

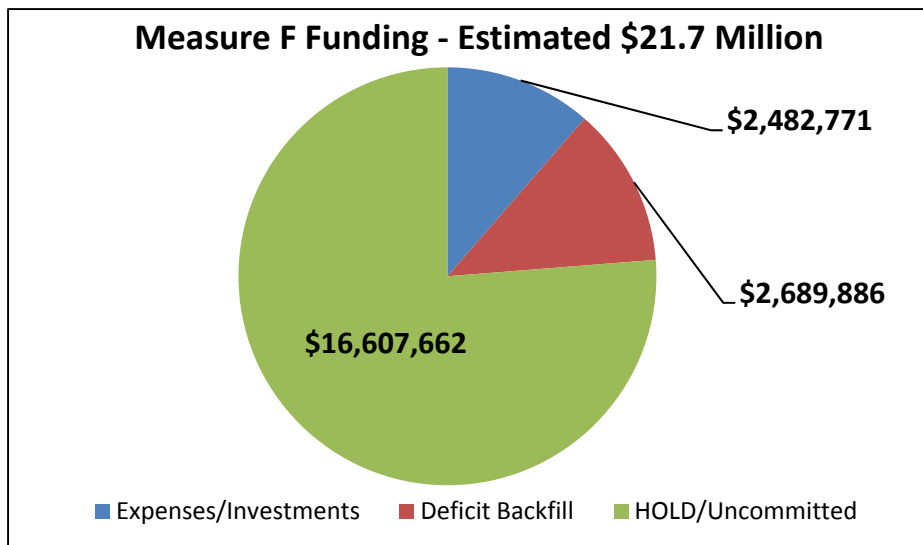
City of Novato

Measure F Annual Report Executive Summary

FISCAL SUSTAINABILITY FOR YOUR CITY

During the recession, the City Council made difficult decisions to reduce service levels by eliminating staff positions through layoffs and early retirements, negotiating employee concessions, and realigning, eliminating and consolidating services. 23% of the City work force was eliminated. 30% of staff were reduced in every department except Police. Economic development was eliminated with the State's elimination of redevelopment agencies statewide. Employees took furloughs, took on a portion of retirement costs, and had no cost-of-living adjustments for 5 years. Over 5 years, almost \$5 million was cut from the General Fund, yet a structural deficit remained. In 2010, the Council declared a fiscal emergency and placed Measure F (a 5 year ½ cent sales tax) on the ballot. Measure F passed by 58%, preventing more cuts impacting Novato residents and our overall quality of life. With Measure F in place, the City has been analyzing options to create a long term plan that would allow the City organization to operate in a fiscally balanced manner.

Since being adopted by the Novato voters in November 2010, the Measure F sales tax has helped fill a number of crucial gaps in the City of Novato's services, as well as fill the overall budget deficit in the General Fund to prevent additional service reductions. The tax has generated over \$4 million annually in new revenue to the City; thus, over the five-year horizon of the Measure, approximately \$21 million is estimated to be generated for the provision of programs and services to local residents.



Much of the money generated to date from Measure F remains unspent, and this has been a deliberate decision on the part of the City to conservatively allocate the funds. The City and the Measure F Committee view Measure F as one-time funds; different options and strategies exist and the use of these funds is directly tied to a long term fiscal sustainability strategy and decision for the City. Once a long-term fiscal sustainability plan is adopted, additional and final discussions about uses of Measure F can commence.

Of the approximately \$9 million that has been collected through the end of fiscal year 2012-13, \$1.2 million has been spent directly on programs, staffing, and services to the community. The 2013-14 fiscal year will see the

continuation of many of the above programs. Additionally, some new expenditures are being added as shown with the * below. These expenditures can be broadly described in a few key categories:

Economic Development and General City Services	Enhance Neighborhood Services or Public Safety	Support Seniors, Youth and Families	Reinvest in Park and Street Maintenance
<ul style="list-style-type: none"> ▪ Re-establishment of an Economic Development program after the State’s elimination of the Redevelopment Agency ▪ Establishment of a Hamilton base reuse program to move forward with key studies and negotiations on the reuse of City-owned properties ▪ One front desk receptionist to improve overall customer service 	<ul style="list-style-type: none"> ▪ Equipment, supplies, and a Management Analyst staff person to support the Novato Response Team in the Police Department ▪ Emergency preparedness planning and assistance* 	<ul style="list-style-type: none"> ▪ New afterschool initiative pilot program ▪ Low-income youth recreation scholarships and an expansion of the afterschool initiative* ▪ Youth needs summit* 	<ul style="list-style-type: none"> ▪ One additional streets / landscape maintenance worker (originally scheduled to be laid off)

The City Council spent much of 2012-13 engaged in a detailed fiscal sustainability planning effort. This effort will continue into 2013-14 with additional public outreach and communication, resulting in the eventual adoption of an approved fiscal sustainability plan. The approved fiscal sustainability plan will most likely utilize some additional Measure F funds in strategic ways – both to bridge any additional deficits over the next five years and to make some key one-time investments to improve the long-term financial viability of the City. After those deliberations have concluded, there will be additional opportunities to discuss future uses of the remaining Measure F funding, whether for additional programs and services, funding infrastructure and technology improvements, additional one-time strategic investments, or a wide variety of other possible uses.

The Measure F Committee looks forward to engaging in these future discussions and helping the City Council and Community plan for the long-term vision for Novato’s sustainability.

Read more about Measure F at the Committee’s web page: <http://www.novato.org/Index.aspx?page=1610>

View the City’s Draft Fiscal Sustainability Plan: <http://www.novato.org/index.aspx?page=1982>

