



## **FINANCE COMMITTEE MEETING MINUTES**

### **Wednesday, September 16, 2020**

#### **1. CALL TO ORDER**

Call to Order by Director Perazzo: 07:30 a.m.

#### **ROLL CALL**

##### **In attendance:**

**Committee Members:** Director Fleming (by Zoom Meeting), Director Perazzo (in person)

**Absent:** President Hilliard

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

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

No public present.

#### **3. AGENDA ADJUSTMENTS AND APPROVAL**

None

#### **4. APPROVAL OF MINUTES**

##### **4.a August 19th, 2020 Finance Committee Minutes.**

Director Fleming was not present at the last Committee Meeting, so not able to approve Minutes at this meeting. This action is postponed to the next meeting.

#### **5. REPORTS AND INFORMATION**

##### **6.a FY19 Audit Report**

Ms. Schiffmann informed the Committee that this was our first audit with our new Auditor, Badawi and Associates, and it went great. Their one finding was similar to the one from prior auditors, regarding segregation of duties, since Ms. Schiffmann is basically the only staff. The audit recommended that we design a further review process regarding making general journal entries, and maintaining the Capital Assets worksheet. Ms. Schiffmann already spoke with President Hilliard to ask her to do the reviews, including supporting documents to journal entries, and the capital assets worksheet. The idea is to have President Hilliard sign off on of relevant documents, which would then be scanned into QuickBooks. We have had this issue with the bank statements in the past, which is why they are in the Board report now, and signed by one of the Chiefs. This provides the necessary level of oversight.

In terms of finances, there is a summary on 7 of the meeting packet. This is a Fund Balance Summary, which does not take into account the long-term liabilities, like OPEB and pensions, because those make it more difficult to see how we did during the year. This year we had only about \$60K as net change, which

is why it is good to have Measure U. The Auditors are going to be out again this November to do FY20, and we are working on the Comprehensive Annual Financial Report (CAFR) for FY20. The audited statements will be within the aforementioned report.

Chief Tubbs added that the CAFR report was established as an “industry best practice” by the Government Finance Officers Association, which is a body that government agencies look to for standards. That gives us the ability to demonstrate to our constituents that we are following the best financial practices, as recommended by experts.

Director Fleming asked why we had switched auditors. Ms. Schiffmann reported that it’s always been recommended to switch auditors occasionally, to get a fresh set of eyes. Recently the Governmental Accounting Standards Board (GASB) has formally required that auditors change every 5 years. Our new auditors had the same findings as the original ones – segregation of duties.

## **6.b Finance Report**

The September 2020 Finance Staff report is included in the meeting packet. Ms. Schiffmann commented that we are at 15% of the year, and our expenses are at 14.5%. Expenses include pre-payments we made at the beginning of the year, mostly for software subscriptions and insurance. Overtime has been “very active”. We are now mixing Strike Teams with Mill Valley, which is new this year. At this time, we are due about \$273K in overtime, but the graph shows \$171K, because we need to subtract out Mill Valley.

We were expecting to see lower Trust fees since we are over \$5M, but did not see that reduction. Ms. Schiffmann got an explanation that the amount of discount pertains only to anything over \$5M, so we would not get a discount until we have more of higher balance. OPEB graph includes the latest valuation, which went up a bit. Ms. Schiffmann and the Chiefs will be going over the Reserve balance, and it will be brought to the Finance Committee next month. We have been expecting a surplus because of Measure U, and will probably have for the next few years, but then the revenues and expense lines will be moving closer together again.

Due to the large Strike Team activity we are spending significant amounts of cash, so we have billed Mill Valley for 2 quarters for a Battalion Chief, to keep cash reserves up until we get to December Property Tax disbursement.

The were no questions from the Committee.

## **6. ACTION ITEMS**

### **6.a FY21 Final Budget**

Ms. Schiffmann presented the Final Budget, which has been revised from the Preliminary Budget that was presented in June. The Fire Chief wanted us to stay within 5% or less increase from past year’s General Operating & Equipment Budget, and we are at exactly 5%. Please refer to Page 130 of the Packet, for list of all the changes that have been made in the Final Budget from the Preliminary Budget. In the Revenues, we added a few reimbursements from Mill Valley, e.g. Clerk of the Board. The Plan Fees estimate has been revised down, due to last year’s actuals and the effect of COVID-19. MWPA JPA reimbursement for administrative and financial services was added. [Mariya: This was taken out at the last minute, so don’t mention]

Ms. Schiffmann enumerated the expense changes on page 130 – see packet for details. One side note is that the Auditors don’t want us to expense the Pension Trust, that goes on the Balance Sheet.

Compared to Preliminary Budget, Revenues increased to \$230,853, expenses increased to \$437,497, for a net \$206,643 decrease.

Pages 131-136 have a line-by-line Final Budget, and all the items that have changed from the Preliminary Budget are highlighted in yellow.

Chief Tubbs mentioned that tonight we have our Measure U Oversight Committee meeting. On the spreadsheets included in the packet, Ms. Schiffmann mapped out the Measure U funding on the Prevention and Wildfire Risk Reduction side. If you follow the column all the way down, the total does not add up to \$3.1M. We have been working on a way to report on the balance of that \$3.1M in a way that it meets the requirements of the ordinance, without making a too cumbersome of a reporting process. Ms. Schiffmann has generated a draft report which will be in the Board report next month. We are trying to spread the MWPA expenses along the entire District's Budget, but will need to coordinate with how the Oversight Committee Members wish to see things reported.

The Committee Members had no questions about the Final Budget.

However, Director Fleming asked if we had any info on the Measure U Exemption policy. Ms. Schiffmann responded that she found it in the Measure. The Exemption is only for the primary residence and it has to be owned. We just have to update our posted policy.

There was no vote taken.

## **7. CLOSED SESSION - NONE**

## **8. ADJOURNMENT**

Adjourned 7:52 AM