



**CITY OF NOVATO**  
**CALIFORNIA**

**Novato Citizens Finance Advisory/Oversight Committee**

**Meeting Agenda**

**Thursday, April 7, 2022 – 7:30 AM**

**Teleconference Only**

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**Chair**

**Rafelina Maglio**

**Vice Chair**

**Cris MacKenzie**

**Members**

**Regina Bianucci Rus, Caitrin Devine, Tim O'Connor, Andrew Zmyslowski**

**Staff Liaison**

**Amy Cunningham**

The Novato Citizens Finance Advisory/Oversight Committee welcomes you to attend its meetings which are regularly scheduled the third Thursday every month. Your interest is encouraged and appreciated.

Pursuant to the provisions of AB 361, this meeting will be held by teleconference only.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk at (415) 899-8986. Notification at least 48 hours prior to the meeting will enable the City to make reasonable accommodation to help ensure accessibility to this meeting. The Novato Citizens Finance Advisory/Oversight Committee may discuss and/or take action on any or all of the items listed on the agenda irrespective of how the agenda items are described.

**Public Participation/Comment Instructions**

Members of the Public may participate and provide public comments to teleconference meetings as follows:

- **Written public comments** may be submitted by email to [acunningham@novato.org](mailto:acunningham@novato.org). Written public comments received more than 3 hours before the start of the meeting will be distributed to the Committee. Written public comment received after the three-hour cut-off, including during and after the meeting, will be collected and placed in the public record. Written public comments will not be read during the meeting.

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## Closed Captions

Live closed captions are available. To access closed captions during the meeting, click on the CC icon available through Zoom.

**Spoken public comments** will be accepted through the Zoom meeting platform and via telephone. To address the Committee orally, please read and follow the following instructions carefully:

Join the meeting at: <https://tinyurl.com/46ydnmah>

or

Join at [Zoom.com](https://zoom.com)

**Meeting ID:** 822 9341 0056

**Password:** 1960

Should the links above not work, please go to [www.novato.org/agendas](http://www.novato.org/agendas) for updated information.

- a. You will be asked to enter an email address and name. We request that you identify yourself by name as this will be visible online and will be used to notify you when it is your turn to speak.
- b. When the Chair calls for public comment on the item on which you wish to speak, please use the “Raise Hand” feature by clicking on the hand icon at the bottom of your screen to notify the Host that you would like to speak.
- c. The Host will unmute speakers in turn. Speakers will be notified when it is their turn to speak.
- d. When called upon, please limit your remarks to the time limit allotted by the Chair or as specified on the agenda. Speakers will be muted when their time is up.

1. Join the meeting via telephone by calling **669-900-6833**

**Meeting ID:** 822 9341 0056

**Password:** 1960

- a. When the Chair calls for public comment on the item on which you wish to speak, **press \*9** to activate the “Raise Hand” feature to notify the Host that you would like to speak.
- b. The Host will unmute speakers in turn. Speakers will be notified when it is their turn to speak.
- c. When called upon, please limit your remarks to the time limit allotted by the Chair or as specified on the agenda. Speakers will be muted when their time is up.

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## A. CALL TO ORDER AND ROLL CALL

## B. APPROVAL OF FINAL AGENDA

## **C. PUBLIC COMMENT**

*All members of the public wishing to address the Novato Citizens Finance Advisory/Oversight Committee are requested to submit a speaker card in advance to the Staff Liaison. (Please remember that all comment cards are PUBLIC RECORDS). The Chair will call the names of speakers from the cards. In addition to receiving comment from the public during the Public Comment period, the Chair will recognize persons from the audience who wish to address the Board, Committee, Commission on a particular agenda item at the time that item is considered.*

*There is a three-minute time limit to speak although the Chair may shorten the time based on the number of speakers or other factors. A speaker may not yield his or her time to another speaker.*

*For issues raised during Public Comment that are not on the published agenda, except as otherwise provided under the Ralph M. Brown Act, no action can legally be taken. The Board, Committee, Commission may direct that the item be referred to the Staff Liaison for action or may schedule the item on a subsequent agenda.*

## **D. CONSENT ITEM**

*All matters listed on the Consent Calendar are considered to be routine and will be enacted by a single vote of the Committee. There will be no separate discussion unless specific items are removed from the Consent Calendar for separate discussion and action. Any Committee Member may remove an item from the Consent Calendar and place it under General Business for discussion.*

### **D.1. Approve the Meeting Minutes of March 3, 2022**

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

### **E.1. None**

## **F. GENERAL BUSINESS**

*These items include significant and administrative actions of special interest and will usually include a presentation and discussion by the Novato Citizens Finance Advisory/Oversight Committee. They will be enacted upon by a separate vote.*

### **F.1. Update from the Ad Hoc Subcommittee for Fiscal Sustainability and Discussion of the New Fiscal Sustainability Options Tool**

### **F.2. Fiscal Year 2022/23 Budget Preparation**

### **F.3. Update on Finance Department Activities by Staff Liaison, Amy Cunningham**

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

*This section is used for Committee Members and the Staff Liaison to orally report on topics that can be considered for discussion at a future meeting.*

**G.1. Staff Updates**

**G.2. Committee Member Reports**

**G.3. The next meeting is scheduled for May 5, 2022, at 7:30 AM, and will be held in-person in the Womack Conference Room at 922 Machin Avenue, Novato.**

**H. ADJOURNMENT**

*Materials, that are submitted to members of the Committee after the distribution of the meeting's agenda packet will be available upon request. During the COVID-19 crisis, a binder of such distributed materials will not be available for public review.*

**AFFIDAVIT OF POSTING**

I, Jean Holzgang de Buren, certify that on the Thursday before the Novato Citizens Finance Advisory/Oversight Committee meeting of April 7, 2022 the agenda was posted on the City Community Service Board at 922 Machin and on the City's website at [novato.org](http://novato.org) in Novato, California.

/ Jean Holzgang de Buren /  
Jean Holzgang de Buren, Senior Office Assistant



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**Novato Citizens Finance Advisory/Oversight Committee**

**DRAFT Minutes**

**Thursday, March 3, 2022 – 7:30 AM**

**Teleconference Only**

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

The meeting was called to order by Chair Maglio at 7:32 A.M.

**Committee Members Present:** Regina Bianucci Rus, Caitrin Devine, Andy Zmyslowski, Vice Chair Cris MacKenzie, Chair Rafelina Maglio

**Committee Members Absent:** Tim O'Connor

**Staff Present:** Finance Director Amy Cunningham, Senior Office Assistant Jean Holzgang de Buren

**B. APPROVAL OF FINAL AGENDA**

**Commission Action:** Upon motion by Vice Chair MacKenzie, and seconded by Committee Member Zmyslowski, the Committee voted 5-0-0-1 to approve the final agenda.

**Ayes:** Bianucci Rus, Devine, MacKenzie, Maglio, Zmyslowski

**Noes:** None

**Abstain:** None

**Absent:** O'Connor

**Motion Carried**

**C. PUBLIC COMMENT**

None

**D. CONSENT ITEMS**

## **D.1. Approve the Meeting Minutes from February 17, 2022**

**Committee Action:** Upon a motion by Committee Member Bianucci Rus, and seconded by Committee Member MacKenzie, the Committee voted 5-0-0-1 to approve the Meeting Minutes from February 17, 2022.

**Ayes:** Bianucci Rus, Devine, MacKenzie, Maglio, O'Connor, Zmyslowski

**Noes:** None

**Abstain:** None

**Absent:** O'Connor

### **Motion Carried**

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

None

## **F. GENERAL BUSINESS**

### **F.1. Update from the Ad Hoc Subcommittee for Fiscal Sustainability and Discussion of the 2013-14 Fiscal Sustainability Options Tool**

Committee Member Zmyslowski shared the new template of the Fiscal Sustainability Options Tool focusing on baseline expenses, staffing assumptions, revenue options, and discussed incorporating new ideas into the matrix.

A Committee Member discussed the importance of starting with the current deficit, considering revenue generators already under consideration by Council, and adding new ideas from the public to further expand the benefit of this Tool.

Committee Members discussed ways in which business licenses are calculated, the potential for a sales tax increase, the idea of charging park-user fees, and verifying that Novato is in line with what other Cities are charging for services. Additionally, educating the public on the deficit and inviting the public into the discussions and fiscal decision making is valuable.

An update will be provided at the next meeting.

### **F.2. Fiscal Year 2021/22 Mid-Year Budget Review**

Staff Liaison Cunningham summarized the Mid-Year Budget Review for Fiscal Year 2021/22; The adopted FY 2021/22 budget included a deficit of \$208K, but that did not include any cost changes for new labor agreements, as those were still being negotiated at the time of budget adoption.

The following specifics were provided:

(NOTE: these numbers are based on data for the first six months of the year – through December 31; it is unknown how the events in Ukraine will affect the economy and these projections may change.)

**General Fund Sales-Tax:** Staff recommends a \$430,000 increase in sales tax revenue; this number is consistent with the projections from the City’s sales tax consultants through Quarter 3, 2021.

**General Fund Other Revenues:** Staff recommends a total decrease of \$57,230, which includes new grant funding in the amount of \$71,170, reducing the transfer in of the CalRecycle grant by \$151,400 (increased cost for rubberized pavement products are now unfeasible), and new revenue in the amount of \$23,000 associated with Electric Vehicle Charging Stations.

**General Fund Expense:** Staff recommends a \$522,530 increase in General Fund Expense, of which \$71,170 is offset by new grant funding. This amount includes increased ongoing costs associated with labor agreements approved after July 1, 2021 (\$240,360), increase for allocation to the Youth Financial Assistance Program (\$5,000), and ongoing costs associated with utility cost increases, facility maintenance, electric vehicle charging stations, and expenses associated with new grants (\$277,170).

**General Fund Budget Summary:** The adopted revenue budget for FY2021/22 is \$44,704,846, the proposed budget is \$45,077,616, which is a change of \$372,770. The adopted expense budget is \$(44,912,399), the proposed budget is \$(45,434,929), which is a change of \$(522,530). These numbers are inclusive of transfers in and out. Staff is continuing to work on other recommendations regarding one-time funds that will impact the operating budget but they are not anticipated to impact the projected deficit of \$357,313.

**Other Funds Summary:** Administrative changes are needed in Other Funds, primarily to account for changes in grant funding as referenced earlier, increased utility costs, and expenses for the Electric Vehicle charging stations.

**American Rescue Plan (ARPA):** Staff is recommending a new transfer in from ARPA to the operating budget of \$284,000 for one-time operational costs associated with tree maintenance/wildfire management (\$124,000), skate park fence repairs (\$60,000), and operations in Finance and Human Resources (\$100,000).

Additionally, \$1,577,355 in ARPA funding has been allocated since budget adoption:

Labor agreements – one-time costs: \$707,000  
Pandemic Retention Pay: \$288,000  
Homeless Initiatives: \$582,355

These changes, including future earmarks, result in approximately \$256,000 in ARPA remaining unallocated.

**Capital Improvement Program (CIP):** Staff Liaison Cunningham outlined the CIP changes recommended as part of the mid-year budget process. These are changes needed immediately to ensure that there is adequate funding available for projects underway. Staff still anticipates a separate report outlining proposed funding changes once the CIP reconciliation project is complete.

A Committee Member asked if the increase in sales tax numbers would be generated by the proposed sales increase that the Council is currently discussing. Staff Liaison Cunningham explained that staff would not make any assumptions about a possible voter approved ballot measure in the budget development process and are only using current sales tax information for the mid-year projections as provided by the City's consultants.

A Committee Member asked for clarification about the amount of the Rescue Funds used as \$4.8 million was budget. Staff Liaison Cunningham noted that the total amount discussed are earmarked monies to be used over several years. A detailed report about one-time monies will be presented in April.

A Committee Member asked who audits the use of the American Rescue Plan dollars money. Staff Liaison Cunningham stated that this audit is completed by the City's independent auditors.

A Committee Member asked if there was a way to quantify contributions made by staff (for example not receiving cost of living increases, using voluntary days off, etc.) when looking at one-time costs as well as the importance of educating the community on how staff have contributed toward cost containment by not receiving cost of living increases over the past four years.

A Committee Member asked if facility districts get adjusted based on expenses? Staff Liaison Cunningham explained that every year a fiscal analysis report is completed that identifies the anticipated cost associated for a specific district area. Public Works staff look at the costs versus how much fund balance is available, what the current assessment is, and determines if the assessment needs to be changed. This process is highly regulated by state law and other legislative actions.

A Committee Member asked how much money is in the Parks and Recreation fund to offset the cost of programs and classes. It was explained that, historically, the City has budgeted \$10,000 each year; this amount was matched by Supervisor Arnold's office. Deputy Director of Parks, Recreation, and Community Services Gauntlett is working on implementing a new software program with an option for community members to donate to the fund as well as ways to advertise and solicit additional donations.



### F.3. Update on Finance Department Activities by Staff Liaison, Amy Cunningham

Staff Liaison Cunningham offered praise to payroll staff for completing the payroll process before noon on Wednesday, which is a huge success and the first time the bi-weekly process has been completed so early in over two years.

**19/20 Year End Close:** Staff are still experiencing software issues and are working on next steps with New World to implement another script. Hopefully staff will be able to regain time lost after this is completed.

**Audit Update:** Auditors are looking at the information that the City has been able to make available and will schedule another meeting when ready and their schedule allows.

**Recruiting Update:** The accountant recruitment closed; there are approximately ten applicants, and the interview process will move forward as quickly as possible; this new accountant will focus on getting bank reconciliations caught up and will partner with payroll as the cost recovery point person. The accounting assistant/accounts payable position closes on March 9<sup>th</sup>. The new Deputy Director is doing amazingly well and has already taken charge by reviewing the audit request list, identifying what has and has not been done, assigned tasks, and is tracking the entire process.

**Capital Improvement Project:** Reconciliation of FY 20/21 will be substantially done in a few weeks; a comprehensive CIP clean-up item will be taken to Council where staff will formally request funding be reallocated. Public Works also expects to close out some CIPs which will make funds available for other uses and/or returned to fund balances.

**Measure F Reports:** Retired annuitant, Nancy Andrews, has the narrative section of the last Measure F report done; once reviewed by Staff Liaison Cunningham, this information will be distributed to the Committee for review.

**EDAC Joint Meeting:** A joint meeting of the Novato Citizens Finance Advisory/Oversight Committee and EDAC is scheduled for Wednesday, March 9<sup>th</sup> at 6:00 PM via Zoom. HDL will present information on sales tax trends.

**Committee Recruitment Process:** The recruitment process closes March 16<sup>th</sup>. Council will conduct interviews in late March/early April and will solidify appointments on April 26<sup>th</sup>. If you know anyone who is interested in joining the Committee, please encourage them to apply as soon as possible.

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

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

None.

### **G.2. Committee Member Reports**

None.

### **G.3. Next Meeting Date**

The next meeting is scheduled for April 7, 2022 at 7:30 AM via Zoom.

## **H. ADJOURNMENT**

The meeting was adjourned at 8:52 AM.

**I HEREBY CERTIFY that the foregoing minutes were duly adopted at the Novato Citizens Finance Advisory/Oversight Committee Meeting of \_\_\_\_\_.**

/ Jean Holzgang de Buren /  
Jean Holzgang de Buren, Senior Office Assistant

## **STAFF REPORT**

**MEETING**

**DATE:** April 7, 2022

**TO:** Citizens Finance Oversight/Advisory Committee

**FROM:** Amy Cunningham, Finance Director

**SUBJECT: Update from Ad Hoc Subcommittee for Fiscal Sustainability and Discussion of the Draft Fiscal Sustainability Options Tool**

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### **REQUEST**

The Ad Hoc Subcommittee (subcommittee) of the Citizens Finance Oversight/Advisory Committee (Committee) will report and discuss their fiscal sustainability research to date and the draft Fiscal Sustainability Tool.

### **DISCUSSION**

The subcommittee continues to review various options to advance fiscal sustainability and will share updates on their research with the Committee. The draft Fiscal Sustainability Tool will be discussed and updated with fiscal options/scenarios.

## STAFF REPORT

### MEETING

DATE: April 7, 2022

TO: Citizens Finance Oversight/Advisory Committee

FROM: Amy Cunningham, Finance Director

**SUBJECT: Fiscal Year 2022/23 Budget Study Session Preparation**

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### REQUEST

Receive and discuss report.

### DISCUSSION

Staff will outline anticipated economic and fiscal changes for Fiscal Year 2022/23 including:

- Budget Development Process / Timeline
- General Fund Revenue Trends
  - Property Tax
  - Sales Tax
  - Transient Occupancy Tax
  - User Fees
- General Fund Expense Trends
  - Personnel (Salaries, Benefits, Part-Time Seasonal)
  - Utilities
  - Other Anticipated Expense Changes
- Community Engagement
  - Budget Survey Results
  - Community Budget Workshop Update

Staff recommends the Committee receive the report and provide any feedback on the above areas.

## **STAFF REPORT**

### MEETING

DATE: April 7, 2022

TO: Citizens Finance Oversight/Advisory Committee

FROM: Amy Cunningham, Finance Director

**SUBJECT: Update on Finance Department Activities**

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### **REQUEST**

Receive report.

### **DISCUSSION**

Staff will provide the Citizens Finance Oversight/Advisory Committee (Committee) with updates on current finance activities including:

- FY19/20 Year End Close Status
- Recruitment Update
- CIP Reconciliation Project
- Cost Recovery Reconciliation Project
- Measure F Reports
- Other Items

Staff recommends the Committee receive the report and provide any feedback on the above areas.