

The Regularly Scheduled Meeting of the Board of Commissioners for Beach Mosquito Control District was called to order by Chairman Smith at 5:00 P.M., May 14, 2012. Smith requested the roll be recorded, and noted that all commissioners were present:

Present:	Commissioner:	John Smith, Chairman
	Commissioner:	Larry Couch, Secretary
	Commissioner:	Tom Easter, Treasurer
	Director:	James Clauson
	Attorney:	Amy Myers
	District Secretary:	Joyce Dean
	Fiscal Assistant:	Sherry Bennett

Guests:	Jim Garner, The CPA Group
	Eddie Summers
	Lee Duke
	Phillip Harvey

Approval of Minutes

Secretary Couch confirmed that everyone received and reviewed the minutes of the April 9, 2012 meeting, and asked if there were any corrections. Hearing none, he moved the minutes be approved as submitted. Easter seconded, and the motion carried unanimously.

Financial Reports

Treasurer Easter referenced the financial reports and noted the district received \$83,050.34 in tax distributions since the last board meeting. Easter stated he had reviewed the Profit & Loss, Budget vs. Actual, and asked if there were questions or comments. Hearing none, he recommended the financial report be filed for audit.

New Business

Chairman Smith then recommended the order of business be changed to move Agenda VII. A. New Business to the next item for board review, to allow guest Jim Garner of The CPA Group to discuss the preliminary audit for the fiscal year ending September 30, 2011. Garner distributed and reviewed in detail, copies of the Preliminary Audit Report, the governance letter from the CPA firm as well as the Management Representations letter from the District to the CPA firm, relating to the audit of the financial statements of the District as of September 30, 2011, and for the year then ended. During the review, Commissioner Couch asked how often the GASB would need to be done, and Garner responded that because there were no anticipated changes with employees with a need for postemployment benefits, he suggested that every three years would suffice. Garner summarized by stating that because the size of the District's accounting and administrative staff precludes certain preferred internal controls, the commissioners should remain involved in the financial affairs of the District to provide

oversight and independent review functions. He continued that no instances of non-compliance were found.

Smith related that he has encountered some organizations that have started building their reserves, in order to have one year's operating cost in reserve, and asked Garner his opinion on the issue. Garner responded that certainly a reserve would be good, but a year's worth of reserves might be a little high; that three months reserve for operating expenses would be his recommendation for an operation such as the District. Clauson added that F.S. 388 prohibits districts from carrying more than 20% in designated operating reserves. Smith asked if anyone from the CPA office comes into the district to consult with the fiscal assistant and director, and Garner confirmed that Warren Sims performs on-site visits and reviews. The commissioners thanked Mr. Garner for the audit and for his time providing the in-depth review.

Old Business

Chairman Smith briefly discussed the status of the PHEREC lease, and informed the board that a determination had not been made if the \$80,000 balance of the infrastructure funds being held by FAMU would be provided to the district. Joseph Bakker, FAMU Associate Vice President of Construction and Facilities Management, asked Smith to contact DACS and request they grant approval to release the funds. Smith discussed this with Mike Page, Chief of Entomology Bureau, who opined that DACS gave the \$380,000 to FAMU eight years ago for PHEREC infrastructure, that whatever FAMU did with the remaining funds was FAMU's concern and DACS did not need to give approval for any disbursement FAMU chose to make. Smith suggested Page communicate this information to FAMU. Clauson distributed an analysis of the pros and cons of the district accepting the PHEREC lease for the commissioners' information and review that he prepared with input from the district's team leaders. Couch asked if the district received the \$80,000 and accepted the lease, how long would these funds support the lease and what would the district do with the property once those funds were used. Smith responded that the facility could be made available for researchers on a fee basis, which would help the district cover operational costs. He stated he has received inquiries from entities regarding use of the property. Couch then asked Attorney Myers if the district was allowed to make a profit, if the lease was accepted and subsequently sub-leased to other entities for a fee. Myers responded that she did not know. Couch continued that he considered it a key reason to accept the lease if the district could lease it to another entity for a profit, to ensure the property does not cost the district any additional expenses and possibly provide revenue for the district. He stated that if the district will not benefit from the lease, it should no longer be a discussion item. Easter added that he would not saddle the taxpayers with a liability. Smith said he did not believe the district could sub-lease the property, but the district could make the facilities available for other entities to use, that would pay an indirect cost associated with covering the operation of the location. Clauson added that there have been companies who wished to perform mosquito research and need a facility to do so. Couch emphasized that the district should not just "break-even" on the property, but should attain some profit to compensate the district. Smith reminded the commissioners that the district would also be gaining access to the buildings and facilities, possibly even moving some of the buildings to the district's current location, as well as other possibilities. He concluded by saying that unless FAMU decides to grant the \$80,000 to the district,

there's no need to delve deeper into the possibilities for the property. He suggested the board's decision be tabled until FAMU makes their decision. The board agreed to wait to hear from FAMU.

Smith said if FAMU agrees to the \$80,000 and the board votes to accept the lease, the next step would be to ask Attorney Myers to review the lease agreement with DEP and prepare a document for entities who wish to use the facility.

Upon motion from Couch, seconded by Easter, the board approved unanimously the amendment to the employee manual regarding comp time usage, which added "Employees are required to use all accumulated comp time prior to using annual leave", effective April 9, 2012.

The signature cards for the recently renewed certificates of deposit were circulated for the appropriate signatures. Clauson noted that all CDs require two signatures for withdrawals. Smith observed that some information regarding the authorized signors listed on the signature cards, such as employment, was incorrect, and the bank did not have identification information listed for all of the signors. Clauson said he would ensure that the information was corrected.

New Business (resumed)

Pursuant to Easter's request during the April meeting, Fiscal Assistant Bennett prepared and presented a payment record report on The CPA Firm, which reflected the payment overlap in question. After review of this report, Easter confirmed that he was satisfied with the payment record. Easter then asked if the upcoming audit CPA fee would remain at \$10,000. Couch and Clauson confirmed that this amount was previously discussed and approved by the board.

The commissioners had been given copies of the first draft of the budget for individual review prior to the meeting. Clauson reminded the board that it was not due in Tallahassee until July 15. Dan Sowell from the appraiser's office said the property values in areas covered by the district are down approximately 4.47%; however, the preliminary figures will not be available until the first of June. Clauson stated he will have more definitive appraisal figures to assist in suggesting an appropriate millage rate by the next board meeting. He noted that an employee step increase was included in the preliminary figures. A brief discussion ensued, during which Clauson related that the carry-over figure continues to diminish, as the millage rate remains the same and less income is derived from lower property values. He anticipates a carry-over of approximately \$25,000 at fiscal year-end. Clauson noted that the board will have two more meetings before the tentative budget will have to be in Tallahassee on July 15. Smith stated the commissioners would need to thoroughly review the budget's first draft and be prepared to discuss and recommend changes at the June board meeting.

As requested by the board in the April board meeting, Clauson provided the commissioners with a listing of job descriptions and the certifications/licenses he determined were appropriate for the positions. Smith requested confirmation that if an employee held a Master's Degree, the district would not be paying the employee for the Associate's and the Bachelor's as well as the Master's. Couch stated that if an employee receives the incentive pay for an Associate's Degree, then later obtains a Bachelor's

Degree, the employee would then be paid only for the Bachelor's and the Associate's incentive would be discontinued; likewise with the progression from Bachelor's to Master's. Smith questioned why the Arbovirus Surveillance Team Leader needed certification in Aquatics Pest Control and Aerial Public Health. Clauson explained that, as a team leader, the position may be required to assist in those areas and would therefore need the certifications. He continued that he would like the team leaders to have as much latitude as possible with any certifications available, since they are in a supervisory role, and should be multi-trained in all aspects of mosquito control. Smith pointed out that the same certifications had not been recommended for the Public Relations Team Leader position. Clauson confirmed that to avoid discrimination, he would need to change his recommendation to include all team leaders having all available licenses and certifications. Smith questioned why any employee needed the Aerial Public Health except the pilot and Clauson responded that, although the pilot was the only position that actually required that certification, he felt that the additional certification for the team leaders would reflect an additional layer of professionalism. Although no one other than the pilot would actually be in the helicopter, the district would benefit from the team leaders being certified, due to other aspects involved with helicopter spraying. Clauson invited input from the team leaders present, and Lee Duke responded that his Aerial Public Health certification has been a strong benefit in calibration. He added that if the current pilot resigned, a new pilot would have to be shown how to calibrate and how to obtain the formulas for calibration. Smith said he could understand the Maintenance Team Leader needing the certification, for service of the helicopter, but wondered if the other team leader positions would be in that situation. Clauson stated that the Operations Team Leader has served as a back-up person in that capacity. Smith agreed that the certification would also be acceptable for the Operations Team Leader as. Team Leader Eddie Summers pointed out that the Arbovirus Surveillance Team Leader and the Public Relations and Education Team Leader needed to be well-versed in the helicopter operations of the district when interacting with the public, since the district's aerial program is such a strong part of the district's mission. Lee Duke expressed his concern that, due to the small staff, if one or two persons are out sick, the entire routine of the district has to be changed. He pointed out that two employees have recently retired, and the board has chosen to only replace one position, yet expects the same level of service if not better, with fewer employees. Duke continued that he felt everyone should be cross-trained and know how to fill-in as needed in order to continue the superior level of service the district now provides. Smith reminded everyone that the reason certifications and licenses were being reviewed was to better manage the educational incentive program and ensure unnecessary certificates and licenses were not being obtained and incentive pay gained without justification. Duke related that when the educational incentive program was first implemented in 2008, most employees were eager to attain the additional certifications and licenses, not only for the incentive pay but also for the working knowledge attained. He stated that later, when the board chose not to approve COLA increases, the commissioners emphasized that employees had the opportunity for pay increases by pursuing the educational incentives. He stated that it appears the commissioners provided an incentive for employees to increase their pay, but are now trying to take it away, and he does not understand the concept. Smith replied that it wasn't being taken away, but rather establishing limits. Easter brought up that one of the courses he heard about at the last meeting allowed the employee to spray for fire ants on the district property. He didn't feel that every employee needed a certification for that purpose; one or two needed this at the most.

Duke said he understood, but it was also understood that when the program was implemented, it was communicated that employees would be able to obtain additional certifications and licenses as long as they were willing to take the necessary courses and pass the tests. Smith explained that although the program was implemented as an opportunity for employees to obtain an increase in pay for educational efforts taken by the employee, what possibly was missing in the communication was that the certifications and licenses had to make sense for the district. Smith acknowledged Duke's comment that, although everyone has not taken advantage of the educational incentive program to the fullest extent, the concern and examination of the program was a result of an anticipation that all employees would want the Limited Lawn and Ornamental, since it was relatively easy to attain, simply for the pay increase, and the district did not need all employees certified in that area. Duke asked if money was the driving force behind the board's review of the program, and Smith confirmed that cost was a factor, but that having a program that makes sense for the district is of primary importance. Joyce Dean commented that a larger organization could function well without extensive cross-training, but with a smaller entity like the district, it was so important that everyone be cross-trained and certified to enable anyone to step in and perform whatever duty was needed. Easter reiterated that the district doesn't need eight people with the license to spray for fire ants. Dean agreed, but pointed out that the other certifications and licenses were vital to the running of the district. Couch agreed that the Limited Lawn and Ornamental was the one area the commissioners had problems with everyone obtaining. He continued that the elimination of Skip Valdez's salary and benefits after he retired and was not replaced would well cover the educational incentive pay outs. He added, however, that there are some positions that do not need certain certifications and licenses. Smith stated he had no problem with the recommendations Clauson made for the various positions, with the exception of the aquatics and the aerial availability to arbovirus and public relations. Clauson responded that the Arbovirus Surveillance Team Leader already has the aquatics. Smith suggested leaving that in place, remove the aerial, and allow the public relations to obtain the aerial but not the aquatics. He then reminded the board that there were inequities in the incentive program that needed to be addressed, in that some positions were not receiving educational credits that were required for their position, while others were receiving incentive pay for certifications that were mandatory for their position. He explained that all employees have the basic public health certifications and none receive incentive pay because it is part of the job requirement. He stated that the director's position included a bachelor's degree requirement for a Director III position. He continued that when the pilot was hired, his bachelor's degree was a consideration when his salary was set. Both are now receiving additional educational incentive pay. Smith said the question at this point was how the inequity will be resolved. Easter moved that the item be tabled until the June meeting to allow the commissioners further study and return with a recommendation then. Smith asked Attorney Myers for her input. Myers stated the district does not have a discrimination problem; however, the district does have an execution of application of policy problem. She continued that the board should make very clear where it applies and where it does not. She advised that nothing should be taken away from those who have already earned the incentives; however, when a certain degree is required for a position, the employee should not be entitled to additional incentive compensation for having what is required for the position. To rectify the situation, the incentive pay already given could be considered a gift and discontinued thereafter. The incentive compensation was a mistake, and the board could ask for it to be reimbursed to the district, or it could

just be forgiven, and be very clear on the policy going forward. She continued that it was up to the board whether they wanted to make it right on the other end of the spectrum, which the commissioners could do by increasing the salaries of all other employees who did not receive additional compensation for certifications that were required for their positions. Commissioners Smith and Couch were not in favor of asking for the return of any money that was given by mistake. Smith stated that the two positions in question are different cases, in that the director's position is required by Florida Statute 388 to hold a bachelor's degree, and based on his recollection of a decision made in a previous board meeting, the pilot's salary was approved at a higher amount because he holds a bachelor's degree. Myers stated that if the pilot's bachelor's degree was given weight when his initial salary was set, he was already compensated and should not receive the additional incentive pay for the degree. Easter repeated that he had made a motion to table the discussion. Couch noted that the certifications and licenses recommended by Clauson for the various positions was accepted by the board, with the amendments of removing aerial from arbovirus and adding aerial to public relations. The only remaining decision relates to the bachelor's degree situation. Couch reviewed two options for correction: recognize the mistake, consider the amounts paid a gift and discontinue the additional compensation, or recognize the mistake, and adjust the salary in the amount increased by the incentive, so the employees would not be penalized for the board's error. Myers advised that, since the board has recognized the mistakes were made, the board would be sending the wrong message if the mistake was allowed to continue, even during the short period until the end of the current fiscal year. She continued that if the board acknowledged the mistakes, the extra payments must be stopped immediately. Smith expressed his concern that if the board chose to stop making the incentive payments for the bachelor's degrees and adjusted the salaries upward to meet the same level of salary, there remained the inequities for those employees who were not being given extra compensation for the public health licenses required by their job descriptions. Couch felt that this was a separate issue, since all employees, including the pilot and the director, are required to hold public health licenses and are not being given extra compensation for the certifications. Myers agreed that it was a separate issue. Smith stated he was inclined to acknowledge that the board made a mistake, not require any return payment, but stop the extra incentive immediately. He added that the board would be considering the step plan in the next budget, and if approved, the higher positions would receive larger increase amounts than the lower-paid positions. Couch recommended that Clauson explain the situation to the pilot. Smith asked that he relate that the board erred in approving the incentive pay for the bachelor's degree, and that going forward, both the director and the pilot will no longer receive the additional incentive pay for the bachelor's degree. Myers added that, although a bachelor's degree is not required for the pilot's position, his bachelor's degree was given additional weight when his initial salary was set. She continued that because the director's position required the bachelor's degree, the director is clearly not entitled to the extra pay from the educational incentive program. The pilot's situation is a unique case, because his bachelor's degree was given weight upon hiring, by awarding him the educational incentive for the degree is essentially a bonus. One situation is an entitlement; the other is a gift made by mistake. In response to Smith's question, Myers added that if the board acknowledges and agrees that, although the bachelor's degree was not a requirement for the pilot position, the board gave it weight when setting the hiring salary, the additional incentive pay is a gift on top of the salary.

Smith deferred to previous minutes when former director Ed Hunter discussed setting the higher salary for the new pilot because of the bachelor's degree. Easter moved that the discussion be tabled until the next meeting so the minutes could be researched and referenced. Couch seconded, and the motion carried unanimously.

Clauson informed the board that the Annual Payroll Worksheet with Step Increases for the Fiscal Year 2012-2013 worksheet was included in their board books for their information as additional information for the preliminary budget review. The new rates are reflected in the worksheet, should the step-plan be implemented.

Attorney Report

During the last board meeting, the board requested Myers to review and confirm that the previously discussed required use of comp time within a 26 pay period applied to all employees or just federal employees. She advised the board she had done as they requested, and it remained her opinion that state employees are only required to use their accumulated comp time within a reasonable period. The law does not require that it be paid other than upon termination of employment. That said, she further advised that the district is not prohibited from requiring that it be used within a 26 pay period. She emphasized, however, that the information provided and discussed at the previous meeting applies only to Federal employees. Smith stated he felt the requirement that employees use comp time prior to vacation time essentially resolves the issue.

Myers concluded her report by stating there was nothing in the employee suggestion box.

Director Report

Clauson reviewed the upcoming calendar events: May 12 Festival of the Arts; May 15 Woodlawn Community Association; May 16 Staff Safety Meeting; May 19 the trailer will be at Zoo World; May 20 Tom Easter's birthday; May 20 through May 23 James will attend the Florida League of Cities meeting; May 28 Memorial Day, a holiday for the district; June 2 Danny Hood's birthday; June 8 Gulf World Ocean Works; June 11 Regular Board Meeting; June 20 Interview with either Cindy Mulla or James Clauson at Gulf Coast College radio station; June 20 Naval Station Safety Fair; June 26 Panama City Beach Public Library education event; June 25 through June 29 National Mosquito Control Awareness Week.

Clauson discussed the catch basin study currently being conducted by Dale Martin, using the Clarke tablets Natular, a new product with spinosad, derived from a naturally occurring bacterium in two controlled catch basins. He stated the product results look promising, but the study will be continued over four months before writing up and presenting the study. He added that suspending the tablets from line filament was proving effective.

Clauson advised that a high count of *Coquillettidia perturbans* was found in the Surfside trap. These mosquitoes are vectors and breathe through cattail roots, which makes it difficult to larvicide for them. The best approach for effective larviciding was determined to be aerial application of Altosid pellets. The expenditure will be \$4400, and there are funds allocated in the budget line item Altosid briquets. Dale Martin will be tracking the results with the light traps.

Clauson referenced the Florida Arbovirus Surveillance report included in the board packages, and related that there was very little activity around the state with EEE, West Nile, or SLE. Easter reviewed the Dominate Mosquitoes report by Trap Site for April, 2012 and asked if any progress had been made in getting approval to spray the area of Conservation Park. Clauson responded that he had heard nothing further from the city, so the district has placed another trap located between the current trap location and the populated area just to the south of the park for further analysis. Smith asked that the Conservation Park data be moved to a report by itself, from the report Dale Martin provides, for easier analysis of the other traps. Smith noted that there were 22 service requests for the month of April, some of which were initiated by staff. Eddie Summers explained that some requests are the result of field technicians noting a need for service, such as abandoned pools. Smith asked if the district was spraying and Clauson confirmed that several truck spray missions had been completed.

Clauson explained that the next staff meeting would include safety measures and instructions for the upcoming hurricane season. He related that he would be looking into a program available through the Florida League of Cities whereby a contractor/provider may be secured prior to a storm, to expedite damage recovery. Clauson also related that the program includes a new building being erected in place of the old one, if destroyed by a storm, rather than simply rebuilding the old one. Once Clauson obtains more information on the program, he will bring it before the board for review.

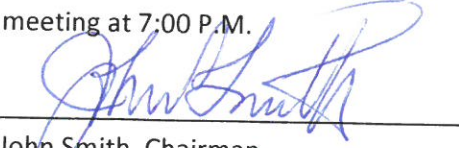
As a follow-up to Smith's request in the previous board meeting, Clauson investigated different venues for the routine shipments of chicken blood for analysis, and determined that the current FedEx method was the most cost efficient.

Clauson related that the Mosquito Technician I position was filled by Kyle Pridgen, who worked at the district two summers ago in a temporary position, and will begin employment on May 17.

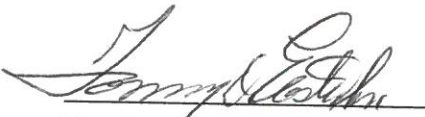
Announcements

There were no announcements.

There being no further business to come before the board at this time, Chairman Smith adjourned the meeting at 7:00 P.M.


John Smith, Chairman


Larry Couch, Secretary


Tom Easter, Treasurer