



SOUTHERN MARIN FIRE PROTECTION DISTRICT

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Finance Committee Meeting Wednesday, July 20, 2016 – STA 9 – 7: 30 am

NOTES

Call to order: 7: 30 am

In attendance: Director Perazzo, Fire Chief Tubbs, Finance Manager Schiffmann (FM Schiffmann) and Administrative Services Manager Kim (ASM Kim)

There was not a quorum at the July 20, 2016 Finance Committee meeting. Below are unofficial notes from the Finance Committee meeting.

Open Time for Public Expression: None

Agenda Adjustments: None

FM Schiffmann provided a Number of financial reports including the July 2016 Finance Report, balance sheet, 2015/2016 Budget Detail Report, Preliminary Budget for FY 2016/2017 and B of A July 2016 statement. FM Schiffmann led the discussion of each report.

1) Finance Report

- The FY 2015/2016 Budget is currently at 98% of 100% for as of June 30, 2016. June property tax revenues are \$181,000 higher than budgeted and expenses to-date were \$285,000 lower than budgeted.
- The Capital Replacement fund will be fully funded in FY 2015/2016. Will also contribute approximately \$350,000 to the Unallocated Reserves.
- 2016/2017 Budget: The preliminary 2016/17 Budget is still in-process but will be on the August Board agenda for approval and adoption. The anticipated net deficiency is -\$194,570, a change of -143% from 2015/16. This is due to a lot of capital purchases to be funded by Reserves. Before capital purchases, the FY 2016/2017 is 4% higher than the 2015/2016 operating budget leaving \$751,480 available to fund Reserves in FY 2016/2017.
- Other Post-Employment Benefits (OPEB) Trust has a balance as of \$2,146,821. A payment of \$26,523 was added to the Trust in March 2016 and another payment for \$165,000 was made in June 2016. A full contribution to the OPEB Trust was made in FY 2015/2016 and in fact, the District overfunded the ARC by approximately \$25,000.

2) Review of Financial Reports

- Currently, the District It has enough money for salaries and expenses until the next revenue payment from the County Marin. And the SCBA loan is paid off.
- Chief Tubbs met with the GGNRA recently and learned that the GGNRA may not continue their contract for services with SF Fire or Marin County Fire. That GGNRA is pleased with SMFD and the services provided By the District. If the GGNRA does not contract with SF fire or Marin County Fire, it could be an opportunity for SMFD to provide more service to a wider area of the GGNRA.

2) Review of Financial Reports (continued)

- FM Schiffmann stated that the Finance Committee should investigate its opening a Retirement Trust like the OPEB Trust. A Retirement Trust would replace Unallocated Reserves and a Retirement Trust would earn interest, generating extra revenue for SMFD. A Retirement Trust is a liquid account and is accessible anytime.

3) 2016/17 Final Budget

- The Final Budget for FY 2016/17 is still in process but will be presented to the Board for approval the August 2016 Board meeting.
- The proposed net deficiency is -\$194,570, a change of -143% from 2015/16. This is due to a larger amount of capital purchases to be funded by reserves. Before capital purchases, the FY 2016/2017 Budget is 4% higher than the 2015/2016 Budget with an opportunity to fund the Reserves in 2016/17 in the amount of \$751,480.
- \$90,000 is budgeted for MDCs in the FY 2016/2017 budget but SMFD is trying to persuade the Marin County Sheriffs to agree to the use IOS for the MDCs which would save the District this \$90,000.
- Investigating the possibility of financing for a new ladder truck. Financing the ladder truck would keep the District on track with the 5-year Reserve Plan goal. There are no grants available for the purchase of a ladder truck and no neighboring fire agency is interested in sharing the expenses for a ladder truck.
- S MEMPS FEES: Fire Chiefs Welch, Weber and Tubbs met to discuss S MEMPS fees. There may be an opportunity to increase revenues by a raising the S MEMPS fees.

Chief Tubbs stated it's important not just to save money. Met District needs to explore revenue opportunities as well. S MEMPS and GGNRA may provide additional revenue to the District.

4) Revenue & Prevention Fee RFP Update

- SMFD received two submittals from the RFPs for the Fire Prevention Fee study and after a thorough review of the submittals, reference checks, and consultation with the Finance Committee, the District decided to select the Matrix Group, Ltd, to conduct this Prevention Fee analysis. Staff met with the Matrix Group, Ltd., to finalize the scope of work and produce a contract and the final contract is on the July Board agenda for approval.
- The District did NOT receive any proposals for the Revenue Study RFP and staff is working on alternative solutions for Revenue RFP to explain why SMFD did not receive any responses.

Adjourn: 0840