



FINANCE COMMITTEE MEETING MINUTES

Wednesday, October 21, 2020

1. CALL TO ORDER

Meeting was called to order by President Hilliard: 07:30 a.m.

ROLL CALL

In attendance:

Committee Members: President Hilliard (by Zoom Meeting), Director Perazzo (in person). There is a quorum.

Staff: *In person:* Fire Chief Tubbs, Deputy Chief Peterson, -Clerk of the Board Mariya Weinberg (all in person). *Via Zoom Meeting:* Finance Manager Alyssa Schiffmann, and Chief Welch.

2. OPEN TIME FOR PUBLIC EXPRESSION:

No public present.

3. AGENDA ADJUSTMENTS AND APPROVAL

None

4. APPROVAL OF MINUTES

4.a September 16, 2020 Finance Committee Minutes

Motion to approve Minutes.

M/S: Perazzo Hilliard

Eyes: Hilliard, Perazzo

Noes: None

4.b August 19th, 2020 Finance Committee Minutes

Director Perazzo was not present during the August 19th meeting. Therefore, the Minutes should be accepted, instead of approved.

Motion to accept Minutes.

M/S: Perazzo Hilliard

Eyes: Hilliard, Perazzo

Noes: None

5. REPORTS AND INFORMATION

5.a October Finance Report

Ms. Schiffmann presented this report. We have the final FY20 Budget Report. Especially because of Measure U, revenues significantly exceeded expenditures, with \$2,317,303 variance/surplus. Now SMFD has to determine how to best allocate these funds. We must take into consideration that the gap between revenues and expenses will shrink during the 10-year projection - see Figure 3 on page 14 of the meeting packet. Over the next few months, President Hilliard, Chief Peterson and Ms. Schiffmann will plan how to allocate the excess funds, distributing them among reserves, capital, facilities and equipment. They will bring some proposals to the Board of Directors. Ms. Schiffman will provide some initial ideas.

At the present meeting, the Finance Committee and Staff expressed the intention to be conservative, and to carefully consider how much to put into which reserve. Ms. Schiffman also brought attention to Figure 2 on page 14 of the meeting packet, which shows financial projection without measure U funds. This projection shows that expenses would have exceeded revenues without the additional funds from Measure U.

Director Perazzo asked if the Salaries and Benefits item for 2020 included what the Battalion Chiefs, Firefighters and Staff got per the recent MOU updates and increases? Ms. Schiffmann confirmed that that is all included. However, the Battalion Chiefs' change just went into effect, and it did not have a "retro" provision, and so it does not have a big impact on the FY20 Budget.

Ms. Schiffmann also pointed out that in Figure 1 on page 13 of the meeting packet, what we have in the variance/excess funds is the amount remaining after we contributed to the capital fund, per our long-term financial policy.

If we were to put the entire approximately \$2.3M surplus into the unallocated reserve fund, we would be at 69% of our goal to have 40% of our expenses in the unallocated reserves, and will be on track to reach our goal by 2025. FY21 Budget Report on page 15 of the meeting packet shows that we will likely need to borrow from the reserve fund, to get us through until December, due to overtime for out-of-county mutual aid. We will get paid back by the California Office of Emergency Services (Cal OES), but not for about 6 months. Currently about \$470k is outstanding.

President Hilliard wanted to confirm what percentage of the current Budget we are currently at, and Ms. Schiffmann replied that we are currently at 25.8% of 27%, as of October 15, 2020.

President Hilliard asked how we are doing with regard to recovering plan fee revenues from the City of Mill Valley. Chief Tubbs responded that SMFD owes to the City of Mill Valley some reimbursements for costs that Mill Valley incurred on SMFD's behalf, and also for the use of Maggie Lang's services. Some of those costs have not been calculated by Mill Valley yet, so accounting for any reimbursements has not been finalized.

Director Perazzo had a question about the expenditure of about \$10k for Engine 4 body damage repair, plus other repairs, and whether we filed an insurance claim? Chief Peterson clarified that Engine 4 hit a pole with its handrail, while negotiating a tight turn in Mill Valley which was also obstructed by a car. This caused some damage to the Engine. As far as insurance claim, Ms. Schiffmann clarified that we usually pay \$500 deductible and insurance reimburses us for the rest, Chief Peterson will double check that a claim was put in.

Director Perazzo asked about a new quad vehicle (Unit 1 replacement) that just arrived, which he believes did not follow our purchasing procedure, was not standard for that category of our apparatus, and is more than the District needs. He proposed for SMFD to sell that vehicle, even at a loss, and to use the funds to purchase a more conforming vehicle. Chief Peterson confirmed that the vehicle was purchased as scheduled replacement for Unit 1, and the purchase was in the approved Budget. However, the Dodge 5500 that was ordered was not really standard, and purchased for more than approved due to a misunderstanding. There was lack of clarity with its cost, since the add-on and component charges were not made clear to the Chiefs during approval process. It appeared that the vehicle was originally under budget, but the final invoice showed it over budget. Chief Peterson took responsibility for the misunderstanding with the approval. Also, the purchaser had an idea that, besides serving as a utility vehicle, this vehicle would be a potential replacement for Rescue 9, but that is not what is actually needed. We need a smaller standard utility truck. President Hilliard and Chief Tubbs agreed with Director Perazzo's suggestion to sell the Dodge 5500. In support, Chief Tubbs said this vehicle undermines future replacement for Rescue 9. Also, selling the non-conforming vehicle will send a message that future District vehicle purchases should be

vettted with senior staff in full detail, and independent action of deciding to purchase a non-standard vehicle will not be approved. This will help our future equipment purchases to be within standards and on budget. Also, Chief Peterson took on the logistics role, so this type of incident would not repeat.

The committee directed Chief Peterson to prepare a Staff Report, which will be presented to the Board of Directors at the next meeting, in support of surplusng the Unit 1 Dodge 5500, selling it (even if it results in a loss), and purchasing a different vehicle that is in line with our budget and fleet standards.

6. ACTION ITEMS

6.a Measure U Medical Hardship Exemption Request

Ms. Schiffmann stated that she is looking to establish precedents and obtain guidance for the Measure U tax exemptions, since it's the first year of Measure U and the associated tax. Ms. Schiffmann is able to handle most requests, but brings non-standard ones to the Finance Committee. There is a particular request for both parcel tax exemptions, with reason being that the homeowner had some severe medical incidents. The homeowner has not provided information on any financial hardship. Ms. Schiffmann recommended that we do not try to grant exemptions purely for medical issues. [\[ASH\]](#) The Committee directed Ms. Schiffmann to deny the aforementioned request.

Ms. Schiffmann brought up the fact that the County did give all homeowners a blanket extension on property taxes due date, because of COVID-19. President Hillard stated that an extension is not the same as exemption, and also that the County is not evaluating any homeowner's situation on a case-by-case.

Director Perazzo proposed a Motion that Measure U tax exemption is to be granted only for qualifying low-income seniors, and medical issues by themselves would not constitute a basis for granting an exemption.

M/S: Perazzo/Hilliard

Eyes: Hilliard, Perazzo

Noes: None

Chief Tubbs mentioned that Ms. Schiffmann is welcome to bring any exemption questions to the Finance Committee.

On a separate note, President Hilliard brought up the fact that our long-time contributor, member of the public and also Measure U Oversight Committee member, Mr. David Kessell, is moving out of the area. She suggested we do something to acknowledge his contributions. Chief Tubb said Mr. Kessell's stepping down creates a vacancy, and that Ms. Kessell's term is up next July. The Staff will look into the replacement process, and also for replacement of the two other Measure U Oversight Committee members, whose terms are coming up.

7. CLOSED SESSION - NONE

8. ADJOURNMENT

Motion to Adjourn:

M/S: Perazzo/Hilliard

Eyes: Hilliard, Perazzo

Noes: None

Adjourned 8:14 AM.