



Finance Advisory Commission

Approved Minutes

Thursday, June 8, 2023 – 7:30 AM

A. CALL TO ORDER AND ROLL CALL

The meeting was called to order by Chair Zmyslowski at 7:32 A.M.

Commissioners Present: Regina Bianucci Rus, Rafelina Maglio, Cris MacKenzie, Tina McMillan, Richard Johnson, Larisa Thomas, Andy Zmyslowski

Commissioners Absent: None

Staff Present: Administrative Services Director Amy Cunningham, Deputy Administrative Services Director Carla Carvalho-DeGraff, Accountant/Analyst Christina Soares, Management Analyst I Stacey Hoggan

B. APPROVAL OF FINAL AGENDA

Commission Action: Upon a motion by Vice Chair Thomas, and seconded by Commissioner Maglio, the Commission voted 7-0-0-0 to approve the final agenda.

Ayes: Bianucci Rus, Maglio, MacKenzie, McMillan, Johnson, Thomas, Zmyslowski

Noes: None

Abstain: None

Absent: None

Motion Carried

C. PUBLIC COMMENT

None

D. CONSENT ITEMS

D.1. Approve the Meeting Minutes from May 4, 2023

Commission Action: Upon a motion by Commissioner Bianucci Rus, and seconded by Commissioner Johnson, the Commission voted 5-0-2-0 to approve the Meeting Minutes from May 4, 2023.

Ayes: Bianucci Rus, Maglio, Johnson, Thomas, Zmyslowski

Noes: None

Abstain: MacKenzie, McMillan

Absent: None

Motion Carried

E. UNFINISHED AND OTHER BUSINESS

E.1. Introduction to Returning Commissioner Cris MacKenzie

Commissioners welcomed returning Commissioner, Cris Mackenzie, back to the Finance Advisory Commission.

F. GENERAL BUSINESS

F.1. Fiscal Year 2023/2024 Budget Preparation Update

Staff Liaison Cunningham reviewed the proposed budget that has been in development for the last several months. As part of the budget process there were several opportunities for public involvement as well as Council input. The formal budget hearing for the Fiscal Year 2023/2024 Budget will take place at the City Council meeting on Tuesday, June 13th, with formal adoption to occur at the Council meeting on Tuesday, June 27th.

The City has been running budget shortfalls for the past three years. Past years deficits were offset using one-time monies, which are no longer available. The projected deficit for FY 2023/2024 is \$1.3 million. This number is preliminary and does not consider any potential labor costs that may result from ongoing negotiations.

Commissioners were given a summary of the general fund revenue sources, including sales tax, property taxes, and TOT, and their projections for the fiscal year. There was also a review of general fund expenses, which were categorized by department.

After a detailed report regarding the forecasted budget, Commissioners were advised of the options for backfilling the deficit from the City's Emergency & Disaster Response Fund (EDRF). The estimated balance in the EDRF is \$6.9 million and would be reduced to \$5.6 million if the City uses the reserve to backfill the deficit. This estimate does not include any of the labor changes that will also impact the deficit. Another option for backfilling the deficit would be to use the Insurance Reserve, which is \$1.2 million.

Commissioners were unable to reach consensus on the best course of action to address the deficit, but they all stressed the importance of creating additional ongoing revenue for the City.

Staff Liaison Cunningham also provided an update on the proposed Capital Program and Marin Valley Mobile Country Club (MVMCC) budgets. The City Council directed space rent at MVMCC be increased by 5% next year, 0.7% less than the total 5.7% allowable. Rents have not increased in the park since 2017.

F.2. Update on Finance Department Activities

- Audit for Fiscal Year 2020/2021 - auditors will be on site the week of August 14th.
- A consultant has been identified to assist with a new accounting standard for GASB 84, transferring agency funds to custodial funds.
- Staff is concurrently working on preparation of the Fiscal Year 2021/2022 audit.
- Fiscal Year 2022/2023 will be closing soon, year-end close preparations are underway.
- The new Purchase Card Policy has been implemented.
- A new Purchase Order Policy has been drafted. Staff anticipates finalizing the administrative policy and will conduct training in the upcoming months.

G. COMMITTEE AND LIAISON REPORTS

G.1. Staff Updates

None

G.2. Commission Member Reports

None

G.3. The next meeting is scheduled for July 20, 2023, at 7:30 AM, and will be held in-person in the Baget Conference Room at 922 Machin Avenue, Novato

H. ADJOURNMENT

The meeting was adjourned at 9:03 AM.

I HEREBY CERTIFY that the foregoing minutes were duly adopted at the Finance Advisory Commission Meeting of July 20, 2023.

/ Stacey Hoggan /
Stacey Hoggan, Management Analyst I