



## FINANCE COMMITTEE MEETING MINUTES

### Wednesday, July 15, 2020

#### 1. CALL TO ORDER

Call to Order by President Hilliard: 07:30 a.m.

#### ROLL CALL

**In attendance:** President Hilliard (by Zoom Meeting), Director Perazzo, Fire Chief Tubbs, Deputy Chief Peterson, Deputy Chief Welch, Finance Manager Alyssa Schiffmann (by Zoom Meeting), and Clerk of the Board Mariya Weinberg.

#### 2. OPEN TIME FOR PUBLIC EXPRESSION:

No public present.

#### 3. AGENDA ADJUSTMENTS AND APPROVAL

None

#### 4. APPROVAL OF MINUTES

**5.a** June 17<sup>th</sup>, 2020 Finance Committee Minutes were discussed. President Hilliard asked to identify Bill Fraass by adding his title. Chief Peterson clarified that Bill Fraass is a Captain in Sausalito Police Department in charge the emergency operations center.

After above clarification, the June Committee Minutes were approved with no changes.

**M/S Perazzo/Hilliard**

**Ayes: Perazzo/Hilliard**

**Noes: 0**

#### 5. ACTION ITEMS

None

#### 6. REPORTS AND INFORMATION

**6.a** Finance Report for July 2020

Ms. Schiffmann presented this staff report. The fiscal year will be finalized by the October 2020 meeting. The revenues for 2020 are still coming in, including 4<sup>th</sup> quarter interest. Some expenses are still coming in. Revenues are \$860K higher than projected, mostly due to SMEMPS and ERAF overages. Expenses are 1.6M less than budgeted. This is in part due to legal fees being much lower so far than projected – they are not all yet billed. Also, vehicle repair, Station 4 remodel and other repairs were less than expected. In the next few months, the Finance Committee will have some decisions to make as to what to do with that extra money, and to go over and reconcile reserve accounts.

Overtime has been revised due to some incidents in June, which is unusual in recent history. In the past, we have not had out-of-county mutual aid overtime occurring as early as June. We are at 90% of the overtime budget if we take out what OES is reimbursing. OES reimbursements are pretty much current, except for the recent incidents.

The new Budget does not have any payroll included yet, just a lot of pre-paid expenses. We have the May PARS statement. Ms. Schiffmann verbally added to her report that we are almost done with the 18/19 Audit with the new auditors, and they are saying we should put the pension assets in the Trust on the Balance Sheet due to it being a multi-employer plan etc. The PARS trust had a \$126K increase in May. President Hilliard commented that this transfer is beneficial, since we show liabilities, so it is good to have some assets to balance that out.

Ms. Schiffmann proceeded to the Budget Report. The report has detail on items that have a variance. Please especially note that in item 504-EE Pension Trust Contribution was zeroed out, due to above described move to the Balance Sheet. This is another reason why we were under budget on expenditures. When this year's budget will be amended in September, we will take out \$300K in the budget, because now it just shows on the balance sheet.

Chief Peterson added that we would "true-up" the legal expenses, as there has been a lot of activity in the last quarter, and we usually get billed by the quarter. However, we would still have extra funds that the Committee will need to discuss in the next couple of months for planning for the future. Ms. Schiffmann said the legal fees are currently at 30%, which is surprisingly low, but will be going up.

President Hilliard asked if Director Perazzo had any questions, and he felt that all was clear and explained well.

President Hilliard said her feeling right now is to save everything we can, in the light of current situation and given the apparent struggle of local governments. Ms. Schiffmann agreed with this sentiment.

President Hilliard brought up a recent article in the Marin IJ about Mill Valley making cuts to its fire department staff. She wanted to know if that was true, and how it would affect SMFD. Chief Tubbs explained that the article incorrectly portrayed the situation. The actual matter is that the City of Mill Valley directed Chief Tubbs to reduce the overtime in the fire department by \$50k, and that in fact the City of Mill Valley already reduced said budget. Mill Valley City Council did hire three fire fighters at the beginning of the year. So, Lorenzo's article was a real mis-categorization on the part of the City, since it was titled as if the Fire Department was taking cuts, while in fact it was actually hiring people. The only cuts are in the overtime.

Chief Peterson mentioned a different article he recently read that Marin is one out of 4 counties, the other being San Francisco, San Mateo, Napa, that are experiencing a 5% increase in property values. This is expected to continue over the next few years as the tech industry workers are leaving even more expensive areas like San Francisco and Silicon Valley, given new freedoms to telecommute. President Hilliard added to this that, inexplicably, the stock market is going up currently as well – good for our pension plan.

Director Perazzo asked if we were over budget in line 523-N Parcel Tax Refunds, partially because of Measure U exemptions? Chief Peterson confirmed that that was the case. Director Perazzo then asked if the next year's budget would be adjusted accordingly. Ms. Schiffmann said next year we

increased that number to \$3,500. Ms. Schiffmann did not include the full amount of our overage because we are expecting for all those people who requested refunds the payments have now been corrected and the amounts will be accurate next time. Chief Tubbs mentioned that a lot of this was driven by our first year of Measure U, and hence should stabilize in the upcoming years. The new Measure C would not affect the district directly. Instead it would affect the County, as they collect the funds for the MWPA. Ms. Schiffmann did put the Measure U refunds in the Measure U budget, and increased the number to \$3,500.

Ms. Schiffmann also directed those present to page 24 of the packet, the Balance Sheet. Per Dan St. John we review operating funds, and currently have \$7.5Mil. Spending about \$2M a month, it may be a little tight, so Ms. Schiffmann suggested that we make our contribution to the Reserves after the December property tax collection is received. This is also due to uncertainty about Measure C funds, and whether we might be carrying some expenses for that. Separately, please note the PARS pension trust, \$610K, located “Other Assets” section. That is 2 years’ worth of contributions.

Director Perazzo requested that file names for meetings should have the date in the file name, when the Clerk sends them out. This was noted by the Clerk, however will become automatic soon, since meeting packet documentation distribution is transitioning to iLegislate and the whole concept of the file names does not apply anymore.

## **7. Closed Session**

Conference with labor negotiator.  
Entered into closed session at 7:48 AM.  
Out of closed session at 8:13 AM.  
No action was taken.

## **8. Adjournment**

Adjourned 8:14 AM.