



**Novato Citizens Finance Advisory/Oversight Committee
Minutes**

Thursday, September 15, 2022 – 7:30 AM

A. CALL TO ORDER AND ROLL CALL

The meeting was called to order by Chair MacKenzie at 7:30 A.M.

Committee Members Present: Regina Bianucci Rus, Tina McMillan, Larisa Thomas, Andy Zmyslowski, Vice Chair Tim O'Connor, and Chair Cris MacKenzie

Committee Members Absent: Rafelina Maglio

Staff Present: Administrative Services Director Amy Cunningham, Deputy Administrative Services Director Carla Carvalho-DeGraff, Senior Office Assistant Jean Holzgang de Buren, Payroll/Accounting Technician Stacey Hoggan

B. APPROVAL OF FINAL AGENDA

Commission Action: Upon a motion by Vice Chair O'Connor, and seconded by Committee Member McMillan, the Committee voted 6-0-0-1 to approve the final agenda

Ayes: Bianucci Rus, MacKenzie, McMillan, O'Connor, Thomas, Zmyslowski

Noes: None

Abstain: None

Absent: Maglio

Motion Carried

C. PUBLIC COMMENT

None

D. CONSENT ITEMS

D.1. Approve the Meeting Minutes from July 21, 2022

Committee Action: Upon a motion by Committee Member McMillan, and seconded by Committee Member Bianucci Rus, the Committee voted 6-0-0-1 to approve the Meeting Minutes from July 21, 2022, with the following revisions:

- **F.1.** – Update to the second paragraph: Committee Members discussed whether to include a staffing option as part of the tool or to include potential service level impacts. Ultimately, the Committee determined that the service level impacts should be included.
- **F.4.** – Cost Recovery – Update to note that Cost Recovery billing is caught up.

Ayes: Bianucci Rus, MacKenzie, McMillan, O'Connor, Thomas, Zmyslowski

Noes: None

Abstain: None

Absent: Maglio

Motion Carried

E. UNFINISHED AND OTHER BUSINESS

E.1. User and Regulatory Fee Study Video – No Staff Report

The User and Regulatory Fee Study video was presented to the committee. This video has been pushed out on social media and is also posted on the city's website.

E.2. Ad Hoc Sub Committee Update

Committee Member Zmyslowski shared the updated Fiscal Sustainability Options Tool with the committee.

- The baseline income and baseline expense have been hard coded as fixed income and fixed expenses approved by council.
- City staffing increases and reductions category updated to city service increases and deductions.
- Added section on Economic Development.
- Added a description tab that explains options in greater detail

Committee Members discussed adding other changes. Members decided that the next steps are to add projects and break out city services by department. Committee Member Zmyslowski will follow up with EDAC for specific information that can be used in the model. The Committee members would like to publish this tool in October/November. Committee Member Zmyslowski will work on the final version, and staff will send the model to committee members to test.

F. GENERAL BUSINESS

F.1. FY22/23 Budget Document and Budget in Brief

Staff Liaison Cunningham presented the Budget in Brief Document to the Committee. The Committee provided suggestions on the document for future versions.

F.2. Appointment Measure F Report Ad Hoc Subcommittee

Staff Liaison Cunningham solicited Committee Members to form an Ad Hoc Subcommittee that would help prepare and present the annual Measure F report for FY 19/20 to City Council.

Staff is ready to finalize the numbers for FY 19/20 report. Staff Liaison Cunningham is seeking a Committee Member to present this information to City Council. Chair MacKenzie noted that she had spoken to Committee Member Maglio about being the member that will present to City Council. Staff will work with member(s) offline to draft a report, using whatever platform they are most comfortable with.

Committee Members determined that their presentation to City Council should be concurrent with the FY 19/20 audit report.

F.3. Update on Finance Department Activities by Deputy Director of Administrative Services Carla Carvalho-Degraff

FY 19/20 Close and Audit – MUN CPAs, the City's independent audit firm, was onsite the week of August 22 for the required field work. FY 19/20 was a difficult year to close and audit because of the high volume of staff and consultant turnover and numerous complex transactions such as bond refunding and impacts of the pandemic. Many items came up that needed correcting. Staff made numerous entry corrections based on the review. Sample sizes were larger than normal, which was expected. Staff has provided all requested items to MUN. MUN now has all information needed to proceed with finalizing the audit.

FY 21/22 Close – Staff is working on entries for FY 20/21 and are working to close FY 21/22 concurrently. The strategy is to work the two FYs in parallel. The new lease accounting pronouncement for FY 21/22 is the most significant work item that will take time and resources to complete.

CIP Reconciliation Project – The project included reconciliation back to FY 17/18. Staff is working with Public Works on closing 32 projects related to 20/21 balances.

There are some unused funds held by CIP that can be returned to source. Many projects had multiple funding sources which made this reconciliation especially difficult.

Cost Recovery – Cost Recovery billings have been caught up and mailed out. These accounts were reviewed for accuracy before mailing and a letter was sent to each customer explaining the delays and advising that there would be no late fees assessed on the backlog.

Other Items – The consultants are continuing to work on four bank reconciliations. Two are current and two are in process. Recently completed financial system entries related to payroll will allow the consultants to move forward on finalization of the outstanding reconciliations. We have another contractor working on a payroll reconciliation template.

Staff Liaison Cunningham updated the Committee regarding the Administrative Services reorganization. The Finance Department is now combined with the Information Technology Services. This will enable the departments to work together more effectively on system implementations and upgrades to ensure appropriate financial controls and reporting are in place. This also positions the organization well when the financial system will need to be upgraded in a couple years.

The City's decentralized contracting processes have also been problematic. To help address various financial control concerns, the contracting process will be centralized in the new Administrative Services Department. Contract Administrator/Analyst position has been added to the department and will be responsible for processing contracts and ensuring purchasing and insurance requirements are met. This position will not handle project administration, RFP and bidding processes, or records retention management.

G. COMMITTEE AND LIAISON REPORTS

G.1. Staff Updates

None

G.2. Committee Member Reports

None

G.3. Next Meeting Date

The next meeting is scheduled for November 17, 2022 at 7:30 AM in the Womack Conference Room, located at 922 Machin Avenue.

ADJOURNMENT

H.

The meeting was adjourned at 9:27 AM.

I HEREBY CERTIFY that the foregoing minutes were duly adopted at the Novato Citizens Finance Advisory/Oversight Committee Meeting of October 20, 2022.

/ Stacey Hoggan /

Stacey Hoggan, Payroll/Accounting Technician