



**CITY OF NOVATO**  
CALIFORNIA

**Finance Advisory Commission**

**APPROVED Minutes**

**Thursday, November 16, 2023 – 7:30 AM**

**A. CALL TO ORDER AND ROLL CALL**

The meeting was called to order by Chair Zmyslowski at 7:31 A.M.

**Commissioners Present:** Regina Bianucci Rus, Rafelina Maglio, Tina McMillan, Andy Zmyslowski

**Absent:** Richard Johnson, Cris MacKenzie

**Staff Present:** Deputy City Manager Amy Cunningham, Finance Director Carla Carvalho-DeGraff, Principal Management Analyst Jennifer Maldonado, 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 5-0-0-2 to approve the final agenda.

**Ayes:** Bianucci Rus, Maglio, McMillan, Thomas, Zmyslowski

**Noes:** None

**Abstain:** None

**Absent:** Johnson, MacKenzie

**Motion Carried**

**C. PUBLIC COMMENT**

None

**D. CONSENT ITEMS**

## **D.1. Approve the Meeting Minutes of October 19, 2023**

**Commission Action:** Upon a motion by Commissioner McMillan, and seconded by Commissioner Bianucci Rus, the Commission voted 4-0-1-2 to approve the Meeting Minutes as amended, section D.1. "Approve the Meeting Minutes from October 19, 2023"

**Ayes:** Bianucci Rus, McMillan, Thomas, Zmyslowski

**Noes:** None

**Abstain:** Maglio

**Absent:** Johnson, MacKenzie

**Motion Carried**

## **E. UNFINISHED AND OTHER BUSINESS**

### **E.1. Appointment of Finance Advisory Commission 2024 Chair and Vice Chair**

**Commission Action:** Upon a nomination by Commissioner Bianucci Rus, and seconded by Chair Zmyslowski, the Commission voted 5-0-0-2 to appoint Vice Chair Larisa Thomas as Finance Advisory Commission Chair.

**Ayes:** Bianucci Rus, McMillan, Thomas, Zmyslowski

**Noes:** None

**Abstain:** None

**Absent:** Johnson, MacKenzie

**Motion Carried**

**Commission Action:** Upon nomination by Chair Zmyslowski, and seconded by Commissioner Thomas, the Commission voted 5-0-0-2 to appoint Commissioner Tina McMillan as Finance Advisory Commission Vice Chair.

**Ayes:** Bianucci Rus, McMillan, Thomas, Zmyslowski

**Noes:** None

**Abstain:** None

**Absent:** Johnson, MacKenzie

**Motion Carried**

## **F. GENERAL BUSINESS**

### **F.1. Fiscal Year 2023/24 Quarter 1 Budget Report**

Staff presented Commissioners with the FY 2023/24 Quarter 1 Budget report and responded to questions.

## **F.2. Annual Comprehensive Financial Report (ACFR) FY 2020/21**

Staff presented the FY 2020/21 ACFR to Commissioners. The audit had been received and filed by the City Council at the October 24, 2023, City Council Meeting. This audit was delayed due to staff turnover, the pandemic, and difficulty in hiring qualified staff. Despite the delay, the audit was successful with a clean opinion and a significant improvement in the number of needed adjusting journal entries. Some challenges remain due to historical issues, one-time funding, and new accounting standards. The ACFR reflects the City's financial position through June 30, 2021, and does not include subsequent events.

Staff discussed the fund balances and the unassigned fund balance that was confirmed by the audit. The City Council Reserve Policy requires that no General Fund reserves be maintained at year-end, except those that are assigned per GASB 54. With the unassigned balance of \$1,515,400, the City Council approved a transfer of the unassigned funds to the Emergency and Disaster Response Fund (EDRF), receiving \$960,120, and the Self-Insurance Reserve Fund, receiving \$555,280.

The FY 2020/21 audit results came back with a clean opinion with four (repeat) material weaknesses, two (repeat) significant deficiencies, and three (repeat) compliance exceptions. The management letter made recommendations to improve internal controls, including recommendations on capital asset additions and billing reimbursements. The auditors also stated that there had been improvements that have occurred from prior years findings.

## **F.3. Finance Department Updates**

Finance Director Carvalho-DeGraff gave an update on the Finance Departments activities:

- FY 2021/22 audit preparation is in progress. The field work will begin late February 2024. Preparation for FY 2022/23 audit is also in progress, in tandem with the 2021/22 audit.
- A consultant is working on the A/P and A/R reconciliations, bringing them current so staff can then take them over.
- Bank Reconciliations are up to date for 2023 with one account outstanding for 2022. This is the payroll reconciliation being worked on by Finance Director Carvalho-DeGraff.
- The data for the Internal Service Fund & Indirect Rate studies have gone out to consultants and when complete, will help the City in recovery of costs by updating the current rates, as well as updating rates used internally for CIP billing.
- The Deputy Director of Finance position remains open as the first recruitment was unsuccessful.
- The Measure F funding report for FY 2020/21 has been posted. Although activity from Measure F funding has been limited, funds are still being used for capital

improvements. Staff are researching options for a report format that would cover the last few years of Measure F activity.

- A joint meeting between the Finance Advisory Commission and Economic Development Advisory Commission (EDAC) is being planned for late January or early February. There will be a poll sent to commissioners to gather consensus on the best date/time for the majority of commissioners.
- The Parks Master Plan data has been compiled and a public meeting took place on November 15<sup>th</sup>. The Parks Master Plan directly effects the development impact fee study, paving a path for the City's existing parks and future parks. Once the plan is finalized, it will be presented to commissioners for input regarding financial implications.

## **G. COMMITTEE AND LIAISON REPORTS**

### **G.1. Staff Updates**

None

### **G.2. Commission Member Reports**

None

## **H. ADJOURNMENT**

The meeting was adjourned at 8:59 AM.

**I HEREBY CERTIFY that the foregoing minutes were duly adopted at the Finance Advisory Commission Meeting of January 18, 2024.**

/ Stacey Hoggan /  
Stacey Hoggan, Management Analyst I