balance, and accompanying information shows how the Fund Balance is categorized,

Be it now resolved, The Metropolitan Mosquito Control Commission modifies the Fund Balance Policy in two ways that both apply to the "unassigned funds". First, reserve 2% for property tax delinquencies (instead of the current 5%). Second, calculate Working Capital as 55% of the next year's budget minus 90% of control materials (non-spendable) instead of the current 2/3 (67%) of control materials.

Commissioner West seconded the motion, and the resolution was adopted unanimously.

METROPOLITAN MOSQUITO CONTROL COMMISSION MEETING

NOVEMBER 17, 2022

Requested by:

Stephen Manweiler

Arleen Schacht

Action requested by:

Approval to remove committed

\$1,000,000 for the early retirement of the
Anoka Lease Bond

Background:

In 2013 the Commission approved a resolution that committed \$1,000,000 to early retirement of the Anoka Lease Bond.

The Anoka Lease Bond payments began in 2007 with the last payment scheduled to be made in February 2023. Based on the financial situation, at the time the resolution was approved in 2013, the request for committing fund for early retirement of the bond made sense. However, the years 2014– 2016 proved to be very high service demand years with expenditures exceeding revenues by nearly \$6M using much of the reserves available, eliminating the opportunity to take advantage of the early retirement of the bond. As of 2023 the District will have fulfilled the lease obligation and it is no longer necessary for the Fund Balance to include the \$1,000,000 committed funds.

Resolution:

Whereas, the proposed Fund Balance Policy of the Metropolitan Mosquito Control District meets the needs of District operations providing information on the committed components of the Fund Balance.

Resolved, The Metropolitan Mosquito Control Commission modifies the Fund Balance by removing the committed \$1,000,000 for the early retirement of the Anoka Lease Bond.