



Novato Fire District Board of Directors
Special Finance Committee Meeting Minutes
May 23, 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/Board Clerk Jennifer Crayne, B/C Jeff
8 Whittet, D/C John Dicochea, and Accountant Erilou Santos.

9

10 **OTHERS PRESENT**

11 None.

12

13 **OPEN TIME FOR PUBLIC EXPRESSION**

14 No public comments were made.

15

16 **AGENDA ADJUSTMENTS**

17 Chief Tyler noted that the MWPA reports will be included in the information section.

18

19 **CONSENT CALENDAR**

- 20 1. Special Finance Committee Meeting Minutes 4/30/24
21 2. Review of Fire Chief's credit card expenses: February 2024-April 2024
22 3. Review of Deputy Fire Chief's credit card expenses: February 2024-April 2024

23

24 No public comment.

25

26 M/s Goines/Davis to approve the consent calendar

27 Motion carried: 2-0-0

28

29 **NEW BUSINESS**

30 1. Review of Draft Preliminary Budget for FY 2024-2025

31 The Finance Committee will review the Draft Preliminary Annual Budget for fiscal year 2024-
32 2025 and make a recommendation to the full Board of Directors.

33 Finance Director Valenti provided a detailed summary of the preliminary budget for the 2024/25
34 fiscal year. He noted that the special tax is 11.29 cents per square foot residential and 16.93 cents
35 per square foot commercial. The preliminary budget must be adopted at the June BOD meeting
36 to begin spending by 7/1/24.

- 37 • **Total Revenues** \$40,768,766
38 • **Operating Expenditures** \$36,808,952
39 **Inter-Governmental Transfers** \$1,200,000
40 **Capital Expenditures** \$5,976,250
41 **Total Expenditures** \$43,985,202



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42 FD Valenti presented a graph of property tax revenue trends over the past 10 years and discussed
43 the relationship between revenues and expenditures. He noted the critical importance of the
44 Special Tax. Without it, the District would not be able to cover the costs of salaries and benefits
45 and existing expenses. FD Valenti noted that a 1.0% increase in tax revenue equates to an
46 additional 230K while a 1.0% increase in salaries and benefits equates to an additional \$290K in
47 expenditures. Following the language in the MOU, the current tax revenue estimates from the
48 county result in a 2.0% increase in salaries, however, the salaries are budgeted at a 3.0% increase
49 in anticipation of final estimates from the county.

50 Director Goines inquired about the potential impacts on home prices/sales/valuation due to the
51 substantial increase in property insurance and policyholders being dropped. Chief Tyler said
52 there is no indication of a large % of policyholders being dropped in Novato. Chief Tyler noted
53 that the District does not have a database available to track and measure non-renewal
54 information, but he will research if there is a way to acquire this data.

55 FD Valenti reported a 5% increase in salaries and benefits over the current year estimate of
56 \$1.3M. He cited the following factors:

- 57 • 3% salary increases, 4 new positions, and 6 additional Reserve Firefighters (\$179K)
- 58 • 4 positions added: Director of Org Resources (funded by reserves), PT Fire Inspector,
59 and 2 PT IT Technicians
- 60 • 6% increase of \$314K in retirement for salary increases and MCERA contribution rate
61 increase from 44.27% to 44.68%.
- 62 • Health insurance premiums are not available yet, assuming a 5% increase
- 63 • OPEB contribution increased by \$391K due to a reduction of the rate of return from 7%
64 to 6%.

65 FD Valenti reported a 37% increase over the current year of \$1.9M. He cited the following
66 factors:

- 67 • Dispatch fees increased by \$429K
- 68 • Facilities improvements over \$300K (Admin security gate and fencing, S62 retaining
69 wall, HVAC, etc.)
- 70 • Pre-plans NPF partnership \$100K
- 71 • New payroll system implementation and annual service costs \$80K
- 72 • Increase in utilities and insurance (property and liability) by \$69K

73
74 FD Valenti provided an overview of the assigned and unassigned funds. He noted that the
75 District is in a healthy position and would be able to cover 12 months of expenditures if there
76 were to be a major financial crisis.

77 There was no public comment.

78 M/s Goines/Davis to make a recommendation to the full board to accept the preliminary draft of
79 the FY 2024/25 annual budget.



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80 Motion carried: 2-0-0

81 **MWPA REPORTS**

82 1. MWPA Revenue and Expenditure Report

83 This item was moved to Informational Items.

84

85 **INFORMATIONAL ITEMS**

86 1. MWPA Reports

87 FD Valenti provided MWPA financial reports for July through April. He noted that we will not
88 have a complete financial picture until all core and D-space reimbursements have been received.

89

90 Director Goines asked Chief Tyler when the Board will have the opportunity to review the FY
91 2024/25 MWPA budget. Chief Tyler explained that the Board will not review the MWPA budget
92 as that budget is prepared and adopted by the MWPA Board. FD Valenti commented that we
93 report the financials for the MWPA as a separate Measure C Fund. Chief Tyler added that the
94 work plan for the year is shared with the full Board, which includes costs budgeted for each
95 project.

96

97 The next Finance Committee meeting will be held on July 16, 2024.

98

99 There was no public comment.

100

101 **TENTATIVE AGENDA ITEMS FOR FUTURE MEETINGS**

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

103

104 **ADJOURNMENT**

105 There being no further business to conduct, Director Davis adjourned the meeting at 10:30 am.

106

107 Respectfully Submitted,

A handwritten signature in cursive script, appearing to read "Jennifer Crayne".

110 Jennifer Crayne

111 Clerk of the Board