



**CITY OF NOVATO  
CALIFORNIA**

922 Machin Avenue  
Novato, CA 94945  
415/899-8900  
FAX 415/899-8218  
*novato.org*

Chair  
Regina Bianucci Rus  
Vice Chair  
Rafelina Maglio  
Commissioners  
Caitrin Devine  
David Bentley  
Cris MacKenzie  
Mark Milberg  
Tim O'Conner

Acting City Manager  
Adam McGill

**NOVATO CITIZENS FINANCE ADVISORY/  
OVERSIGHT COMMITTEE MEETING**

**to be held at**

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

**October 10, 2019  
7:30 AM**

**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 SEPTEMBER, 2019 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: ACTIONABLE ITEMS:**

**E-1.1: DISCUSS AND POSSIBLY PROVIDE DIRECTION REGARDING POSSIBLE CITY-WIDE COMMUNICATION PLATFORMS FOR DISTRIBUTION OF "BUDGET IN BRIEF" DOCUMENT**

**E-1.2: DISCUSS AND POSSIBLY PROVIDE FEEDBACK REGARDING THE CREATION OF A COUNCIL BUDGET AND FINANCE SUBCOMMITTEE COMPOSED OF COUNCIL MEMBER EKLUND AND MAYOR LUCAN TO WORK WITH STAFF ON THE CITY'S BUDGET PROCESS, FINANCIAL**

**POLICIES, AND OTHER IMPROVEMENTS AND  
CONSIDERATIONS**

**E-1.3: DISCUSS AND PROVIDE DIRECTION  
REGARDING A JOINT MEETING BETWEEN THE  
NOVATO CITIZENS FINANCE  
ADVISORY/OVERSIGHT COMMITTEE AND THE  
ECONOMIC DEVELOPMENT ADVISORY  
COMMISSION**

**E-2: DISCUSSION ITEMS:**

**E-2.1: NONE**

**F. COMMITTEE / STAFF COMMENTS**

**G. FUTURE MEETINGS**

**G-1. November 21, 2019 @ 7:30 a.m.**

**H. ADJOURNMENT**

**AFFIDAVIT OF POSTING**

I, Brooke Kerrigan, certify that on October 3, 2019, I caused to be posted the agenda of the October 10, 2019 meeting of the Novato Citizens Finance Advisory/Oversight Committee meeting of the City of Novato, California, on the Police Department bulletin board, and on the City's website at [www.novato.org](http://www.novato.org).

/Brooke Kerrigan//  
Accounting Supervisor



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**NOVATO CITIZENS FINANCE ADVISORY/  
OVERSIGHT COMMITTEE MEETING**

held at

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

**September 19<sup>th</sup>, 2019  
7:30 AM**

Chair  
Regina Bianucci Rus  
Vice Chair  
Rafelina Maglio  
Commissioners  
Caitrin Devine  
David Bentley  
Cris MacKenzie  
Mark Milberg  
Tim O'Connor

**MINUTES**

**A. CALL TO ORDER**

*Meeting called to order at 7:30 am. Committee members: Regina Bianucci Rus, Tim O'Connor, Cris McKenzie, David Bentley, Mark Milberg, Caitrin Devine (Arrived 7:40), Rafelina Maglio (Absent). Staff members: Acting City Manager Adam McGill, Accounting Supervisor Brooke Kerrigan, Accounting Technician Larcy McPeck. Council members: Pat Eklund, Pam Drew*

**B. APPROVAL OF FINAL AGENDA**

Motion to approve agenda: Tim O'Connor, David Bentley seconded. Approved unanimously. Ayes: 6 (Regina Bianucci Rus, Tim O'Connor, Cris McKenzie, David Bentley, Mark Milberg, Caitrin Devine. Noes: 0, Absent 1 (Rafelina Maglio)

**C. Public Comment**

**D. COMMITTEE ORGANIZATIONAL ITEMS**

**D-1: APPROVAL OF JUNE 20<sup>TH</sup>, 2019 MINUTES**

Motion to approve with changes modification: Committee Member O'Connor: Missed out 2 items in E1: Incentivize employees for grant funding; Create more robust downtown; Item F: misspelled "o" not "e" O'Connor not O'Conner.

Motion to approve: First – Committee Member McKenzie; Seconded – Committee Member Milberg. Ayes: 6, Abstain: 0, Absent: 1

**D-2: APPROVAL OF AUGUST 15<sup>TH</sup>, 2019 MINUTES**

Motion to approve with modification: Committee Member Bentley: Move E1: Update on Refunding 2005, 2005A 7 2011 RDA Tax Allocation Bonds to E3 – Overview of CAFR -14 months after close is not acceptable. Move to next meeting: Motion to approve: First – Committee Member Devine; Seconded – Committee Member O'Connor. Ayes: 6, Abstain: 0 Absent: 1

**E. GENERAL BUSINESS**

## **E-1 ACTIONABLE ITEMS:**

### **E-1.1: DISCUSS AND POSSIBLY TAKE ACTION ON THE DEVELOPMENT OF COMMITTEE GOALS FOR FY 19/20**

Committee Members agreed to brainstorm and identify top two to four items as the goals of the committee. Need to revisit and discuss the committee's mission. Committee goals should be presented to Council to approve. Committee Member Bianucci Rus shared the notecards she collected from the members.

### **E-1.2: DISCUSS AND POTENTIALLY TAKE ACTION REGARDING THE CREATION OF AN AD-HOC COMMITTEE ON THE CITY'S BUDGET AND COMMUNICATION TOOLS**

Committee asked for clarification of difference between the proposed City Council Ad Hoc Committee and the existing Finance Advisory Oversight Committee.

Public Comment: Councilmember Pat Eklund:

The Ad Hoc/Sub Committee at the Council level was eliminated five years ago. Most of the other cities have an existing Ad Hoc/Sub Committee

Acting City Manager McGill explained the item was proposed by Council Member Eklund at the last Council meeting and advised the committee members to review City Council staff report and agendize for next Finance Committee Advisory meeting.

## **E-2 DISCUSSION ITEMS:**

### **E-2.1: DISCUSS "BUDGET-IN-BRIEF" SAMPLES PROVIDED**

Committee discussed creation of a "Budget in Brief" document that outlines and simplifies the City's annual budget. Examples from other cities included Oceanside, Milpitas, San Luis Obispo and Palo Alto. Committee Member Bentley mentioned that City staff Bryan Lopez has an existing draft. Committee member suggestions are listed below.

1. Present as a brief overview, eye catching snapshot, charts and fewer words to get people's attention. It should be a tool to engage people to get involved. Link to the website for more info.
2. Highlight budget priorities and positive activities
3. CIP overview – what the government is doing for you
4. Let citizens know how to get involved in the budget process
5. More graphics so it is easy to follow, charts and visuals
6. A publication that will answer what the committee does
7. Show sources and uses of funds
8. Include tax allocation information – property taxes, sales taxes, etc., and the portion received by the City versus other agencies
9. Create document geared towards intended audience (layman)
10. Consistent message (Ambassadors of the City)
11. Use as an on-going process updated quarterly or as semi- annual budget tool

12. Include the goals of the City
13. Include FTE – as compared to similar cities – Comments made about providing context for FTEs (i.e. assumptions could be made about various departments without knowing the details of operations)

Public comments:

Acting City Manager McGill explained that the City's website is robust and most of the information discussed is already available online. Capital project status and other information regarding City activities are available online. Acting City Manager McGill suggested an overview of the City's communications platforms be presented and discussed at the next Finance Advisory Committee meeting. Committee members were receptive and would like to see this item brought back at the next meeting.

Councilmember Drew commented about the gap between the information that has been presented in the past and how information is received by the public. Workshops haven't been helpful because most members of the public seem unable to connect the budget numbers to the positive activities the City undertakes. She commented that people were turned off and the current public impression needs to be corrected.

Comments were made about a seventeen-month gap - we are already working with different budget we don't have full adopted budget document. Budget was approved but didn't include community profile, financial policies, etc. People should get the update.

Councilmember Eklund commented it should an on-going process.

Committee Member Devine left at 8:20 am.

Accounting Supervisor Kerrigan made suggestions regarding a quarterly report showing budget variances which provides the information for Department Heads to capture departmental spending at quarterly intervals. This allows for better overall management of departmental budgets versus departmental spending. She suggested using pie charts as a way to show data that for some is easier to comprehend as opposed to raw data; Distributed information should be attractive and user friendly, and not overly complicated. The City Council can use the information as a guide on budget performance and as a communications tool for City-wide spending.

## **G. FUTURE MEETINGS**

Possible dates for the next meeting for consideration: October 9, October 10 and October 15.

Acting City Manager McGill will gather information on the next meeting date and send the staff report on the City Council's proposed creation of Ad Hoc Committee for the Committee Members to review with the intent to agendaize for the next Finance Advisory Committee meeting.

## **H. ADJOURNMENT**

Meeting adjourned at 8:30 am

**STAFF REPORT**

## MEETING

DATE: October 10, 2019

TO: The Novato City Finance Advisory Oversight Committee

FROM: Brooke Kerrigan, Accounting Supervisor

PRESENTER: Jessica Deakyne, Assistant City Manager

SUBJECT: Discuss and Possibly Provide Direction Regarding Possible City-wide Communication Platforms for Distribution of “Budget In Brief” Document

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**BACKGROUND**

The creation, ratification, and implementation of the City’s budget is an integral part of governance over City finances. The budget sets the approved appropriations at the Fund level and is further broken down by department and by activity. The finalized document is nearly four hundred pages of detailed information and is the single source guidance in the control of enacting the authority of City-wide spending.

Each year beginning in January City staff begins the development of a spending plan based on Council objectives and the City’s strategic plan. This year the budget was adopted in June (Resolution 2019-46) and the finalized document was complete in October. The amount of time from budget development to a budget document shows the breadth of the budget process. Staff, with the direction of the Novato Citizens Finance Oversight/Advisory Committee, is looking for further direction to make the process easier for the general public to understand and navigate with the development of a Budget in Brief document which can be communicated on a broad scale through the City’s various communication platforms.

**DISCUSSION**

The four-hundred page budget document is a detailed account of all the various financial activities of the City of Novato. The volumes of information can be cumbersome and often the information gets lost on its reader. As part of the City’s move towards transparency the Novato Citizens Finance Oversight Committee along with City staff is working together in creating a document that can be easily accessed by the general public in a format that is informative, encourages public input, and useful to its reader.

**ALIGNMENT WITH STRATEGIC PLAN GOALS / OBJECTIVES**

This item is aligned with **Strategic Plan Goal 25: Communications – Establish Opportunities for the Community to Evaluate the City’s Efforts to Serve, Inform, and Engage with the Community.**

Under the direction of the Novato Citizen's Finance Advisory/Oversight Committee staff is working to create a user friendly and informative Budget in Brief document that can be broadly distributed through the City's various communications platforms.

**RECOMMENDATION**

Provide staff with direction regarding the available City-wide Communication platforms for the distribution of the draft Budget in Brief document

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**STAFF REPORT****MEETING****DATE:** October 10, 2019**TO:** The Novato City Finance Advisory Oversight Committee**FROM:** Brooke Kerrigan, Accounting Supervisor**SUBJECT:** Discuss and possibly provide feedback regarding the creation of a Council Budget and Finance Subcommittee

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**BACKGROUND**

At the City Council meeting on September 10, 2019, Pat Ecklund, Council Member, proposed to agendaize the establishment of a Council Budget and Finance Standing Subcommittee. The item will be agendaized on October 22, 2019 to discuss and possibly establish the proposed Subcommittee.

**RECOMMENDATION**

None

**ATTACHMENT**

Proposed agenda item from City Council packet September 10, 2019

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**CITY COUNCIL MEMBER PROPOSED AGENDA ITEM**

MEETING

DATE: September 10, 2019

TO: City Council

FROM: Pat Eklund, Council Member

SUBJECT: **ESTABLISH A COUNCIL BUDGET AND FINANCE STANDING  
SUBCOMMITTEE**

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**PROPOSED AGENDA ITEM FOR ACTION TO BE TAKEN:**

Discuss and possibly establish a Council Budget and Finance Subcommittee composed of Council Member Eklund and Mayor Lucan to work with the staff on proposing to the Council the following:

- 1) options for budget process and schedule;
- 2) revised and/or new financial policies;
- 3) options to reduce the unfunded liability of pensions and health care costs;
- 4) means of increasing financial transparency; and,
- 5) other improvements and considerations.

**BACKGROUND:**

Many cities in California have Council subcommittees on Budgets and Finance along with other issues. Those subcommittees provide for an increased exchange between staff, public and Council on important issues, but do not make policy. All recommendations are brought to the full Council for deliberation and decisions. Some of those cities include, but are not limited to: Corte Madera, San Rafael, Santa Rosa, Sonoma, American Canyon, Benicia, Martinez, Berkeley, San Ramon, Hayward, Mountain View, Palm Springs, Riverside and others.

In the past, the Novato City Council has provided direction prior to presentation of a draft budget. However, over the last few years, staff has started working on the draft budget in January or February and has presented their budget to the Council in May or June. This technique has prevented the Council from providing early input. By creating a subcommittee of the Council, we could work with staff to recommend options on the process and schedule for the Council to consider in January 2020 to increase involvement and transparency in the formation and adoption of our budget for 2020-2021.

The subcommittee could make recommendations to the Council whether additional budgetary and financial policies should be established and whether any existing budgetary and financial policies should be updated by the Council. Also, recently, the Council established a 115 Trust, but we have not established policies on whether we should contribute annually, whether we should establish a financial goal for the Trust, and whether or when we should use it to directly reduce our unfunded liability. The subcommittee could begin those discussions and bring options to the Council for consideration.

There are a host of other financial issues where the Council needs to be more engaged. By having a Council subcommittee, budgetary and financial issues can be explored and brought to the Council for deliberation and direction to staff.

**PROPOSED AGENDA DATE:** October 22, 2019.

## **STAFF REPORT**

### MEETING

DATE: October 10, 2019

TO: The Novato City Finance Advisory Oversight Committee

FROM: Brooke Kerrigan, Accounting Supervisor

SUBJECT: Discuss and provide direction regarding a joint meeting between the Novato Citizen's Finance Advisory/Oversight Committee and the Economic Development Advisory Commission

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### **BACKGROUND**

At the September 19, 2019 Novato Citizen's Finance Advisory/Oversight Committee members discussed a possible joint meeting with the Economic Development Advisory Commission

### **RECOMMENDATION**

Provide direction to staff regarding a proposed joint meeting between the Novato Citizen's Finance Advisory/Oversight Committee and the Economic Development Advisory Commission.

### **ATTACHMENT**

Proposed agenda item from City Council packet September 10, 2019

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