

**KENTFIELD FIRE PROTECTION DISTRICT
BOARD OF DIRECTORS MEETING**

MEETING TYPE: Regular

DATE: Wednesday, December 13, 2023

CALL TO ORDER: 6:30 p.m. by Chairman Evergettis. Director Naso led the assembly in the Pledge of Allegiance.

ROLL CALL: Corbet-present; Evergettis-present; Gerbsman-absent; Murray-present; Naso-present. Also in attendance were Chief Pomi, Deputy Fire Marshal Pasero, Captain Marty, CPA Vikki C. Rodriguez, C-Shift, and Recording Secretary Wilson.

APPROVAL OF PRIOR MONTH'S MINUTES: M/S Naso/Corbet to approve the minutes of November 8, 2023. Roll Call Vote: Corbet-Aye; Evergettis-Aye; Gerbsman-Absent; Murray-Abstain; Naso-Aye
Ayes: 3; Noes: 0; Absent: 1; Abstain: 1
Motion passes

ORAL COMMUNICATION: None

AGENDA ADJUSTMENTS: None

SPECIAL ANNOUNCEMENTS/PRESENTATIONS:

- a. ***Presentation of Independent Audit of Kentfield Fire District's Financial Statement for FY ended June 30, 2023 and Memorandum on Internal Controls and Required Communications*** – Vikki Rodriguez introduced herself as a CPA and partner of Maze & Associates, specializing in municipal audit in the greater Bay Area. They work with many special districts, cities, towns as well as nonprofits and are independent from the District. Maze & Associates completed an audit of Kentfield Fire Protection District's financial statements for fiscal year ended June 30, 2023. Ms. Rodriguez explained the interim phase of the audit began back in August. During this phase, the internal control environment is reviewed for the different procedures with receipts, purchasing, disbursements, payroll, and journal entries processed through the District's financial statements. Selected samples and tests of transaction were also performed. The final phase of the audit was completed in September. This is where Maze & Associates verified the financial balances on the trial balance provided by the District staff. The auditors performed an analytical review of reconciliations, third party confirmations, actuarial valuations, and Board meeting minutes to support the balances recorded in the financial statements.

Maze & Associates complies with the Generally Accepted Auditing Standards in the United States and the Government Auditing Standards. Kentfield Fire District implemented the new Government Accounting Standards Board (GASB) 96 pronouncement which refers to subscription-based information technology arrangements. It is the right to use a vendor's IT software when cloud based and it requires that any agreements over 12 months, that are non-cancelable, be recognized in the financial statements. The District is to recognize an intangible capital asset that is offset by a liability. Ms. Rodriguez explained there was no impact on this year's financial statements related to this pronouncement; the District conducted an inventory of IT arrangements and determined that none were required to be recorded.

Maze & Associates issued Kentfield Fire District with an unmodified opinion on the Basic Financial Statements. Ms. Rodriguez stated this is the cleanest opinion an agency can receive and is the highest level of assurance provided over the financial statements. The Basic Financial Statements consist of Entity-wide Level and Fund Financial Statements. Entity-wide Level examines the District from a long-term perspective; this includes both current and long-term assets and liabilities. The equity section for those statements is called net position. Fund Level is a short-term perspective including current assets and current liabilities while the equity section is referred to as the fund balance. The Entity-wide statement displays the District's assets amounted to \$20.4m for FY 23, which is an increase of \$1.4m over last year. Deferred outflows amounted to \$6.0m, an increase of \$3.2m over last year. Total Liabilities were \$10.8m, an increase of \$5.2m, and Deferred inflows was \$3.9m, a decrease of \$3.1m. The Net Position increased by \$2.4m, for a total of \$11.6m.

There were significant changes from FY22 to FY23 in retirement benefits; the net pension liability increased roughly \$4.4m over the year. The increase was expected due to investment markets and how they impacted the actuarial valuations over the past few years. These types of increases are seen not just within CalPERS, but with all municipalities and in county retirement plans. Another driving factor for these significant liability increases is due to CalPERS decreasing the discount rate from 7% to 6.9%. Ms. Rodriguez said it was important to keep in mind that while Kentfield Fire Protection District had a large net pension liability, the contributions of \$225k to the CEPPT Trust were maintained. Other Post-Employment Benefits (OPEB) increased from \$1.2m to \$1.3m, mostly due to the investment market. The liability overall increased about \$745k and the asset value decreased by \$454k.

This year's audit revealed the Net Investment in Capital Assets, which is the total capital assets less the financing lease, amounted to \$4.7m or 40% of the total net position. The Restricted net position

**KENTFIELD FIRE PROTECTION DISTRICT
BOARD OF DIRECTORS MEETING**

amounted to \$904k which is about 8% of the total net position. The Unrestricted portion was \$6m or 52% of the net position. Analyzing the current audit year over the prior, the Net Investment in Capital Assets did increase by about \$109k, the Restricted increased by 372k, and the Unrestricted increased by \$1.9m.

The General Fund is considered the shorter-term perspective in the financial statements and the District ended FY 23 with a Fund Balance of \$12.7m. At the Fund level, \$904k was Restricted and the \$8m in Assigned funds is what the District has allocated monies to; Note 6 of the financial statements reveals what those amounts are assigned for. The District has \$3.8m in Unassigned funds. In terms of operations, Ms. Rodriguez stated the Unrestricted fund balance could cover 22 months of the District's expenditures without receiving revenue. This is an increase from last year's audit, which was 20 months.

The Memorandum on Internal Control (MOIC) and Required Communications are additional documents issued by Maze & Associates. In these reports, control deficiency and other matters are communicated to the Board. Ms. Rodriguez reported there were no control deficiencies, material weaknesses, or significant deficiencies detected. The financial balances appeared reasonable and there were no concerns about management accounting. Maze & Associates had no difficulties in performing the audit. There were no disagreements with management, and as far as the auditors are aware the District staff did not consult with another firm or try to get a second opinion. Ms. Rodriguez asked the Board if there were any questions related to the financial statements or the audit process. None were asked. The Board thanked Ms. Rodriguez and her team.

UNFINISHED BUSINESS: None

NEW BUSINESS:

- a. ***Independent Audit of District's Basic Financial Statements for FY ended June 30, 2023*** – Chairman Evergettis asked if there were questions regarding the Basic Financial Statements. None were asked.

M/S Murray/Naso to approve the Independent Audit of District's Financial Statements for FY ended June 30, 2023

OPPORTUNITY FOR PUBLIC COMMENTS: There were no public comments made.

Roll Call Vote: Corbet-Aye; Evergettis-Aye; Gerbsman-Absent; Murray-Aye; Naso-Aye

Ayes: 4; Noes: 0; Absent: 1

Motion passes

- b. ***Memorandum on Internal Controls and Required Communications*** – Chairman Evergettis asked if there any questions regarding the MOIC or Required Communications. There were none.

M/S Murray/Naso to approve the Memorandum on Internal Controls and Required Communications

OPPORTUNITY FOR PUBLIC COMMENTS: There were no public comments made.

Roll Call Vote: Corbet-Aye; Evergettis-Aye; Gerbsman-Absent; Murray-Aye; Naso-Aye

Ayes: 4; Noes: 0; Absent: 1

Motion passes

CHIEF'S REPORT:

- a. ***On-Duty Health Assessments*** – The District just completed On-Duty Health screenings for all employees. This is part of our health and wellness program every year and Engineer Anthony Beltramo did an outstanding job as lead in charge. KFD partnered with Central Marin Fire, Ross Valley, and Tiburon Fire. They set up a makeshift kind of facility down the Bon Air shopping center and every employee had the opportunity to go through a health assessment. The assessment included things like blood work, ultrasound, treadmill tests, vision & hearing tests, etc. On-Duty Health had been here for about 2 1/2 weeks, running all employees through the program.
- b. ***CMFD & KFD Holiday Party*** – There was a great holiday gathering last Friday night where Board, active and retired members attended. We had a really good time and it worked out well hosting with Central Marin Fire, as done in the past.
- c. ***Siren Status*** – KFD's siren on the station roof is part of our emergency preparedness and is activated during any local emergency events, such as a fire, natural disaster, flood, earthquake, mudslide, etc. Due to proximity, KFD partners with other agencies within Ross Valley and when one agency signals their siren and/or horn, the rest signal theirs to help get the notification out. KFD's siren is tested on the first Saturday of every month. We refer the community and individuals with questions to our website where a whole section of information on emergency preparedness is available. This is information about things like sandbag locations, warning sirens, creek levels, gauges, etc. If a member of the public hears the siren activated, that is an indication to tune into a local radio station, television, Alert Marin Emergency Notification System, or any other messaging system.
- d. ***Regular Board Meeting Adjustment*** – Other agencies within the county have moved their Board meetings earlier in the day to try and accommodate staff and community members. If this was something

**KENTFIELD FIRE PROTECTION DISTRICT
BOARD OF DIRECTORS MEETING**

the District should research, it can be brought to another meeting for future discussion. The Board stated they were open to accommodate the District staff; this topic will be reviewed in a future meeting for further discussion.

- e. **Chairman Evergettis** – Thank you Barry Evergettis for this year of service as Chairman on the Board. His plaque was updated to reflect the years served as the Board Chairman. Kentfield Fire District would like to express a sincere appreciation for a job well done. Director Bruce Corbet will serve as the new Chairman in 2024.

DIRECTOR MATTERS:

Director Naso – Attended the MERA meeting today with Chief Pomi. There was a lot of information and documentation provided to show MERA is heading in the right direction for 2024.

Director Evergettis – Marin Wildfire Prevention Authority is on the right track. Included in the Board packet correspondences is an article on MWPA project updates, most notably the approval of the San Rafael - San Anselmo fuel reduction zone project.

CORRESPONDENCE: Were reviewed.

DISTRICT OPERATIONS: November Incident Logs and Overtime Reports were reviewed.

APPROVAL OF WARRANTS:

M/S Murray/Evergettis to approve November warrant 805305232 to and including 805305287 for \$476,500.39

OPPORTUNITY FOR PUBLIC COMMENTS: There were no public comments made.

Roll Call Vote: Corbet-Aye; Evergettis-Aye; Gerbsman-Absent; Murray-Aye; Naso-Aye
Ayes: 4; Noes: 0; Absent: 1
Motion passes

CLOSED SESSION – CONFERENCE WITH LEGAL COUNSEL – Initiation of litigation pursuant to Government Code § 54956.9(d)(4).

The Board entered a Closed Session at 7:15 pm.
The Board adjourned the Closed Session at 7:27 pm and entered back into Open Session.
There was nothing reported out.

NEXT MEETING: The next regular meeting will be held on January 10, 2024.

ADDITIONAL ACTIONS: Chairman Evergettis asked for a moment of silence.

ADJOURNMENT: M/S Evergettis/Naso to adjourn this meeting at 7:29 p.m. All ayes.

Respectfully submitted,

Jena Wilson
Recording Secretary