



Novato Fire District Board of Directors
Finance Committee Meeting Minutes
February 20, 2024

1 The meeting was called to order by Director Davis at 9:00 am.

2

3 **ROLL CALL**

4 Directors Bill Davis and Bruce Goines.

5

6 **STAFF MEMBERS PRESENT**

7 Fire Chief Bill Tyler, Finance Director Joe Valenti, ASM Jennifer Crayne, B/C Dan Peters, EMS
8 Billing Analyst Shannon Wager, and D/C John Dicochea.

9

10 **OTHERS PRESENT**

11 Nate Kowalski

12

13 **OPEN TIME FOR PUBLIC EXPRESSION**

14 No public comments were made.

15

16 **AGENDA ADJUSTMENTS**

17 New business item 5 will move to item 1.

18

19 **CONSENT CALENDAR**

- 20 1. Review of Fire Chief's credit card expenses: July 2023 through January 2024
21 2. Review of Deputy Fire Chief's credit card expenses: July 2023 through January 2024
22 3. Special Finance Committee Meeting Minutes 7/18/23

23

24 No public comment.

25 M/s Davis/Goines to accept consent calendar items 1-3.

26 Motion carried: 2-0-0

27

28 **NEW BUSINESS**

29 5. Vacation Balance Audits

30 Chief Tyler explained that to improve efficiency and effectiveness, the Finance Division has
31 been conducting audits of different leave balances. This item serves to provide an update on the
32 vacation balance audits.

33 Finance Director Valenti provided background information on the vacation balance audits. He
34 noted that as people get closer to retirement, the focus on leave balances increases. FD Valenti
35 commented that prior to Telestaff and ADP, the District was using Firehouse and Ceridian for
36 payroll and timekeeping/staffing. In 2008, the District implemented Telestaff and ADP which
37 required opening balances from the old system to be added. Additionally, there was a policy
38 change for the way vacation time was accrued and when it could be used. FD Valenti cited the
39 following as issues that complicated matters:

- 40 • Implementation of the new payroll system and staffing software in 2008
41 • Changes in policy for vacation accrued and when it could be used- unable to use vacation
42 in the first year
43 • Staff turnover led to inconsistency and discrepancies



Novato Fire District Board of Directors
Finance Committee Meeting Minutes
February 20, 2024

- 44 • 2016-2019 – lack of dual entry of time into two systems
- 45 • Employees transitioning from days to shift or shift to days- the accrual rate changes and
- 46 needs to be updated and converted
- 47 • Accrued time vs allotted time- “vacation dump” into Telestaff for vacation bidding
- 48 purposes vs time accrued (earned) as you go.
- 49 • ADP leave balances are always two weeks in the rear
- 50 • Telestaff considers future vacations that the employee enters into the system

51
52 All this has led to highly complicated payroll and reconciliations. Chief Tyler commented that
53 we are trying to hire additional finance support to manage regular monthly reconciliations.
54 Additionally, we are implementing a new payroll system that works well with Telestaff and is
55 owned by the same company. The new payroll system kick-off is July 2025, so all data must be
56 100% clean and accurate.

57
58 Director Goines commented that this is an exceedingly complicated process. He noted that we all
59 want the system to be accurate. The issues are caused by the system, not by the employees.

60
61 Attorney Nate Kowalski commented that it is not uncommon for these types of issues to occur
62 with leave balances in the public sector. The District is trying to fix this issue and provide
63 reconciliations with employees, reviewing their numbers until they are satisfied with their
64 balances. He noted that we may need side letters with the bargaining units to provide clarity and
65 transparency.

66
67 Director Davis thanked FD Valenti for his thorough explanation of a very complex issue. He
68 asked when reconciliations would be completed. FD Valenti noted that there are 35 employees
69 hired before 2008 that are critical and need to be done in 3 months, but he hopes to have all 90
70 reconciliations done in 6 months.

71
72 There was no public comment.

73
74 1.Re-allocation of assigned and unassigned fund balances
75 Finance Committee to review and discuss the re-allocation of assigned and unassigned fund
76 balances and make a recommendation to the full board.
77 Chief Tyler noted that this is the start of the budget process. We met with the Division Heads and
78 purchasers to determine needs and what funds we have available for the upcoming fiscal year.
79 The purpose of this item is to make recommendations to the committee based on the information
80 that has come forward from Division Heads.

81 FD Valenti reviewed and discussed the re-allocation of assigned and unassigned fund balances.
82 He noted that based on the audited financial statements prepared by Maze as of June 30, 2023,
83 the District had \$23,147,352 in assigned fund balances, \$5,071,552 in Rainy Day committed
84 fund balance, \$31,593 in non-spendable fund balance, \$327,204 in Restricted fund balance for
85 MWPA, and \$16,585,345 in unassigned fund balance for a total of \$45,163,046 in fund balances.



Novato Fire District Board of Directors
Finance Committee Meeting Minutes
February 20, 2024

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87 Some of the items included in the discussion included:

- 88 • Purchase of SCBA (67 needed in 2028)
- 89 • EMS Capital Equipment
- 90 • Unemployment Insurance
- 91 • Apparatus (next 5 years of replacement)
- 92 • Facilities/Buildings
- 93 • Management Info Systems
- 94 • Workers Compensation
- 95 • Protective Equipment
- 96 • Compensated Absences
- 97 • Retirement Unfunded Liability
- 98 • Retiree Health Benefits
- 99 • Training Captain Pilot Program
- 100 • Fire-based Dispatch
- 101 • PP-GEMT-IGT

102 FD Valenti noted that the fund balance will cover 13.63 months of expenses, which is an
103 advantageous position to be in. He discussed each item in depth and answered questions from the
104 committee.

105 There was no public comment.

106 M/s Davis/Goines to recommend to the full board the re-allocation of assigned and unassigned
107 fund balances for FY 2024-2025.

108 Motion carried: 2-0-0

109 2. Rainy Day Fund- Committed Fund Balance 6/30/23

110 Finance Committee to review the Rainy Day Fund Balance and consider whether to make any
111 adjustments. The calculation of the Rainy Day Fund Balance is derived from the audited
112 financial statements prepared by Maze for fiscal year ending June 30, 2023. The calculation
113 suggests no change to the current balance of \$5,071,552.

114 The Finance Director has calculated the appropriate balance of the Rainy Day Fund Balance
115 based upon the Statement of Revenues, Expenditures and Changes in Fund Balance –
116 Governmental Fund for the fiscal year ended June 30, 2023, to be \$5,071,560.

117

118 The calculation of the Rainy Day Fund Balance is equal to two months of actual salaries and
119 benefits, services and supplies, and debt service for the previous fiscal year.

120

121 As of June 30, 2023, the District had \$5,071,552 in the Rainy Day Fund Balance. This suggests
122 the current balance of \$5,071,552 is adequate and no adjustment is necessary

123 There was no public comment.



Novato Fire District Board of Directors
Finance Committee Meeting Minutes
February 20, 2024

124 M/s Goines/Davis to recommend to the full board that no adjustment is necessary to the Rainy
125 Day Fund Balance.

126 Motion carried: 2-0-0

127 3. EMS Aging Report- Review

128 EMS Billing Analyst Shannon Wager provided an overview of the EMS aging report as of
129 1/31/24. Outstanding AR totals \$3.2M that still needs to be collected, although a lot of that will
130 need to be written off. Shannon noted that the aging report seems high in January because it is
131 not recommended to bill insurance in January because a lot of patients have deductibles. She
132 reported that revenue from July to December was \$2.1M, whereas last year the revenue was
133 \$1.4M.

134 There was no public comment.

135 4. EMS Finance Related Items

136 EMS Billing Analyst Shannon Wager reported on important legislation that will affect
137 ambulance billing revenue.

- 138 • AB 716 was signed and passed into law on 10/8/23 and took effect on 1/1/24
 - 139 ➤ Can no longer balance bill the patient. Must accept insurance payment as
140 reasonable and customary
 - 141 ➤ Patients with no insurance are charged the Medicare rate
 - 142 ➤ Can no longer send patients to collections until 1 year after the initial billing (not
143 date of service)
- 144 • AB 1705
 - 145 ➤ Calendar year 2023 total net revenue of \$568,366.31 which included \$48K in
146 unanticipated interest.
- 147 ➤ AB 1075 could off-set AB 716
- 148 • Medicare Ground Ambulance Data Collection System (GADCS)
 - 149 ➤ All ambulance providers are required to participate over 4 years
150 ➤ 10% penalty if you do not submit data for 3 years
- 151 ➤ Team needs to be established to start gathering data due by 11/1/24152 ➤ Type of data being collected includes- payroll, supplies, fleet, call volume, and153 revenue

154 **MWPA REPORTS**

155 The MWPA reports were in the packet for review. The committee did not have any questions for
156 FD Valenti.

157
158 **INFORMATIONAL ITEMS**

- 159 • The next Finance Committee meeting will be held on April 16, 2024.

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161 **TENTATIVE AGENDA ITEMS FOR FUTURE MEETINGS**

162 Committee members may discuss or request future agenda items for Committee consideration.

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Novato Fire District Board of Directors
Finance Committee Meeting Minutes
February 20, 2024

164 **ADJOURNMENT**

165 There being no further business to conduct, Director Davis adjourned the meeting at
166 11:07 am.

167
168 Respectfully Submitted,

169
A handwritten signature in black ink, appearing to read "Jennifer Crayne".

171

172 Jennifer Crayne
173 Clerk of the Board