



SOUTHERN MARIN FIRE PROTECTION DISTRICT

2017 Finance Committee – Directors Hilliard, St. John & Perazzo (alternate)

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REVIEWED & APPROVED
May 19, 2017
Finance Committee

Finance Committee Meeting Wednesday, April 19, 2017 – STA 9 – 7: 30 am

MINUTES

Call to order: 7: 32 am

In attendance: Directors Hilliard, St. John and Perazzo, Fire Chief Tubbs, Finance Manager Schiffmann (FM Schiffmann) and Administrative Services Manager Kim (ASM Kim) **Absent:** Director St. John

Open Time for Public Expression: None

Agenda Adjustments: None

Approval of Meeting Notes: March 15, 2017

There Finance Committee had a few minor corrections to the meeting notes of March 15, 2017. A motion was made to approve the notes from the March 15, 2017 Finance Committee meeting as corrected. **M/S: Perazzo / Hilliard; all ayes**

1. Finance Report

- As of April 13th, 2017, the FY 2016/2017 budget is at 71% of 77% of the total budget
- Mark Tracey's disability retirement was finalized by MCERA and on March 20, 2017, SMFD received a check for \$50,648 from Mark which was repayment in full for retirement monies advanced to him by the District
- The 2016/17 budget needs to be revised but the amended 2016/17 budget will not be presented for consideration by the Board until after the Battalion Chief MOU is finalized.
- In addition to the BC MOU, the amended 2016/2017 budget will reflect the impacts of:
 1. Grants received from FEMA, Federal Emergency Management Agency, UASI, Urban Area Security Initiative grant for \$64,604 for fitness equipment and a rescue watercraft grant of \$4,389
 2. Rehiring Engineer Chance
 3. Actual strike team revenues to-date
 4. Increased revenue from the GGNRA, Golden Gate National Recreation Area, an increase from \$322,592 to \$345,000 per year for the next three years
 5. CERT Program reimbursement of for \$22,500 from the County of Marin
- To-date, out-of-County overtime consists of 7,237 hours or approximately \$386K in costs out of a total of 18,146 overtime hours

2. 2016/2017 Budget Report

- CERT Program - As of April 13, SMFD has received \$22,500 from the County of Marin for the CERT Program from 1/1/17 to 6/30/17. The District has opted to track the CERT program using QuickBooks and provide a monthly CERT report of funds to the Board. The first CERT report is included in the April finance reports. Setting up a new account just for CERT was not necessary for the following reasons: 1.) CERT Program activity can be easily tracked easily in QuickBooks and since some CERT expenses will be on combined SMFD expenses, creating a separate bank account would be too labor intensive, 2.) The CERT Program requires a specific type of governmental bank account which have high fees, and 3.) Processing the CERT invoices via the SMFD payroll allows the use of a preferred direct deposit payment method for Maggie Lang.

Chief Tubbs said the goal of the District's support to CERT is not to spend additional funds on the CERT program but to offer in-kind support such as overhead for the office space at STA and bookkeeping support. Supporting CERT and having the CERT program headquarters at STA 9 is good for both agencies. District citizens will benefit from increased disaster preparedness activities in the District and CERT benefits by saving money on overhead to provide more community training. CERT should be 100% funded by the County and the CERT budget for next year is \$30,000. The Marin County Fire Chiefs are discussing where CERT should ultimately be located. The Marin County OES is a good idea but until space can be procured, CERT can remain at STA 9 as a transitional location.

- Prevention Fee Ordinance - Chief Tubbs would like to move forward with the suggested prevention fee changes from Matrix that were the result of the prevention fee study and update the SMFD Prevention Fee Ordinance to reflect the prevention fee recommendations. The first reading of the prevention fee ordinance will happen at the regular meeting of the Board in May 2017 and the second reading and possible adoption the prevention fee ordinance would occur at the June 2017 regular meeting of the Board. There is a required 2-week public notification period the District needs to be in compliance with. SMFD staff recommends that the board adopt fee changes that were proposed.

The District cannot charge fees to generate income. The District can only charge fees that pay for what the service costs. Prevention provides a number of services and activities that are not paid for by the community. The costs for services not paid for by the community are reimbursed through prevention fees.

The Finance Committee wondered if it was a good time to raise the Prevention fees since the SRA, State Responsibility Area fees were due and payable recently. Even though SMFD does not receive direct SRA funds, should the District wait to raise the Prevention fees? Chief Tubbs stated it was fine if the Board wanted to wait. The District can move forward the Prevention Fee Ordinance at any time. The FY 2017/2018 budget does not reflect any Prevention fee increases.

One argument in favor of raising the Prevention fees is the District is trying to both meet retirement agreements as well as manage the retirement liability. Prevention fees have not been reviewed for many years and it is the obligation of the District to periodically review all District fees. The Matrix report indicated that some of the fees currently charged for services by the District are higher than they should be and also, some fees currently charged that are lower than they should. The District can push pause to consider creating a marketing piece to push forward the Prevention fees changes to the public.

4. Review of 2017/2018 Preliminary Budget

- Chief Tubbs sent out an email late last night, working on the 2017/2018 Preliminary Budget it until last minute. Chief Tubbs pointed out some details in the 2017/2018 Preliminary Budget.
 - ✓ District staff continues to develop the budget using the 0-Based approach. Staff has gotten out of the habit of using the previous year's budget as a base for a new budget request. With the 0-based approach, budget lines may swing depending on the needs of the District. Equipment requests can drop from the previous year
 - ✓ The Ladder truck cost is the *estimated* cost, at the higher end using a cash approach for payment. SMFD is trying to get participation and cost-sharing for the ladder truck with 3 neighboring fire agencies. There is a conceptual agreement for a cash payment of some type from each agency which could be used for the down payment. Payments amounts from other fire agencies will be dependent on their specific budget cycles. Some agencies are in 2-year cycles which will affect their ability to make a payment for their share of the ladder truck for some time

Review of 2017/2018 Preliminary Budget (continued)

- ✓ One addition to the 2017/2018 budget will be Prevention training from Justin Deale, Fire Prevention Consultant at a cost of \$11,000. Currently, Prevention staff does not have the authority to cite citizens for fire violations. Justin Deale will train staff on the citation process to give the Prevention staff an excellent tool to get their job done properly
- ✓ The Unallocated Reserves projected goal is \$2.3 million

5. CalOES Resolution

- All agencies applying for or receiving funds from CalOES were required to submit a resolution or complete OES Form 130 to designate agency staff who may request and receive funds. Resolution 2017/2018-09 16.17-09 was created in response to the CalOES request.
- The resolution designates the Fire Chief, Battalion Chief and Finance manager as the staff who are authorized to request and/or receive OES funds

The Finance Committee said it was uncomfortable *pre-signing* the OES form. Chief Tubbs said staff struggled with the OES request as well because the due date for the resolution did not fall within the normal Board meeting schedule. The District has since been informed by OES that they are accepting payment resolutions after the due date. Instead of submitting the OES form pre-signed by the Board, ASM reformatted the OES resolutions to fix the District's format and will present the updated OES resolution to the Board for consideration, approval and signatures at the April Board meeting.

6. Good of the Committee

- Chief Tubbs will not be present at the May 2017 Board meeting but FM Schiffmann will be present to answer any questions the Board may have about the 2017/2018 Preliminary Budget

The Finance Committee requested to move the submission of the 2017/2018 Preliminary Budget until the June 2017 Board of Directors meeting to give the Finance Committee adequate time to review the 2017/2018 Preliminary Budget Packet

- The District was advised by legal counsel to set up a nonprofit foundation. The attorney said that rather than open its own 501(c) 3 organization, that the District could *piggyback* on an existing 501(c) 3 like the Marin Community Foundation. If SMFD joins an already established 501(c) 3 foundation for fund security, it's important to investigate the fees the foundation charges to use their 501(c) 3 status.

FM Schiffmann stated that SMFD does not have staff with the expertise to open a new 501(c) 3 foundation and recommends getting an outside consultant to help set up the 501(c) 3.

The Friends of CERT 501(c) 3 foundation fell apart because the non-profit did not comply with some the minimum annual meeting requirement. The Friends of CERT non-profit was set up by a volunteer, Kate Dumont. There is a Friends of Mill Valley Fire so maybe SMFD can contact the Friends of MV Fire to see if they have someone who could volunteer to set up the SMFD 501(c) 3.

Director Perazzo said that the VIPs Foundation was set-up at very little cost. Maybe SMFD can *piggyback* on the VIPs 501(c) 3 foundation.

The Finance Committee will look into their personal contacts for possible volunteers to set-up the SMFD non-profit. Director Perazzo will get the 501 c 3 paperwork from the VIPs for SMFD staff to review.

It may be a better idea to revise the Friends of CERT 501(c) 3 rather than create a new one. Former Board member, Alex Rosenblatt recommended a CPA to handle the revision. The District may need to change the name, mission and purpose of the existing 501(c) 3. Alex Rosenblatt volunteered to serve on 501(c) 3 board.

Adjourned: 8:20 am