



Novato Citizens Finance Advisory/Oversight Committee Meeting Agenda

Thursday, September 15, 2022 – 7:30 AM

To Be Held At:

**City Administrative Offices,
Womack Conference Room
922 Machin Avenue, Novato, CA 94945**

**Chair
Cris MacKenzie**

**Vice Chair
Tim O'Connor**

**Members
Regina Bianucci Rus, Rafelina Maglio, Tina McMillan, Larisa Thomas, 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.

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) 899-8900. 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.

-
- 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 Committee 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 Committee 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 July 21, 2022

E. UNFINISHED AND OTHER BUSINESS

E.1. User and Regulatory Fee Study Video – No Staff Report

E.2. Ad Hoc Subcommittee Update

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. FY22/23 Budget Document and Budget in Brief

F.2. Appoint Measure F Report Ad Hoc Subcommittee

F.3. Update on Finance Department Activities by Deputy Director of Administrative Services Carla Carvalho-DeGraff

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

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.

AFFIDAVIT OF POSTING

I, Jean Holzgang de Buren, certify that on the Thursday before the Novato Citizens Finance Advisory/Oversight Committee meeting of September 15, 2022, that the agenda was posted on the City Community Service Board at 922 Machin and on the City's website at 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
Minutes**

Thursday, July 21, 2022 – 7:30 AM

A. CALL TO ORDER AND ROLL CALL

The meeting was called to order by Chair MacKenzie at 7:30 A.M.

Committee Members Present: Regina Bianucci Rus, Rafelina Maglio, Tina McMillan, Larisa Thomas, Andy Zmyslowski, Vice Chair Tim O'Connor, and Chair Cris MacKenzie

Staff Present: Finance Director Amy Cunningham, Deputy Finance Director Carla Carvalho-DeGraff, Principal Analyst/Payroll Supervisor Jennifer Maldonado, Senior Office Assistant Jean Holzgang de Buren

B. APPROVAL OF FINAL AGENDA

Commission Action: Upon a motion by Vice Chair O'Connor, and seconded by Committee Member Bianucci Rus, the Committee voted 7-0-0-0 to approve the final agenda.

Ayes: Bianucci Rus, MacKenzie, Maglio, McMillan, O'Connor, Thomas, Zmyslowski

Noes: None

Abstain: None

Absent: None

Motion Carried

C. PUBLIC COMMENT

None

D. CONSENT ITEMS

D.1. Approve the Meeting Minutes from June 9, 2022

Committee Action: Upon a motion by Vice Chair O'Connor, and seconded by Committee Member Maglio, the Committee voted 7-0-0-0 to approve the Meeting Minutes from June 9, 2022.

Ayes: Bianucci Rus, MacKenzie, Maglio, McMillan, O'Connor, Thomas, Zmyslowski

Noes: None

Abstain: None

Absent: None

Motion Carried

E. UNFINISHED AND OTHER BUSINESS

None

F. GENERAL BUSINESS

F.1. Ad Hoc Subcommittee Update

Committee Member Zmyslowski revisited the Committee's concerns regarding the staffing option on the Fiscal Sustainability Options Tool; the chief concern is the oversimplification of the option without consideration for the potential enhancement or reduction of City services.

Committee Members discussed whether to include a staffing option as part of the tool or to include potential service level impacts. Ultimately the Committee determined that service level impacts should be included. Committee member Zmyslowski shared his draft disclaimer, the Committee discussed, and offered the following suggestions:

- Instead of having a staffing section, consider having a service section, which lists general City services, their total budget, and sliders to reduce or increase the total budget.
- Use the words "Reduction in Services" instead of "Headcount."
- Explain that a reduction in staff will result in a reduction of services and that reducing staff does not save the City money in the long term. Redesign the work to save money.
- When sharing this information with the community, provide a broader more detailed document and either a bullet point list or links to graphs and additional information.
- Explain that City staffing is still at a minimum
- Integrate comments about finding additional funding
- Include sales tax information

Committee Member Bianucci Russ shared that she would attend the next EDAC meeting; should the August EDAC meeting get cancelled, Committee Member Bianucci Russ will invite EDAC staff to attend a future Finance Committee Meeting to continue their discussions about building revenue.

Moving forward, the Ad Hoc Subcommittee update will be moved to the Unfinished and Other Business category of the meeting agenda.

F.2. Future Meeting Calendar

Staff Liaison Cunningham reviewed upcoming Committee meeting dates and agenda topics. She suggested that once the budget calendar is set for next year that the Committee may want to change some of the meeting dates to be in alignment with the budget process.

F.3. Quarterly Budget Report

Staff Liaison Cunningham stated that staff are prepared to provide general fund quarterly reporting; next year, staff will be able to provide comparative information.

Principal Analyst Jennifer Maldonado shared the quarterly report and requested feedback from the Committee on the report format, to make sure all needed information is provided.

Committee Members shared that they would like to see as much information as possible; rows in Excel may be hidden and Committee Members will make requests and adjustments as needed moving forward.

Some Committee Members prefer to see the variance as a percentage and others prefer to see the variance as a dollar amount; both will be included in the report, the specific variance amounts need to be determined.

A Committee Member suggested keeping the process as simple as possible for staff.

Committee Members discussed and agreed that they should receive a more complete version of the report than Council. Council needs more general information, which will be provided in a separate report.

A Committee Member commented that having more detailed information underneath the expenses section will be helpful.

The Committee shared that they are pleased that staff are now able to provide this information regularly. Thank you!

F.4. Update on Finance Department Activities by Deputy Finance Director Carla Carvalho-DeGraff

Deputy Finance Director Carvalho-DeGraff provided an update on the following:

Staffing: The Finance Department is fully staffed.

Cost Recovery: Thanks to a new staff member, after being nearly two years behind, billing is now caught up through June 2022. Planning will review the information and some customer balances may need to be adjusted. Now that information is current, a structure is in place to keep it current.

19/20 Year-End Status: The auditor deadlines are being met and the trial balance will be provided in the next few days.

Budget Adoption: Council unanimously adopted the budget with a \$1.6 million deficit, which will be funded by one-time dollars.

CIP Reconciliation: 90% completed; more data needs to be uploaded and reconciled.

Bank Reconciliation: Two accounts are caught up through June of 2022; one account is caught up to June of 2021. The template for the remaining largest account has been built out; matching details has been a challenge. Once all bank reconciliations are current, structures are in place to remain current.

A Committee Member asked what controls exist around expenses. Deputy Director Carvalho-DeGraff explained that for expenditures, the control is in the review of all invoices during the review and approval process. The variance analysis needs more controls, and more procedures are needed for credit card expenditures.

A Committee Member asked if staff are writing standard operating procedures. Yes, Deputy Director Carvalho-DeGraff stated that this is happening and documents are being attached in New World so that there is a trail and back-up for future use.

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 September 15, 2022 at 7:30 AM in the Womack Conference Room, located at 922 Machin Avenue. Reminder: the August 18, 2022 meeting has been cancelled.

H. ADJOURNMENT

The meeting was adjourned at 9:10 AM.

I HEREBY CERTIFY that the foregoing minutes were duly adopted at the Novato Citizens Finance Advisory/Oversight Committee Meeting of September 15, 2022.

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



STAFF REPORT

MEETING

DATE: September 15, 2022

TO: Citizens Finance Oversight/Advisory Committee

FROM: Amy Cunningham, Administrative Services Director

SUBJECT: Update from Ad Hoc Subcommittee for Fiscal Sustainability and Draft Fiscal Sustainability Options Tool

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 the City's fiscal sustainability and will share updates on their research with the Committee. The Committee will continue to discuss the roll out timeline for the Fiscal Sustainability Tool, relevant fiscal background information, and next steps for uses of the Tool.



STAFF REPORT

MEETING

DATE: September 15, 2022

TO: Citizens Finance Oversight/Advisory Committee

FROM: Amy Cunningham, Administrative Services Director

SUBJECT: FY22/23 Budget Document and Budget in Brief

REQUEST

Receive report.

DISCUSSION

Staff will provide the Committee with an update on the FY22/23 final budget document and Budget in Brief.

Attachment: FY22/23 Budget in Brief



BUDGET IN BRIEF

Total General Fund Budget: \$49.1 Million



Find out more at
novato.org/citybudget

The City of Novato adopts its budget each June for the following fiscal year, which runs from July 1 to June 30.

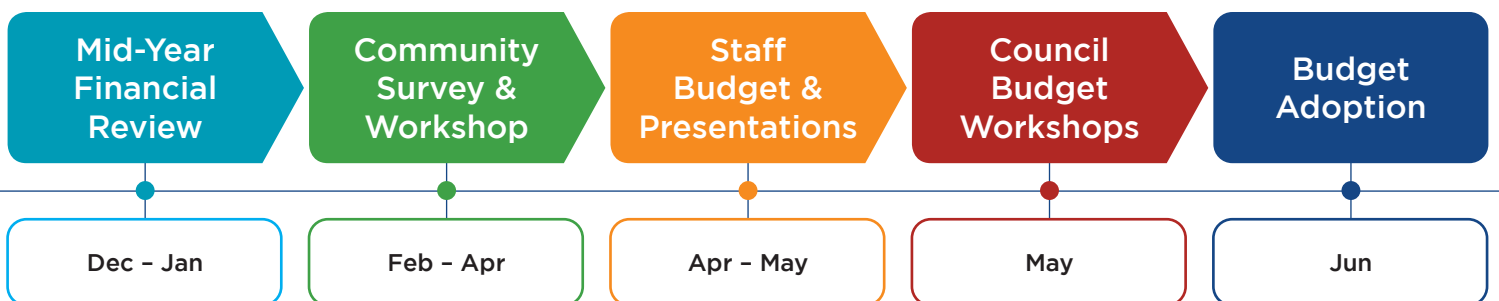
The budget, while a financial document, is also an important policy document, outlining the City Council's priorities for the upcoming year and showing how financial resources will be committed toward those goals.

Strategic Plan Goals

The City of Novato's Strategic Plan is a three-year plan that guides both the operating and capital budget development and contains the following five goals. More information at novato.org/strategicplan.

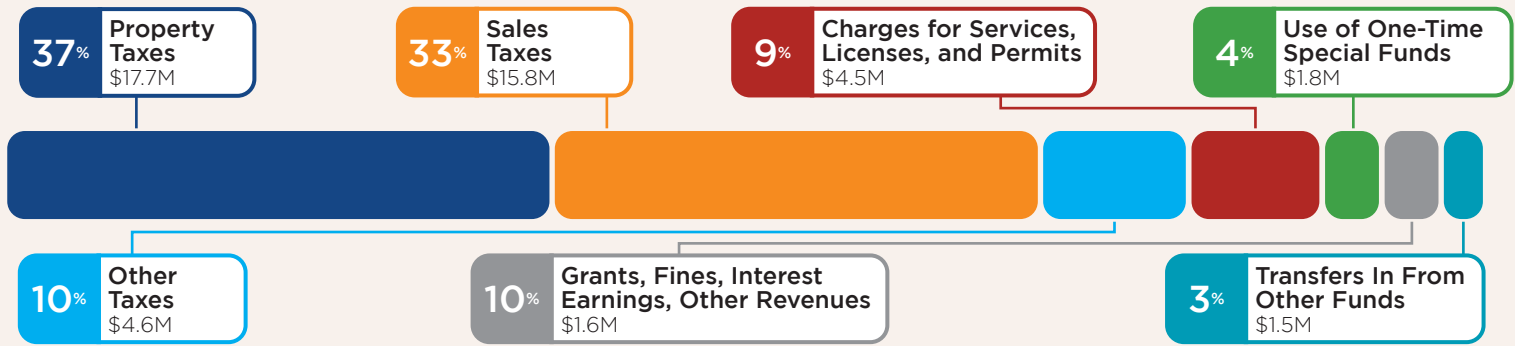
 <p>Living Well, Together</p> <ul style="list-style-type: none"> • Public safety • Inclusive services • Supportive housing 	 <p>Great Places</p> <ul style="list-style-type: none"> • General plan update • Enhanced interconnectivity • Community & entertainment spaces 	 <p>Economic Vitality</p> <ul style="list-style-type: none"> • Vibrant downtown • Housing & commercial development projects • Biotech 	 <p>Environmental Stewardship</p> <ul style="list-style-type: none"> • Public transit • Sustainability programs • Climate Action Plan 	 <p>A City That Works</p> <ul style="list-style-type: none"> • Fiscal sustainability • Community engagement & transparency • Technology initiatives
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Annual Budget Process



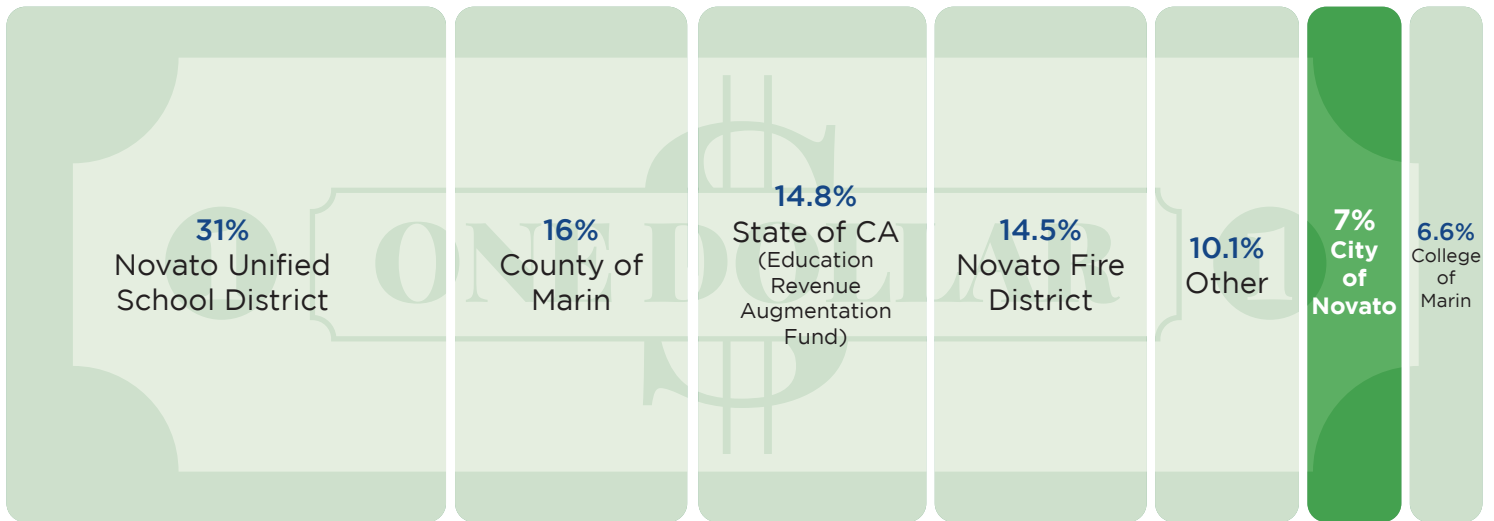
REVENUES – FISCAL YEAR 2022-2023

Total General Fund Revenues: \$47.5 Million



Distribution of Property Tax

How each dollar you pay is distributed.



Budget Deficit: \$1.6 Million

The Fiscal Year 2022-2023 General Fund Budget includes a deficit of \$1.6M which is backfilled by one-time revenue. This is the third consecutive year a deficit is projected, even though in September 2020 over \$3.2M in expense reductions were made including elimination of 8% of the City workforce (17 positions).

The current deficit is primarily the result of revenue not keeping pace with expenses and loss of Measure F revenue, the ½ cent voter approved local sales tax that expired in 2016.

Without further service and expense reductions or new revenue, the City faces growing deficits and reliance on emergency reserves in future years.

2022-2023 General Fund Budget



\$1M

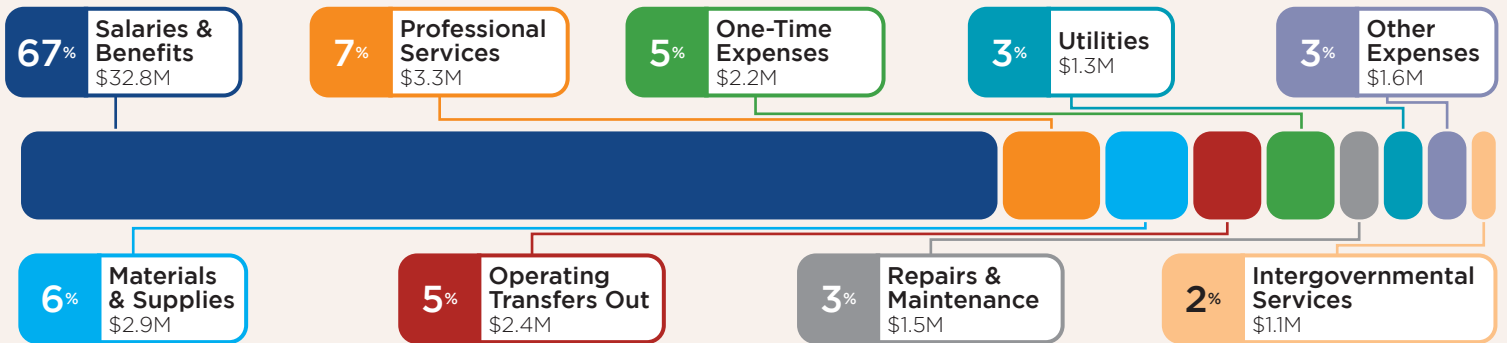
\$22.5M

\$45M

\$50M

EXPENDITURES - FISCAL YEAR 2022-2023

Total General Fund Expenditures: \$49.1 Million



City Staff Distribution

The total number of regular, full-time employees is 191.5.



Police & Emergency Services



Public Works



City Manager, Finance, Human Resources and other support services



Community Development



Parks, Recreation & Community Services

One-Time Expenses: \$2.2 Million

A total of \$2.2 million in expense for one-time projects is included in the budget, approximately \$1.5 million of which is to complete unfunded state mandates. Funding sources for these projects include \$1.8 million in One-Time General Fund monies, and \$420,000 from grants and other funding sources.

Climate Action Plan



Housing Element



One-Time Operating Expenses



Parks Master Plan



Hillside and Ridgeline Regulations



Climate Adaptation Plan



Capital Improvement Plan

Every year the City Council adopts a Capital Improvement Plan that includes many projects to improve and maintain city infrastructure and facilities. The 2022-2023 budget includes \$6.2 million in new funding, plus \$15.9 million in funding from prior years, for a total capital improvement project budget of \$22.1 million.

Project Highlights



Rowland Blvd Road Diet

This project will enhance the bike and pedestrian safety and experience on Rowland Blvd in the Vintage Oaks area as well as provide better traffic flow. The proposed new layout includes adding 185 on-street parking spaces, a separated Class 1 multiuse path and new all-way stop controls at the intersection of Rowland Blvd.

Annual Cost: \$1,500,000



Diablo Ave/DeLong Avenue Corridor Enhancements

De Long Avenue/Diablo Avenue is an important connection for bicyclists and pedestrians. The project proposes several traffic safety elements to be installed to calm arterial traffic, improve pedestrian crossing and increase the visibility of traffic signals. The City received a \$1,146,300 award from the Federal Highway Safety Improvement Program for this project.

Annual Cost: \$250,000



Citywide Crosswalk Enhancements

This project will construct new crosswalks, adding pedestrian safety and traffic calming measures at approximately 35 locations throughout the City. The selection of the locations and planning will be reviewed by the Complete Streets and Pathways Oversight Committee (CSPOC) where public comment can be made.

Annual Cost: \$1,000,000

City Council

Mayor Eric Lucan
Mayor Pro Tem Susan Wernick
Councilmember Denise Athas
Councilmember Pat Eklund
Councilmember Mark Milberg

Novato Citizens Finance Committee

Chair Cris Mackenzie
Vice Chair Tim O'Connor

Committee Members:

Regina Bianucci Rus
Rafelina Maglio
Tina McMillan
Larisa Thomas
Andrew Zmyslowski

As of 07/01/22

Get Involved - Attend a Meeting

The Novato City Council and Novato Citizens Finance Committee hold meetings regularly to discuss City business. Learn more about how to participate at an upcoming meeting at novato.org/agendas.

Novato City Council meetings
2nd & 4th Tuesday of the month
6:00pm

Novato Citizens Finance Committee meetings
3rd Thursday of the month
7:30am

See the 2022-2023 budget and other financial documents at novato.org/citybudget

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Find more information at novato.org



CITY OF NOVATO
CALIFORNIA

STAFF REPORT

MEETING

DATE: September 15, 2022

TO: Citizens Finance Oversight/Advisory Committee

FROM: Amy Cunningham, Administrative Services Director

SUBJECT: FY19/20 Measure F Report Ad Hoc Subcommittee

REQUEST

Appoint two members of the Citizens Finance Oversight/Advisory Committee (Committee) to an Ad Hoc Subcommittee to prepare and present the FY19/20 Measure F report to City Council.

DISCUSSION

A core responsibility of the Committee is to provide an update on use of Measure F funds to the City Council each fiscal year. Due to a significant backlog of financial activities, including a needed multi-year reconciliation of the Capital Improvement Program (CIP), Finance staff have been delayed in providing the Committee with the financial information necessary to complete the FY19/20 report.

As the CIP reconciliation project is nearly complete, staff anticipates the ability to provide financial information in the coming weeks. As such it would be appropriate to appoint interested members to the Ad Hoc Committee so that there is no delay in compiling the report once the required financial information is available.

STAFF REPORT

MEETING

DATE: September 15, 2022

TO: Citizens Finance Oversight/Advisory Committee

FROM: Carla Carvalho-DeGraff, Deputy Director of Administrative Services

SUBJECT: Update on Finance Department Activities

REQUEST

Receive report.

DISCUSSION

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

- FY19/20 Close and Audit
- FY21/22 Close
- 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.