



THE CITY OF  
NOVATO  
CALIFORNIA

**NOVATO CITIZENS FINANCE ADVISORY/  
OVERSIGHT COMMITTEE**

**SPECIAL MEETING**

to be held at

**City Administrative Offices  
Womack Conference Room  
922 Machin Ave**

**DECEMBER 21, 2017  
7:30 AM**

922 Machin Avenue  
Novato, CA 94945  
415/899-8900  
FAX 415/899-8213  
[www.novato.org](http://www.novato.org)

Chair  
Tim O'Conner  
Vice Chair  
Regina Bianucci Rus  
Commissioners  
Caitrin Devine  
David Bentley  
Cris MacKenzie  
Rafelina Maglio  
Robert J. Scott, Jr

**AGENDA**

**A. CALL TO ORDER**

**B. APPROVAL OF FINAL AGENDA**

**C. PUBLIC COMMENT**

Anyone wishing to speak on non-agenda items will be recognized at this time. These items can legally have no action as they are not on the agenda. There is a three-minute time limit.

7:35 A.M. *(Time is approximate.)*

**D. COMMITTEE ORGANIZATIONAL ITEMS**

**D-1: APPROVAL OF NOVEMBER 16, 2017 MINUTES**

**E. GENERAL BUSINESS**

Anyone wishing to speak on agenda items will be recognized after the Committee has concluded their initial discussions. There is a three-minute time limit for public comment per item.

7:50 A.M. *(Time is approximate.)*

**E-1: REQUEST TO APPROVE \$88,400 IN MEASURE F FUNDS TO BE TRANSFERRED TO THE GENERAL FUND CAPITAL IMPROVEMENT PROJECTS AND USED FOR A POLICE DEPARTMENT VIDEO MANAGEMENT SYSTEM**

Information, discussion, and request approval to move \$88,400 in funds from Measure F Fund 111 to General Fund-Capital Improvements Projects Fund 101 and increase appropriations by \$88,400 in the following GL-Accounts:

**111.00.00-991.301** *Operating Transfers Out Capital Projects  
Measure F IT Division for Visual Camera Upgrade system*

**301.00.000-891.111** *Operating Transfers In Measure F Sales Tax*

**301.15.941-600.126** *Capital Projects, Administrative Services, CIP  
Development-Outside Services / Professional Services IT Services  
CP18011 Security Cameras & Council Chambers AV Equipment*

**E-2: FUTURE USE OF MEASURE F FUNDS**

Information and discussion on the future use of an unassigned Measure F Fund Balance of \$1.03m

**E-3: REVIEW MID-YEAR BUDGET STRATEGY & TIMELINE**

Information and discussion of Mid-Year Budget and FY18/19 Strategy and timeline that will be presented to Council on February 27, 2018

**E-4: REPORT ON FY16/17 COMPREHENSIVE ANNUAL  
FINANCIAL REPORT (CAFR)**

Information and discussion of audited FY16/17 CAFR

**F. COMMITTEE / STAFF COMMENTS**

**G. FUTURE MEETINGS**

Next meeting scheduled for January 18<sup>th</sup>, 2018

**H. ADJOURNMENT**

**ATTACHMENTS**

- 1. November 16, 2017 Meeting Minutes**
- 2. Staff Report: APPROVAL OF A NEW VIDEO MANAGEMENT SYSTEM & AMENDMENT TO THE FY 2017/2018 CIP BUDGET**

## **AFFIDAVIT OF POSTING**

I, Tony Clark, certify that on December 19, 2017 I caused to be posted the agenda of the December 21, 2017 special meeting of the Novato Citizens Finance Advisory/Oversight Committee meeting of the City of Novato, California, on the City of Novato Community Service Boards in City Hall and the Police Department, and on the City's website at [www.novato.org](http://www.novato.org).

/Tony Clark/  
Finance Manager



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**City Administrative Offices  
Womack Conference Room  
922 Machin Ave**

**November 16, 2017  
7:30 AM**

Chair

Caitrin Devine

Vice Chair

Tim O'Connor

Commissioners

David Bentley

Regina Bianucci Rus

Cris MacKenzie

Rafelina Maglio

Robert J. Scott, Jr

**MINUTES**

**A. CALL TO ORDER**

*Meeting called to order at 7:36 am. Committee Members: Caitrin Devine, Tim O'Connor, David Bentley, Regina Bianucci Rus, Cris MacKenzie, Rafelina Maglio, Robert Scott, Jr. Staff Members: City Manager Regan Candelario, Assistant City Manager Michael Antwine (arrived at 7:49 am), Finance Manager Tony Clark, Accounting Supervisor Maureen Chapman, Accounting Technician Christina Soares. City Council Member: Pam Drew. Members of the Public: Hutch Turner*

**B. APPROVAL OF FINAL AGENDA**

*Bentley Motioned to approve, O'Connor seconded the motion. Approved unanimously. Ayes: 7 (Devine, Bentley, Bianucci Rus, O'Connor, Scott, MacKenzie, Maglio) Noes: 0. Absent: 0.*

**C. PUBLIC COMMENT**

*None.*

**D. COMMITTEE ORGANIZATIONAL ITEMS**

**D-1: APPROVAL OF SEPTEMBER 21, 2017 MINUTES**

*Bentley Motioned to approve upon corrections, Scott seconded the motion. Approved unanimously. Ayes: 7 (Devine, Bentley, Bianucci Rus, O'Connor, Scott, MacKenzie, Maglio.) Noes: 0. Absent: 0.*

**D-2: ELECTION OF COMMITTEE CHAIR AND VICE CHAIR**

*Bentley moved to elect Tim O'Connor Committee Chair, Devine seconded. Approved unanimously:*

*Maglio-Aye*

*Bentley-Aye*

*O'Connor-Aye*

*Devine-Aye*

*MacKenzie-Aye*

*Bianucci Rus-Aye*

*Scott-Aye*

*Noes: 0*

*Devine moved to elect Regina Bianucci Rus Vice-Chair, O'Connor seconded. Approved unanimously:*

Maglio-Aye  
Bentley-Aye  
O'Connor-Aye  
Devine-Aye  
MacKenzie-Aye  
Bianucci Rus-Aye  
Scott-Aye  
Noes: 0

## E. GENERAL BUSINESS

### E-1: REVIEW AND DISCUSSION OF USES FOR JUNE 30, 2017 UNASSIGNED FUND BALANCE

*Maureen Chapman introduced the new Finance Manager, Tony Clark to the Committee. Chapman reviewed the FY 16/17 General Fund balance sheet and income statement with the Committee. The unassigned fund balance as of FYE 16/17 is approximately \$1.45 million. Candelario noted will be presented to Council on November 28<sup>th</sup> and would like input from Committee as what to do with additional funds. Possibly unfunded liabilities or deferred staff projects.*

*Scott would like to discuss ideas that move the funds into an expense category or asset to asset. Concerned about employee compensation. Consider one-time appreciation bonus, or retention bonus? On-going compensation may not be good idea, apprehensive about recession.*

*Bentley asked about Reserve Policy discussed at last meeting. What are considered reserves? Chapman noted the General Fund will not maintain unassigned fund balance at end of the year. Unassigned funds will be moved elsewhere and practice has occurred the last few years. Reserve Balance is the unassigned funds in the General Fund. Bentley a staff recommendation to discuss what to do with funds. Candelario will present five or six items to Council for discussion.*

*Bianucci Rus suggested mitigating future problems, running into deficits, funds to study workforce housing project? Devine also noted the future teacher shortage. MacKenzie asked if the City has considered an incentive plan for employees. Candelario and Chapman added there were two one-time payouts for staff when the labor negotiations were finalized. No increases for COLA over a period of time. \$4,000.00 per employee payments made in November 2016 and \$1,000.00 per employee payments in July 2017, in addition to increased medical contribution. Candelario cannot count on surplus, so retention incentive is a good idea.*

*MacKenzie noted employee recognition goes a long way. City should look at workforce housing in collaboration with other employers or agencies. CM Candelario noted contract*

*negotiations coming soon, possibly include these suggestions into negotiations.*

*Bentley noted the Water District started employee assistance to help purchase housing locally and almost 50% of staff reside in Novato. Candelario would like to look at housing model.*

*Scott suggested a window of appreciation bonus versus retention bonus. O'Connor suggested payment for extra work. Chapman noted payment for extra work is currently in place. Devine noted the consensus seems to be employee retention is the popular choice. Candelario added Measure E has a reserve of \$3 million and wants to give Council the option of what to do with extra funds.*

*MacKenzie noted adding a greater cushion, balance remaining would afford more formal bonus program. Bentley added the five-year plan reflects growing deficits and should be included with presentation of reserve balances.*

## **E-2: REVIEW OF FIRST QUARTER GENERAL FUND FINANCIAL REPORT**

*Chapman presented the 1<sup>st</sup> Quarter of 17/18 General Fund budget report to the Committee. Bentley was happy to receive a one page financial report. Bianucci Rus suggested adding 9/30/16 numbers to the report for comparison.*

*Candelario added the interest to build in Novato has increased. Need to be able to accommodate building in Novato. MacKenzie asked if the interest has been over a specific period of time or most recently due to the fires. Candelario noted it has been within the last quarter. Most of the inquiries are in regards to what land is available for development; commercial and residential.*

*O'Connor asked if parking will be addressed with increased demand. Candelario added that the Community Development Department conducted a study in 2014 and will present data to Council.*

*Chapman added the Building Department is now fully staffed. Maglio asked if the City has reached out to building owners to improve store fronts in New Town of Grant Avenue. Could City offer incentive to improve store fronts? Bianucci Rus added that incentive was offered five or six years ago but not many took advantage of offer. Candelario agreed that the two ends of Grant do look different. Share Committee input with Peggy Flynn and Jessica Deakyne as they are doing work with Downtown Novato Business Association.*

*Chapman continued to review Q1 income statement. Scott asked about seasonality related to police activity as above 25% of the budget. Chapman noted it was most likely the Unfunded Liability payment. Candelario also noted the greater number of new and less experienced police department staff which requires more training.*

*Bentley asked if annual payments for CalPERS, animal services and insurance payments should be amortized. Candelario commented that large expenditures would include notes as to what they were for. Chapman added that information can be included in Staff Report that accompanies Income Statement once able to publish. Bentley suggested combining the account descriptions for Non Departmental, Central Administration and Administrative Services to Administration. Also suggested spelling out PRCS in the account description. MacKenzie asked if the annual budget is divided by 12 or is seasonality built in or know when payments are to occur. Chapman noted the new software may be able to build in seasonality into budget, but not at that point yet.*

**F. COMMITTEE / STAFF COMMENTS**

*None*

**G. FUTURE MEETINGS**

*Next meeting scheduled for December 21.*

*Bentley would like to add to agenda sub-Committee to review budget.*

**H. ADJOURNMENT**

*Bianucci Rus moved to adjourn, Devine seconded motion. Meeting adjourned at 8:40 am.*

## STAFF REPORT



THE CITY OF  
NOVATO  
CALIFORNIA

### MEETING

DATE: December 21, 2017

TO: Novato Citizens Finance Advisory / Oversight Committee

FROM: Scott Sanders, Technology Manager

PRESENTER: Scott Sanders, Technology Manager

SUBJECT: **APPROVAL OF A NEW VIDEO MANAGEMENT SYSTEM &  
AMENDMENT TO THE FY 2017/2018 CIP BUDGET**

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### **RECOMMENDATION**

Recommend approval to the City Council additional project funding in the amount of \$88,400.00 from the Measure F unassigned balance and approval of an agreement between VAS Security Systems, Inc. and the City of Novato.

### **DISCUSSION**

The Fiscal Year 2017/2018 Capital Improvement Budget included a total of \$300,000.00 for two (2) separate projects. The City Council Chambers Audio Visual Equipment upgrade, originally anticipated to cost \$200,000.00 and the Police Department Video Management system was anticipated to cost \$100,000.00. On October 10, 2017, the City Council approved an agreement with CODA Technology Group in an amount not to exceed \$260,000.00 for the Council Chambers Audio Visual Upgrade; leaving \$40,000.00 available for the Police Department Video Surveillance system.

During project development, staff met with various city departments and performed an assessment of existing city facilities to determine an appropriate scope of work. In addition to the Administrative Services Building and the Police Department, video camera coverage for the Corporation Yard and Hill Gymnasium was determined to be critical. The proposed new video management system would cover the four (4) city facilities; provide the infrastructure to maintain legally mandated retention periods for video records; provide enhanced capabilities and features that were not available with the current system and address concerns related to facility coverage.

The City's Information Technology (IT) team partnered with the Police Department, Public Works and Parks, Recreation and Community Services staff to develop a Request for Proposal (RFP). The RFP was published on August 1, 2017 and a mandatory project walkthrough was conducted on August 16, 2017. The City received five (5) proposals prior to the due date of September 6, 2017. A selection committee of representatives from the Police Department and IT Division met to review the proposals. In October 2017, three proposers were invited to provide product demonstrations. The selection committee evaluated the proposals and recommended VAS Security Systems, Inc. proposal, who is also the lowest bidder.



<b>Proposer</b>	<b>Vendor Location</b>	<b>Cost</b>
Digital Networks Group, Inc.	Aliso Viejo, CA	\$222,321.54
Electronic Innovations, Inc.	Richmond, CA	\$229,285.00
Microbiz Security Co.	San Francisco, CA	\$160,580.80
PAC Integrations, Inc.	Concord, CA	\$232,990.00
VAS Security Systems, Inc.	Pleasanton, CA	\$122,933.22

**FISCAL IMPACT**

With project contingency funding of \$5,466.78 (4.4%), a not to exceed amount of \$128,400.00 is recommended for the Video Management System. The CIP project budget has \$40,000.00 remaining from the original \$300,000.00 allocation of Measure F funds. If approved, the additional \$88,400 would be also be allocated from Measure F funds.

**ALTERNATIVES**

If the Committee disapproves the request for additional funding or approval of the agreement with VAS Security Systems, Inc., staff would delay or cancel this project until sufficient funding is available and/or a new vendor is selected.