

**CITY
OF**

NOVATO

C A L I F O R N I A

ADOPTED BUDGET

FISCAL YEAR 2023-24

Presented by City Manager Adam McGill



Susan Wernick | Mayor

Mark Milberg | Mayor Pro Tem

Councilmembers

Pat Eklund | Rachel Farac | Tim O'Connor



**CITY OF NOVATO
CALIFORNIA**

CITY OF NOVATO

Adopted
Budget Fiscal
Year

2023-2024

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Adopted Budget 2023–24

BUDGET MESSAGE





City Manager Budget Transmittal Letter
Fiscal Year 2023 / 2024 Adopted Budget

June 30, 2023

Honorable Mayor and Members of the City Council:

Following is the City of Novato Adopted Budget for Fiscal Year (FY) 2023/24. The annual budget is an important policy document allocating the City’s limited resources in support of the community’s needs and the City Council’s priorities and work plan for the upcoming year.

This budget provides funding for the operation of core City services and capital projects. The adopted General Fund operating budget totals \$49.3 million, which was amended to \$50.6 million to include the newly adopted labor agreements. An additional \$11.1 million in new funding (all funding sources) is allocated to capital projects. With these investments the City will maintain service delivery to our residents, including maintaining streets and roads, preserving 9-1-1 emergency response times, and keeping our parks safe and clean.

While core services are protected this year, the amended operating budget does include a \$2.6 million deficit which Council directed be backfilled by the Emergency and Disaster Response Fund (EDRF). FY 2023/24 represents the fourth consecutive year a deficit has been projected. The following table provides a historical look at the projected budget surplus/deficit (inclusive of transfers) as adopted by the City Council since FY 2019/20:

General Fund Budget Deficits						
	Adopted Budget FY 19/20	Adopted Budget FY 20/21	Revised Budget FY 20/21*	Adopted Budget FY 21/22	Adopted Budget FY 22/23	Amended Budget FY 23/24 **
Surplus / (Deficit)	\$355,700	(\$5,746,581)	(\$2,485,409)	(\$207,553)	(\$1,656,330)	(\$2,615,902)
*September 2020 Budget Revise						
**Includes additional cost of proposed labor agreements approved by City Council on 6/27/23: \$1.3M Budget Hearing + \$1.3M Labor Agreements.						

During the FY 2020/21 budget development process, the projected deficit was \$5.7 million, the result of pandemic related impacts, loss of Measure F revenue that had previously been relied upon to support ongoing services, and revenue not keeping up



with expense. In September 2020, the City Council significantly reduced operating expenses, including the elimination of seventeen (17) full-time positions or 8% of the workforce. As a result, that year's projected deficit was reduced to \$2.5 million, a \$3.2 million decrease. Many of the expense reductions were ongoing in nature which assisted in containing costs in FY 2021/22. These budget reductions, the start of the economic recovery, and the one-time American Rescue Plan Act (ARPA) funds to help backfill pandemic revenue losses, led to a much smaller deficit of \$208K for FY 2021/22.

Despite budget reductions and cost containment efforts, the projected General Fund deficit for FY 2023/24 has grown to \$2.6 million (inclusive of new labor agreement impacts). The economic factors leading to the deficit were detailed in the budget reports and discussed at length during this year's budget development process. Many of these factors, such as utility rate increases, risk management / liability insurance costs and pension liability are outside of the City's direct and immediate control.

We now know that the FY 2020/21 projected deficit of \$2.5 million did not occur, in part because labor costs were much less than anticipated due to high employee turnover. Retaining our valued and dedicated employees has been increasingly difficult over the past few years as outlined in prior City Council reports. It will be hard to prevent these employees from seeking other opportunities if they are not competitively compensated and/or are required to take on even more responsibilities because the workforce is further reduced, and/or we can't hire employees to backfill those that are leaving. High employee turnover not only impacts services and efficiencies but is costly as well. In recognition of this, new compensation agreements with all labor groups were negotiated this year to acknowledge the valuable services employees provide.

With reduced staffing levels, it has become more and more challenging to keep pace with growing service demands. There simply is no longer enough ongoing revenue available to balance the budget, maintain current service levels, and retain existing employees. As anticipated last year, without new revenue the City is now faced with growing deficits and reliance on emergency reserves for day-to-day operations.

Nearly 70% of the City budget funds the city workers who deliver services to local residents, with the largest portions being:

- Police officers and emergency services personnel focused on maintaining public safety;
- Public works employees who fix potholes, repair streets and sidewalks, maintain parks and repair city facilities;
- Parks, recreation and community services workers who run programs for children, youth, families and seniors;

To protect these valued community services, the City Council is evaluating options for ensuring that more of the funding generated in Novato, stays in Novato. For example, in a recent independent study of Novato's budget, the Marin County Civil Grand Jury



recommended that Novato increase the portion of the sales tax rate that is locally controlled, so that those funds stay in Novato and cannot be taken away by the County or regional agencies.

As part of the 2023-2025 Strategic Plan, the City Council has directed staff to explore placing an initiative on the November 2024 ballot allowing voters to decide whether they support a local sales tax increase.

ANNUAL BUDGET DEVELOPMENT PROCESS

The annual budget development process is a multi-month effort with numerous opportunities for community involvement and engagement. Through surveys, a community workshop and numerous public meetings, residents and businesses provided valuable input to assist the City Council in allocating resources. Some of those opportunities for participation are shown in the table below:

FY 23/24 Budget Development Calendar	
Week of February 13	Launch Mini-Survey (to schedule Community Budget Workshop)
Week of March 6	Launch Community Budget Priority Survey
March 14	City Council Budget Initiatives
April 4	Community Budget Workshop
April 11	City Council - Budget Development Study Session & Capital Improvement Program
May 9	City Council - Budget Workshop
June 13	City Council - Budget Hearing
June 27	City Council - Budget Adoption

The operating budget and/or Capital Program are also discussed at the Planning Commission (review for conformance with General Plan), and other City Commissions, Committees and Boards as appropriate, including the Recreation, Cultural and Community Services Commission and the Complete Streets & Pathways Oversight Committee, providing further opportunities for community input and engagement.

STRATEGIC PLAN

The City Council’s adopted Strategic Plan provides an overall framework and priorities for development of the operating and capital budgets. The Strategic Plan also includes considerable input from community stakeholders and staff prior to City Council adoption. The 2023-2025 Strategic Plan, adopted in August 2023 includes the following Mission, Vision, Core Values and five Goals:

Mission

Dedicated to quality services, financial strength and sustainability that enriches and supports the quality of life for everyone within our community.



Vision

Novato will be a vibrant, safe, inclusive, and sustainable community with a welcoming atmosphere in which to live, work, shop, play, visit and thrive.

Core Values

Equity and Fairness, Respect for All, Honesty, Integrity and Ethical Behavior, Open Government, Community Engagement, Excellent Customer Service and Work Ethics, Fiscal Responsibility, Cooperation and Collaboration and Stewardship of all our Resources.

- Goal 1: Living Well, Together
Support facilities and design programs and services that create a healthy, caring, and interconnected community that is safe and secure.
- Goal 2: Great Places
Create inviting natural and built places and spaces for contemplation, play, arts, and connection while celebrating our diverse community.
- Goal 3: Environmental Stewardship
Preserve, protect and enhance Novato's unique environment, now and for future generations, and model best sustainability practices for the community.
- Goal 4: A City that Works
Know, understand, and respond to the community we serve, engage our residents, and provide valued services promptly, professionally and with a passion.
- Goal 5: Economic Vitality
Encourage a thriving business environment, becoming a hub of economic activity and innovation, with a focus on high-paying industries, a vibrant downtown, and a healthy economy.

Full details of the current Strategic Plan can be found in the budget document and at the following link: <https://www.novato.org/government/city-council/strategic-plan>.

FISCAL YEAR 2023/24 OPERATING BUDGET HIGHLIGHTS

The adopted FY 2023/24 operating budget includes \$47.9 million in revenue and \$49.3 million in expense (inclusive of transfers in/out), resulting in a deficit of \$1.6 million. The budget was amended to include newly approved labor agreements, leading to a \$1.3 million increase in expense for revised total expense of \$50.6 million and a deficit of \$2.6 million to be backfilled by the EDRF Reserve.



As with any other year, adoption of the annual budget represents a snapshot of the City's fiscal forecast based on currently known economic factors. Because revenue and expense projections continually shift throughout the year, Staff complete a comprehensive review of revenue and expense projections after the first six months. Based on that review, any needed budget amendments are presented to the City Council for consideration. The City Council may also amend the budget at other times throughout the year when needed.

With the use of \$2.6 million in EDRF reserves, this year's budget maintains existing service levels; supports the City Council's priority policy areas such as employee retention, economic development and environmental sustainability; and preserves police, parks and streets maintenance.

General Fund Summary

The table below provides a summary of General Fund revenue, expense and the projected deficit, which is backfilled by the EDRF reserve at \$2.6 million. A summary of the budget can be found in the FY 2023/24 Budget in Brief included in this document.

General Fund Summary	
	Amended Budget FY 23/24
Revenue	\$46,279,833
Expense	(\$47,006,668)
Transfers In	\$1,663,796
Transfers Out	(\$2,264,863)
Surplus / (Deficit)	(\$1,327,902)
Approved Labor Agreements	(\$1,288,000)
Cumulative Surplus / (Deficit)	(\$2,615,902)

Revenue

FY 2023/24 General Fund revenue is projected at \$47.9 million (with transfers in of \$1.7 million). This revenue is primarily derived from Taxes (including property tax, sales tax, franchise tax, TOT and business licenses) at 83% or \$39.8 million; Charges for Services (including building fees, inspection fees, recreation class registrations) at 7% or \$3.4 million; License and Permits (including construction permits, police permits, home occupancy permits) at 2% or \$1.2 million; and Operating Transfers In at 4% or \$1.7 million which includes a \$1 million transfer of gas tax revenue to offset ongoing street and road repairs, \$225K from Parks Measure A to offset utility costs at parks, open space, etc., \$13K to offset administrative costs associated with Successor Agency activities, and approximately \$456K from Hamilton Trust earnings.



General Fund Revenue by Category	
	Adopted FY 23/24
Taxes	\$39,810,470
Licenses & Permits	1,173,010
Intergovernmental	937,004
Charges for Services	3,352,427
Fines & Forfeitures	399,050
Use of Money & Property	487,902
Other	119,970
Operating Transfer In	1,663,796
TOTAL	\$47,943,629

Significant changes over FY 2022/23 include a 7.1% increase in property tax; a 2.3% increase in sales tax; and a 1.39% increase in TOT related to travel recovery from pandemic related impacts.

The Charges for Services category consists of revenue received for direct services provided to the community. As Parks, Recreation and Community Services program demand continues to grow and park and facility rentals return, revenue is anticipated to increase over the prior year. Permit issuance and development activity is anticipated to remain stable; however the User Fee Study adopted last year allows for an annual Consumer Price Index change to ensure appropriate recovery of General Fund costs for services provided to individual customers. This year's CPI change was 5.6%, and was applied to fees as identified in the Master Fee Schedule: <https://www.novato.org/government/finance/master-fee-schedule>

Expense

FY 2023/24 General Fund amended expense is projected at \$50.6 million (inclusive of \$2.3 million in transfers out and \$1.3 million for new labor agreement costs). Typical of a service organization, expenses are primarily in Salaries and Benefits at 69% or \$35.1 million. Other significant expense categories include Professional Services at \$4.1 million, and Operating Expense (for needed materials, services and supplies to maintain operations) at \$6.4 million. The remaining categories include areas such as Repairs and Maintenance, Utilities, Intergovernmental Services, and Rents and Leases, there are no significant changes in these categories for FY 2023/24. More information about major expense changes is outlined below.



General Fund Expense by Category	
Category	Amended FY 23/24
Salaries & Benefits	\$35,100,437
Professional Services	4,057,527
Training & Travel	405,354
Operating Expense	6,415,868
Utilities	1,482,880
Other Expenses	832,612
Transfers Out	2,264,863
TOTAL	\$50,559,541

Salaries and Wages and Employee Benefits increases are related to newly approved labor agreements effective July 1st. The agreements include a cost-of-living adjustment of 3.5%, increased hours for part-time staff to support Parks, Recreation, and Community Services programs including direct City staffing of Hamilton Pool's aquatics programs, and rising health and workers compensation insurance costs. Unlike prior years, the City's Unfunded Pension Liability cost decreased by -6.6% or \$323K; however, based on market performance, the cost will likely rise again next year.

CalPERS Unfunded Accrued Liability 3-Year Trend			
Fiscal Year	FY 21/22	FY 22/23	FY 23/24
Unfunded Accrued Liability	\$4,296,599	\$4,882,161	\$4,558,924
Annual Change	-	\$585,562	\$(323,237)
% Change	-	+13.6%	-6.6%
*Similar to prior years, FY 2023/24 payment will be made in a lump sum resulting in a savings of approximately 3.5% or ~\$160k.			

The Professional Services category includes consulting and contract service expenses for legal services, landscaping and custodial services, homeless support services, independent audit services, bank services, animal control services, contract inspection services, facility maintenance services, and contract recreation program instructors. Additionally, with reduced staffing levels, it is often necessary to back-fill vacancies with consultants, contractors, or other temporary help to ensure day-to-day work can continue; these circumstances also lead to increased expense in this category.

This year's Professional Services decreases are generally attributable to one-time activities funded by one-time revenue in FY 2022/23; many of those activities are state mandated: Parks Master Plan, Hillside and Ridgeline Regulations, Housing Element*, Climate Action Plan*, Climate Adaptation Plan* ("*" denotes state mandates). Some of



these one-time activities were not completed in FY 2022/23 and funding will be carried forward to FY 2023/24 to ensure resources are available to complete the projects.

Professional Services Budget History 4-Year Trend				
	FY 20/21	FY 21/22	FY 22/23	FY 23/24
TOTAL	\$2,899,479	\$3,611,144	\$5,364,731	\$4,057,527

As noted in prior budget reports, overall utility costs are increasing. The table below identifies the projected increases by utility category. \$225K from Parks Measure A is being transferred into the General Fund to offset utility costs per Council direction on May 9, 2023.

Utility Assumptions FY 23/24	
Water	+8%
Garbage	+5%
Sewer	+3%
PG&E	+10%

Personnel

The following table provides a summary of staffing levels between FY 2019/20 and FY 2023/24. There was a significant decrease in staffing levels in FY 2020/21 as 17 (seventeen) positions, or +8% of the workforce, was eliminated in response to pandemic related revenue declines.

Each year Staff evaluates changing service demands and requests adjustments to staffing levels as necessary. While several positions were changed to keep pace with shifting service demands, no new positions were added with adoption of the FY 2023/24 budget.

Personnel Allocation History					
	Amended FY 19/20	Amended FY 20/21	Amended FY 21/22	Amended FY 22/23	Adopted FY 23/24
General Fund	194.61	179.11	185.71	188.71	190.71
Other Funds	13.89	9.39	5.79	6.79	4.79
TOTAL	208.50	188.50	192.50	195.50	195.50

With the depletion of City Measure F revenue and expiration of County Measure A, over 13 positions have either been eliminated or absorbed by the General Fund since

FY 2018/19. With existing staffing levels, the City continues to be challenged to sustain quality services. These challenges are becoming increasingly visible throughout the community, for example staff are experiencing increasing difficulty keeping pace with the basic maintenance of our streets and roads, medians, parks, and public facilities.

DEFICIT BACKFILL / EMERGENCY RESERVE

At the June 13th Budget Hearing, City Council directed Staff to backfill the anticipated \$1.3 million deficit (now \$2.6 million inclusive of the newly adopted labor agreements) with the Emergency & Disaster Response Fund (EDRF or emergency reserve).

The EDRF was created as *“a financial buffer in the event of significant economic downturns or for unexpected severe emergencies or disasters.”* To ensure fiscal prudence and sound financial management, the City’s Reserve Policy requires that this reserve be maintained at a level equal to 15% of annual General Fund expenditures (excluding Transfers Out). This fund was not intended to support ongoing operations; and its use to support ongoing expenses is not structurally sustainable.

The delayed completion of financial audits makes it difficult to accurately project fund balances, including the balance of the EDRF. The best information currently available is the adopted budget information. Using this as the baseline for the reserve policy calculation, the EDRF available balance is projected at \$6.9 million as of June 30, 2023. Adding the \$1.3 million as directed by the City Council at the Budget Hearing, the June 30, 2024, balance would be \$5.6 million. Funding the additional shortfall of \$1.3 million associated with the new labor agreements, results in a projected EDRF balance of \$4.3 million, or 8.5% (total General Fund expense of \$49.3 million + \$1.3 million = \$50.6 million).

Fund 116 EDRF Reserve	
Estimated Balance as of 06/30/2023	\$6,923,429
FY 2023/24 Projected Deficit	(1,327,902)
Projected Balance as of 06/30/2024	\$5,595,527
Proposed Labor Agreement Impacts	(1,288,000)
Amended Balance as of 06/30/2024	\$4,307,527

This projected balance is a worst-case scenario. It is reasonable to anticipate that budget performance for Fiscal Year’s 2020/21 through 2022/23 is better than budgeted, resulting in less use of the EDRF to backfill projected deficits during these years.

CAPITAL IMPROVEMENT PROGRAM

Each fiscal year the City’s five-year Capital Improvement Program (CIP) is updated based on citywide priorities, community need and input, and available revenue. Annual updates to the CIP program include a mid-year review of each project schedule and expenditures to determine if any funding adjustments may be required



for projects that are planned or underway. Five-year revenue projections are prepared for funding sources that support capital projects, and specific capital needs are matched with revenue capacity to create the CIP proposal. All capital projects are organized in the following categories:

- Municipal Facilities
- Parks, Recreation and Community Facilities
- Transportation Drainage and Utilities
- Technology and Organizational Investments

The City's FY 2023/24 CIP includes fifty (50) individual projects, including six new programs with approximately \$11.1 million in approved new funding, \$8.1 million for ongoing projects and \$3.0 million for new projects. Capital projects funding is supported by several sources including: regional, state or federal grants, gas taxes, Measure F, Parks Measure A, building maintenance funds, and development impact fees. All funding sources are reviewed for expenditure eligibility and combined to fund critical capital projects.

The Fiscal Year 2023/24 objectives and goals of the CIP are as follows:

- Close-out all completed projects and reprogram any remaining funding,
- Minimize the number of funding sources per project to simplify internal accounting processes and improve the ability to manage and report capital expenditures,
- Combine projects with similar scopes of work to achieve economies of scale and reduce administrative costs to deliver,
- Reduce the CIP reliance on the General Fund in support of fiscal sustainability,
- Publish updates to the CIP on the City's website,
- Continue right-of-way acquisition and complete detailed design work for the Novato Blvd. Widening Project,
- Complete the Pioneer Park Play Structure Replacement project,
- Construct improvements such as pour and play surfacing at several playgrounds,
- Begin construction on the Grant Avenue Bridge Widening project,
- Construct new crosswalks and traffic calming measures at various locations,
- Install new SCADA system at the Hamilton pump stations,
- Construct MVMCC Sewer Pump Station #1 Project, which has been delayed for several months due to supply-chain issues with key pump equipment and electrical components.

CONCLUSION

In a recent survey, almost 80% of Novato residents rated the quality of life as excellent or good. Nearly two-thirds of residents indicated they are satisfied with the job the City is doing providing services. While these are strong marks, the City is proactively



working to ensure that ongoing budget deficits do not impact vital services, community safety and quality of life.

The City Council has responsibly planned and set aside monies in a “rainy day” fund, the Emergency and Disaster Response Fund, for emergencies (such as the pandemic, or other natural or economic disasters). While those reserves are not intended to be relied upon to support ongoing services, they are being used again this year to sustain critical services to the community including public safety, street and road repairs, and park maintenance. Unfortunately, we are again depending on these one-time monies to bridge the projected \$2.6 million amended deficit. Work to identify long-term fiscal solutions must continue to be a priority for the City Council.

Thank you to the City Council for prioritizing the identification of new revenue to maintain the services the community expects and deserves. And thank you to staff in all departments for your work in developing a budget that continues critical service delivery with limited financial and staff resources. I am confident that together we will identify long-term fiscal solutions to keep Novato a great community for us all to live, work and play.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Adam McGill'.

Adam McGill
City Manager



Community Profile

Novato is the northernmost city in Marin County, California, and is located approximately 29 miles north of San Francisco and 37 miles northwest of Oakland. Marin County's population as of July 2022 is 256,018. Novato, which covers 28 square miles, has an estimated population of 52,184 and 20,682 households.



The City of Novato was incorporated on January 20, 1960 as a general law city. The City Council is made up of five members, elected by district to overlapping, four-year terms. The Mayor is selected for a one-year term from among the members of the City Council. The City operates under a council-manager form of government. The City Council appoints the City Manager and City Attorney.

The City of Novato delivers municipal services through six departments: Central Administration (City Manager, City Clerk, City Attorney, Environmental Sustainability, Economic Development, Human Resources, Communications and Public Engagement), Administrative Services (Finance and Payroll, Information Technology, Citywide Programs), Police (Administration, Operations, Services), Community Development (Planning, Building, and Code Enforcement), Public Works (Engineering and Maintenance), and Parks, Recreation and Community Services. Fire services are provided in Novato by the Novato Fire Protection District; refuse, recycling services and sewage systems are provided by the Novato Sanitary District; water services by the North Marin Water District; public transit services by the Golden Gate Bridge, Highway and Transportation District; animal control services via contract by the Marin Humane Society; and library services by the Marin County Free Library.

Pacific Gas & Electric provides gas and electric services in Novato. Telephone service in Novato is provided by Verizon in the northern and central sections of Novato and by AT&T in the southern section. Cable television service is provided by Comcast Cable Corporation throughout most of Novato. AT&T provides satellite TV service throughout the city.

Novato at a Glance

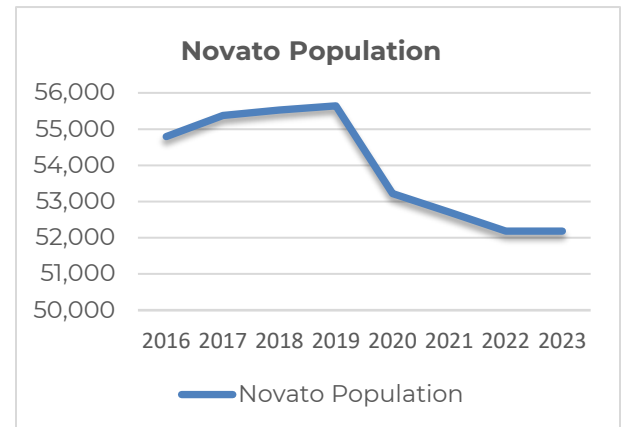
General Information	
Incorporated	January 20, 1960
Government	Council/Manager
Land Area	28 square miles



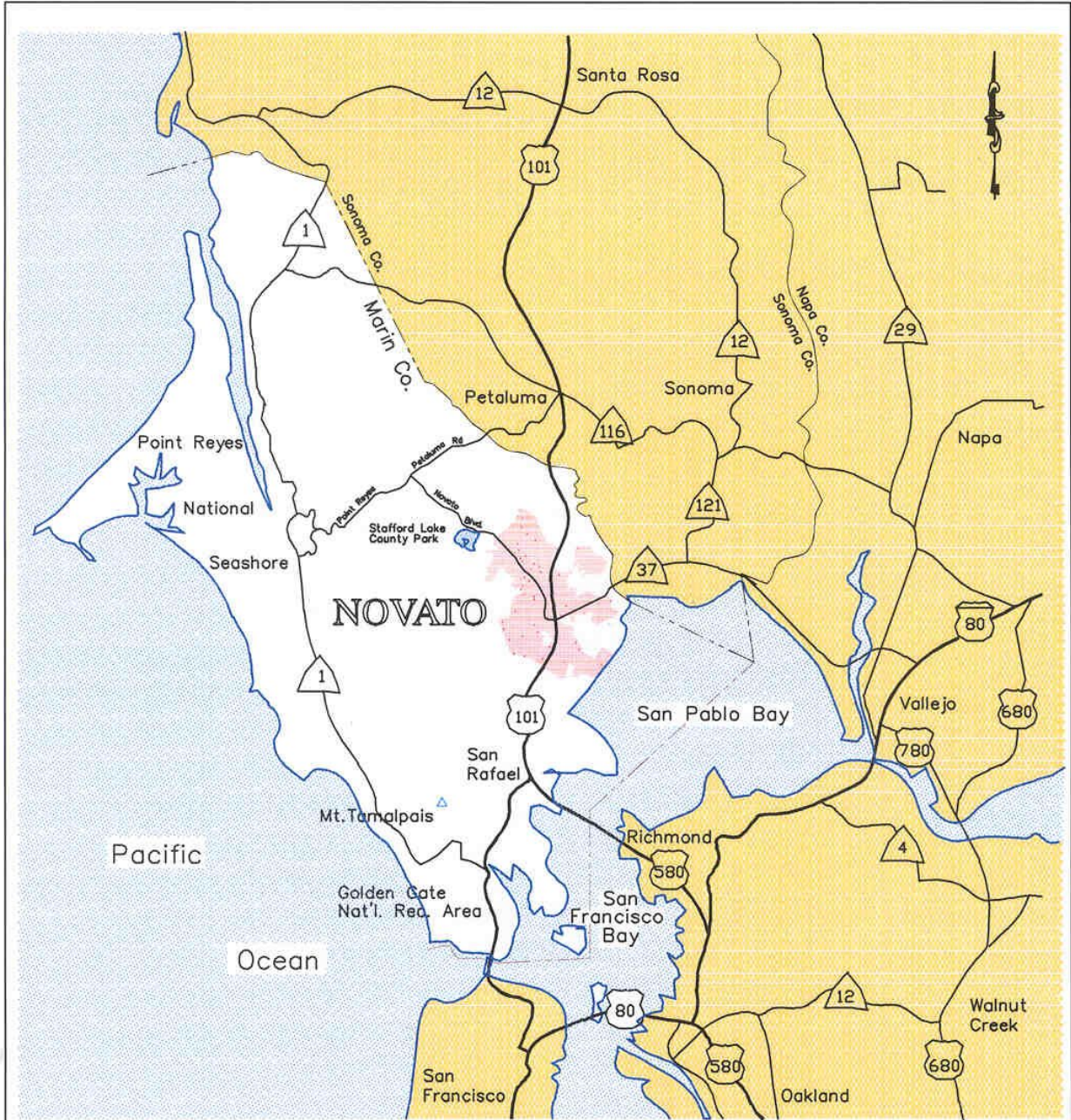
Educational Attainment	
Graduate or Professional Degree	17.6%
Bachelor's Degree	49.44%
Associates Degree or Some College	9.44%
High School or equivalent degree	21.70%
Non-High School Graduates	1.82%

Population	
Population	52,184
Median Age	48.1 years

Housing	
Housing Units	20,682
Persons Per Household	2.54
Vacancy Rate	3.76%
Owner Occupied Households	68.3%
Median Home Price	\$839,700
Home Ownership Rate	68.3%
Median Gross Rent	\$2,102
Median Household Income	\$107,975



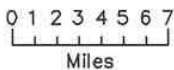
Sources:
 U.S. Census Bureau (2022)
 Name Census (2022)



U.S. Federal Hwy.



Calif. State Route



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City of Novato Regional Map



Adopted Budget 2023-24

RESOLUTIONS ADOPTING FINAL BUDGET



ORIGINAL

CITY COUNCIL OF THE CITY OF NOVATO

RESOLUTION NO. 2023-061

RESOLUTION ADOPTING THE CITY OF NOVATO OPERATING AND CAPITAL IMPROVEMENT BUDGETS FOR FISCAL YEAR JULY 1, 2023 THROUGH JUNE 30, 2024, PROVIDING FOR THE APPROPRIATION OF EXPENDITURES IN SAID BUDGETS, AND REPEALING ALL RESOLUTIONS IN CONCERT HEREWITH

WHEREAS, the City Council of the City of Novato has reviewed the proposed Operating Budget for FY 2023/24 and the Capital Improvement Program for FY 2023/24 through 2027/28; and

WHEREAS, as part of the City Council review process several public meetings were held to discuss the development of the FY 2023/24 budgets; in addition, the community provided input during the public meetings, two community budget surveys, and a budget workshop; and

WHEREAS, the City Council of the City of Novato has reviewed the proposed Operating and Capital Budgets for the Marin Valley Country Club (MVMCC) for FY 2023/24 at public meetings on May 9, 2023, June 13, 2023; and

WHEREAS, per City Council direction on May 9, 2023, Staff held an additional meeting with the Park Acquisition Corporation at MVMCC on June 19, 2023, to further discuss the future fiscal needs for the park; and

WHEREAS, an updated User Regulatory Fee Schedule was adopted on May 24, 2022 (Resolution 2022-059), providing that the fees be updated each July 1 based on the March annual percentage change in the all-urban Consumer Price Index for the San Francisco-Oakland-Hayward areas (CPI); and

WHEREAS, a March 2023 CPI index does not exist as the index is only updated every other month, therefore the fee schedule uses the annual CPI which aligns with industry standards, and revenue projections for Fiscal Year 2023/24 are based on fee schedule updates using the annual CPI index; and

WHEREAS, the City Manager has recommended certain personnel changes that will create organizational efficiencies and improve customer service as outlined at the June 13, 2023 budget hearing; and

WHEREAS, the proposed budget remains consistent in the full-time equivalent employee count at 195.50 for FY 2023/24; and

WHEREAS, the City Council is also considering new compensation agreements for all labor groups on June 27, 2023, which, if approved, will increase the FY 2023/24 projected budget deficit; and

WHEREAS, the City Council values fiscal transparency and is desirous of amending the FY 2023/24 budget document to include the additional labor costs.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Novato hereby finds as follows:

1. That the budget appropriations for FY 2023/24 as presented by the City Manager in the document "City of Novato Draft Budget, Fiscal Year 2023/24" is hereby approved and adopted, with total appropriation of all funds at \$80,735,749 for FY 2023/24 as shown in *Exhibit A*, including the Marin Valley Mobile Country Club FY 2023/24 operating and capital budget, and Novato Public Finance Authority adopted June 27, 2023 by the Novato City Council.
2. That the Capital Improvement Program Budget presented to the City Council on June 13, 2023 for FY 2023/24 through 2027/28 is hereby approved and adopted with total new appropriations of \$11,110,000.
3. The User Regulatory Fee Schedule be updated July 1 based on the March annual percentage change in the all-urban Consumer Price Index for the San Francisco-Oakland-Hayward areas (CPI).
4. For transparency purposes, the final Fiscal Year budget document be amended to include all expenses associated with all compensation agreements adopted on June 27, 2023.
5. A copy of said draft Budgets is on file with the City Clerk and is hereby adopted and referred to and by this reference expressly incorporated herein and made a part of this resolution. The funds appropriated by this resolution are authorized to be expended as necessary for municipal purposes.

* * * * *

I HEREBY CERTIFY that the foregoing resolution was duly and regularly adopted by the City Council of the City of Novato, Marin County, California, at a meeting thereof, held on the 27th day of June, 2023, by the following vote, to wit:

AYES: Councilmembers Farac, Milberg, O'Connor, Wernick
NOES: Councilmembers Eklund
ABSTAIN: Councilmembers
ABSENT: Councilmembers



City Clerk of the City of Novato

Approved as to form:

Gary B. Bell

City Attorney of the City of Novato

Exhibit A

Fiscal Year 2023/24 Budget Appropriations	
Fund	Appropriation
101 - General Fund	\$49,271,531
113 - Successor Agency Admin	\$70,961
118 - Long-Term Maint-Facilities	\$350,000
119 - Long-Term Maint-Infrastructure	\$50,000
210 - Affordable Housing Programs	\$736,560
211 - Clean Storm Water	\$832,851
217 - Automation Surcharge	\$177,311
218 - Hamilton CFD Maintenance	\$838,258
219 - Pointe Marin CFD Maint.	\$43,769
220 - Hamilton Art Center	\$287,160
222 - LAD-San Marin	\$81,640
224 - LAD-Wildwood Glen	\$13,153
225 - LAD-Hillside	\$36,896
226 - Light & LAD-Downtown	\$4,323
227 - LAD-San Pablo	\$27,768
229 - State Gas Tax	\$1,750,000
231 - Special Police Projects	\$235,000
232 - State COPS Grant	\$222,700
235 - Marin VRF	\$160,000
236 - Streets Measure A	\$5,922,074
237 - Park Measure A	\$176,314
241 - Development Impact Fees	\$1,050,000
243 - NPFA	\$125,535
301 - Capital Projects	\$9,782,074
501 - General Obligations Bond	\$699,498
502 - Pension Obligation Bonds	\$1,670,812
601 - Equipment Maintenance	\$943,094
602 - Equipment Replacement	\$1,200,398
603 - Technology Replacement	\$134,000
651 - MVMCC	\$3,319,830
701 - Hamilton Trust	\$522,239
Expenditure Grand Totals:	\$80,735,749

Exhibit A
June 27, 2023

CITY COUNCIL OF THE CITY OF NOVATO

ORIGINAL

RESOLUTION NO 2023-055

A RESOLUTION APPROVING THE BUDGET AMENDMENT FOR THE FISCAL YEAR 2023/24 FINANCIAL COMPONENTS OF THE TENTATIVE AGREEMENTS WITH THE NOVATO POLICE MANAGERS ASSOCIATION (UNIT A), NOVATO POLICE OFFICERS ASSOCIATION (UNIT B), SERVICE EMPLOYEES' INTERNATIONAL UNION (UNIT D), AND NOVATO POLICE CIVILIAN EMPLOYEES' ASSOCIATION (UNIT H) AND THE SALARY PLANS FOR THE ENGINEER UNIT (UNIT E), CONFIDENTIAL EMPLOYEES (UNIT F) AND EXEMPT MANAGEMENT (UNIT G) GROUPS FOR THE PERIOD OF JULY 1, 2023 THROUGH JUNE 30, 2025

WHEREAS, the City Council has established by resolution Memorandums of Understanding (MOU) with the Novato Police Managers Association (Unit A), Novato Police Officers Association (Unit B), Service Employees' International Union (Unit D) and the Novato Police Civilian Employees Association (Unit H) and Salary Plans for the Engineer Unit (Unit E), Confidential Employees (Unit F), and Exempt Management (Unit G) effective July 1, 2023; and

WHEREAS, the proposed Fiscal Year 2023/24 budget shall be amended for a total amount of \$1,288,000 from the Emergency & Disaster Response Fund to be allocated to the appropriate accounts for the financial items as outlined in the collective bargaining agreements for all units.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Novato hereby adopts this budget resolution amending the proposed Fiscal Year 2023/24 budget by \$1,288,000 and authorizing a Transfer In from the Emergency & Disaster Response Fund to the General Fund to cover costs associated with the approved Memorandum of Understandings for Unit A, Unit B, Unit D and Unit H and the Salary Plans for Unit E, Unit F and Unit G.

* * * * *

I HEREBY CERTIFY that the foregoing resolution was duly and regularly adopted by the City Council of the City of Novato, Marin County, California, at a meeting thereof, held on the 27th day of June, 2023 by the following vote, to wit:

AYES: Councilmembers Eklund, Farac, Milberg, O'Connor, Wernick
NOES: Councilmembers
ABSTAIN: Councilmembers
ABSENT: Councilmembers

Yasa McDonald
City Clerk of the City of Novato

Approved as to form:

Gary B. Bell
City Attorney of the City of Novato



Adopted Budget 2023–24

BUDGET IN BRIEF





BUDGET IN BRIEF

Total General Fund Amended Budget: \$50.6 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 two-year plan that guides both the operating and capital budget development and contains the following five goals. More information at novato.org/strategicplan.

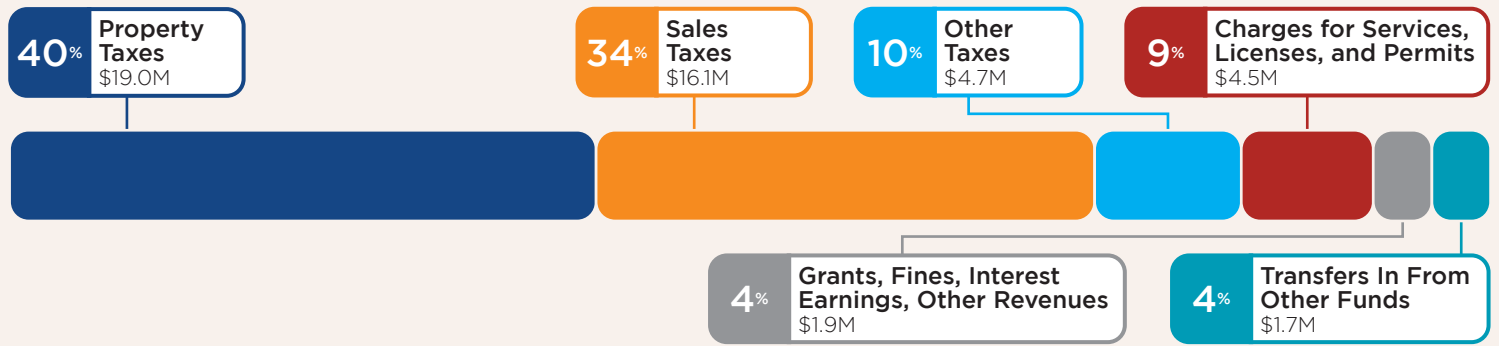
<p>Living Well, Together</p>	<p>Great Places</p>	<p>Environmental Stewardship</p>	<p>A City That Works</p>	<p>Economic Vitality</p>
<p>Support facilities and design programs and services that create a healthy, caring, and interconnected community that is safe and secure.</p>	<p>Create inviting natural and built places and spaces for contemplation, play, arts, and connection while celebrating our diverse community.</p>	<p>Preserve, protect, and enhance Novato's unique environment, now and for future generations, and model best sustainability practices for the community.</p>	<p>Know, understand, and respond to the community we serve, engage our residents, and provide valued services promptly, professionally and with a passion.</p>	<p>Encourage a healthy economy where businesses flourish and grow to support the City's long-term financial health and preserve crucial City services.</p>

Annual Budget Process



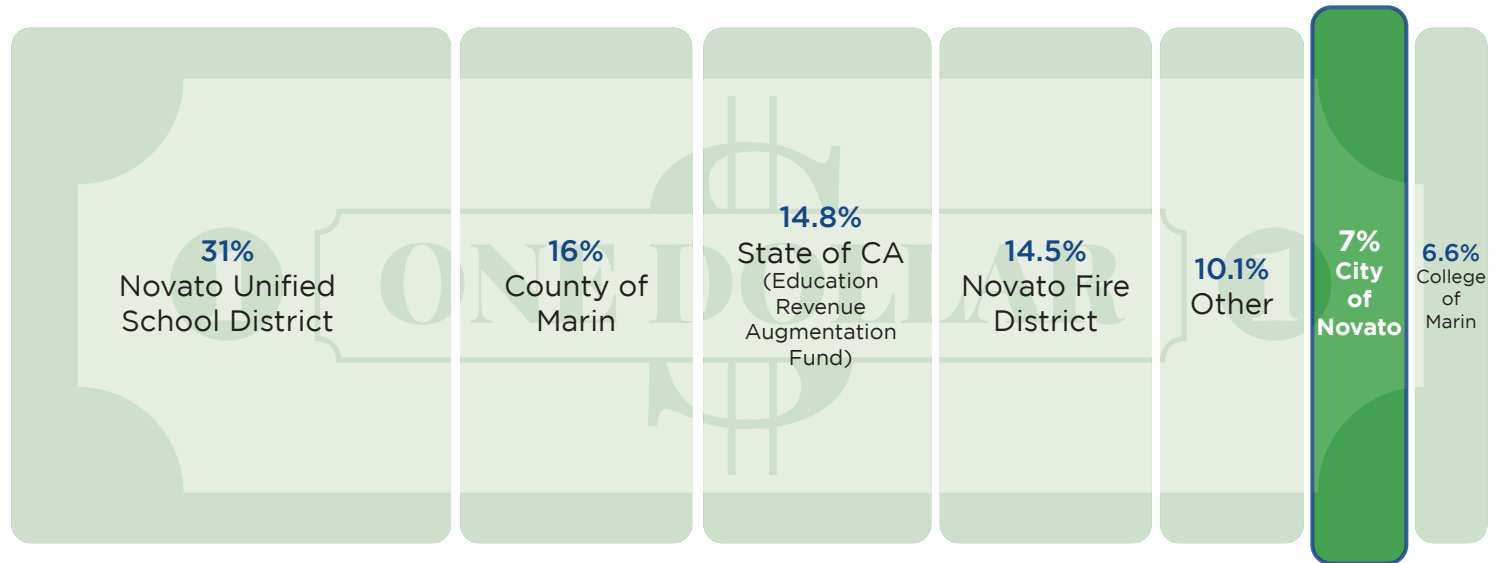
REVENUES – FISCAL YEAR 2023–2024

Total General Fund Revenues: \$47.9 Million



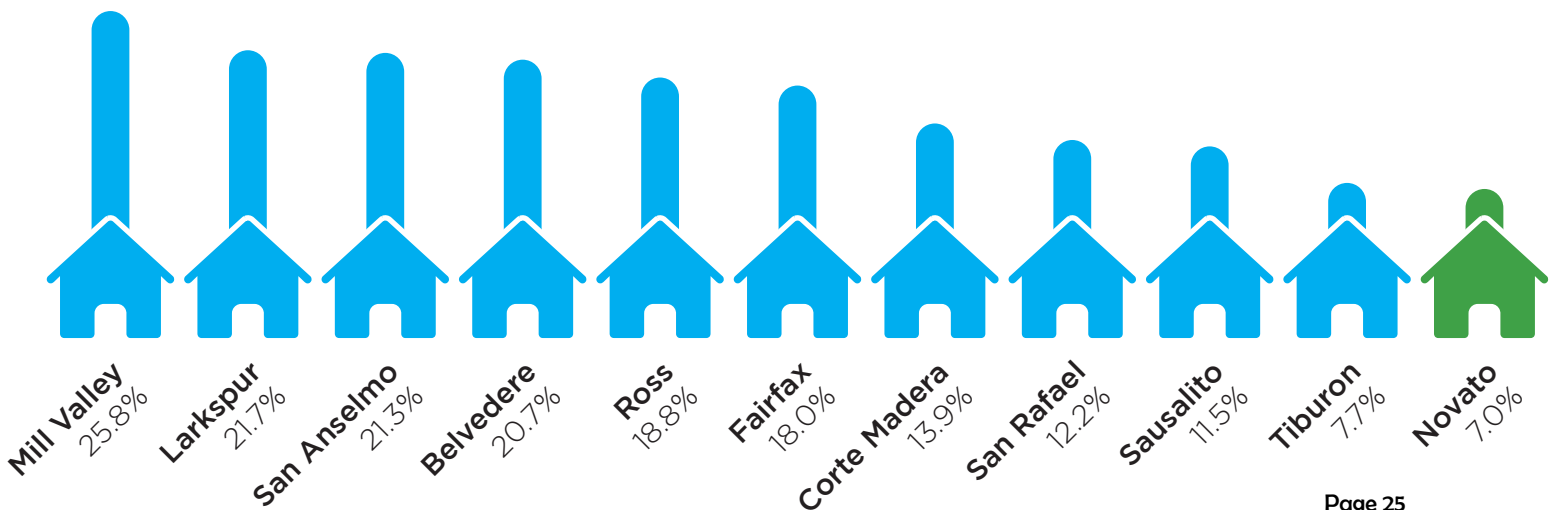
Distribution of Property Tax

How each dollar you pay is distributed.



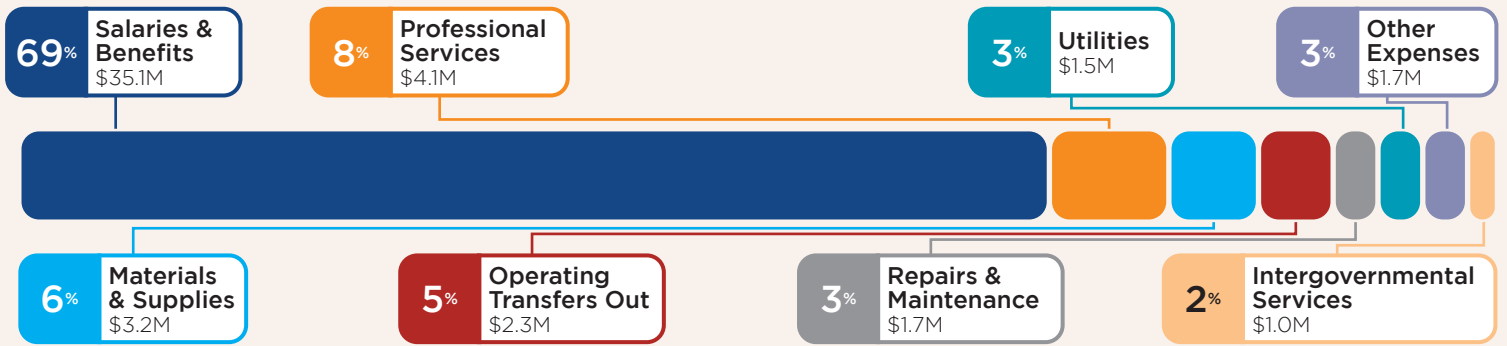
Property Tax Share – Marin County

Novato receives the smallest share of property tax of all Marin County cities. Property tax helps pay for critical services such as 9-1-1 response, repair of streets and roadways, wildfire prevention, and maintenance of public parks and facilities.



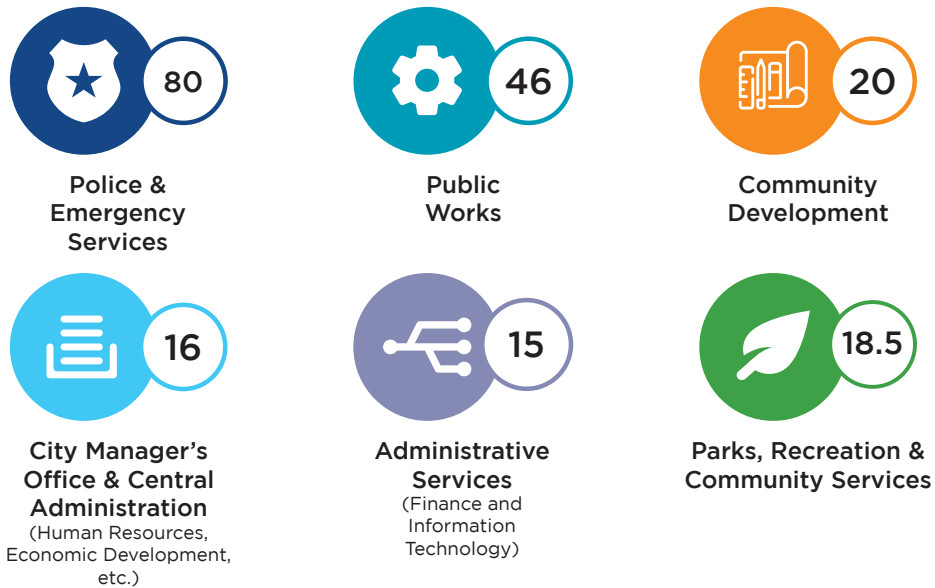
EXPENDITURES - FISCAL YEAR 2023-2024

Total General Fund Expenditures: \$50.6 Million



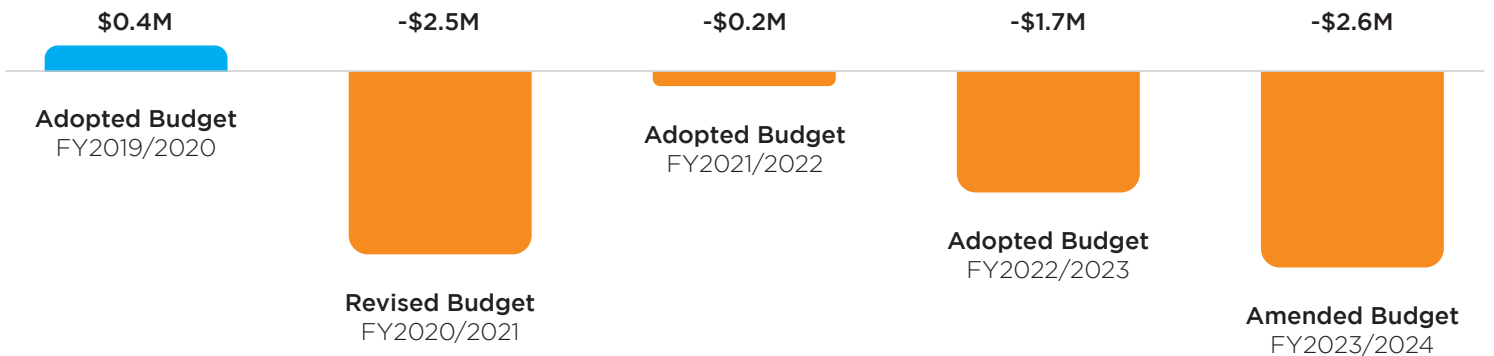
City Staff Distribution

The total number of regular, full-time employees is 195.5.



Budget Deficit

Despite significant cost-cutting, the City's operating costs have outpaced expenses for the last four years. Use of one-time funds has helped to contain FY2021/2022 and FY2022/2023 deficits. Without the one-time funds, budgeted operating deficits in those years would have been higher.



Capital Improvement Plan

The City Council adopts a five-year Capital Improvement Program that includes many projects to improve and maintain city infrastructure, facilities, and quality of life for the community. The current five-year capital program totals \$43.0 million, with \$11.1 million allocated for Fiscal Year 2023/24 improvements. The City leverages federal, state and regional funding as well as grants to complete many capital projects.

Project Highlights



Grant Avenue Bridge Widening

This project widens and rehabilitates the existing bridge on Grant Avenue between 8th Street and Virginia Avenue to improve access and usability for vehicles, bicycles, and pedestrians. This project received a \$3.5M Federal Highway Bridge Program grant.

Project Budget: \$3.6M



Pioneer Park Playground Improvements

This project delivers the community's first inclusive playground serving children ages 2 to 12 years old. The equipment and amenities, suitable for children of all abilities, features new play and shade structures and provides a safe gathering space that encourages and promotes inclusive play. This project received a \$50,000 grant through the CA Parks and Recreation Society, PlayCore and GameTime.

Project Budget: \$813,000



Novato Boulevard Improvements

This project creates a new 3-lane layout for Novato Boulevard between Diablo and Grant Avenues. The improvements enable the roadway and intersections to operate more effectively and enhance safety and usability for motorists, cyclists and pedestrians. This project includes approximately \$10M in TAM Measure A Major Streets and Roads funding.

Project Budget: \$19.0M

City Council

Mayor Susan Wernick
Mayor Pro Tem Mark Milberg
Councilmember Pat Eklund
Councilmember Rachel Farac
Councilmember Tim O'Connor

Finance Advisory Commission

Chair Andy Zmyslowski
Vice Chair Larisa Thomas

Committee Members:

Cris MacKenzie
Regina Bianucci Rus
Rafelina Maglio
Tina McMillan
Richard Johnson

As of 07/01/23

Get Involved – Attend a Meeting

The Novato City Council and the Finance Advisory Commission 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

Finance Advisory Commission
3rd Thursday of the month
7:30am

See the 2023–2024 budget and other financial documents at novato.org/citybudget

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Find more information at novato.org



CITY OF NOVATO
CALIFORNIA

Page 27

Fiscal Year 2023/2024



Adopted Budget 2023–24

Strategic Plan





CITY OF **NOVATO**
CALIFORNIA

STRATEGIC PLAN

JULY 1, 2023 - JUNE 30, 2025





OVERVIEW

This strategic plan is a tool to help our City work together — to focus our energy, to ensure that the Novato Community values the same goals, and to assess and adjust, when necessary, the City’s direction in response to a changing environment. Strategic planning is a disciplined effort to make fundamental decisions that shape and guide the present to our desired future.

When making decisions, everyone needs to keep our shared goals and objectives as the primary focus. The city staff is charged with implementing the Strategic Plan through the work plan items listed under each of the five Goals:

Living Well Together, Great Places, Environmental Stewardship, A City that Works and Economic Vitality.

The Strategic Plan is a two-year plan. It guides both capital and operating budget development. To ensure effective implementation and accountability, the City Council and community will review progress toward objectives quarterly and adjust the work plan and objectives as needed. The Strategic Plan and its updated work plans will be posted on the city website at novato.org/strategicplan.

Please join us in collectively creating an even better future for Novato.





MISSION

Dedicated to quality services, financial strength and sustainability that enriches and supports the quality of life for everyone within our community.

VISION

Novato will be a vibrant, safe, inclusive, and sustainable community with a welcoming atmosphere in which to live, work, shop, play, visit and thrive.





LIVING WELL TOGETHER

Support facilities and design programs and services that create a healthy, caring, and interconnected community that is safe and secure.

OUTCOME

A safe, livable, thriving, informed and involved community where people care for one another, strive to bridge differences and people aim to be active and healthy.

Workplan items

1. Explore zoning solutions to encourage tiny homes and other affordable housing options.

2. Work with service providers and other agencies to coordinate response and solutions to homelessness including transitioning unhoused Novatans into shelter and housing and determining whether to continue the temporary camp at Lee Gerner Park.





GREAT PLACES

Create inviting natural and built places and spaces for contemplation, play, arts, and connection while celebrating our diverse community.

OUTCOME

Great places that encourage community pride and interaction, captivate the imagination, and offer tranquility.

Workplan items

3. Prioritize improvements identified in the Parks Master Plan and develop a strategy and timeline for implementation.
4. Continue to explore options to determine appropriate uses for the Historic Train Depot and parking area.

5. Examine and analyze all City-owned properties with a view toward understanding the optimum way to utilize them for the benefit of the entire community; consider both financial elements plus “greater good” components. Complete a study and needs assessment for best and highest use for each property, evaluate ongoing maintenance costs to determine whether the property is a liability or an asset, and establish the best and highest use of each site.





ENVIRONMENTAL STEWARDSHIP

Preserve, protect, and enhance Novato’s unique environment, now and for future generations, and model best sustainability practices for the community.

OUTCOME

An engaged City that is actively working together to reduce climate impacts and adapt to the local consequences of climate change will reduce greenhouse gas emissions and resource use and increase community awareness of our collective impact on the natural world.

Workplan items

6. Publish a Sustainability Action Dashboard that tracks City and community progress on key success indicators (metrics) on an annual basis.

- 7. Update the City’s Climate Action Plan and identify priority actions to reduce both municipal and community-wide greenhouse gas emissions and explore broadening the Plan to include other environmental issues.
- 8. Explore opportunities to install solar energy systems in the Hamilton Open Space, other City-owned properties, and other opportunities to reduce energy costs and possibly generate revenue.
- 9. Update the City’s purchasing, contracting, and consulting policies, procedures, and ordinances to give a preference to local businesses and those that advance our green policies.



A CITY THAT WORKS

Know, understand, and respond to the community we serve, engage our residents, and provide valued services promptly, professionally and with a passion.

OUTCOME

A respected and valued City organization that is efficient and collaborative, promotes community involvement and is proactive, responsible, transparent, and ethical.

Workplan items

10. Authorize a study of potential outsourcing opportunities that would improve service delivery and reduce short- and long-term costs.
11. Conduct a Citywide staffing study to assess our structure and staffing for the current needs and challenges facing the City while also factoring in the service levels our community desires.
12. Identify a long-term plan and compensation philosophy that addresses labor/salary market conditions to address recruitment and retention issues of City employees.
13. Recognize the City's workforce is our greatest resource for providing the service our community deserves by providing City staff with the tools, resources, coaching and feedback they need to provide the best service possible.
14. As resources become available, develop a targeted plan to address deficiencies and deferred maintenance in our existing parks, recreational facilities and City-owned infrastructure.





ECONOMIC VITALITY

Encourage a healthy economy where businesses flourish and grow to support the City's long-term financial health and preserve crucial City services.

OUTCOME

Become a hub of economic activity and innovation with a focus on high-paying industries, a vibrant downtown, a thriving economic environment, and a fiscally sustainable organization which has the resources needed to provide the services our community desires.

Workplan items

15. Initiate a review and modernize the 2013 Fiscal Sustainability Plan with an emphasis on increasing City revenues, including an interactive model if possible.

- 16. Address long-term revenue shortfalls: explore a November 2024 ballot initiative to increase sales tax by ¼ cents.
- 17. Complete Annual Comprehensive Financial Reports (ACFR) for Fiscal Years 2020/21, 2021/22, 2022/23 and 2023/24.
- 18. Establish Policy on ownership and financial management of Marin Valley Mobile Country Club.
- 19. Assess economic development needs and develop a strategy toward building a comprehensive, long-term economic development plan.
- 20. Consider allowing licenses for Commercial Cannabis Storefront Retail.



Adopted Budget 2023–24

BUDGET TABLES





**General Fund Budget
by Category**

	2020/2021 Final Budget	2021/2022 Final Budget	2022/2023 Amended Budget	2023/2024 Adopted Budget	2023/2024 Amended Budget
Revenues					
Taxes	32,940,858	35,516,310	38,086,030	39,810,470	39,810,470
Licenses and Permits	1,231,890	1,068,370	1,737,475	1,173,010	1,173,010
Intergovernmental					
Revenues	477,172	538,742	824,321	937,004	937,004
Charges for Services	1,684,575	2,056,810	3,206,224	3,352,427	3,352,427
Fines and Forfeitures	563,180	498,200	411,050	399,050	399,050
Use of Money and Property	370,675	556,384	462,127	487,902	487,902
Other Revenues	712,566	3,006,200	6,714,330	119,970	119,970
Operating Transfers In	1,403,500	2,979,000	3,860,730	1,663,796	1,663,796
Totals	39,384,416	46,220,016	55,302,287	47,943,629	47,943,629
Expenditures					
Salaries and Wages	22,129,123	23,372,773	25,108,180	25,635,781	26,923,781
Employee Benefits	6,880,575	7,200,935	8,111,382	8,176,646	8,176,646
Professional Services	2,689,177	3,727,810	5,719,199	4,057,527	4,057,527
Intergovernmental					
Services	1,077,017	1,011,104	1,111,185	1,060,815	1,060,815
Training and Travel	204,654	232,863	407,876	405,354	405,354
Rents and Leases	417,460	401,759	359,078	487,376	487,376
Repairs and Maintenance	1,487,252	1,388,740	1,578,547	1,662,426	1,662,426
Materials and Supplies	2,829,584	2,399,402	3,058,286	3,205,251	3,205,251
Utilities	1,184,792	1,162,015	1,250,515	1,482,880	1,482,880
Capital Expenses	-	-	4,850,000	-	-
Other Expenses	658,150	1,657,860	1,440,388	832,612	832,612
Operating Transfers Out	4,034,087	5,406,576	2,932,712	2,264,863	2,264,863
Totals	43,591,871	47,961,837	55,927,348	49,271,531	50,559,531
Anticipated Deficit (Before Prior Year Carryover)	(4,207,455)	(1,741,821)	(625,061)	(1,327,902)	(2,615,902)
Emergency Fund Backfill	-	-	-	1,327,902	2,615,902
Revised Anticipated Deficit	(4,207,455)	(1,741,821)	(625,061)	-	-



**General Fund Budget
by Department**

	2020/2021 Final Budget	2021/2022 Final Budget	2022/2023 Amended Budget	2023/2024 Adopted Budget	2023/2024 Amended Budget
Revenues					
Non-Departmental	34,076,168	41,302,020	48,290,894	41,119,972	41,119,972
Central Administration	10,200	37,600	157,900	446,600	446,600
Administrative Services	744,176	76,710	83,210	348,301	348,301
Police	1,338,972	1,325,772	1,452,845	1,607,328	1,607,328
Community Development	1,926,765	1,570,800	2,685,550	1,751,600	1,751,600
Public Works	277,895	348,765	629,032	308,900	308,900
Parks, Recreation and Community Services	1,010,240	1,558,349	2,002,856	2,360,928	2,360,928
Totals	39,384,416	46,220,016	55,302,287	47,943,629	47,943,629
Expenditures					
Non-Departmental	4,034,087	5,156,576	8,065,987	2,014,863	2,014,863
Central Administration	1,822,013	5,842,083	6,600,083	6,974,035	7,093,820
Administrative Services	7,701,697	4,914,116	5,860,793	5,901,401	5,988,626
Police	16,856,673	17,333,027	18,354,257	18,871,474	19,455,919
Community Development	3,113,045	3,887,337	5,121,352	3,599,597	3,717,282
Public Works	7,391,054	8,037,568	8,655,979	8,342,146	8,620,460
Parks, Recreation and Community Services	2,673,302	2,791,130	3,457,897	3,568,015	3,668,561
Totals	43,591,871	47,961,837	55,927,348	49,271,531	50,559,531
Anticipated Deficit (Before Prior Year Carryover)	(4,207,455)	(1,741,821)	(625,061)	(1,327,902)	(2,615,902)
Emergency Fund Backfill	-	-	-	1,327,902	2,615,902
Revised Anticipated Deficit	(4,207,455)	(1,741,821)	(625,061)	-	-



Operating Budget
Transfers Into General Fund

From Fund	Description	Amount
116	Emergency & Disaster Rsp Reserve	1,273,243
229	Gas Tax	1,000,000
237	Parks Measure A	225,000
243	NPFA	13,000
701	Hamilton Trust	425,796
Total		2,937,039

Transfers Out of General Fund

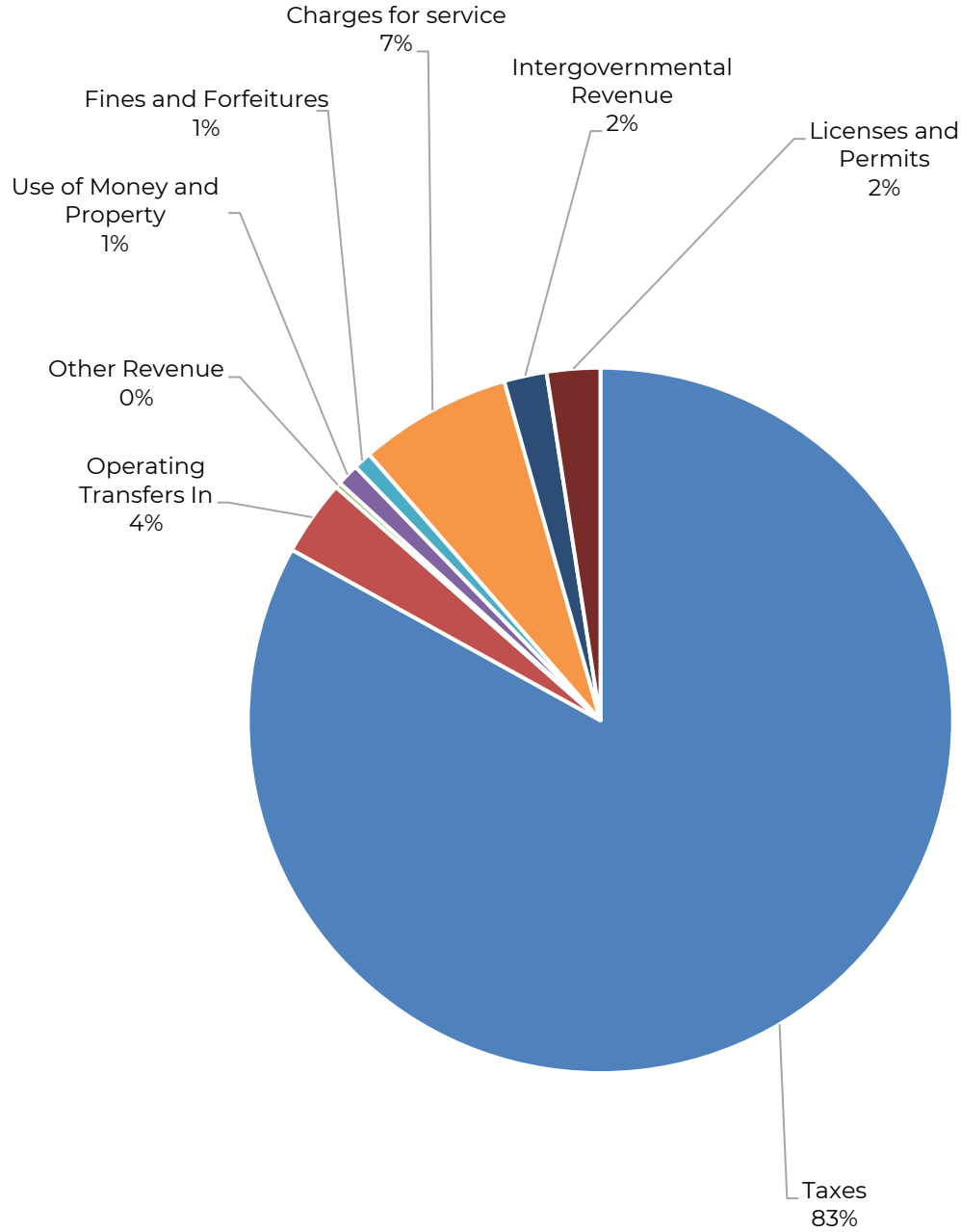
To Fund	Description	Amount
118	Facilities Long-Term Maint	320,000
119	Infrastructure Long-Term Maint	320,000
301	Capital Projects	36,746
502	POB Debt Service	1,624,863
Total		2,301,609

Capital Budget Transfers- In

From Fund	Description	Amount
101	General Fund	36,746
111	Measure F Sales Tax	306,859
112	City Owned Property	2,364
115	Insurance Reserve	300,000
117	Civic Center	12,433
118	Facilities Long-Term Maintenance	1,392,374
119	Infrastructure long-Term Maint	1,274,563
211	Clean Stormwater	573,800
212	Underground Utilities	274,513
214	Subdivision Park Trust	118,037
215	Art in Public Places	41,455
218	Hamilton CFD	249,430
22	Hamilton Arts Center	781,076
229	Gas Tax	4,074,574
233	Operating Grants	24,125
234	Capital Grants	5,091,218
235	Marin County VRF	121,624
236	Street Improvements (Measure A)	9,201,253
237	Parks Measure A	124,089
240	Restricted Revenue	408,517
241	Development Impact Fees	2,324,665
245	ARP	743,394
Total		27,477,109

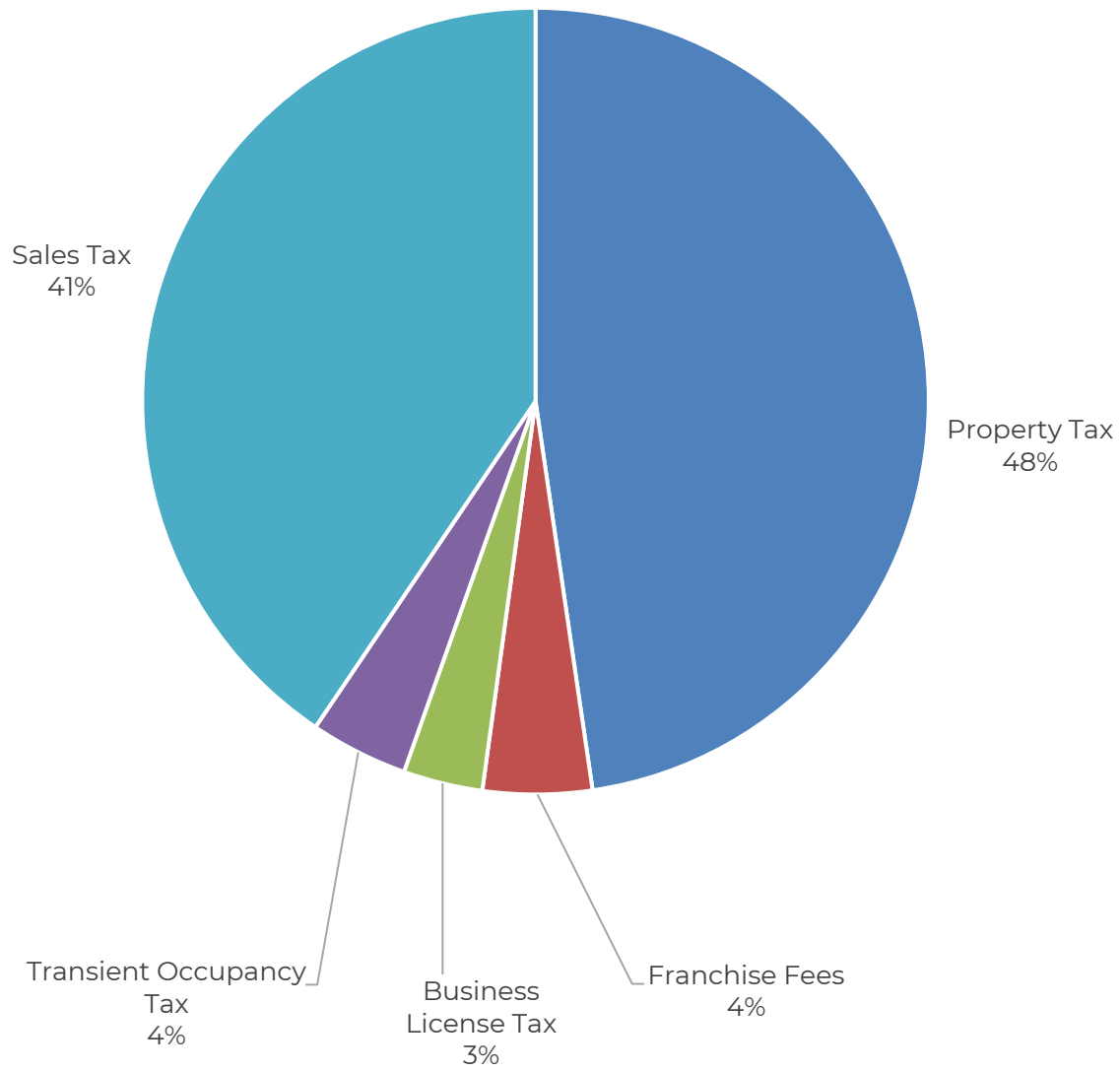


General Fund Revenue By Category

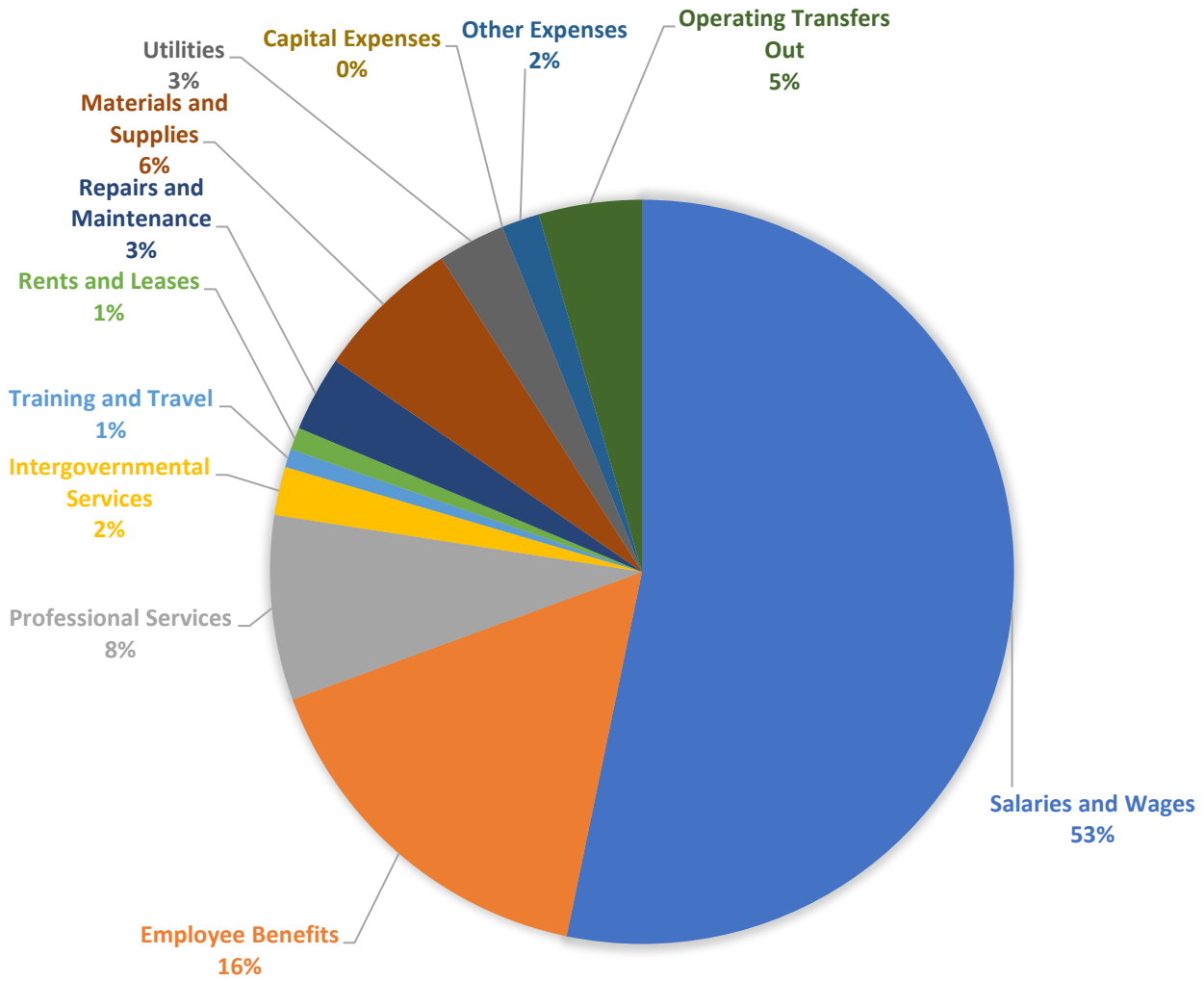




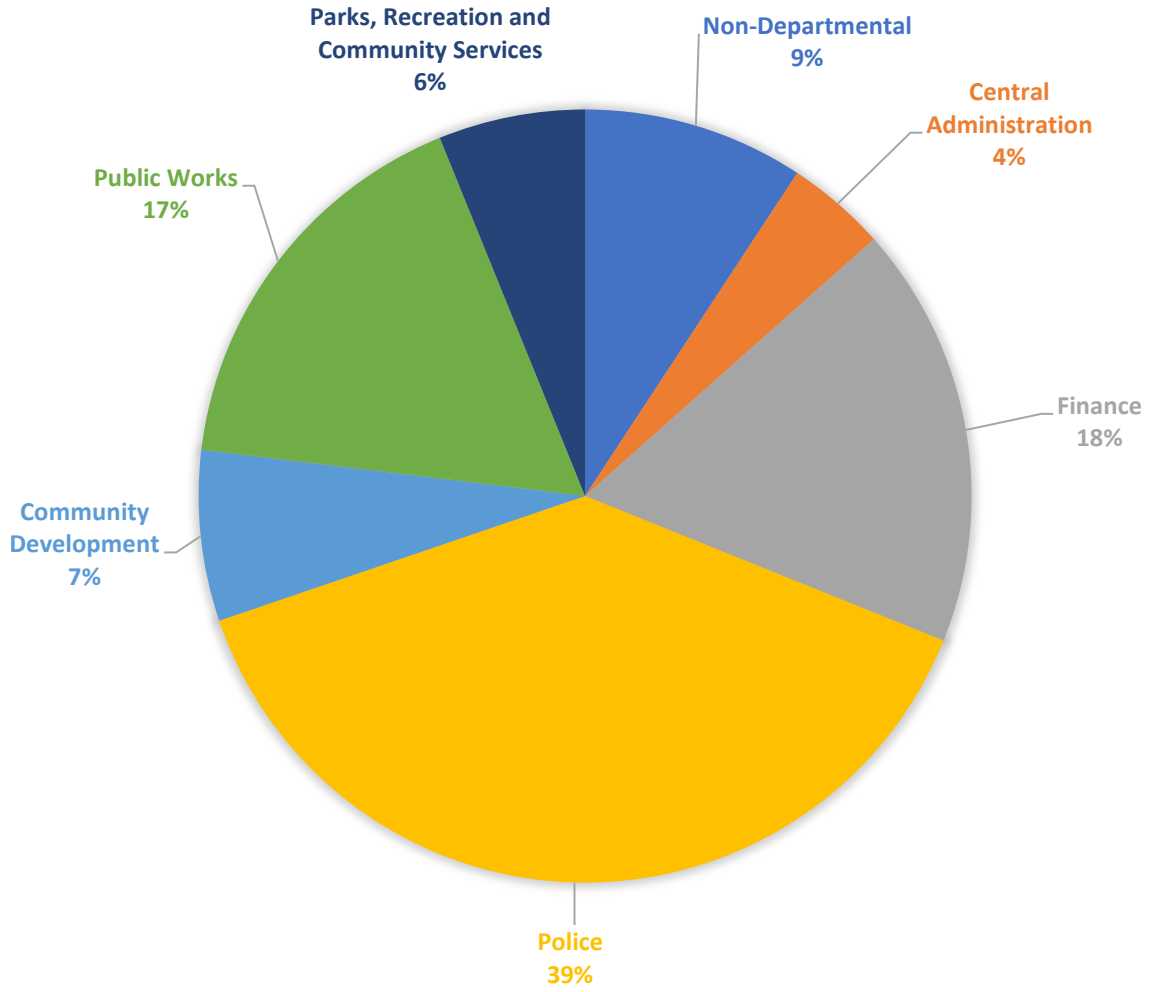
Tax Revenue by Type



General Fund Expense By Category



General Fund Expense By Department





Adopted Budget 2023-24

PERSONNEL ALLOCATIONS



Personnel Allocation

	Amended Budget	Amended Budget	Amended Budget	Proposed Budget	Proposed Change
<u>DEPARTMENT SUMMARY</u>	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2023/24</u>
CENTRAL ADMINISTRATION	15.80	15.80	15.00	16.00	1.00
ADMINISTRATIVE SERVICES	7.00	9.00	15.00	15.00	0.00
POLICE	78.50	78.50	78.50	80.00	1.50
COMMUNITY DEVELOPMENT	21.00	21.00	20.00	20.00	0.00
PUBLIC WORKS	51.00	51.00	49.00	46.00	-3.00
PARKS, RECREATION & COMMUNITY SERVICE	15.20	16.20	18.00	18.50	0.50
TOTAL	188.50	191.50	195.50	195.50	0.00

	Amended Budget	Amended Budget	Amended Budget	Proposed Budget	Proposed Change
<u>DEPARTMENT</u>	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>	<u>2023/24</u>
<u>CENTRAL ADMINISTRATION</u>					
City Manager					
City Manager	1.00	1.00	1.00	1.00	0.00
Executive Secretary	0.00	0.00	0.00	0.00	0.00
Subtotal	1.00	1.00	1.00	1.00	0.00
Public Engagement/Economic Development					
Assistant City Manager	0.35	0.35	0.65	0.65	0.00
Principal Mgmt Analyst / Economic Dev	0.00	0.00	1.00	1.00	0.00
Principal Mgmt Analyst / Webmaster	0.00	0.00	1.00	1.00	0.00
Sr. Management Analyst / Webmaster	0.00	1.00	0.00	0.00	0.00
Management Analyst II / Webmaster	1.00	0.00	0.00	0.00	0.00
Management Analyst I / II	0.50	0.50	1.00	1.00	0.00
Sustainability Coordinator I / II	0.00	0.00	1.00	1.00	0.00
Sr Office Assistant	1.00	1.00	1.00	1.00	0.00
Homeless Outreach Specialist	0.00	0.00	1.00	1.00	0.00
Subtotal	2.85	2.85	6.65	6.65	0.00
City Clerk					
City Clerk	1.00	1.00	1.00	1.00	0.00
Executive Secretary	0.00	0.00	0.00	0.00	0.00
Assistant City Clerk	1.00	1.00	1.00	1.00	0.00
Senior Office Assistant	0.00	0.00	0.00	1.00	1.00
Subtotal	2.00	2.00	2.00	3.00	1.00
Human Resources					
Assistant City Manager	0.35	0.35	0.35	0.35	0.00
Human Resources Manager	1.00	1.00	1.00	1.00	0.00
Human Resources Analyst	1.00	1.00	1.00	1.00	0.00
Principal HR Analyst	0.00	0.00	0.00	0.00	0.00
Human Resources Assistant	1.00	1.00	1.00	1.00	0.00
Management Analyst I / II	0.50	0.50	1.00	1.00	0.00

Sr. Office Assistant	1.00	1.00	1.00	1.00	0.00
Subtotal	4.85	4.85	5.35	5.35	0.00
Information Technology Services					
Assistant City Manager	0.10	0.10	0.00	0.00	0.00
Information Technology Manager	1.00	1.00	0.00	0.00	0.00
Senior IT Analyst	1.00	1.00	0.00	0.00	0.00
Network & Systems Administrator	1.00	1.00	0.00	0.00	0.00
Information Technology Technician	2.00	2.00	0.00	0.00	0.00
Subtotal	5.10	5.10	0.00	0.00	0.00
TOTAL ADMINISTRATION					
(Central Administration)					
	15.80	15.80	15.00	16.00	1.00
ADMINISTRATIVE SERVICES					
Administration					
Administrative Services Director	0.00	0.00	0.90	0.90	0.00
Subtotal	0.00	0.00	0.90	0.90	0.00
Finance					
Finance Director	0.90	0.90	0.00	0.00	0.00
Deputy Administrative Services Director	0.00	0.00	1.00	1.00	0.00
Deputy Finance Director	0.00	1.00	0.00	0.00	0.00
Finance Manager	0.00	0.00	0.00	0.00	0.00
Accounting Supervisor	0.00	0.00	0.00	0.00	0.00
Accounting Assistant I / II	1.00	1.00	1.00	1.00	0.00
Senior Accounting Assistant	1.00	1.00	1.00	1.00	0.00
Payroll / Accounting Technician	1.00	1.00	1.00	1.00	0.00
Accountant / Analyst	0.00	0.00	1.00	1.00	0.00
Accountant I / II	1.00	2.00	1.00	1.00	0.00
Senior Accountant	0.90	0.90	0.90	0.90	0.00
Management Analyst I / II	0.00	0.00	0.00	1.00	1.00
Senior Management Analyst	1.00	0.00	1.00	0.00	-1.00
Principal Analyst	0.00	1.00	1.00	1.00	0.00
Subtotal	6.80	8.80	8.90	8.90	0.00
RDA Successor Agency					
Administrative Services Director	0.00	0.00	0.10	0.10	0.00
Finance Director	0.10	0.10	0.00	0.00	0.00
Accounting Supervisor	0.00	0.00	0.00	0.00	0.00
Senior Accountant	0.10	0.10	0.10	0.10	0.00
Subtotal	0.20	0.20	0.20	0.20	0.00
Information Technology Services					
Information Technology Manager	0.00	0.00	1.00	1.00	0.00
Senior IT Analyst	0.00	0.00	1.00	1.00	0.00
Network & Systems Administrator	0.00	0.00	1.00	1.00	0.00
GIS/Engineering Technician	0.00	0.00	0.00	0.00	0.00
Information Technology Technician	0.00	0.00	2.00	2.00	0.00
Subtotal	0.00	0.00	5.00	5.00	0.00
TOTAL ADMINISTRATIVE SERVICES					
	7.00	9.00	15.00	15.00	0.00
POLICE					
Administration					
Police Chief	1.00	1.00	1.00	1.00	0.00
Captain	1.00	2.00	2.00	2.00	0.00
Lieutenant	1.00	0.00	0.00	0.00	0.00

Executive Assistant	1.00	1.00	1.00	1.00	0.00
Community Services Officer	1.00	1.00	0.00	0.00	0.00
Management Analyst I/II	0.00	0.00	1.00	1.00	0.00
Subtotal	5.00	5.00	5.00	5.00	0.00
Technical Services					
Evidence Technician	1.00	1.00	1.00	1.00	0.00
Dispatch Supervisor	1.00	1.00	1.00	1.00	0.00
Sr. Dispatcher	2.00	2.00	2.00	2.00	0.00
Dispatcher	7.00	7.00	7.00	7.00	0.00
Records Supervisor	1.00	1.00	1.00	1.00	0.00
Records Specialist	2.00	2.00	2.00	2.00	0.00
Subtotal	14.00	14.00	14.00	14.00	0.00
Professional Standards					
Sergeant	1.00	1.00	1.00	1.00	0.00
Management Analyst I / II	1.00	1.00	1.00	1.00	0.00
Office Assistant I / II	0.50	0.50	0.00	0.00	0.00
Community Services Officer	0.00	0.00	1.00	1.00	0.00
Subtotal	2.50	2.50	3.00	3.00	0.00
Criminal Investigations					
Lieutenant	1.00	1.00	1.00	1.00	0.00
Sergeant	1.00	1.00	1.00	1.00	0.00
Officer	4.00	4.00	4.00	4.00	0.00
Subtotal	6.00	6.00	6.00	6.00	0.00
Patrol Administration & Operations					
Lieutenant	2.00	2.00	2.00	2.00	0.00
Sergeant	5.00	5.00	5.00	5.00	0.00
Corporal	4.00	4.00	4.00	4.00	0.00
Officer	26.00	26.00	26.00	27.00	1.00
K-9 Officer	3.00	3.00	3.00	3.00	0.00
Subtotal	40.00	40.00	40.00	41.00	1.00
Traffic					
Sergeant	1.00	1.00	1.00	1.00	0.00
Officer	3.00	3.00	3.00	3.00	0.00
Community Services Officer	1.00	1.00	0.50	1.00	0.50
Subtotal	5.00	5.00	4.50	5.00	0.50
Special Police Services					
Officer-Major Crimes Task Force	0.00	0.00	0.00	0.00	0.00
Officer-COPE Funded	1.00	1.00	1.00	1.00	0.00
Sergeant-NRT	1.00	1.00	1.00	1.00	0.00
Officer-NRT	2.00	2.00	2.00	2.00	0.00
Officer-SRO	2.00	2.00	2.00	2.00	0.00
Subtotal	6.00	6.00	6.00	6.00	0.00
TOTAL POLICE					
	78.50	78.50	78.50	80.00	1.50
<u>COMMUNITY DEVELOPMENT</u>					
Administration					
Community Development Director	0.78	0.78	0.78	0.78	0.00
Management Analyst I	1.00	0.00	0.00	0.00	0.00
Senior Management Analyst	0.00	1.00	0.00	0.00	0.00
Principal Management Analyst	0.00	0.00	0.00	0.00	0.00
Subtotal	1.78	1.78	0.78	0.78	0.00

Code Enforcement

Supervising Code Enforcement Officer	1.00	1.00	1.00	1.00	0.00
Code Enforcement Officer	1.00	1.00	1.00	1.00	0.00
Code Enforcement Officer / Housing Inspector	1.00	1.00	0.00	0.00	0.00
Subtotal	3.00	3.00	2.00	2.00	0.00

Planning

Community Development Director	0.20	0.20	0.20	0.20	0.00
Deputy Community Development Director	0.00	0.00	0.00	1.00	1.00
Planning/Environmental Svcs Manager	1.00	1.00	1.00	0.00	-1.00
Principal Planner	1.00	1.00	1.00	1.00	0.00
Senior Planner	1.00	1.00	2.00	2.00	0.00
Planner I / II	2.00	2.00	2.00	2.00	0.00
Planning Technician	0.00	0.00	1.00	0.00	-1.00
Senior Office Assistant	0.00	0.00	0.00	1.00	1.00
Subtotal	6.20	6.20	7.20	7.20	0.00

Permit Center

Development Permit Supervisor	0.50	0.50	0.00	0.50	0.50
Building Plans Examiner I / II	0.00	0.00	0.50	0.00	-0.50
Permit Technician	1.00	1.00	2.00	2.00	0.00
Senior Office Assistant	1.00	1.00	2.00	2.00	0.00
Office Assistant II	2.00	2.00	0.00	0.00	0.00
Subtotal	4.50	4.50	4.50	4.50	0.00

Building

Chief Building Official	1.00	1.00	1.00	1.00	0.00
Building Plans Examiner I / II	1.00	1.00	1.00	1.00	0.00
Senior Building Inspector	1.00	1.00	1.00	1.00	0.00
Building Inspector I / II	2.00	2.00	2.00	2.00	0.00
Subtotal	5.00	5.00	5.00	5.00	0.00

Affordable Housing Programs

Community Development Director	0.02	0.02	0.02	0.02	0.00
Senior Planner	0.00	0.00	0.00	0.00	0.00
Subtotal	0.02	0.02	0.02	0.02	0.00

Automation Surcharge

Development Permit Supervisor	0.50	0.50	0.50	0.50	0.00
Subtotal	0.50	0.50	0.50	0.50	0.00

TOTAL COMMUNITY DEVELOPMENT	21.00	21.00	20.00	20.00	0.00
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PUBLIC WORKS**Engineering Administration**

Public Works Director	0.85	0.85	0.85	0.85	0.00
PW Administrative Manager	0.75	0.75	0.00	0.00	0.00
Principal Management Analyst	0.00	0.00	1.00	1.00	0.00
Engineering Project Coordinator	0.00	0.00	0.00	0.00	0.00
Management Analyst II	1.00	0.00	0.00	0.00	0.00
Senior Management Analyst	0.00	1.00	0.00	0.00	0.00
Sustainability Coordinator I / II	1.00	1.00	0.00	0.00	0.00
Senior Office Assistant	0.20	0.20	0.20	0.20	0.00
Subtotal	3.80	3.80	2.05	2.05	0.00

Engineering Operations

Engineering Services Manager	0.30	0.30	0.30	0.30	0.00
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PW Administrative Manager	0.25	0.25	0.00	0.00	0.00
Principal Management Analyst	0.00	0.00	0.00	0.00	0.00
Senior Civil Engineer	0.40	0.40	0.40	0.40	0.00
Associate Engineer	0.00	0.00	0.20	0.20	0.00
Assistant Engineer	0.50	0.50	0.30	0.30	0.00
Public Works Inspector	1.00	1.00	1.00	1.00	0.00
Engineering Project Coordinator	1.00	1.00	1.00	1.00	0.00
Senior Office Assistant	0.80	0.80	0.80	0.80	0.00
Subtotal	4.25	4.25	4.00	4.00	0.00
Project Development					
Public Works Director	0.15	0.15	0.15	0.15	0.00
Engineering Services Manager	0.10	0.10	0.10	0.10	0.00
Assistant Engineer	0.20	0.20	0.20	0.20	0.00
Subtotal	0.45	0.45	0.45	0.45	0.00
Capital Projects Engineering					
Deputy PW Director / City Engineer	0.00	0.00	0.00	0.00	0.00
Engineering Services Manager	0.60	0.60	0.60	0.60	0.00
Senior Civil Engineer	0.60	0.60	0.60	0.60	0.00
Associate Engineer	0.00	0.00	1.80	1.80	0.00
Assistant Engineer	2.30	2.30	0.50	0.50	0.00
Engineering Project Coordinator	0.00	0.00	0.00	0.00	0.00
Subtotal	3.50	3.50	3.50	3.50	0.00
Maintenance Administration					
Maintenance Superintendent	1.00	1.00	1.00	1.00	0.00
Management Analyst I / II	0.00	1.00	1.00	1.00	0.00
Senior Office Assistant	0.00	0.00	1.00	1.00	0.00
Office Assistant I / II	1.00	1.00	0.00	0.00	0.00
Subtotal	2.00	3.00	3.00	3.00	0.00
Street Maintenance					
Maintenance Supervisor	0.68	0.68	0.68	0.68	0.00
Senior Maintenance Worker	4.00	4.00	4.00	4.00	0.00
Maintenance Worker	3.00	3.00	3.00	3.00	0.00
Subtotal	7.68	7.68	7.68	7.68	0.00
Traffic Operations					
Maintenance Supervisor	0.25	0.25	0.25	0.25	0.00
Senior Maintenance Worker	1.00	1.00	1.00	1.00	0.00
Maintenance Worker	1.00	1.00	1.00	1.00	0.00
Subtotal	2.25	2.25	2.25	2.25	0.00
Median Island Maintenance					
Maintenance Supervisor	0.30	0.30	0.30	0.30	0.00
Senior Maintenance Worker	1.00	1.00	1.00	1.00	0.00
Maintenance Worker	4.00	3.00	3.00	3.00	0.00
Subtotal	5.30	4.30	4.30	4.30	0.00
Parks Maintenance					
Maintenance Supervisor	0.70	0.70	0.70	0.70	0.00
Senior Maintenance Worker	2.00	2.00	2.00	2.00	0.00
Maintenance Worker	4.00	4.00	4.00	4.00	0.00
Subtotal	6.70	6.70	6.70	6.70	0.00
Building Maintenance					
Building Maintenance Supervisor	1.00	1.00	1.00	1.00	0.00

Facilities Maintenance Lead	1.00	1.00	1.00	1.00	0.00
Senior Custodian	0.00	0.00	0.00	0.00	0.00
Custodian	5.00	5.00	5.00	4.00	-1.00
Subtotal	7.00	7.00	7.00	6.00	-1.00
Hamilton Community Facilities					
Maintenance Supervisor	0.07	0.07	0.07	0.07	0.00
Maintenance Worker	3.00	3.00	3.00	1.00	-2.00
Subtotal	3.07	3.07	3.07	1.07	-2.00
Pointe Marin Community Facilities					
Maintenance Worker	2.00	2.00	2.00	2.00	0.00
Subtotal	2.00	2.00	2.00	2.00	0.00
Equipment/Vehicle Maintenance					
Equipment Technician Supervisor	1.00	1.00	1.00	1.00	0.00
Senior Equipment Technician	1.00	1.00	1.00	1.00	0.00
Equipment Technician	1.00	1.00	1.00	1.00	0.00
Subtotal	3.00	3.00	3.00	3.00	0.00
TOTAL PUBLIC WORKS					
	51.00	51.00	49.00	46.00	-3.00
<u>PARKS, RECREATION & COMMUNITY SERVICES</u>					
Administration					
Parks, Rec. & Community Svcs Director	0.00	0.00	1.00	1.00	0.00
Assistant City Manager	0.20	0.20	0.00	0.00	0.00
Deputy Director	0.20	0.20	0.00	0.00	0.00
Recreation Division Manager	0.00	0.00	0.00	1.00	1.00
Senior Management Analyst	0.00	1.00	1.00	0.00	-1.00
Management Analyst I / II	0.00	0.00	0.00	0.00	0.00
Recreation Supervisor	0.21	0.21	0.00	0.00	0.00
Recreation Coordinator	0.50	1.00	1.00	1.00	0.00
Senior Office Assistant	0.00	1.00	1.00	1.00	0.00
Subtotal	1.11	3.61	4.00	4.00	0.00
Youth Enrichment Programs					
Deputy Director	0.20	0.20	0.00	0.00	0.00
Management Analyst I	0.00	0.00	0.00	0.00	0.00
Recreation Supervisor	0.90	0.90	1.00	1.00	0.00
Recreation Coordinator	0.00	0.00	0.00	0.00	0.00
Senior Office Assistant	0.10	0.10	0.00	0.00	0.00
Child Care Teacher	0.00	0.00	0.00	0.00	0.00
Subtotal	1.20	1.20	1.00	1.00	0.00
Senior Programs					
Recreation & Operations Manager	0.00	0.00	0.00	0.00	0.00
Recreation Supervisor	0.95	0.95	1.00	1.00	0.00
Recreation Coordinator	0.00	0.00	0.00	0.00	0.00
Senior Office Assistant	0.90	0.90	1.00	1.00	0.00
Subtotal	1.85	1.85	2.00	2.00	0.00
Athletics					
Deputy Director	0.60	0.60	0.00	0.00	0.00
Recreation Division Manager	0.00	0.00	0.00	1.00	1.00
Recreation Supervisor	2.94	2.94	2.00	1.00	-1.00
Recreation Coordinator	1.00	1.00	2.00	2.00	0.00
Gymnastics Instructor	4.25	4.25	4.25	4.75	0.50
Senior Office Assistant	1.00	0.75	0.75	0.75	0.00

Office Assistant II	0.75	0.00	0.00	0.00	0.00
Subtotal	10.54	9.54	9.00	9.50	0.50
Aquatics					
Recreation Supervisor	0.00	0.00	1.00	1.00	0.00
Recreation Coordinator	0.00	0.00	1.00	1.00	0.00
Subtotal	0.00	0.00	2.00	2.00	0.00
Parks Measure A					
Recreation Coordinator	0.50	0.00	0.00	0.00	0.00
Subtotal	0.50	0.00	0.00	0.00	0.00
TOTAL PARKS, RECREATION & COMMUNITY SERVICES					
	15.20	16.20	18.00	18.50	0.50
GRAND TOTAL PERSONNEL					
	188.50	191.50	195.50	195.50	0.00

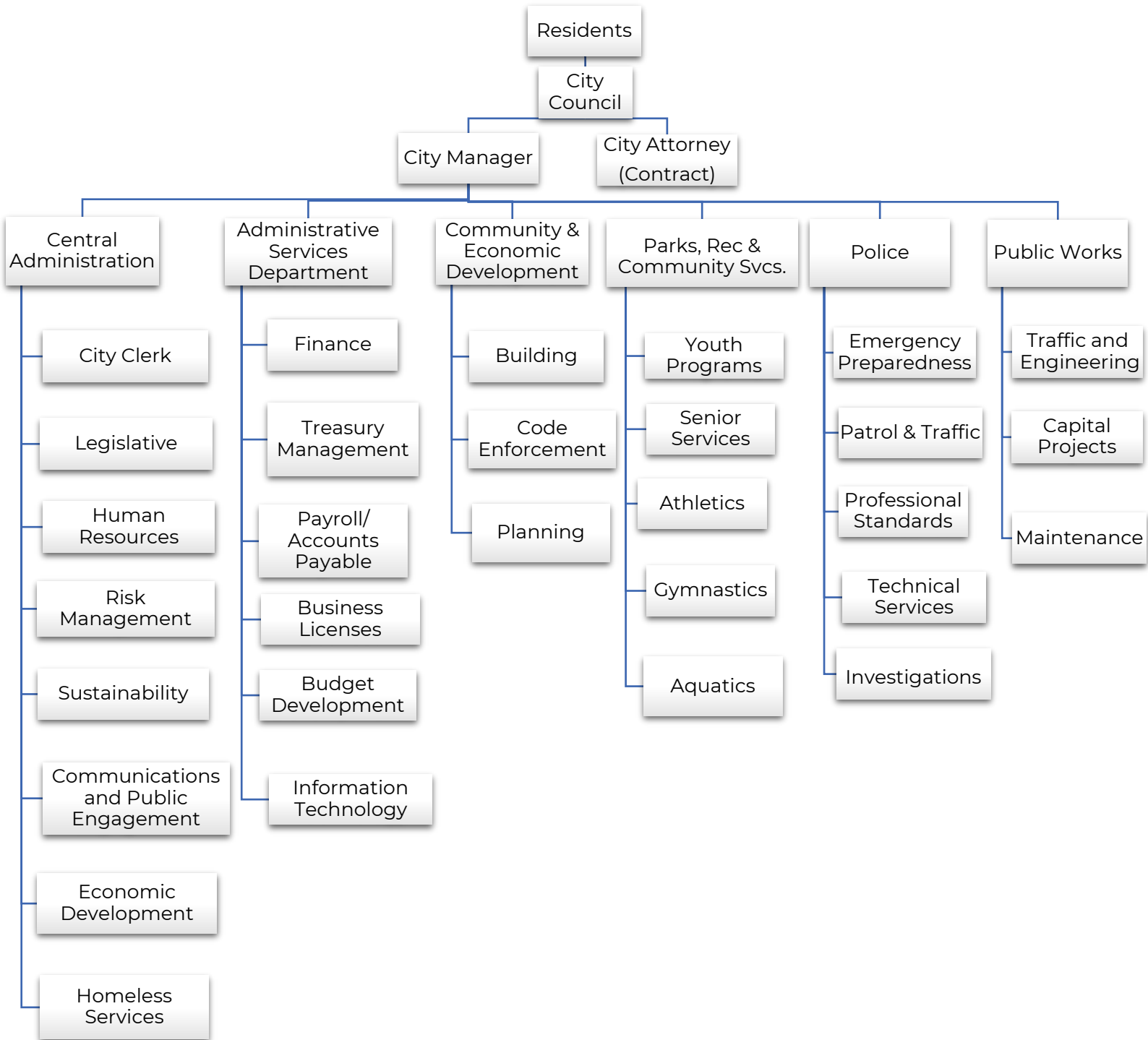


Adopted Budget 2023-24

OPERATING BUDGETS BY DEPARTMENT



Functional Organization Chart





Central Administration

Central Administration provides overall leadership to City departments and implements and communicates the policy direction of the City Council through several management, legal and administrative functions. Central Administration provides the tools needed by other City departments to deliver efficient and effective services and engagement with the community.

Department Mission Statement

The mission of Central Administration is to facilitate the relationship between local government and the residents. Each individual in the Department is dedicated to transparency, equity and inclusion and the ongoing improvement of services offered to the Novato community.

Department Programs

Mayor and City Council

The City Council establishes overall goals and objectives for the City through the adoption of policies and the City Council Strategic Plan, and by setting priorities for the development and implementation of programs and services.

City Manager's Office

The City Manager and staff provide overall administrative leadership and manage the processes that lead to the implementation of the City Council's goals and objectives. The City Manager oversees day-to-day operations of the City's departments, programs and services, and communicates policies from the City Council. The City Manager has the duty and responsibility to uphold the City of Novato's mission to provide excellent services that enrich the quality of life within the community, and promotes the City's core values including equity and fairness, honesty, integrity and ethical behavior, and respect for all.

City Clerk

The City Clerk serves as the liaison between the public and the City Council and ensures transparency and open government. The City Clerk coordinates appointments to the City's commissions, committees and boards and acts as a compliance officer for federal, state, and local statutes including the Political Reform Act, the Brown Act, and the Public Records Act. The office of the City Clerk, along with the City Manager, oversees the coordination of the City Council's agenda and related documents, completes the necessary arrangements for accessible and effective meetings and ensures that all actions of the City Council are properly executed, recorded, and archived.

City Attorney

The City contracts with Colantuono, Highsmith & Whatley, PC for legal services. In addition to having a partner specifically designated as City Attorney for routine legal services, the firm has attorneys specializing in various areas of municipal law who are utilized on an as-needed basis. Legal services include review and approval of contracts and related documents, counsel on development projects and issues, advice on questions of law and procedure, litigation management, prosecution of certain provisions of the Novato Municipal Code, written opinions on



City-related matters, and representation of all City officers and officials in actions brought against them while performing their official City functions.

Communications and Community Engagement

The Communications and Community Engagement program plans and coordinates efforts to meaningfully engage and effectively communicate with the community. The Division works to improve public access to timely, accurate, and helpful information about the City and its services; provides a variety of easy and meaningful ways to engage with the City; and promotes transparency in the City's decision-making process and outcomes of key issues affecting the Novato community.

Human Resources and Risk Management

The Human Resources Division is responsible for human resource services including employee and labor relations, recruitment and selection, classification and compensation, benefits administration, workers' compensation, employee recognition, training and development, administration of personnel rules and regulations, policies and procedures, and compliance with federal and state employment laws. Risk Management functions include administration of multiple risk programs and participation in the Bay Cities Joint Powers Insurance Authority Risk Pool to reduce the City's exposure to losses resulting from workers' compensation and liability claims.

Sustainability Program

The Sustainability Program focuses on implementation of the City's climate action goals and programs, including energy and water efficiency, waste reduction, emission-free vehicles and infrastructure, and vehicular trip reduction. Program staff support the work program of the Sustainability Commission including community engagement, education, and outreach initiatives, as well as greenhouse gas emissions reduction priorities and policy recommendations. Staff also support community-based, volunteer-led environmental activities.

Economic Development

The Economic Development Division is responsible for promoting the economic vitality and sustainability of the entire community. The division works to achieve this through various initiatives and programs designed to attract and retain businesses, create jobs, and stimulate investment in the local economy, including the Commercial Cannabis Program and Short-Term Rental Program through collaborating with the City's Economic Development Advisory Commission, a variety of other City departments, stakeholders, and residents in support of the business community.

Homeless Services

The Homeless Services Division manages the City's response to homelessness, develops best-practice-oriented public policy, and coordinates homeless outreach efforts. The division supports individuals and families experiencing homelessness to achieve stability, security, and self-sufficiency. It does this by working collaboratively with our partners, including the City's Housing and Homeless Committee, local service providers, and government agencies to address the root causes of homelessness and to implement sustainable solutions.

**Department Goals**

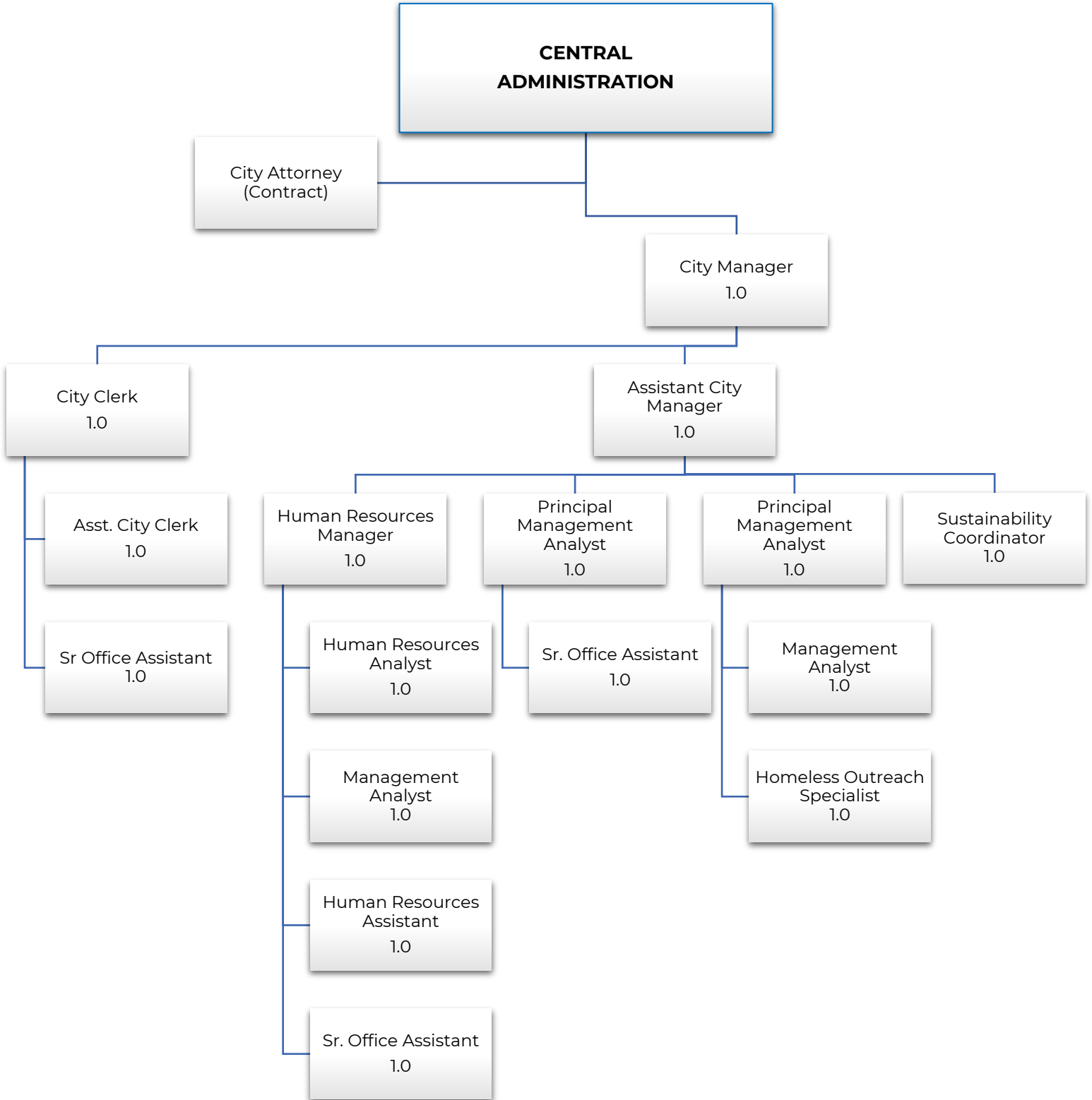
- Establish new Strategic Plan.
- Install a digital communications platform to streamline and enhance external communications and improve internal workflow.
- Restructure internal communication for employees by re-launching the Employee Intranet and crafting a monthly employee newsletter.
- Create a performance review program that is more efficient, effective and helpful for employee support and growth and simpler for managers to complete.
- Collect economic development data to inform business support policies and create an economic development work plan.
- Update the City's Climate Action Plan and present to the City Council for adoption.
- Implement organization-wide Document Management systems to streamline processes and increase access and retrieval of imaged documents for City Employees and members of the public.

Budget Highlights

- Shifted operating and staff expenses for Economic Development Programs from the Community Development Department to Central Administration.
- Increased funding to implement a Records Management Solution to enhance customer service and transparency.
- Increased funding for escalating risk management/liability insurance premiums.
- State and county funding to increase outreach to those experiencing homelessness.
- Restored funding for administrative support for Central Administration.

Department Staffing

Staffing	2020/2021 Final Budget	2021/2022 Final Budget	2022/2023 Amended Budget	2023/2024 Amended Budget
City Manager	1.00	1.00	1.00	1.00
Public Engagement/ Economic Development	2.85	2.85	6.65	6.65
City Clerk	2.00	2.00	2.00	3.00
Human Resources	4.85	4.85	5.35	5.35
Information Technology	5.10	5.10	0.00	0.00
Total Staffing	15.80	15.80	15.00	16.00





Department Budget

	2020/2021 Final Budget	2021/2022 Final Budget	2022/2023 Amended Budget	2023/2024 Amended Budget
Revenues				
Sustainability	-	23,000	15,000	40,000
Homeless Program	-	-	125,000	335,000
City Manager	-	-		-
City Clerk	200	200	200	200
Risk Management	-	4,400	4,400	4,400
Successor Agency	67,384	70,000	70,000	70,000
City Atty Cost Recovery	10,000	10,000	13,300	67,000
Total Revenues	77,584	107,600	227,900	516,600
Expenses				
City Council	85,708	88,552	111,199	114,069
City Manager	504,235	552,191	613,986	611,136
Public Information	457,684	245,554	368,739	359,008
Homeless Program	-	252,730	252,730	585,223
Economic Development	(94,413)	98,859	378,671	441,661
Sustainability	-	-	187,703	192,409
City Clerk	405,799	531,013	558,389	664,028
City Attorney General	333,000	373,000	447,600	447,600
City Atty Cost Recovery	30,000	30,000	40,000	40,000
City Atty Litigation	100,000	100,000	200,000	200,000
Administration	40,651	271,228	584,792	315,574
Human Resources	-	974,907	1,056,267	1,080,718
Information Technology	-	1,266,819	6,162	-
Risk Management	-	1,373,960	1,872,870	2,042,394
Successor Agency	43,616	71,062	71,062	69,040
Total Expenses	1,922,840	5,949,699	6,750,170	7,162,860



<u>Expenses by Category</u>	2020/2021 Final Budget	2021/2022 Final Budget	2022/2023 Amended Budget	2023/2024 Amended Budget
Salaries and Wages	827,413	2,207,188	2,243,966	2,452,153
Employee Benefits	202,783	520,784	487,192	503,688
Professional Services	624,911	1,242,666	1,679,193	1,695,463
Intergovernmental Services	-	10,000	117,024	17,024
Training and Travel	20,091	57,593	91,936	105,263
Rentals and Leases	-	107,794	-	-
Repairs and Maintenance	16,000	114,065	47,200	46,200
Materials and Supplies	120,300	1,511,019	2,051,998	2,305,766
Utilities	6,403	153,803	6,803	9,303
Other Expenses	104,939	24,787	24,858	28,000
Total Expenses	1,922,840	5,949,699	6,750,170	7,162,860

**Central Admin Revenue by Fund**

Fund	FY 2020/21 Final Budget	FY 2021/22 Final Budget	FY 2022/23 Amended Budget	FY 2023/24 Amended Budget
General Fund	10,200	37,600	157,900	446,600
Successor Agency	67,384	70,000	70,000	70,000
Total Revenues by Funding Source	77,584	107,600	227,900	516,600

Central Admin Expenditures by Fund

Fund	FY 2020/21 Final Budget	FY 2021/22 Final Budget	FY 2022/23 Amended Budget	FY 2023/24 Amended Budget
General Fund	1,822,013	5,842,083	6,621,783	7,093,820
Measure F	95,000	-	-	-
Successor Agency	60,176	43,616	71,062	69,040
Emergency & Disaster Relief	(54,349)	-	-	-
American Rescue Plan	-	64,000	57,325	-
Total Expenditures by Fund	1,922,840	5,949,699	6,750,170	7,162,860



ADMINISTRATIVE SERVICES

The Administrative Services Department is responsible for supporting all City departments in finance (accounting, budget, payroll, treasury, contracts) and information technology services, and for promoting fiscal transparency with the City Council and community.

Department Mission Statement

The mission of Administrative Services is to provide comprehensive and effective financial services and information technology infrastructure, support, and security to the organization. As an internal and external service provider, the Department takes pride in being an attentive, resourceful and responsive team providing superior service and communication to all City programs and activities as well as the greater Novato community.

Department Programs

General Accounting and Administration

This function is responsible for a broad array of general accounting and reporting functions. This includes:

- Preparing internal financial reports and required state and federal reports for the City, Successor Agency of the dissolved Redevelopment Agency and special assessment districts;
- Preparing financial and budget reports to City Council including revenue trend analysis and projections, as well as future financial and economic conditions;
- Managing annual financial audits and coordinating preparation of the Annual Comprehensive Financial Statements with external auditors;
- Calculating annual tax rates for bond indebtedness;
- Maintaining the general ledger;
- Designing and implementing internal controls;
- Managing centralized contract and grant administration;
- Identifying robust employee training opportunities to ensure staff have necessary technical knowledge to perform their responsibilities;
- Completing cost recovery rate calculations; and
- Overseeing accounts payable, payroll, business license, cashiering, accounts receivable, and purchasing functions.

Budget Development and Management

Budget management functions include developing the operating budget and assisting with the capital improvement program budget; monitoring and controlling expenditures to ensure that appropriations are not exceeded; and authorizing and processing budget transfers and amendments, travel requests, requisitions, and payment authorizations.

Payroll

Payroll services included processing bi-weekly payroll, including issuance of payroll checks and direct deposit for approximately 300 full-time and part-time employees; maintaining leave accruals balances; accounting for benefits and overtime; complying with state and



federal regulations; responding to employees' questions and special needs; and preparing quarterly and annual federal and state tax returns, and W-2s.

Business License/Cashiering/Accounts Receivable

This function includes coordinating billing, collection and records maintenance for approximately 4,300 businesses through a contract service provider. Additionally, this function includes invoicing and collecting accounts receivable, processing and depositing cash receipts and maintains DMV records for the City's vehicle/rolling stock fleet.

Accounts Payable

The Accounts Payable services include processing payment for all City obligations for purchased materials and services within vendors' terms, with an approximate volume of 3,400 disbursements annually. Additionally, the Department prepares 1099 forms for vendors and purchases office supplies for all departments.

Treasury/Investments

This function invests City funds in accordance with the adopted investment policy and manages the funds, so they are available when needed to meet City obligations.

Special Programs

The Department also manages a variety of programs that benefit the City but are not managed by other departments, including the annual payment to the Chamber of Commerce to promote tourism, congestion management program contributions, and memberships in various associations, such as the Association of Bay Area Governments (ABAG), National League of Cities and Cal Cities, that provide information and services to assist the City Council and staff in the administration of City business. Other shared public services managed by the Department include assisting with street light districts, animal control services provided by the Marin Humane Society under contract with the County, and administration of CATV franchise and community access channel programming.

Information Technology

The Information Technology Division manages data and telecommunications systems networks and provides services, security and support to end-users in all departments. The Division is responsible for network applications used by all employees and assists departments with business-specific application deployment and support. The Division is also responsible for internet, telephone system, remote access services, Geographical Information Systems (GIS), and managing support services provided by professional and technical consultants.

Department Goals

The Administrative Services Department has experienced severe staffing shortages in the past several years, resulting in delayed audits and a backlog of accounting activities. The Department has made great strides toward hiring, training, and retaining new finance employees, and restoring accounting and reporting services.

The Department offers the following goals for the coming fiscal year:

- Complete annual external audit for Fiscal Year 2021, and make significant progress on completion of Fiscal Year 2022 audit.



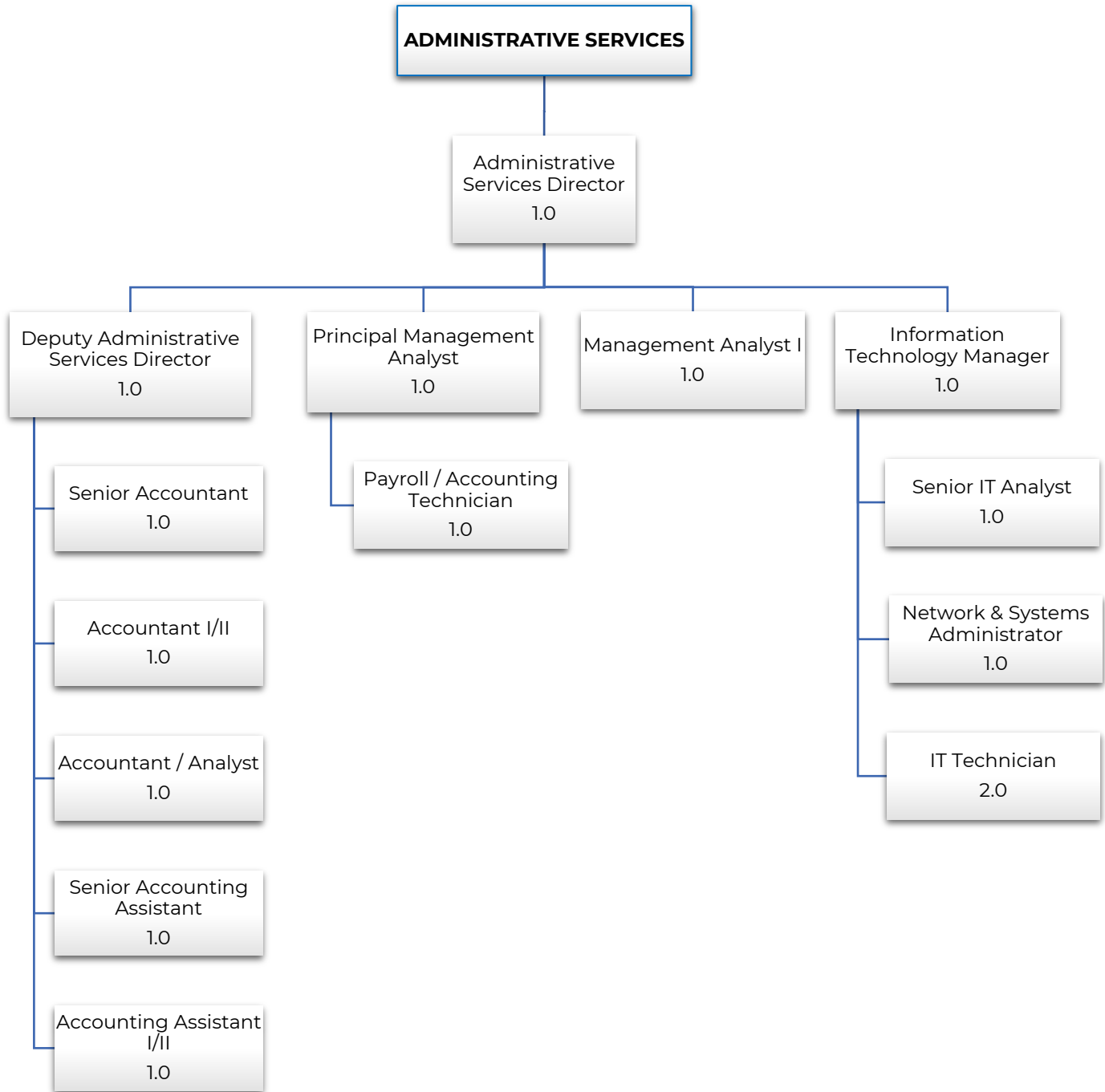
- Continue improving financial controls pursuant to independent auditor recommendations.
- Train, develop and retain the Administrative Services team to ensure technical competency, provision of superior customer service, and information/network security.
- Design, implement and document processes and procedures that align with current practices.
- Identify and implement technologies to increase departmental efficiencies.
- Support Community Development Department in selection and implementation of online permit system.

Budget Highlights

- Funding for independent auditors to complete Annual Comprehensive Financial Report.
- Funding for consulting services to assist in addressing accounting backlog.
- Funding for organization memberships in CalCities, Association of Bay Area Governments, and National League of Cities.
- Funding for annual contribution to Other Post Employment Benefit Trust.
- Contribution to Chamber of Commerce for support of local tourism activities.
- Funding for Community Sponsorship Program.
- Information Technology operating and staff expense shifted back to Administrative Services.
- Continued funding for Information Technology Equipment Replacement Fund.
- Continued funding for enhanced information technology security initiatives.

Department Staffing

Staffing	2020/2021 Final Budget	2021/2022 Final Budget	2022/2023 Amended Budget	2023/2024 Amended Budget
Administration	0.00	0.00	0.90	0.90
Finance	6.80	8.80	8.90	8.90
RDA Successor Agency	0.20	0.20	0.20	0.20
Capital Improvement Fund	0.00	0.00	0.00	0.00
Information Technology	0.00	0.00	5.00	5.00
Citywide Programs	0.00	0.00	0.00	0.00
Total Staffing	7.00	9.00	15.00	15.00



**Department Budget**

	2020/2021 Final Budget	2021/2022 Final Budget	2022/2023 Amended Budget	2023/2024 Amended Budget
Revenues				
Finance	26,710	26,710	29,710	179,110
Risk Management	4,400	-	3,500	-
Special Programs	50,000	50,000	50,000	169,191
Emergency Response	663,066	-	-	-
City Owned Property	38,000	42,000	42,000	42,000
Other	95,000	95,000	95,000	95,000
Total Revenues	877,176	213,710	220,210	485,301
Expenses				
Administration	(19,347)	-	-	-
Human Resources	1,050,486	-	-	-
Finance	2,629,304	3,441,336	3,766,128	3,962,313
Information Technology	1,524,795	229,000	1,627,007	1,680,326
Risk Management	1,732,065	-	-	-
Memberships	30,076	32,500	32,500	35,000
Central Stores	5,000	5,000	5,000	2,500
Special Programs	1,528,690	2,577,798	1,206,886	1,269,532
Marin GSA	49,735	67,233	67,233	70,859
Animal Services	777,685	704,417	730,465	767,558
City Owned Property	396,402	356,982	358,330	366,464
Total Expenses	9,704,891	7,414,266	7,793,549	8,154,552
Expenses by Category				
Salaries and Wages	1,934,662	1,049,523	1,945,025	2,172,025
Employee Benefits	410,142	184,589	432,157	471,799
Professional Services	1,091,272	898,795	811,384	735,859
Intergovernmental Services	975,420	901,650	947,698	997,328
Training and Travel	62,584	17,607	28,007	37,803
Rentals and Leases	392,760	269,265	335,918	464,679
Repairs and Maintenance	583,632	403,082	572,632	575,792
Materials and Supplies	1,831,381	67,807	88,723	80,750
Utilities	169,272	7,272	155,620	161,822
Capital Expenses	134,000	79,000	134,000	134,000
Other Expenses	2,119,766	3,535,676	2,342,385	2,322,695
Total Expenses	9,704,891	7,414,266	7,793,549	8,154,552

**Administrative Services Revenue by Fund**

Fund	FY 2020/21 Final Budget	FY 2021/22 Final Budget	FY 2022/23 Amended Budget	FY 2023/24 Amended Budget
General Fund	744,176	76,710	83,210	348,301
NPFA	38,000	42,000	42,000	42,000
Technology Replacement	95,000	95,000	95,000	95,000
Total Revenues by Funding Source	877,176	213,710	220,210	485,301

Administrative Services Expenditures by Fund

Fund	FY 2020/21 Final Budget	FY 2021/22 Final Budget	FY 2022/23 Amended Budget	FY 2023/24 Amended Budget
General Fund	7,701,697	4,914,116	5,680,793	5,988,626
Measure F	-	(17,644)	-	-
Hamilton Art Center	275,000	275,000	275,000	287,160
NPFA	71,982	71,982	73,330	73,954
American Rescue Plan	-	487,000	19,425	-
Pension Obligation Bonds	1,493,212	1,549,812	1,611,001	1,670,812
Technology Replacement	134,000	134,000	134,000	134,000
Hamilton Trust	29,000	-	-	-
Total Expenditures by Fund	9,704,891	7,414,266	7,793,549	8,154,552



Police Department

The Police Department works with members of our community, community groups, and other City departments to prevent crime, resolve quality of life issues, and enhance a feeling of safety for residents, business owners, and visitors.

Department Mission Statement

In partnership with the community, the Police Department is committed to protect, serve, and create a safer Novato.

Department Programs

The Novato Police Department serves the community through many programs and services that enhance residents' and visitors' safety and quality of life. These programs include Community Academy (English and Spanish); Coffee with a Cop; Holiday Heroes & Helpers; National Night Out; an Annual Open House; school supply giveaways; and holiday food and gift distributions with local non-profits.

Administration:

The Chief of Police leads the Department and is responsible for the vision, direction, and policing philosophy. Two Captains directly oversee the Operations Division and Administrative Services Division.

Administrative Services Division:

The Administrative Services Division provides management for several vital functions that provide technical and administrative support for the Police Department:

Technical Services Bureau: The Technical Services Bureau consists of the Records Section and the Communications Section. Records staff process police reports and citizen requests for service; answer calls from the public; retrieve and archive police reports; compile statistics; process subpoenas and requests for records; and manage documents for the Marin County District Attorney's office. The Evidence Technician receives, stores, and releases property and evidence for all police cases, and destroys controlled substances and firearms in accordance with state law. Communications staff answer 9-1-1 emergency telephone lines, and dispatch staff to calls for service. They also transfer medical, and fire calls for service; respond to officer requests for information; enter data into the Computer Aided Dispatch (CAD) system; and update state and national databases.

Emergency Services: The City's Emergency Services program partners with the Novato Fire Protection District to prepare for and respond to disasters and emergencies, whether natural or intentional and maintains the City's Hazard Mitigation Plan.

Professional Standards Bureau: Professional Standards staff manage employee training for personnel following federal and state mandates and manage equipment for the department. This unit coordinates recruitment and hiring, including required testing and background investigations. This unit completes audits, administrative reviews, and recommends policy/procedure changes. The staff is also responsible for investigating complaints and misconduct.

Budget: Staff coordinates budget management, federal and state grant administration, invoicing and reimbursements, purchasing support, and executing and updating contracts.



Community Outreach: The Community Outreach staff create public messaging and coordinate department community events including the Community Academy (Spanish and English Language), Coffee with the Cops, and Annual NPD Open House.

Investigations Bureau: The Investigations Bureau staff have specialized training which they use to support the Patrol Bureau. The Investigations Section pursues leads on complex criminal activity and major crimes. This unit includes Detectives and School Resource Officers.

Operations Division:

The Operations Division provides proactive and community-oriented policing.

Patrol Bureau: The Patrol Bureau responds to all calls for service, 24 hours a day, 7 days a week, 365 days a year, initiating most investigations and assisting allied agencies. The Patrol Bureau includes the Traffic Section, the Field Training Program, Police Canine Program, Crisis Response Unit, and the Explorer Program (Youth Career Development). The Traffic Section provides targeted traffic enforcement, educational outreach to increase traffic safety, and special event permitting. Traffic staff also handle parking complaints and towing of abandoned vehicles. The Fire Mitigation Ranger position, a partnership with the Novato Fire Protection District and the Marin Wildfire Prevention Authority, handles fire-mitigation-related enforcement and education.

Department Goals

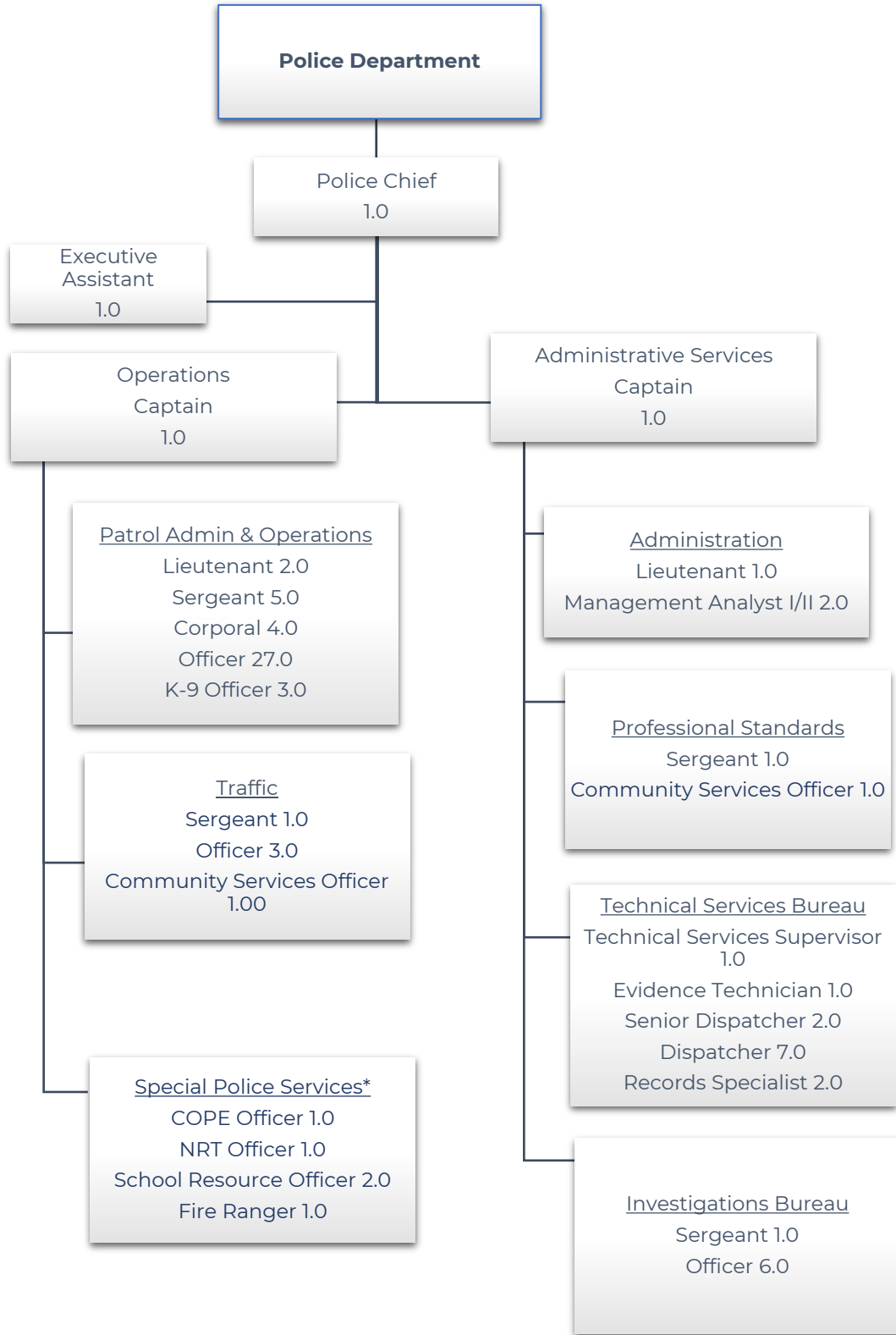
- Expand the use of technology to better identify crime trends and response times.
- Continue to focus on social media outreach, youth engagement opportunities, and expansion of local neighborhood meetings. Continue community outreach regarding emergency preparedness efforts.
- Continue work with City Outreach staff, non-profits, and partners at the County to address unhoused, mentally ill, and individuals experiencing substance abuse issues.
- Expand the canine program to include a facility canine.
- Deploy new and upgrade existing technology tools to promote a safer community and enhance organizational efficiency.
- Enhance recruitment and retention efforts and increase emphasis on employee wellness.

Budget Highlights

- Grant funding for new and replacement equipment, including crime scene mapping technology; a new traffic safety message trailer; public safety cameras; and fleet and automated license plate reader cameras.
- Funding for crime analysis services.
- Funding for a canine program and necessary equipment and training.
- Revenue and expense to fund Fire Mitigation Ranger services in partnership with Novato Fire Protection District.
- Grant funding for youth tobacco education and a School Resource Officer (SRO).

**Department Staffing**

Staffing	2020/2021 Final Budget	2021/2022 Final Budget	2022/2023 Amended Budget	2023/2024 Amended Budget
Administration	5.00	5.00	5.00	5.00
Technical Services	14.00	14.00	14.00	14.00
Professional Standards	2.50	2.50	2.50	3.00
Criminal Investigations	6.00	6.00	6.00	6.00
Patrol Administration & Operations	40.00	40.00	40.00	41.00
Traffic	5.00	5.00	5.00	5.00
Special Police Services	6.00	6.00	6.00	6.00
Total Staffing	78.5	78.50	78.50	80.00



*Grant Funded Positions

**Department Budget**

	2020/2021 Final Budget	2021/2022 Final Budget	2022/2023 Amended Budget	2023/2024 Amended Budget
<u>Revenues</u>				
Police Administration	39,200	36,000	40,000	40,000
Services Administration	-	-	-	5,000
Records Management	14,700	12,200	20,200	20,200
Communication / Dispatch	2,800	2,800	2,800	-
Professional Standards	41,000	36,000	47,500	50,300
Criminal Investigations	-	-	-	8,000
Patrol Operations	724,200	736,200	837,500	1,142,500
Traffic Operations	170,000	162,500	157,000	159,000
Police Grants	488,328	477,328	690,845	530,828
Novato Response Team	157,744	157,744	-	-
Emergency Services	-	-	-	-
Special Projects	-	-	-	500
Equipment Replacement	-	5,000	7,500	5,000
Community Engagement	22,000	15,000	15,000	15,000
Total Revenues	1,659,972	1,640,772	1,818,345	1,976,328
<u>Expenses</u>				
Police Administration	1,306,142	1,333,243	1,831,288	1,580,127
Emergency Services	-	30,000	25,000	25,000
Records Management	669,497	614,172	578,086	629,642
Communications / Dispatch	1,343,426	1,467,436	1,433,863	1,453,353
Professional Standards	590,174	528,550	579,086	781,614
Criminal Investigations	1,410,013	1,207,490	1,807,102	1,487,536
Patrol Operations	8,834,079	9,571,642	10,281,557	11,042,767
K-9	608,043	673,231	320,819	329,764
Traffic Operations	954,571	939,331	575,779	848,995
Police Grants	537,183	551,365	532,015	689,253
Novato Response Team	623,656	735,054	876,798	1,013,704
Special Response Team	34,811	17,422	13,864	11,864
Community Engagement	27,793	14,716	20,000	20,000
Special Projects	247,285	87,375	-	-
Total Expenses	17,186,673	17,771,027	18,875,257	19,913,619



	2020/2021 Final Budget	2021/2022 Final Budget	2022/2023 Amended Budget	2023/2024 Amended Budget
<u>Expenses by Category</u>				
Salaries and Wages	11,270,471	11,673,253	12,245,461	13,077,017
Employee Benefits	4,181,604	4,333,176	4,834,980	4,966,805
Professional Services	285,504	315,504	309,153	338,253
Intergovernmental Services	75,389	75,389	19,057	19,057
Training and Travel	78,028	78,028	190,794	190,794
Rentals and Leases	7,704	7,704	3,804	3,804
Repairs and Maintenance	413,322	413,322	353,491	382,672
Materials and Supplies	316,534	316,534	314,620	313,620
Utilities	28,077	28,077	28,077	28,077
Capital Expenses	150,000	150,000	145,000	162,700
Other Expenses	380,040	380,040	430,820	430,820
Total Expenses	17,186,673	17,771,027	18,875,257	19,913,619

Police Revenue by Fund

Fund	FY 2020/21 Final Budget	FY 2021/22 Final Budget	FY 2022/23 Amended Budget	FY 2023/24 Amended Budget
General Fund	1,338,972	1,325,772	1,452,845	1,607,328
Special Projects	186,000	175,000	210,500	214,000
State COPS Grant	135,000	135,000	150,000	150,000
Equipment Replacement	-	5,000	5,000	5,000
Total Revenues by Funding Source	1,659,972	1,640,772	1,818,345	1,976,328

Police Expenditures by Fund

Fund	FY 2020/21 Final Budget	FY 2021/22 Final Budget	FY 2022/23 Amended Budget	FY 2023/24 Amended Budget
General Fund	16,856,673	17,333,027	18,345,257	19,455,919
Special Projects	110,000	110,000	95,000	235,000
State COPS Grant	220,000	220,000	205,000	222,700
American Rescue Plan	-	108,000	230,000	-
Total Expenditures by Fund	17,186,673	17,771,027	18,875,257	19,913,619



Community Development

The Community Development Department is responsible for ensuring that new development enhances the community and protects the environment; new construction complies with state health and safety codes; and existing properties are maintained in accordance with minimum standards and that the City plans for housing to accommodate all income levels while protecting the existing supply of deed restricted, below market rate housing.

Department Mission Statement

The mission of the Community Development Department is to actively engage the community in defining its goals, ensure that Novato's values are reflected in the physical and natural environment of the City, to assist in providing safe and well-maintained buildings, and to focus on the long-term quality and sustainability of the built environment and fiscal health of our community.

The Department is committed to improving the City's economic base while retaining the community's character and environmental resources. The Community Development Department strives to provide efficient and customer-oriented permit services, and to continuously implement innovative improvements.

Department Programs

The Community Development Department is responsible for administering land use policies, environmental regulations, and design and building code standards for new construction, as well as ongoing property maintenance standards based on federal, state and local requirements. In addition, the Department manages the City's affordable housing and multi-family inspection programs.

Administration

The Community Development Director plans and manages the overall activities of the Department, provides policy direction, and manages Department personnel and budgets. In addition, the Director coordinates activities with other City departments and represents the Department at City Council and other community and regional meetings. Each of the Department's four divisions (Planning, Building, Code Enforcement and the Permit Center) has a primary manager with responsibility for oversight of these individual functions and reports to the Director. The Department contracts with Rise Housing to provide day-to-day management of the City's below market rate housing program. The Director oversees that consultant work.

Affordable Housing Programs

The Department is primarily responsible for management of the City's affordable housing program, implementing the City's housing goals, policies, and programs, including monitoring and retention of the City's 500+ affordable housing units.

The Department takes the lead on various housing initiatives, including updates to the City's General Plan to accommodate regional housing need allocations, updating plans and codes to respond to changes in State housing legislation and actively manages the City's deed-restricted affordable housing units by monitoring compliance reports for rental properties and coordinating resale and refinancing transactions of for-sale units and conducting



periodic lotteries when new affordable units become available.

Code Enforcement

Code Enforcement staff help ensure community safety and neighborhood quality by enforcing codes related to building, zoning and property maintenance including investigation of public nuisance complaints, construction performed without permits, and multi-family housing safety inspections.

Complaint Investigation: Staff investigate complaints regarding municipal, building, plumbing, electrical, and mechanical codes; issue stop-work orders for illegal construction; property maintenance complaints, hazardous material incidents, and graffiti abatement; and conduct community outreach programs in cooperation with the Police Department and Fire District.

Multi-Family Housing Inspection: Staff perform bi-annual inspections of apartment units to identify sub-standard living conditions and illegal construction, and work in partnership with property owners and tenants to prevent and correct sub-standard housing and blighted properties.

Planning

The Planning Division consists of both current and long-range planning functions. The Planning Division provides staff support for the Planning and Design Review Commissions and the division's manager typically serves as the City's Zoning Administrator.

Current Planning (Development Review): Current Planning functions include reviewing new development proposals for compliance with the General Plan and Municipal Code, community design standards and the California Environmental Quality Act.

Long-Range Planning: Long-Range Planning staff are responsible for implementing and updating the City's General Plan, including the Housing Element, and monitoring regional planning activities. Activities include the development and adoption of land use plans, specific plans, policies, and ordinances which are responsive to community goals and changes in state or federal regulations.

Building

The Building Division manages the review, issuance and inspection of applications for building permits in accordance with state building codes. The division manages the ePermit Resource Center. Building and Code Enforcement staff provide support to the Novato Housing, Zoning and Building Codes Appeals Board.

Plan Review: This function includes coordinating with other divisions, departments and outside agencies to review, process and track building permit applications, as well as issuance of permits.

Building Inspection: Staff perform all necessary building and site inspections in accordance with the state Building Code. Inspections include engineering site work, grading and encroachment permits, and drainage for private lot development. Building Inspection staff collaborates with Code Enforcement Officers when necessary to address complex code enforcement cases.

ePermit Resource Center: Following remote permit processing changes that came about due to the COVID-19 pandemic, the Department launched a new approach to One Stop



Shop. Though electronic services have replaced over-the-counter permit issuance, staff from Building, Planning, Engineering and Code Enforcement are available Monday through Thursday, 9:00 am to 11:00 am to offer information on City and State regulations, answer questions about individual projects, furnish necessary paperwork and provide direction on process.

Permit Center

Staff in this Division are the initial point of contact for the public, including individuals, community groups, contractors, developers, and realtors. Staff members provide a wide variety of information related to Department functions. They screen, review, accept for processing, and initiate work flows for all permit applications to appropriate and various divisions and agencies for review and approval. Division staff provide cashiering services for permit and other fees, manage division records, and assist the public in obtaining copies of public building and construction records.

Department Goals

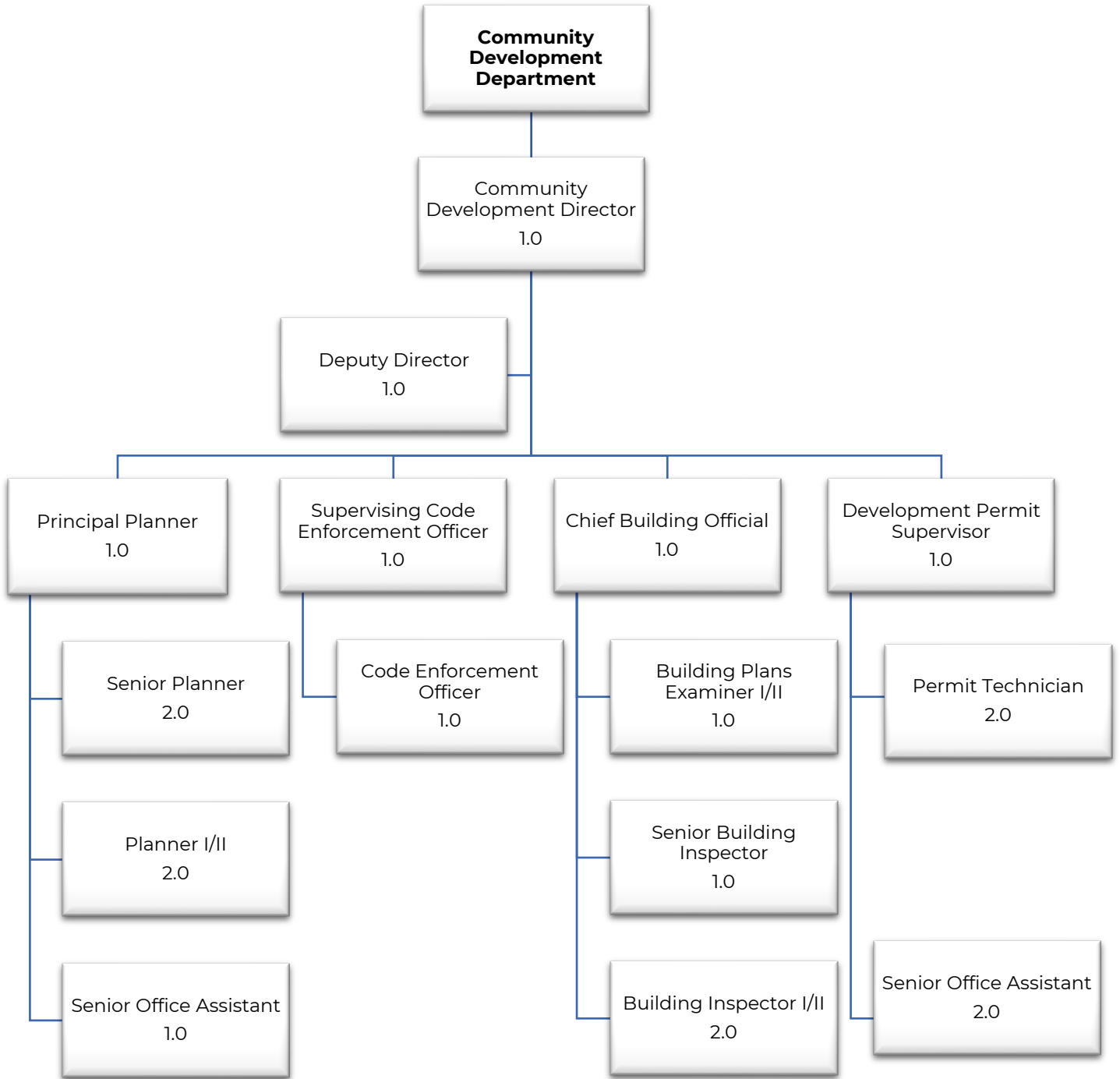
- Complete update of the General Plan Housing Element to address Cycle 6 Regional Housing Needs.
- Implement new permitting software with more capabilities for electronic plan review and permit processing and a more accessible customer interface.
- Update General Plan Safety Element to address fire access and evacuation legislation.
- Continue refinement of the commercial cannabis licensing and inspection process.
- Complete several General Plan implementing ordinances, including an update to the City's Hillside and Ridgeline Protection ordinance.
- Initiate policy development to address climate adaptation & resiliency as required by law.
- Initiate update of the City's Climate Action Plan.
- Complete update of the City's telecommunications and small cell technology ordinance.

Budget Highlights

- Revenues are anticipated to be lower than in recent years due to a lack of shovel ready building projects.
- Increased cost recovery associated with updated User and Regulatory Fee Schedule.
- Funding to implement service efficiencies and technology enhancements at permit center.
- Decreased expense in Professional Services as FY22/23 included one-time funding for several state mandated and one-time projects.

**Department Staffing**

Staffing	2020/2021 Final Budget	2021/2022 Final Budget	2022/2023 Amended Budget	2023/2024 Amended Budget
Administration	1.78	1.78	.78	.78
Code Enforcement	3.00	3.00	2.00	2.00
Planning	6.20	6.20	7.20	7.20
Permit Center	4.50	4.50	4.50	4.50
Building	5.00	5.00	5.00	5.00
Affordable Housing Program	.02	.02	.02	.02
Automation Surcharges	.50	.50	.50	.50
Total Staffing	21.00	21.00	20.00	20.00



**Department Budget**

	2020/2021 Final Budget	2021/2022 Final Budget	2022/2023 Amended Budget	2023/2024 Amended Budget
<u>Revenues</u>				
CDD Administration	76,000	72,200	72,200	71,585
Code Enforcement	332,980	244,100	177,000	145,210
Resale Inspection	153,980	85,000	-	-
Planning Administration	1,400	1,000	171,000	-
Private Project Processing	190,995	189,000	400,582	208,290
Permit Center	33,500	22,100	20,050	1,050
Long-Range Planning	76,000	65,000	80,000	71,585
Affordable Housing	110,000	258,575	245,000	75,000
Building Inspection	1,213,910	1,029,600	1,916,918	1,397,050
Total Revenues	2,188,765	1,966,575	3,082,750	1,969,770
<u>Expenses</u>				
CDD Administration	295,689	392,777	485,039	487,318
Economic Programs	341,529	387,015	-	-
Code Enforcement	240,607	192,032	245,133	302,420
Resale Inspection	199,905	229,887	238,431	49,881
Planning Administration	237,136	721,399	1,799,058	407,571
Long-Range Planning	389,706	300,343	276,750	216,837
Private Project Processing	435,756	461,582	537,301	475,247
Permit Center	390,640	453,913	430,646	521,695
Affordable Housing	823,486	1,059,869	1,044,439	735,661
Building Inspection	827,600	1,009,114	1,312,676	1,430,825
Total Expenses	4,182,054	5,207,931	6,369,473	4,627,455
<u>Expenses by Category</u>				
Salaries and Wages	2,299,632	2,552,301	2,659,631	2,606,893
Employee Benefits	578,281	625,252	693,491	618,545
Professional Services	343,910	934,832	2,078,450	708,100
Training and Travel	15,060	34,800	28,600	28,600
Repairs and Maintenance	59,633	69,096	94,722	94,722
Materials and Supplies	106,384	100,125	56,125	52,275
Utilities	8,729	9,100	14,300	15,300
Other Expenses	770,425	882,425	773,154	503,020
Total Expenses	4,182,054	5,207,931	6,398,473	4,627,455

**Community Development Revenue by Fund**

Fund	FY 2020/21 Final Budget	FY 2021/22 Final Budget	FY 2022/23 Amended Budget	FY 2023/24 Amended Budget
General Fund	1,926,765	1,570,800	2,685,550	1,751,600
Affordable Housing Programs	110,000	258,575	245,000	75,000
General Plan Surcharge	76,000	65,000	80,000	71,585
Automation Surcharge	76,000	72,200	72,200	71,585
Total Revenues by Funding Source	2,188,765	1,966,575	3,082,750	1,969,770

Community Development Expenditures by Fund

Fund	FY 2020/21 Final Budget	FY 2021/22 Final Budget	FY 2022/23 Amended Budget	FY 2023/24 Amended Budget
General Fund	3,113,045	3,887,337	5,121,352	3,717,282
Affordable Housing Programs	823,486	1,059,869	1,044,439	735,661
General Plan Surcharge	150,000	7,500	-	-
Automation Surcharge	95,523	107,225	138,432	174,512
American Rescue Plan	-	146,000	65,250	-
Total Expenditures by Fund	4,182,054	5,207,931	6,369,473	4,627,455



Public Works Department

The Public Works Department manages the planning, environmental documentation, design, construction, maintenance, and operations of all city rights-of-way, properties, and facilities.

Department Mission Statement

The Public Works Department is dedicated to providing that residents, businesses, and visitors experience a safe, clean, and beautiful Novato.

Department Programs

Administrative Division

The Administrative Division provides oversight of the property management services for the City's special assessment districts, city-owned properties including the Novato Arts Center, Marin Valley Mobile Country Club (MVMCC) and others, department fiscal oversight, contract management, recordkeeping, and reporting. The division also provides staff liaisons and assistance to the Complete Streets and Pathways Oversight Committee (CSPOC) and the MVMCC Park Acquisition Corporation (PAC) as well as other local agencies and advisory boards such as the Transportation Authority of Marin Novato Safe Routes to Schools program.

Maintenance Division

The Maintenance Division is responsible for the long-term care of all city-owned property, infrastructure, and facilities, including streets, pathways, traffic signals, traffic signs and roadway striping, storm drains, weed abatement, landscape irrigation, street tree maintenance, turf field maintenance, litter/graffiti removal, swimming pool treatment and operations, building maintenance and custodial services, fleet vehicles and equipment. The division also ensures compliance with the City's regulatory permits and provides other periodic services such as hazardous materials cleanup and disposal, emergency/disaster response, and event set-up and support.

Engineering Division

The Engineering Division manages the City's Capital Improvement Program (CIP), Traffic Engineering Program, FEMA Community Rating System (CRS) and floodplain administration, and National Pollutant Discharge Elimination System (NPDES) permit compliance program. The division also provides technical services including land subdivisions, acquisitions and dispositions of City properties, review and issuance of encroachment/grading/transportation permits and License Agreements for private work within the public right-of-way.

Department Goals

- Complete construction of the Pioneer Park Play Structure Replacement project.
- Begin construction on the Grant Avenue Bridge Widening project.
- Install new SCADA system for the Hamilton Pump Stations.
- Update encroachment permit and license agreement tracking software and processes.



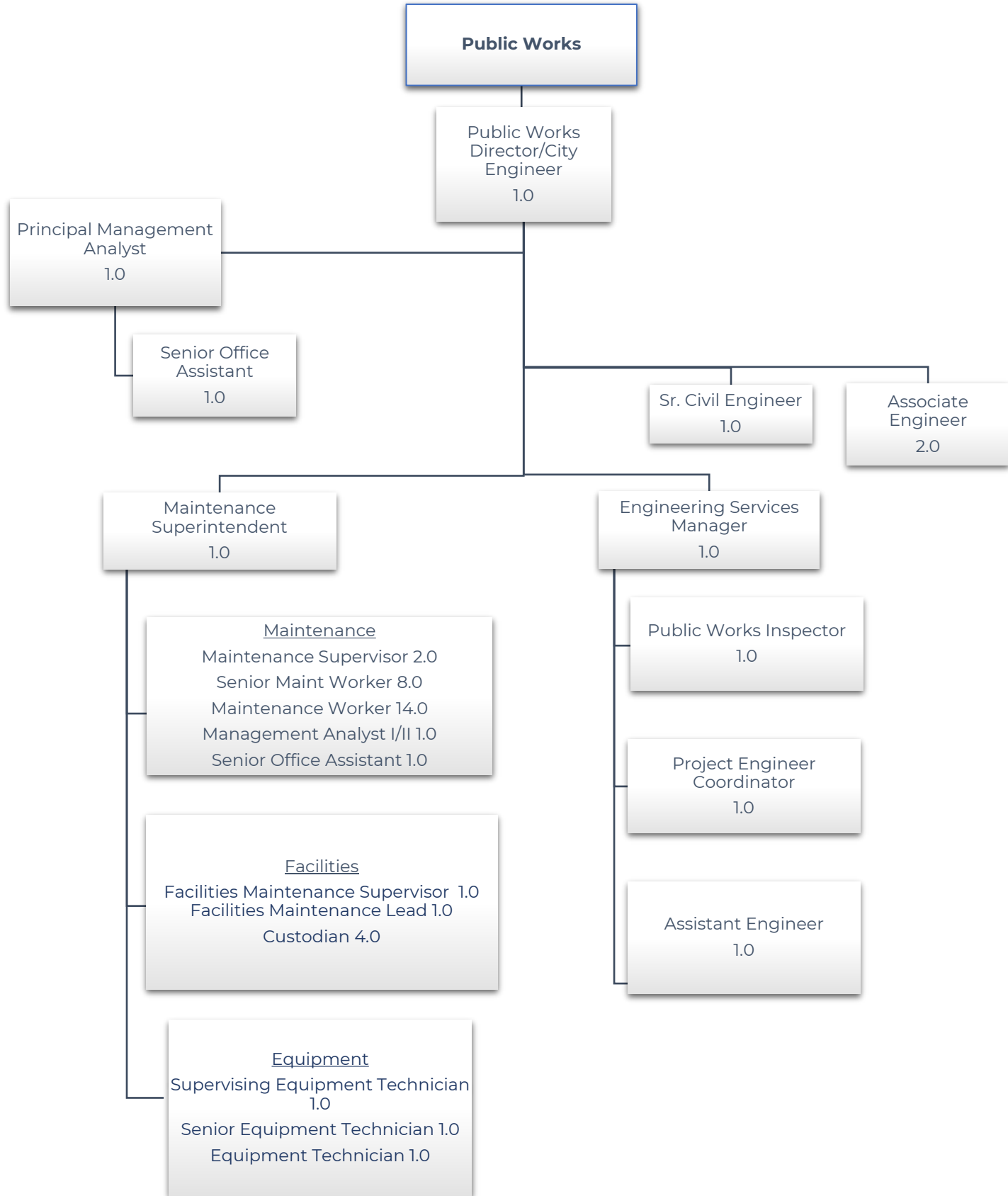
- Fully implement geo-locating functionality in the Computerized Maintenance Management System and expand user input fields to improve data available through queries.
- Replace HVAC units at the Downtown Recreation Center and Margaret Todd Center to reduce the amount of vendor service calls by 25%.
- Replace three diesel trucks that no longer comply with state emissions requirements with two new Tier 4 -compliant vehicles.
- Train all new streets maintenance staff to apply pavement patches and thermoplastic pavement markings.
- Complete upgrades to Santana Park including new slab and picnic table, decomposed granite pathway and irrigation repairs/upgrades.
- Provide hands-on training for all staff in irrigation systems, testing, and valve repair for compliance with water loss regulations.

Budget Highlights

- Decline in revenue over prior year due to projected reduced demand for permits and private project engineering services.
- Continued funding for the Downtown Streets Team to provide sidewalk and street cleaning, garbage and debris removal services.
- New funding included for the City to comply with new Underground Service Alert utility locating and marking requirements.
- Transition of Maintenance for Hamilton CFD to contract service, resulting in reduction of two maintenance workers.

**Department Staffing**

Staffing	2020/2021 Final Budget	2021/2022 Final Budget	2022/2023 Amended Budget	2023/2024 Amended Budget
Engineering Administration	3.80	3.80	2.05	2.05
Engineering Operations	4.25	4.25	4.00	4.00
Project Development	.45	.45	.45	.45
Capital Projects Engineering	3.50	3.50	3.50	3.50
Maintenance Administration	2.00	3.00	3.00	3.00
Street Maintenance	7.68	7.68	7.68	7.68
Traffic Operations	2.25	2.25	2.25	2.25
Median Island Maintenance	5.30	4.30	4.30	4.30
Parks Maintenance	6.70	6.70	6.70	6.70
Building Maintenance	7.00	7.00	7.00	6.00
Hamilton Community Facilities	3.07	3.07	3.07	1.07
Pointe Marin Community Facilities	2.00	2.00	2.00	2.00
Equipment/Vehicle Maintenance	3.00	3.00	3.00	3.00
Total Staffing	51.00	51.00	49.00	46.00



**Department Budget**

	2020/2021 Final Budget	2021/2022 Final Budget	2022/2023 Amended Budget	2023/2024 Amended Budget
Revenues				
Storm Water Pollution Prevention	-	-	10,000	10,000
Engineering Operations Permitting	-	71,170	-	-
Private Project Engineering	232,695	232,695	332,182	145,000
Capital Project Engineering	300	-	-	-
Maintenance Administration	2,000	2,000	4,000	4,000
Street Maintenance	4,100	4,100	4,100	2,500
Parks Maintenance	5,250	5,250	7,200	3,200
Civic Center Maintenance	2,050	2,050	2,050	-
MTSC Maintenance	16,500	16,500	16,500	2,000
City Owned Property Mgmt.	20,000	20,000	20,000	-
Levee Maintenance	230,000	230,000	230,000	230,000
Equipment Maintenance	841,247	871,483	987,926	987,926
Equipment Replacement	577,444	578,566	612,808	612,808
Total Revenues	1,931,586	2,033,814	2,464,766	2,144,634

Expenses

Traffic and Engineering Administration	716,279	842,828	856,205	611,626
Storm Water Pollution Prevention	291,466	293,033	293,405	330,520
Engineering Operations Permitting	503,490	938,874	852,810	640,444
Sustainability Programs	286,001	181,818	175,037	6,391
Private Project Engineering	182,125	279,367	-	-
Capital Project Engineering	199,914	245,942	332,269	314,488
Maintenance Administration	(228,513)	(104,537)	(65,243)	55,073
Street Maintenance	444,099	489,501	571,080	615,727
Storm Drain Maintenance	1,294,525	1,334,572	1,209,464	975,620
Traffic Operations	299,452	425,613	910,696	904,168
Median Island Maintenance	375,065	152,580	152,820	243,960
Parks Maintenance	869,887	927,425	979,837	970,373
Hamilton Pool Landscape	1,178,949	1,441,155	1,561,968	1,430,313
Civic Center Maintenance	172,781	177,776	190,379	209,696
Novato Museum	990,448	978,054	1,191,698	1,199,158
Maintenance	2,500	2,500	6,700	6,700
RC/Gymnastics Maint.	96,151	96,953	104,620	114,099



	2020/2021 Final Budget	2021/2022 Final Budget	2022/2023 Amended Budget	2023/2024 Amended Budget
Lu Sutton Maintenance	(14,667)	1,100	-	-
MTSC Maintenance	313,782	333,495	332,725	357,596
Hamilton Pool Building Maintenance	11,945	17,345	17,771	19,998
Other Hamilton Fac. Maint	140,964	89,761	81,383	93,918
Assessment Districts	1,031,908	927,918	1,075,870	1,016,811
City Owned Property Mgmt.	15,000	15,000	15,000	15,000
Equipment Maintenance	883,565	857,503	973,855	943,327
Equipment Replacement	1,283,186	995,512	691,199	1,200,398
Total Expenses	11,340,302	11,941,088	12,511,548	12,275,404

Expenses by Category

Salaries and Wages	5,206,142	5,341,355	5,600,554	5,413,411
Employee Benefits	1,271,099	1,325,981	1,546,449	1,397,262
Professional Services	572,394	1,194,640	1,162,581	782,005
Intergovernmental Services	500,320	533,133	572,737	609,973
Training and Travel	26,421	25,115	46,319	24,719
Rentals and Leases	10,599	10,599	12,959	12,496
Repairs and Maintenance	843,805	837,815	970,413	1,037,906
Materials and Supplies	801,869	879,023	970,597	864,284
Utilities	1,334,470	1,363,972	1,484,400	1,482,339
Other Expenses	(26,817)	(270,545)	(235,494)	(238,223)
Capital Expenses	800,000	700,000	380,033	889,232
Total Expenses	11,340,302	11,941,088	12,511,548	12,275,404

**Public Works Revenue by Fund**

Fund	FY 2020/21 Final Budget	FY 2021/22 Final Budget	FY 2022/23 Amended Budget	FY 2023/24 Amended Budget
General Fund	277,895	348,765	629,032	308,900
Automation Surcharge	5,000	5,000	5,000	5,000
Hamilton CFD Maintenance	230,000	230,000	230,000	230,000
Equipment/Vehicle Maintenance	841,247	871,483	987,926	612,808
Equipment Replacement	577,444	578,566	612,808	612,808
Total Revenues by Funding Source	1,931,586	2,033,814	2,464,766	2,144,634

Public Works Expenditures by Fund

Fund	FY 2020/21 Final Budget	FY 2021/22 Final Budget	FY 2022/23 Amended Budget	FY 2023/24 Amended Budget
General Fund	7,391,054	8,037,568	8,655,979	8,620,460
Measure F	164,800	-	-	-
Clean Storm Water	245,800	245,800	245,800	332,851
Hamilton CFD Maintenance	768,017	681,523	766,712	825,939
Pointe Marin CFD Maintenance	130,895	137,429	162,591	36,092
LAD San Marin	66,248	66,248	77,712	81,640
LAD Wildwood Glen	10,850	4,550	12,530	13,153
LAD Hillside	23,680	3,749	34,079	36,896
Light & LAD Downtown	2,850	3,300	4,323	4,323
LAD San Pablo	29,368	31,119	17,923	18,768
Parks Measure A	339,989	363,432	461,615	176,314
American Rescue Plan	-	513,355	407,230	-
Equipment/Vehicle Maintenance	883,565	857,503	973,855	928,570
Equipment Replacement	1,283,186	995,512	691,199	1,200,398
Total Expenditures by Fund	11,340,302	11,941,088	12,511,548	12,275,404



Parks, Recreation and Community Services

The Parks, Recreation, and Community Services Department (PRCS) provides a wide variety of programs, services, events, recreational opportunities, and facilities that enhance the quality of life for all residents. Through these social and recreational activities, PRCS strives to foster a sense of community in Novato and provides opportunities for all ages to be healthy and active.

Department Mission Statement

The mission of the Parks, Recreation and Community Services Department is to enrich individual and community life.

Department Programs

Administration

The Administration Division manages and oversees all PRCS programs, activities, facilities, and community outreach efforts. Administration oversees program registration and software; facility reservations and use policies; development and disbursement of the seasonal digital activity guides; community outreach and engagement; grants; community partnerships and agreements, and the planning, acquisition, and development of parks, recreation, and cultural facilities.

Athletics

The Athletics Division offers year-round recreational sports programs and leagues for youth and adults. Sports activities include instructional, recreational, and competitive programs. PRCS emphasizes learning fundamental skills before competing, developing a sense of fair play, encouraging a love for the game and participation in active recreation that supports life-long health and wellness. Staff also manages athletic facility use and rentals of 3 gymnasiums, 4 multi-use fields, 5 softball/baseball fields, 6 bocce courts, 4 outdoor tennis courts, 6 outdoor pickleball courts, and 2 outdoor multi-use courts used for basketball, roller hockey, tennis and pickleball throughout the year.

Aquatics

The Aquatics Division is responsible for oversight and operation of the Hamilton Community Pool and is the newest division under the Parks, Recreation & Community Services Department. Previously operated under a Use Agreement with the City of San Rafael, the City of Novato has reclaimed operation of the Hamilton Community Pool under the Parks, Recreation & Community Services Department. Summer 2023 will be the first swim season operated by the City of Novato. Aquatics activities and programs offered to the community include instructional learn-to-swim classes, First Aid, CPR and Lifeguard Certification courses as well as recreational swim programming for all ages. Facility and picnic rentals are also managed at this site.

Gymnastics

Gymnastics programming is offered year around in the Department's 10,000 square foot, dedicated gymnastics facility. Experienced staff provide movement education and gymnastics instruction to youth of all ages and abilities. Home to hundreds of participants and the Novato Gymnastics Team, the Novato Gymnastics Center offers high quality



instruction and programs focused on building self-esteem, safety, technique, and foundation of skills. Novato Gymnastics Center was voted Best Children's Indoor Sports Center in Marin County in 2022, 2019, 2018 and 2017 by Pacific Sun Readers.

Senior Citizens Programs

The Senior Citizens program is operated at the Margaret Todd Senior Center (MTSC) where: "We believe that active and engaged adults live healthier, happier lives." MTSC offers enrichment and fitness classes, special events, game groups, and outreach services that bring people together, encourage social connections, and create new learning experiences. The facility is also the City's largest rentable indoor community space and is reserved throughout the year for private events.

Special Events

The Special Events Division provides year-round community events for all ages. Core events offered by this division include Movies in the Park, Concerts on the Green, Hamilton Hot Amphitheater Nights Concerts, Community Flea Markets, the Holiday Crafts Faire and other seasonal celebrations.

Youth Enrichment

The Youth Enrichment Division oversees year around enrichment opportunities for youth participants of all ages including educational, social, and recreational classes, week-long summer day camps and single-day program offerings during holidays and vacation weeks. The Youth Enrichment Division also manages facility rental of the Hamilton Community Center, Downtown Recreation Center and Pocket Park.

Department Goals

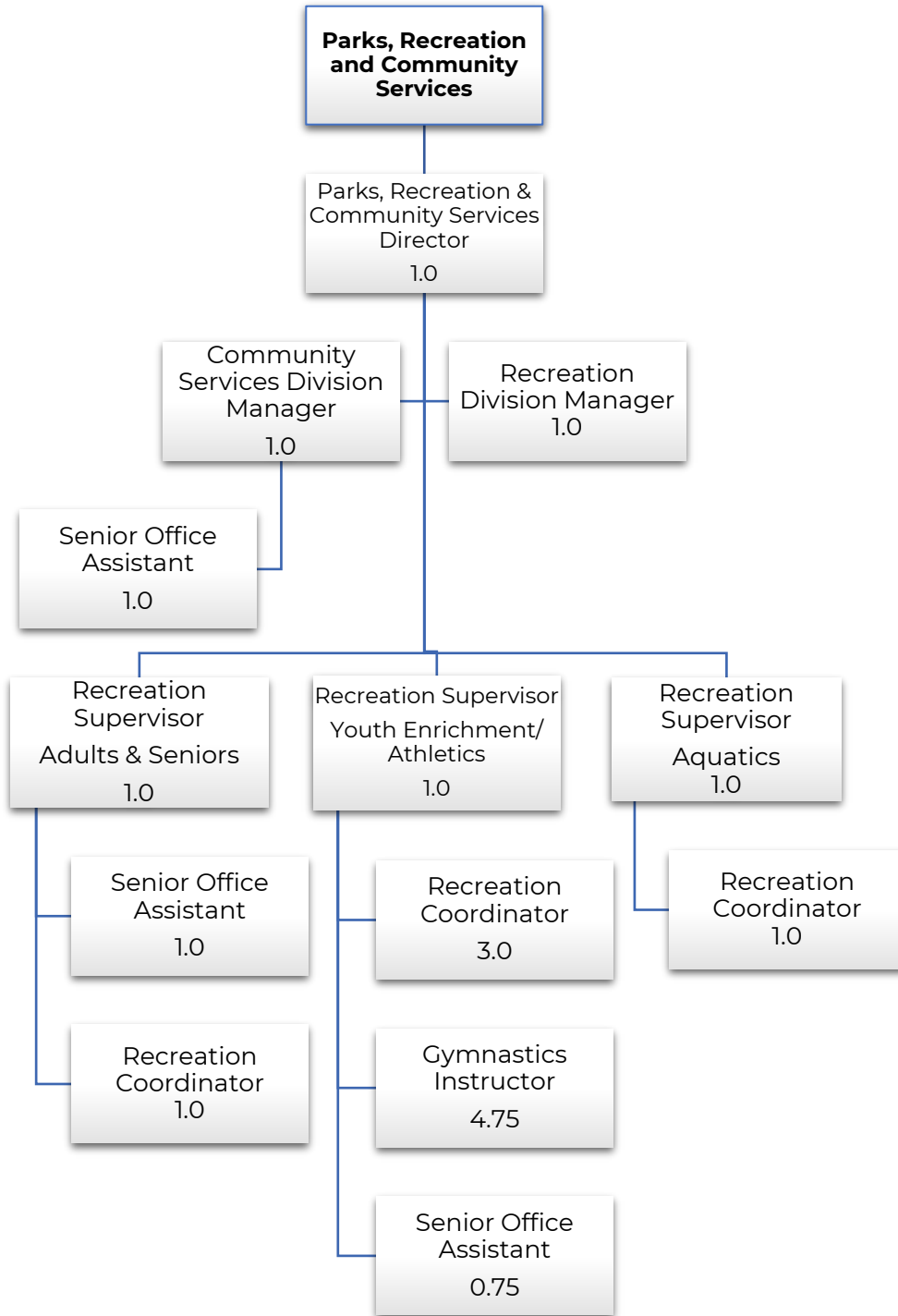
- Complete the Parks Master Plan.
- Transition park picnic area rentals to an online reservation request platform to support community demand.
- Create a comprehensive program and facility rental customer evaluation process.
- Enhance programming for younger age groups (2, 3 and 4 years) in the afternoons/evenings at the Novato Gymnastics Center.
- Coordinate celebration for the 25 Year Anniversary of the Novato Gymnastics Center.
- Develop a Counselor in Training (CIT) program with target implementation date of summer 2024 for teens.
- Develop and implement two new athletic programs specifically serving youth with adaptive needs.
- Provide three new youth camps during NUSD closures, i.e. Winter Break, Mid-Winter Break or Spring Break.
- Develop and implement a new Babysitting Safety and Certification course for teens.
- Develop and implement one new community event at the Hamilton Pool.
- Add three new programs to the adult and senior program offerings by June 30, 2024.
- Increase exposure outside of current participants by giving three presentations to outside organizations about the Margaret Todd Senior Center programs and services.
- Increase older adult outreach by development and distribution of tri-annual, senior focused, mailer promoting programs and services offered at Margaret Todd Senior Center.

**Budget Highlights**

- Transitioned some Youth Enrichment and Athletics programs from in-house to independent contractors resulting in increased program offerings and reduced operating costs.
- New revenue and expense associated with City operation of Hamilton Pool.
- Participation and revenue for Senior programming continues post-pandemic recovery.
- Increased revenue associated with growing facility rental demand at Margaret Todd Senior Center.

Department Staffing

Staffing	2020/2021 Final Budget	2021/2022 Final Budget	2022/2023 Amended Budget	2023/2024 Amended Budget
Administration	1.11	3.61	4.00	4.00
Youth Enrichment Programs	1.20	1.20	1.00	1.00
Senior Citizens	1.85	1.85	2.00	2.00
Athletics	10.54	9.54	9.00	9.50
Aquatics	0.00	0.00	2.00	2.00
Parks Measure A	0.50	0.00	0.00	0.00
Total Staffing	15.20	16.20	18.00	18.50



**Department Budget**

	2020/2021 Final Budget	2021/2022 Final Budget	2022/2023 Amended Budget	2023/2024 Amended Budget
Revenues				
PRCS Administration	43,765	69,044	105,600	158,130
Activities Guide	-	2,000	3,500	4,200
Hamilton Pool	-	-	117,880	327,464
Youth Enrichment	258,060	234,420	351,504	357,125
Senior Citizens Program Administration	7,080	45,593	46,368	61,194
Senior Citizens Classes	80,000	62,000	85,250	85,250
Athletics Programs	284,735	465,048	523,179	549,566
Gymnastics	336,600	680,244	769,575	817,999
Total Revenues	1,010,240	1,558,349	2,002,856	2,360,928
Expenses				
PRCS Administration	346,019	385,022	756,539	941,849
Activities Guide	21,549	7,247	11,253	-
Hamilton Pool	-	-	201,500	366,347
PRCS Special Events	142,093	151,391	239,091	136,361
Youth Enrichment	431,642	408,070	415,139	442,583
Museum Admin and Classes	1,840	-	-	-
Senior Citizens Program Administration	230,026	251,632	298,869	247,382
Senior Citizens Classes	126,146	137,718	63,795	136,615
Athletics Programs	531,050	545,674	524,088	314,321
Gymnastics	917,158	960,876	1,023,623	1,083,103
Total Expenses	2,747,523	2,847,630	3,533,897	3,668,561



	2020/2021 Final Budget	2021/2022 Final Budget	2022/2023 Amended Budget	2023/2024 Amended Budget
<u>Expenses by Category</u>				
Salaries and Wages	1,796,795	1,968,043	2,256,871	2,511,873
Employee Benefits	459,192	429,569	427,298	454,775
Professional Services	253,642	164,327	509,327	387,685
Intergovernmental Services	3,367	3,367	3,367	3,367
Training and Travel	3,720	20,970	23,470	19,425
Rentals and Leases	6,397	6,397	6,397	6,397
Repairs and Maintenance	43,226	70,976	51,182	49,182
Materials and Supplies	172,424	152,421	215,230	192,985
Utilities	17,800	16,600	20,185	22,302
Other Expenses	(9,040)	14,960	20,570	20,570
Total Expenses	2,747,523	2,847,630	3,533,897	3,668,561

**Parks and Recreation Revenue by Fund**

Fund	FY 2020/21 Final Budget	FY 2021/22 Final Budget	FY 2022/23 Amended Budget	FY 2023/24 Adopted Budget
General Fund	1,010,240	1,558,349	2,002,856	2,360,928
Total Revenues by Funding Source	1,010,240	1,558,349	2,002,856	2,360,928

Parks and Recreation Expenditures by Fund

Fund	FY 2020/21 Final Budget	FY 2021/22 Final Budget	FY 2022/23 Amended Budget	FY 2023/24 Adopted Budget
General Fund	2,673,302	2,791,130	3,457,897	3,668,561
Parks Measure A	74,221	32,500	32,500	-
American Rescue Plan	-	24,000	43,500	-
Total Expenditures by Fund	2,747,523	2,847,630	3,533,897	3,668,561



Adopted Budget 2023–24

NON-GENERAL FUND BUDGETS



All Non-General Funds

	2020/2021	2021/2022	2022/2023	2023/2024
	Final Budget	Final Budget	Amended Budget	Amended Budget

General Government Operating Funds

111 - Measure F Sales Tax

This fund was used to account for revenues and expenses from Measure F, a five-year 1/2 cent local sales tax approved by Novato voters in November, 2010. The purpose of Measure F was to offset or prevent additional budget reductions and to maintain or restore vital general fund services. Measure F expired March 31, 2016. This account will remain open until all funds have been spent consistent with the intent of Measure F.

Revenues

Taxes	-	-	-	-
Use of Money and Property	-	60,000	1,300	-
Other Revenues	-	-	-	-
Total Revenues	-	60,000	1,300	-

Expenses

Salaries and Wages	164,800	-	-	-
Employee Benefits	-	-	-	-
Professional Services	-	-	-	-
Intergovernmental Services	-	-	-	-
Training and Travel	-	-	-	-
Rentals and Leases	-	-	-	-
Repairs and Maintenance	-	-	-	-
Materials and Supplies	-	-	-	-
Other Expenses	95,000	(17,644)	-	-
Operating Transfers Out	1,274,258	464,587	400,000	-
Total Expenses	1,534,058	446,943	400,000	-

112 - City Owned Property

This fund was consolidated into Fund 116, Emergency and Disaster Response Reserve, in FY 19/20 and is no longer used.

Revenues

Use of Money and Property	24,500	-	-	-
Total Revenues	24,500	-	-	-

Expenses

Other Expenses	1,190,298	-	-	-
Operating Transfers Out	343,464	55,380	-	-
Total Expenses	1,533,762	55,380	-	-

All Non-General Funds

	2020/2021 Final Budget	2021/2022 Final Budget	2022/2023 Amended Budget	2023/2024 Amended Budget
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113 - Successor Agency Admin

This fund is used to account for revenues and expenses in support of the Successor Agency responsible for managing the remaining assets of the the former Novato Redevelopment Agency.

Revenues

Intergovernmental	67,384	70,000	70,000	70,000
Total Revenues	67,384	70,000	70,000	70,000

Expenses

Salaries and Wages	32,458	25,350	44,301	44,648
Employee Benefits	3,519	2,219	10,643	10,132
Professional Services	14,260	14,260	14,260	14,260
Materials and Supplies	-	-	-	-
Utilities	-	-	-	-
Other Expenses	9,939	-	-	-
Operating Transfers Out	-	1,787	1,858	1,921
Total Expenses	60,176	43,616	71,062	70,961

114 - Pension Reserve

This fund was established to stabilize the City's annual pension expense by consistently charging the general fund the "normal cost" as determined by CalPERS. In years where the retirement plans are over-funded and the CalPERS required contribution is less than the normal cost, the difference will be deposited into the fund. Fund balance will be used in years when the required contribution is greater than the normal cost. However, in recent years, this fund has not had sufficient cash to stabilize rates as planned.

Revenues

Use of Money and Property	15	-	-	10
Total Revenues	15	-	-	10

115 - Insurance Reserve

The purpose of this fund is to set aside cash to pay uninsured losses to city facilities and property. This fund differs from the Self Insurance program operated through a joint powers agreement with other Marin cities which covers liability claims brought against the City.

Revenues

Use of Money and Property	-	-	1,500	7,020
Operating Transfers In	-	1,200,000	-	-
Total Revenues	-	1,200,000	1,500	7,020

Expenses

Operating Transfers Out	-	-	-	-
Total Expenses	-	-	-	-

All Non-General Funds

	2020/2021	2021/2022	2022/2023	2023/2024
	Final Budget	Final Budget	Amended Budget	Amended Budget

116 - Emergency & Disaster Reserve

This fund was established to provide a financial buffer during significant economic downturns affecting revenues and or cost intensive response to emergencies or disasters. City Council policy requires this fund contain a minimum of 15% of general fund operating expenses.

Revenues

Use of Money and Property	-	120,000	8,600	66,076
Operating Transfers In	150,000	-	900,000	-
Total Revenues	150,000	120,000	908,600	66,076

Expenses

Professional Services	(54,349)	-	-	-
Other Expenses	-	-	1,433,275	-
Operating Transfers Out	-	(89,721)	-	1,327,902
Total Expenses	(54,349)	(89,721)	1,433,275	1,327,902

117 - Civic Center

This fund was created in 1971 to accrue sufficient resources to construct/support a new Civic Center.

Revenues

Use of Money and Property	1,000	-	-	140
Total Revenues	1,000	-	-	140

Expenses

Operating Transfers Out	12,433	12,433	-	-
Total Expenses	12,433	12,433	-	-

118 - Long-Term Maint-Facilities

The purpose of this fund is to facilitate the maintenance of all the City's buildings and park facilities. Annually the City Council allocates General Fund resources to this fund based on funding needs, ability to implement maintenance projects, other funding sources available, and availability of General Fund resources.

Revenues

Use of Money and Property	2,800	2,800	2,000	7,662
Operating Transfers In	500,000	1,389,062	250,000	320,000
Total Revenues	502,800	1,391,862	252,000	327,662

Expenses

Operating Transfers Out	984,292	324,826	300,000	350,000
Total Expenses	984,292	324,826	300,000	350,000

All Non-General Funds

	2020/2021	2021/2022	2022/2023	2023/2024
	Final Budget	Final Budget	Amended Budget	Amended Budget

119 - Long-Term Maint-Infrastructure

The purpose of this fund is to facilitate the maintenance of infrastructure including street pavement, traffic signals, streetlights, bridges, retaining walls, multi-use paths and storm drains. Annually the City Council allocates General Fund or other resources to this fund based on funding needs, ability to implement maintenance projects, other funding sources available, and availability of General Fund resources.

Revenues

Use of Money and Property	7,600	7,600	-	1,612
Operating Transfers In	-	250,000	250,000	320,000
Total Revenues	7,600	257,600	250,000	321,612

Expenses

Operating Transfers Out	452,626	1,030,389	450,000	50,000
Total Expenses	452,626	1,030,389	450,000	50,000

All Non-General Funds

	2020/2021	2021/2022	2022/2023	2023/2024
	Final Budget	Final Budget	Amended Budget	Amended Budget

Special Revenue Funds

210 - Affordable Housing Programs

This fund was created by the City Council to fund a variety of affordable housing programs including programs managed by a contract service and the City's purchase and resale of affordable housing units at Hamilton.

Revenues

Charges for Services	110,000	258,575	245,000	75,000
Use of Money and Property	12,750	12,750	123,200	138,992
Operating Transfers In	41,000	41,000	41,000	96,443
Total Revenues	163,750	312,325	409,200	310,435

Expenses

Salaries and Wages	16,920	17,157	4,627	4,683
Employee Benefits	3,937	4,062	1,162	1,112
Professional Services	52,629	288,650	288,650	250,000
Other Expenses	750,000	750,000	750,000	479,866
Operating Transfers Out	804	836	869	899
Total Expenses	824,290	1,060,705	1,045,308	736,560

211 - Clean Storm Water

The purpose of this fund is to manage operating revenues and expenditures for Novato's clean stormwater program. The program's goal is to prevent pollutant discharge from entering streets and storm drains before flowing into creeks and wetlands. This revenue is collected through a special property tax assessment.

Revenues

Taxes	369,000	369,000	369,000	369,000
Use of Money and Property	625	625	-	496
Total Revenues	369,625	369,625	369,000	369,496

Expenses

Professional Services	-	-	-	50,000
Intergovernmental Services	230,000	230,000	230,000	267,051
Materials and Supplies	15,800	15,800	15,800	15,800
Operating Transfers Out	251,245	142,495	46,250	500,000
Total Expenses	497,045	388,295	292,050	832,851

212 - Underground Utilities

This fund accounts for resources used for undergrounding City overhead utilities. Funds are often collected for several years before sufficient to fund a specific project.

Revenues

Use of Money and Property	8,250	8,250	800	5,482
Total Revenues	8,250	8,250	800	5,482

All Non-General Funds

	2020/2021 Final Budget	2021/2022 Final Budget	2022/2023 Amended Budget	2023/2024 Amended Budget
<u>Expenses</u>				
Operating Transfers Out	274,513	274,513	-	-
Total Expenses	274,513	274,513	-	-

213 - Parking Improvement

The Parking Improvement fund accounts for assessments collected from merchants in the Old Town parking improvement area and associated parking services and programs in the area.

<u>Revenues</u>				
Use of Money and Property	-	-	-	-
Total Revenue	-	-	-	-

<u>Expenses</u>				
Utilities	-	-	-	-
Operating Transfers Out	-	-	-	-
Total Expenses	-	-	-	-

All Non-General Funds

	2020/2021	2021/2022	2022/2023	2023/2024
	Final Budget	Final Budget	Amended Budget	Amended Budget

214 - Subdivision Park (Quimby)

This fund accounts for park in-lieu fees collected from residential subdivision developers to be used for parks and recreation facilities. Revenues will vary depending on residential properties constructed and funds are often collected for several years before sufficient to construct a park project.

Revenues

Charges for Services	50,000	125,000	125,000	125,000
Use of Money and Property	3,500	3,500	600	3,614
Total Revenues	53,500	128,500	125,600	128,614

Expenses

Other Expenses	-	-	-	-
Operating Transfers Out	33,733	33,733	520,000	-
Total Expenses	33,733	33,733	520,000	-

215 - Art in Public Places

This fund accounts for fees paid by developers to be used for public art projects. Funds are often collected for several years before sufficient to construct a specific project.

Revenues

Charges for Services	10,000	10,000	10,000	10,000
Use of Money and Property	1,125	1,125	300	1,854
Total Revenues	11,125	11,125	10,300	11,854

Expenses

Other Expenses	-	-	-	-
Operating Transfers Out	21,401	21,401	30,000	-
Total Expenses	21,401	21,401	30,000	-

216 - General Plan Surcharge

The General Plan Surcharge fund was created to account for fees collected from developers that are restricted in use for updates to the City's General Plan.

Revenues

Charges for Services	76,000	65,000	80,000	71,585
Use of Money and Property	2,900	2,900	600	2,916
Total Revenues	78,900	67,900	80,600	74,501

Expenses

Professional Services	147,500	7,500	-	-
Materials and Supplies	2,500	-	-	-
Operating Transfers Out	-	-	250,000	-
Total Expenses	150,000	7,500	250,000	-

All Non-General Funds

	2020/2021 Final Budget	2021/2022 Final Budget	2022/2023 Amended Budget	2023/2024 Amended Budget
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217 - Automation Surcharge

This fund was created to account for the surcharge collected from developers and builders to cover a portion of the costs for maintenance of the City's building and development permit software.

Revenues

Charges for Services	81,000	77,200	77,200	76,585
Use of Money and Property	785	785	-	476
Total Revenues	81,785	77,985	77,200	77,061

Expenses

Salaries and Wages	46,154	46,154	55,236	52,993
Employee Benefits	9,792	10,621	7,746	12,769
Professional Services	1,077	6,700	6,700	40,000
Repairs and Maintenance	38,500	43,750	68,750	68,750
Operating Transfers Out	2,205	2,605	2,708	2,799
Total Expenses	97,728	109,830	141,140	177,311

218 - Hamilton CFD Maintenance

This fund was established to account for the special tax assessment for landscaping, pump and levee maintenance in the Hamilton Community Facilities District.

Revenues

Taxes	566,110	566,110	566,110	596,113
Use of Money and Property	1,488	1,488	-	6,780
Other Revenues	230,000	230,000	230,000	230,000
Operating Transfers In	58,645	9,000	9,000	9,000
Total Revenues	856,243	806,598	805,110	841,893

Expenses

Salaries and Wages	389,563	309,574	357,669	394,041
Employee Benefits	91,133	83,478	105,401	112,361
Professional Services	54,350	54,000	54,000	55,537
Repairs and Maintenance	23,304	25,304	25,503	26,298
Materials and Supplies	33,417	33,417	33,417	34,817
Utilities	130,000	129,500	142,200	149,724
Other Expenses	46,250	46,250	48,522	53,161
Operating Transfers Out	284,609	259,979	261,919	12,319
Total Expenses	1,052,626	941,502	1,028,631	838,258

All Non-General Funds

	2020/2021 Final Budget	2021/2022 Final Budget	2022/2023 Amended Budget	2023/2024 Amended Budget
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219 - Pointe Marin CFD Maint.

This fund was established to account for the special tax assessment for landscaping maintenance in the Pointe Marin Community Facilities District.

Revenues

Taxes	191,698	191,698	191,698	201,586
Use of Money and Property	4,550	4,550	600	6,946
Total Revenues	196,248	196,248	192,298	208,532

Expenses

Salaries and Wages	64,164	67,389	85,289	-
Employee Benefits	27,946	31,255	35,564	-
Professional Services	300	300	300	316
Repairs and Maintenance	2,785	2,785	2,953	2,953
Materials and Supplies	3,500	3,500	3,500	3,742
Utilities	25,700	25,700	27,617	29,081
Other Expenses	6,500	6,500	7,368	-
Operating Transfers Out	-	7,146	7,428	7,677
Total Expenses	130,895	144,575	170,019	43,769

220 - Hamilton Art Center

This fund accounts for the revenues received and administration and maintenance expenses of the Hamilton Arts Center.

Revenues

Use of Money and Property	469,500	455,000	451,200	592,333
Total Revenues	469,500	455,000	451,200	592,333

Expenses

Repairs and Maintenance	260,000	275,000	275,000	275,000
Utilities	15,000	-	-	12,160
Operating Transfers Out	715,571	705,623	100,000	-
Total Expenses	990,571	980,623	375,000	287,160

221 - Chapter 27 Assessments

This fund accounts for assessment district activities to complete missing frontage improvements, often in cooperation with property owners.

Revenues

Charges for Services	300	300	300	300
Use of Money and Property	2,300	2,300	300	1,558
Total Revenues	2,600	2,600	600	1,858

Expenses

Operating Transfers Out	10,000	10,000	-	-
Total Expenses	10,000	10,000	-	-

All Non-General Funds

	2020/2021 Final Budget	2021/2022 Final Budget	2022/2023 Amended Budget	2023/2024 Amended Budget
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222 - LAD-San Marin

This fund accounts for the tax assessment revenues in the San Marin assessment district and associated expenses for median island landscaping.

Revenues

Taxes	66,252	67,900	70,751	74,501
Use of Money and Property	550	600	-	428
Total Revenues	66,802	68,500	70,751	74,929

Expenses

Professional Services	41,977	41,977	53,849	56,703
Intergovernmental Services	3,170	3,170	3,234	3,405
Materials and Supplies	450	450	-	-
Utilities	17,614	17,614	17,029	17,932
Other Expenses	3,037	3,037	3,600	3,600
Total Expenses	66,248	66,248	77,712	81,640

223 - LAD-Country Club

This fund was created to account for the collection of tax assessments in the Country Club area which were used for median island landscaping and maintenance. The assessments were discontinued in the 1990s and the remaining funds continue to be retained for future landscape needs.

Revenue

Use of Money and Property	760	-	-	436
Total Revenue	760	-	-	436

224 - LAD-Wildwood Glen

This fund accounts for the tax assessment revenues in the Wildwood Glen assessment district and associated expenses for median island landscaping.

Revenue

Taxes	10,606	10,872	11,661	12,279
Use of Money and Property	100	100	-	14
Total Revenue	10,706	10,972	11,661	12,293

Expenses

Professional Services	7,000	500	6,500	6,845
Intergovernmental Services	95	95	94	99
Materials and Supplies	300	300	-	-
Utilities	3,455	3,655	5,136	5,409
Other Expenses	-	-	800	800
Total Expenses	10,850	4,550	12,530	13,153

All Non-General Funds

	2020/2021 Final Budget	2021/2022 Final Budget	2022/2023 Amended Budget	2023/2024 Amended Budget
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225 - LAD-Hillside

This fund accounts for the tax assessment revenues in the Hillside assessment district and associated expenses for median island landscaping.

Revenues

Taxes	23,000	23,575	26,589	27,998
Use of Money and Property	680	680	-	162
Total Revenues	23,680	24,255	26,589	28,160

Expenses

Professional Services	17,092	(5,051)	22,143	23,317
Intergovernmental Services	-	-	136	143
Materials and Supplies	300	300	-	-
Utilities	3,788	6,000	11,000	12,636
Other Expenses	2,500	2,500	800	800
Total Expenses	23,680	3,749	34,079	36,896

226 - Light & LAD-Downtown

This fund accounts for the tax assessment revenues in the downtown area and associated expenses for street lighting and landscaping.

Revenues

Taxes	6,685	6,685	6,685	6,685
Use of Money and Property	1,025	1,025	-	764
Total Revenues	7,710	7,710	6,685	7,449

Expenses

Utilities	2,850	3,300	4,323	4,323
Total Expenses	2,850	3,300	4,323	4,323

All Non-General Funds

	2020/2021 Final Budget	2021/2022 Final Budget	2022/2023 Amended Budget	2023/2024 Amended Budget
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227 - LAD San Pablo

This fund accounts for the tax assessment revenues in the San Pablo assessment district and associated expenses for landscaping.

Revenues

Taxes	14,256	14,256	16,345	17,212
Use of Money and Property	470	470	-	442
Total Revenues	14,726	14,726	16,345	17,654

Expenses

Professional Services	23,000	23,000	10,808	11,381
Intergovernmental Services	40	40	38	40
Materials and Supplies	200	200	-	-
Utilities	4,327	6,078	5,085	5,355
Other Expenses	1,801	1,801	1,992	1,992
Operating Transfers Out	9,000	9,000	9,000	9,000
Total Expenses	38,368	40,119	26,923	27,768

228 - Scottsdale AD

This fund accounts for the tax assessment revenues in the Scottsdale assessment district and associated expenses for landscaping. This District was discontinued and remaining funds are retained for future landscaping needs.

Revenues

Use of Money and Property	100	-	-	64
Total Revenues	100	-	-	64

229 - State Gas Tax

The Gas Tax fund accounts for the City's share of gas tax revenues distributed by the State of California. Gas tax funds may only be used for eligible projects to maintain and improve streets, street lighting, signals, sidewalks, and related facilities. Funds are transferred to the Capital Improvement program annually for project implementation and to the operating budget for minor street repairs.

Revenues

Intergovernmental	2,223,931	2,341,814	2,789,972	3,182,775
Use of Money and Property	14,000	14,000	3,200	3,456
Total Revenues	2,237,931	2,355,814	2,793,172	3,186,231

Expenses

Operating Transfers Out	3,243,345	3,421,879	2,900,593	1,750,000
Total Expenses	3,243,345	3,421,879	2,900,593	1,750,000

All Non-General Funds

	2020/2021 Final Budget	2021/2022 Final Budget	2022/2023 Amended Budget	2023/2024 Amended Budget
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231 - Special Police Projects

This fund accounts for special police projects and programs that are funded by grants or other resources that cannot be included in the General Fund budget. This includes crime prevention, child abuse prevention and response, DARE, secret witness, asset seizure and other programs.

Revenues

Intergovernmental	186,000	175,000	208,000	213,500
Use of Money and Property	780	2,000	300	-
Other Revenues	-	-	2,500	500
Operating Transfers In	7,000	7,000	7,000	-
Total Revenues	193,780	184,000	217,800	214,000

Expenses

Salaries and Wages	100,000	100,000	85,000	225,000
Materials and Supplies	10,000	10,000	10,000	10,000
Total Expenses	110,000	110,000	95,000	235,000

232 - State COPS Grant

This fund is used to track revenues and expenditures associated with the State Citizens Option for Public Safety (COPS) grant, which funds front-line police operations.

Revenues

Intergovernmental	135,000	135,000	150,000	150,000
Total Revenues	135,000	135,000	150,000	150,000

Expenses

Professional Services				
Training and Travel				
Repairs and Maintenance				
Materials and Supplies	70,000	70,000	60,000	60,000
Capital Expenses	150,000	150,000	145,000	162,700
Total Expenses	220,000	220,000	205,000	222,700

All Non-General Funds

	2020/2021 Final Budget	2021/2022 Final Budget	2022/2023 Amended Budget	2023/2024 Amended Budget
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233 - Operating Grants

This fund accounts for revenues and expenditures related to operating grants not included elsewhere in the budget, including the CalRecycle grant to encourage recycling and waste reduction.

Revenues

Intergovernmental	151,400	-	-	-
Use of Money and Property	355	355	-	-
Total Revenues	151,755	355	-	-

Expenses

Operating Transfers Out	26,000	(125,000)	-	-
Total Expenses	26,000	(125,000)	-	-

234 - Capital Grants

This fund accounts for revenues and expenditures related to state and federal grants for capital projects, including Transportation Authority of Marin grants.

Revenues

Intergovernmental	4,301,000	790,000	790,000	5,020,000
Total Revenues	4,301,000	790,000	790,000	5,020,000

Expenses

Operating Transfers Out	7,291,808	5,129,995	68,400	-
Total Expenses	7,291,808	5,129,995	68,400	-

235 - Marin VRF

This fund accounts for revenues from a \$10 vehicle registration fee assessed annually on each vehicle registered in the County. Funds are distributed from the County to the City every three years and used for street related improvement projects. Funds may be collected for several years before before being allocated to a specific project.

Revenues

Intergovernmental	-	-	407,317	-
Use of Money and Property	4,260	4,260	-	2,878
Total Revenues	4,260	4,260	407,317	2,878

Expenses

Operating Transfers Out	430,000	335,681	200,000	160,000
Total Expenses	430,000	335,681	200,000	160,000

All Non-General Funds

	2020/2021	2021/2022	2022/2023	2023/2024
	Final Budget	Final Budget	Amended Budget	Amended Budget

236 - Streets Measure A

The fund accounts for revenues received from Measure A for local streets and roads. The funds are received from the Transportation Agency of Marin and transferred to the Capital Improvement Program for specific street improvement or maintenance projects. Measure A, a 1/2 cent county-wide sales tax approved in 2004, expires in 20 years.

Revenues

Taxes	881,792	1,939,961	1,939,961	6,054,021
Other	-	-	-	-
Use of Money and Property	16,250	16,250	-	-
Total Revenues	898,042	1,956,211	1,939,961	6,054,021

Expenses

Operating Transfers Out	3,215,134	3,344,970	1,243,931	5,922,074
Total Expenses	3,215,134	3,344,970	1,243,931	5,922,074

237 - Park Measure A

This fund accounts for revenues received from Measure A, the Marin Parks, Open Space and Farmland Preservation ballot measure approved by voters in 2012. Measure A, which increased sales tax by 1/4 cent county wide, is used to assist Marin's municipalities in managing parks, open space, recreation programs and vegetation to promote biodiversity and reduce wildfire risk. The tax was renewed by voters in June 2022, allowing for continued funding for capital projects.

Revenues

Taxes	300,000	400,000	186,000	496,688
Use of Money and Property	2,310	2,310	500	3,082
Other Revenues	-	-	-	-
Total Revenues	302,310	402,310	186,500	499,770

Expenses

Salaries and Wages	44,270	-	-	-
Employee Benefits	4,451	-	-	-
Professional Services	142,220	64,207	142,220	71,720
Repairs and Maintenance	4,093	4,093	4,093	4,093
Materials and Supplies	48,351	109,070	109,070	97,070
Utilities	170,825	218,562	238,732	3,431
Operating Transfers Out	-	174,089	100,000	-
Total Expenses	414,210	570,021	594,115	176,314

All Non-General Funds

	2020/2021 Final Budget	2021/2022 Final Budget	2022/2023 Amended Budget	2023/2024 Amended Budget
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238 - Clean Stormwater CIP

This fund accounts for capital projects, including maintenance and emergency response, in connection with the City's Clean Storm Water program.

Revenues

Use of Money and Property	2,460	2,460	500	2,848
Operating Transfers In	-	46,250	46,250	-
Total Revenues	2,460	48,710	46,750	2,848

Expenses

Operating Transfers Out	-	-	-	-
Total Expenses	-	-	-	-

239 - Street & Storm Drain Maint.

This fund is used for ongoing maintenance and emergency needs in connection with the City's streets and storm drains.

Revenues

Use of Money and Property	2,490	2,490	300	1,652
Total Revenues	2,490	2,490	300	1,652

240 - Restricted Revenue

This fund accounts for revenues received from developers to be used on future capital projects. Funds are held until sufficient funds have accumulated to fund a specific project.

Revenues

Charges for Services	50,000	-	-	-
Total Revenues	50,000	-	-	-

Expenses

Operating Transfers Out	823,453	1,181,041	25,000	-
Total Expenses	823,453	1,181,041	25,000	-

All Non-General Funds

	2020/2021 Final Budget	2021/2022 Final Budget	2022/2023 Amended Budget	2023/2024 Amended Budget
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241 - Development Impact Fees

This fund was established by the City Council and is used to account for impact fees paid by real estate developers. The resources are used in conjunction with other City funds to complete public facilities as identified in the Development Impact Fee report.

Revenues

Charges for Services	250,000	250,000	250,000	250,000
Use of Money and Property	120,000	120,000	15,700	102,288
Total Revenues	370,000	370,000	265,700	352,288

Expenses

Operating Transfers Out	2,056,028	1,546,967	10,000	1,050,000
Total Expenses	2,056,028	1,546,967	10,000	1,050,000

243 - NPFA

This fund accounts for operational transactions of certain city properties, including the Gymnastics/Downtown Community Center building and properties at Hamilton Field.

Revenues

Use of Money and Property	194,950	198,950	42,000	42,722
Total Revenues	194,950	198,950	42,000	42,722

Expenses

Professional Services	17,400	-	-	-
Repairs and Maintenance	65,582	65,582	65,582	65,582
Utilities	6,400	6,400	7,748	8,372
Debt Service	-	-	51,581	51,581
Operating Transfers Out	-	13,000	2,098,000	-
Total Expenses	89,382	84,982	2,222,911	125,535

All Non-General Funds

	2020/2021	2021/2022	2022/2023	2023/2024
	Final Budget	Final Budget	Amended Budget	Amended Budget

245 - American Rescue Plan

This new fund accounts for revenues and expenses associated with the federally-funded American Rescue Plan. The program is designed to assist communities in recovering from the economic and other impacts of the COVID-19 pandemic.

Revenues

Intergovernmental	-	4,556,475	-	-
Other Revenues	-	4,556,475	1,822,730	18,090
Total Revenues	-	9,112,950	1,822,730	18,090

Expenses

Salaries & Wages	-	288,000	570,000	-
Professional Services	-	534,355	200,000	-
Repairs and Maintenance	-	25,000	-	-
Materials and Supplies	-	50,000	52,730	-
Other Expenses	-	445,000	-	-
Operating Transfers Out	-	5,841,000	1,252,730	-
Total Expenses	-	7,183,355	2,075,460	-

All Non-General Funds

	2020/2021 Final Budget	2021/2022 Final Budget	2022/2023 Amended Budget	2023/2024 Amended Budget
Debt Service Funds				

501 - General Obligations Bond

This fund accounts for the accumulation of resources and payment of principal and interest on general obligation bonds from Measure B.

Revenues

Taxes	1,514,577	1,147,803	673,367	35,400
Use of Money and Property	8,100	15,000	1,700	12,406
Total Revenues	1,522,677	1,162,803	675,067	47,806

Expenses

Professional Services	1,500	1,500	1,500	1,500
Debt Service	2,080,328	1,369,622	685,352	672,998
Other Expenses	25,000	25,000	25,000	25,000
Total Expenses	2,106,828	1,396,122	711,852	699,498

502 - Pension Obligation Bonds

This fund accounts for the accumulation of resources and payment of principal and interest on pension obligation bonds.

Revenues

Operating Transfers In	1,490,012	1,549,812	1,611,001	1,665,000
Total Revenues	1,490,012	1,549,812	1,611,001	1,665,000

Expenses

Professional Services	3,200	7,000	6,559	6,559
Debt Service	1,490,012	1,542,812	1,604,442	1,664,253
Total Expenses	1,493,212	1,549,812	1,611,001	1,670,812

All Non-General Funds

	2020/2021	2021/2022	2022/2023	2023/2024
	Final Budget	Final Budget	Amended Budget	Amended Budget

Proprietary Funds

601 - Equipment Maintenance

This internal service fund is used for the purpose of accumulating and spending funds for the operation and maintenance of the City's vehicles, equipment and rolling stock purchased by the City's Vehicle Replacement Fund (602). Resources are generated by charging the user departments fees for the operation and maintenance of equipment and vehicles.

Revenues

Other Revenues	841,247	871,483	987,926	987,926
Operating Transfers In	-	-	-	-
Total Revenues	841,247	871,483	987,926	987,926

Expenses

Salaries and Wages	347,663	315,266	391,206	338,226
Employee Benefits	81,748	86,781	120,669	99,854
Professional Services	3,200	3,200	3,200	3,200
Intergovernmental Services	7,728	9,030	9,030	9,030
Training and Travel	1,250	1,250	1,250	1,250
Repairs and Maintenance	78,102	78,102	69,212	69,212
Materials and Supplies	334,490	334,490	349,490	378,000
Other Expenses	29,384	29,384	29,798	29,798
Operating Transfers Out	13,000	13,519	14,053	14,524
Total Expenses	896,565	871,022	987,908	943,094

602 - Equipment Replacement

This internal service fund is used to accumulate and spend money for the acquisition and replacement of city vehicles, rolling stock and other equipment. Revenues are generated from charges to user departments, interest earnings, proceeds from the sale of vehicles and equipment and transfers from other funds. This process allows the City to set aside sufficient funds over time to replace a vehicle or piece of equipment which can be expensive.

Revenues

Use of Money and Property	47,500	47,500	3,500	36,646
Other Revenues	577,444	583,566	617,808	617,808
Operating Transfers In	483,186	64,446	64,446	-
Total Revenues	1,108,130	695,512	685,754	654,454

Expenses

Intergovernmental Services	236,446	270,100	306,166	306,166
Materials and Supplies	-	-	5,000	5,000
Capital Expense	800,000	700,000	474,588	889,232
Debt Service	246,740	25,412	-	-
Operating Transfers Out	-	-	-	-
Total Expenses	1,283,186	995,512	785,754	1,200,398

All Non-General Funds

	2020/2021 Final Budget	2021/2022 Final Budget	2022/2023 Amended Budget	2023/2024 Amended Budget
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603 - Technology Replacement

This internal service fund is used for the purpose of accumulating and spending funds for replacement and updating of the City's investment in technology and computer resources. Revenues are transferred to this fund from the General Fund or other funding sources as approved by the City Council.

Revenues

Use of Money and Property	3,925	3,925	300	1,986
Other Revenues	95,000	95,000	95,000	95,000
Total Revenues	98,925	98,925	95,300	96,986

Expenses

Capital Expenses	134,000	134,000	134,000	134,000
Total Expenses	134,000	134,000	134,000	134,000

651 - MVMCC

This enterprise fund accounts for the revenues and expenses of the Marin Valley Mobile Country Club.

Revenues

Charges for Services	877,833	921,394	995,599	1,154,477
Use of Money and Property	2,454,212	2,454,344	2,416,676	2,455,330
Other Revenues	458,780	3,008,708	8,540	7,280
Other Revenues	3,790,825	6,384,446	3,420,815	3,617,087

Expenses

Professional Services	355,800	355,860	510,775	887,615
Training and Travel	3,700	3,700	3,700	4,950
Rentals and Leases	13,230	13,362	13,494	13,626
Repairs and Maintenance	157,205	258,825	343,155	285,155
Materials and Supplies	241,930	242,030	296,560	239,810
Utilities	1,000,223	1,081,705	1,252,932	1,230,091
Capital Expenses	2,536,345	1,991,500	780,000	780,000
Debt Service	635,683	651,172	651,173	651,172
Other Expenses	20,000	22,700	62,000	12,000
Total Expenses	4,964,116	4,620,854	3,913,789	4,104,419

All Non-General Funds

	2020/2021	2021/2022	2022/2023	2023/2024
	Final Budget	Final Budget	Amended Budget	Amended Budget

701 - Hamilton Trust

This fund was established to receive payments from the developer of the Navy property at Hamilton Field, pursuant to a development agreement 80% of the projected investment earnings are transferred to the General Fund and used to maintain City infrastructure and facilities.

Revenue

Use of Money and Property	487,500	406,000	406,000	328,583
Total Revenue	487,500	406,000	406,000	328,583

Expenses

Professional Services	29,000	-	-	-
Operating Transfers Out	325,000	366,000	301,000	522,239
Total Expenses	354,000	366,000	301,000	522,239



Adopted Budget 2023–24

CAPITAL IMPROVEMENT PLAN



Olive Phase III (Redwood to Railroad)

Project No.:	97-001	Category:	TDU
Budget Status:	Carryover	Funding Status:	Incomplete

Project Objective:

To complete the unimproved segment of Olive Ave. between Railroad Ave. and Redwood Blvd.

Location: Olive Ave. between Redwood Blvd. and Railroad Ave.

Project Description and Background:

Improvements to be constructed along the north side of Olive Ave. include the addition of westbound turn lanes from Olive Ave. to Redwood Blvd., Class 2 bicycle facilities, new storm drain culvert, sidewalk/curb/gutter along the north side of Olive Ave., and a gated pedestrian railroad crossing (may be constructed by SMART under separate contract). The new sidewalk width along the north side of Olive Ave. is proposed to be 10’ wide to serve as a separate Class 1 multi-use path. Because the project proposes to culvertize the existing open ditch along Olive Ave., the scope of work also includes the restoration of portions of Pacheco Creek as offsite environmental mitigation.

Cost Estimate and Revenue Considerations:

Project development estimates include environmental documentation, permitting, and design. Funding is proposed from Development Impact Fees – Drainage, Restricted Revenues from the adjacent private development project for a proportionate share of the cost of frontage improvements, along with Gas Taxes, TAM Measure AA funds, and other previously approved capital revenues.

Project Schedule Estimate:

Project development work will likely be finalized during the 22/23 fiscal year to address the purpose and need of the project and serve as a basis for potential development improvements. Pending issuance of regulatory permits, construction is planned for Fiscal Year 23/24.

FY23-24 Approved Funding & Future Programming:

Fund Source(s)	Approved in Prior Year(s)	Estimated Balance Remaining as of 06/30/23	23/24 Proposed New Funding	24/25 Programmed	25/26 Programmed	26/27 Programmed	27/28 Programmed
119 - LTM-Infrastructure	\$ 200,000	\$ 113,930	\$ -	\$ -	\$ -	\$ -	\$ -
211 - Clean Stormwater	\$ 32,234	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
212 - Underground Utility	\$ 235,684	\$ 235,684	\$ -	\$ -	\$ -	\$ -	\$ -
229 - Gas Tax HUTA	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
229.105 - Gas Tax RMRA	\$ 200,000	\$ 71,426	\$ -	\$ -	\$ -	\$ -	\$ -
236.300 - TAM Measure AA	\$ 167,715	\$ -	\$ 700,000	\$ -	\$ -	\$ -	\$ -
240 - Restricted Revenue	\$ 482,465	\$ 328,499	\$ -	\$ -	\$ -	\$ -	\$ -
241.158 - DIF-Drainage	\$ 102,502	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
241.151 - DIF-Sts.& Intersections	\$ -	\$ -	\$ 300,000	\$ -	\$ -	\$ -	\$ -
Novato Bond B (pre-2012)	\$ 41,651	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Utility Reimb.	\$ 4,744	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Redwood and San Marin Impr. (AGP-5 and NP-1)

Project No.:	99-007	Category:	TDU
Budget Status:	Carryover	Funding Status:	Incomplete

Project Objective: To enhance safety and reduce traffic congestion.

Location: Redwood Blvd. and San Marin Dr.

Project Description and Background:

This project is part of the City of Novato's establishment of traffic impact fees for private development. This project originally proposed to modify the southbound, eastbound, and westbound approaches at Redwood Boulevard and San Marin Drive, and the eastbound right-turn lane onto the southbound U.S. 101 on-ramp, including ramp widening. The work may require widening the San Marin Drive bridge over the SMART railroad.

Cost Estimate and Revenue Considerations:

Costs are based on the 2002 update of the Development Impact Fees For Public Facilities for AGP-5 and NP-1 traffic mitigation. The preliminary construction cost estimate was \$6,032,203. The project scope and estimate will need to be updated following the submittal of new private project development applications along Redwood Blvd and San Marin Drive. Citywide Development Impact Fees-Streets and Intersections and gas taxes are the funding sources for these improvements.

Project Schedule Estimate:

Further project development will be pending private development north of San Marin Drive, coordination with Caltrans for work proposed within state right-of-way, and available funding.

FY23-24 Approved Funding & Future Programming:

Fund Source(s)	Approved in Prior Year(s)	Estimated Balance Remaining as of 06/30/23	23/24 Proposed New Funding	24/25 Programmed	25/26 Programmed	26/27 Programmed	27/28 Programmed
229.105 - Gas Tax RMRA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
240 - Restricted Revenue	\$ 30,604	\$ 23,000	\$ -	\$ -	\$ -	\$ -	\$ -
241.151 - DIF-Sts. & Intersections	\$ 26,000	\$ 22,856	\$ -	\$ -	\$ -	\$ 1,500,000	\$ -

Railroad Ave. Drainage Ditch Improvements

Project No.:	00-015	Category:	TDU
Budget Status:	Carryover	Funding Status:	Incomplete

Project Objective:

To reduce flooding risk in the northeastern area of Downtown Novato, between Sweetser Ave and Olive Ave, in the northern part of Downtown Novato.

Location: Ditch along west side of SMART railroad right-of-way

Project Description and Background:

Flooding has been a recurring problem in Downtown Novato. This project intends to reduce the risk of flooding at the intersection of Reichert Avenue and Sweetser Avenue. A Corp of Engineering (COE) study and preliminary design was completed for the area. Staff reviewed the COE study, and determined that placement of a box culvert down Railroad Avenue is not feasible due to utility conflicts and inadequate grade. Staff determined that enhancements to the existing ditch on the west side of the railroad tracks would provide the reduced flooding risk. Sonoma Marin Area Rapid Transit (SMART), the owners of the railroad tracks and parallel drainage ditch, may construct the box culvert in the ditch with a Class I bike path on top as part of their ongoing track improvements. The City would then reimburse SMART for the cost of the construction.

Cost Estimate and Revenue Considerations:

Costs are based on the projected revenue available for street paving--Typically made up of Gas Tax (SB1 RMRA and Highway User Tax Account), TAM Measure A, and Infrastructure Long Term Maintenance funds totaling around \$150,000 for project development and roughly \$1.5M for construction capital.

Project Schedule Estimate:

Gas Tax (SB1 RMRA and Highway User Tax Account), TAM Measure A, and Infrastructure Long Term Maintenance funds.

FY23-24 Approved Funding & Future Programming:

Fund Source(s)	Approved in Prior Year(s)	Estimated Balance Remaining as of 06/30/23	23/24 Proposed New Funding	24/25 Programmed	25/26 Programmed	26/27 Programmed	27/28 Programmed
119 - LTM-Infrastructure	\$ -	\$ -	\$ -	\$ -	\$ 250,000	\$ -	\$ -
229 - Gas Tax HUTA	\$ 167,155	\$ 95,016	\$ -	\$ -	\$ -	\$ -	\$ -
241.158 - DIF-Drainage	\$ 89,594	\$ 55,392	\$ -	\$ -	\$ -	\$ -	\$ -
Novato Bond B (pre-2012)	\$ 61,785	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Novato Blvd Improvements Diablo - Grant

Project No.:	01-004	Category:	TDU
Budget Status:	Carryover	Funding Status:	Complete

Project Objective:

To enhance safety and reduce traffic congestion on Novato Boulevard between Diablo Avenue and Grant Avenue.

Location: Novato Blvd. from Diablo Ave. to Grant Ave.

Project Description and Background:

This project was initiated as an improvement needed to accommodate future growth and enable the City’s roadway system to operate safely and efficiently. The project will widen this segment of Novato Blvd. to accommodate future traffic conditions as well as bike lanes and sidewalks in each direction. A three-lane alternative was approved by Council following considerable public input in 2018. The traffic signals on Novato Blvd. at Diablo, 7th-Tamalpais, and Grant will be reconstructed. Right-of-way acquisitions are anticipated. This project will include the Rule 20A underground utility district between Diablo Avenue and Boulevard Terrace. The EIR was approved in 2022 and utility relocation coordination is in process as of Fiscal Year 22/23.

Cost Estimate and Revenue Considerations:

Previous costs estimates were based on the City Council approved Project Study Report, CIP Project 97-003, for a 4-lane alternative (two lanes each direction with a raised center median) that was developed about 15 years ago. The preliminary cost estimate for the 3-lane alternative is \$10-15M including right-of-way acquisitions. The Citywide Development Impact Fees - Streets and Intersections and TAM Measure A Major Streets and Roads funds are the major revenue sources for these improvements. Deferred improvement agreements along this section will also be invoked.

Project Schedule Estimate:

Right-of-way acquisition and detailed project design are underway and are anticipated to be completed by the end of 2023. The construction phase is expected to begin in early 2024 and take about 18 months to complete.

FY23-24 Approved Funding & Future Programming:

Fund Source(s)	Approved in Prior Year(s)	Estimated Balance Remaining as of 06/30/23	23/24 Proposed New Funding	24/25 Programmed	25/26 Programmed	26/27 Programmed	27/28 Programmed
236.300 - TAM Measure AA	\$ 4,544	\$ -	\$ -	\$ 650,000	\$ -	\$ -	\$ -
236.400 TAM A (Major Streets)	\$ 3,232,382	\$ 1,224,137	\$ 4,500,000	\$ 4,500,000	\$ -	\$ -	\$ -
241.151 - DIF-Sts. & Intersections	\$ 1,637,080	\$ 493,668	\$ 750,000	\$ 750,000	\$ -	\$ -	\$ -
PG&E Rule 20A Credits	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ -	\$ -	\$ -	\$ -

Grant Ave. Bridge Rehabilitation

Project No.:	09-003	Category:	TDU
Budget Status:	Carryover	Funding Status:	Complete

Project Objective:

Rehabilitate the existing vehicle bridge, provide separate bicycle and pedestrian facilities, and replace substandard railings.

Location: Grant Ave. between and Virginia Ave and Eighth St.

Project Description and Background:

The existing bridge on Grant Avenue over Novato Creek near the intersection with Virginia Avenue, was built in 1932, and by today's standards is not wide enough to carry both vehicle and bicycle traffic in separate lanes. Pedestrian traffic is limited to the northerly side of the bridge (via a separate bridge adjacent to the vehicle bridge). The pedestrian bridge on the southerly side was removed in 2005 as it had deteriorated beyond repair. Both the vehicle bridge and remaining pedestrian bridge are structurally sound and do not need to be replaced. This project will widen the vehicle bridge to provide pedestrian and bicycle facilities and new bridge railings. The existing pedestrian bridge will no longer be needed and will be removed.

Cost Estimate and Revenue Considerations:

Project development costs are based on an estimate to complete environmental, design, and right-of-way phases of the project. Construction costs are based on an estimate prepared by the consultant performing the engineering design services. Construction management costs are based on the federal funding guidelines. Highway Bridge Program federal grant, Development Impact Fees Transit/Bicycle, Gas Tax, and Infrastructure Long Term Maintenance are the funding sources for this project.

Project Schedule Estimate:

Project development began late in FY 08/09 when the project was initiated, and a concept plan developed. The concept plan was completed spring 2010. A request for federal funding was made and received federal authorization in October 2010. The environmental process began in the summer of 2011, and preliminary design in 2015. The environmental documentation and design are complete. On May 2, 2023, Caltrans obligated \$3,219,836 in federal HBP funds on behalf of the Federal Highway Administration and granted the City authorization to proceed with the construction phase of the project. Construction is anticipated to begin in early 2024 and should take approximately one year to complete.

FY23-24 Approved Funding & Future Programming:

Fund Source(s)	Approved in Prior Year(s)	Estimated Balance Remaining as of 06/30/23	23/24 Proposed New Funding	24/25 Programmed	25/26 Programmed	26/27 Programmed	27/28 Programmed
119 - LTM-Infrastructure	\$ 517,242	\$ 352,232	\$ -	\$ -	\$ -	\$ -	\$ -
229 - Gas Tax HUTA	\$ 461,631	\$ 35,800	\$ -	\$ -	\$ -	\$ -	\$ -
229.105 - Gas Tax RMRA	\$ 100,000	\$ 72,445	\$ -	\$ -	\$ -	\$ -	\$ -
234.130 - Grant-HBP	\$ 4,491,786	\$ 3,887,995	\$ -	\$ -	\$ -	\$ -	\$ -
236.300 - TAM Measure AA	\$ 300,000	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ -
241.154 - DIF-Bike & Transit	\$ 239,908	\$ 157,877	\$ -	\$ -	\$ -	\$ -	\$ -

Civic Center Master Planning

Project No.:	11-006	Category:	MUNI
Budget Status:	Carryover	Funding Status:	Incomplete

Project Objective: To determine the future use of the downtown Civic Center site.

Location: Novato Civic Center

Project Description and Background:

Since the City was incorporated in 1960, the parcel of land bounded by Sherman Avenue, De Long Avenue, Machin Avenue and Cain Lane has been the Civic Center site. Over the years, other parcels have been incorporated, including 900 and 908 Sherman Avenue, and 909 Machin Avenue (Police building). In 2010 the historic church building at 901 Sherman Avenue on the Civic Center site was renovated into the Council Chambers and community meeting facility with an adjacent civic green. Two adjacent bungalows were demolished. In November 2013 staff moved into the new 20,000 sf Administrative Offices at 922 Machin Avenue across from the Police Building. Remaining on the site are the Community House at 908 Machin Avenue and the smaller structures at 900, 908, and 917 Sherman Avenue. Except for the Police building, the renovated Council Chambers, and the new Administration Building, the rest of the structures remain unfit for occupation. The master plan will determine possible uses for the civic center area.

Cost Estimate and Revenue Considerations:

Costs are based on an estimate of staff time to facilitate community workshops & consultant preparation of a master plan. The Civic Center Fund and Development Impact Fees-Civic are the funding sources for this project.

Project Schedule Estimate:

Workshops and master planning for the Downtown Civic Center will take significant staff and funding resources to complete and have been placed on-hold until the full economic impacts of the coronavirus pandemic are realized and potential funding sources are determined.

FY23-24 Approved Funding & Future Programming:

Fund Source(s)	Approved in Prior Year(s)	Estimated Balance Remaining as of 06/30/23	23/24 Proposed New Funding	24/25 Programmed	25/26 Programmed	26/27 Programmed	27/28 Programmed
117 - Civic Center	\$ 37,800	\$ 12,433	\$ -	\$ -	\$ -	\$ -	\$ -
241.153 - DIF-Civic Facilities	\$ 12,200	\$ 10,980	\$ -	\$ -	\$ -	\$ -	\$ -

Public Art Projects

Project No.:	11-019	Category:	PRCS
Budget Status:	Carryover	Funding Status:	Ongoing

Project Objective:

Identify public art sites and increase the amount of public art in Novato. Enhance the quality of life and enliven the visual environment through public art installations.

Location: Citywide at various locations.

Project Description and Background:

The Recreation, Cultural and Community Services Commission will consider potential public art sites on City of Novato property and identify desired projects.

Cost Estimate and Revenue Considerations:

Cost estimates are determined on a project-by-project basis. Funding collected from the Art In-Lieu fee program is the source for public art projects

Project Schedule Estimate: Schedule is determined on a project-by-project basis.

FY23-24 Approved Funding & Future Programming:

Fund Source(s)	Approved in Prior Year(s)	Estimated Balance Remaining as of 06/30/23	23/24 Proposed New Funding	24/25 Programmed	25/26 Programmed	26/27 Programmed	27/28 Programmed
215 - Public Art	\$ 94,616	\$ 47,800	\$ -	\$ -	\$ -	\$ -	\$ -

San Marin/Simmons Signalization or Roundabout

Project No.:	11-020	Category:	TDU
Budget Status:	Carryover	Funding Status:	Incomplete

Project Objective: To reduce traffic congestion.

Location: The intersection of San Marin Dr. and Simmons Ln.

Project Description and Background:

The 2002 update of the Development Impact Fees for Public Facilities listed installation of a traffic signal at this intersection as a needed improvement to accommodate future growth and enable the roadway system to operate safely and efficiently. The update indicated that San Marin Drive and Simmons Lane would be expected to operate with an unacceptable Level of Service (LOS) category "E" during both peak hours under future conditions. The mitigation is to install a traffic signal or a roundabout.

Cost Estimate and Revenue Considerations:

This project is postponed to future years due to funding limitations and limited staff resources. Project development costs are an estimate to complete the design, including advertising for bids. Construction costs are based on the preliminary estimate from the development impact fee report. Construction management costs are an estimate for the signal work. Development Impact Fees will be utilized to fund this project. It's anticipated that full construction capital for possible proposed improvements will be \$1,100,000.

Project Schedule Estimate:

Further project development work is pending availability of staffing resources and funding availability. Construction is not currently scheduled.

FY23-24 Approved Funding & Future Programming:

Fund Source(s)	Approved in Prior Year(s)	Estimated Balance Remaining as of 06/30/23	23/24 Proposed New Funding	24/25 Programmed	25/26 Programmed	26/27 Programmed	27/28 Programmed
229.105 - Gas Tax RMRA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
241.151 - DIF-Sts.& Intersections	\$ 183,433	\$ 161,106	\$ -	\$ -	\$ -	\$ -	\$ 600,000

Rule 20A UUD #17 (Railroad - Olive to south terminus)

Project No.:	12-006	Category:	TDU
Budget Status:	Carryover	Funding Status:	Incomplete

Project Objective:

To relocate overhead utility wires underground and remove supporting utility poles along Railroad Avenue between Olive Avenue and the south end of the street.

Location: Railroad Ave. south of Olive Ave.

Project Description and Background:

It is desirable to underground utilities along the Railroad Ave. corridor. The undergrounding will include all of Railroad and a small section of Olive Avenue at the intersection of Railroad Avenue extending across the railroad tracks. Railroad Avenue is a collector street which makes it an eligible Rule 20A underground conversion project. Undergrounding priorities will be considered by City Council prior to moving forward with this project.

Cost Estimate and Revenue Considerations:

Costs are based on rough trench costs provided by PG&E. Once the district is developed, more accurate estimates will be developed. Underground Utility fund covers the City's streetlight portion. Utility reimbursement is the other funding source for this project.

Project Schedule Estimate:

It takes the utility companies up to three years to complete design, and PG&E will not advance this project until similar phases on the higher priority District 16 (Novato Boulevard) undergrounding are complete.

FY23-24 Approved Funding & Future Programming:

Fund Source(s)	Approved in Prior Year(s)	Estimated Balance Remaining as of 06/30/23	23/24 Proposed New Funding	24/25 Programmed	25/26 Programmed	26/27 Programmed	27/28 Programmed
212 - Underground Utility	\$ 22,275	\$ 13,394	\$ -	\$ 163,350	\$ -	\$ -	\$ -
PG&E Rule 20A Credits	\$ -	\$ -	\$ -	\$ 331,650	\$ -	\$ -	\$ -

Rule 20A UUD #18 (Olive - Rosalia to East Terminus)

Project No.:	12-007	Category:	TDU
Budget Status:	Carryover	Funding Status:	Incomplete

Project Objective:

To relocate overhead utility wires underground and remove supporting utility poles along Olive Avenue between Rosalia Drive and the city limit.

Location: Olive Ave. between Rosalia Drive and City Limits

Project Description and Background:

Olive Avenue between Railroad Avenue and Rosalia Drive was undergrounded in the late 1980's. With the other two underground districts on Olive near Redwood and Railroad Avenue this project would complete undergrounding of utilities from Redwood Blvd to the city limits on Olive. Olive Avenue is a collector street which makes it an eligible Rule 20A underground conversion project. The amount of funding available may change after completion of other priority underground projects, and thus, this project should be considered partially funded at this time. Undergrounding priorities will be considered by City Council prior to moving forward with this project.

Cost Estimate and Revenue Considerations:

Costs are based on rough trench costs provided by PG&E. Once the district is developed, more accurate estimates will be developed. Underground Utility fund covering the City's streetlight portion and utility reimbursement are the funding source for this project. The availability of utility reimbursement revenues will be contingent upon the cost of previous utility reimbursement projects so this project may require additional funding.

Project Schedule Estimate:

It takes the utility companies up to three years to complete design, and PG&E will not advance this project until similar phases on the higher priority District 16 (Novato Boulevard) undergrounding are complete.

FY23-24 Approved Funding & Future Programming:

Fund Source(s)	Approved in Prior Year(s)	Estimated Balance Remaining as of 06/30/23	23/24 Proposed New Funding	24/25 Programmed	25/26 Programmed	26/27 Programmed	27/28 Programmed
212 - Underground Utility	\$ 29,700	\$ 25,435	\$ -	\$ 326,700	\$ -	\$ -	\$ -
PG&E Rule 20A Credits	\$ -	\$ -	\$ -	\$ 768,600	\$ -	\$ -	\$ -

Downtown SMART Station Phase III

Project No.:	14-002	Category:	TDU
Budget Status:	Carryover	Funding Status:	Incomplete

Project Objective:

To plan and construct improvements at the former Railroad Depot site to support the Downtown SMART Station.

Location: 695 Grant Ave.

Project Description and Background:

In 2012 the City negotiated a land swap with SMART whereby the city obtained the former downtown train Depot site at the corner of Grant Avenue and Railroad Avenue. SMART has since constructed a multi-use path and the Downtown SMART station adjacent to the site. Public outreach meetings were held on March 17 and April 19, 2018 to identify potential Depot site improvements and staff subsequently solicited proposals from developers or operators interested in improving the site. On May 24, 2022 the City Council authorized the City Manager to execute an Exclusive Negotiating Agreement (“ENA”) with San Francisco Brewing Co., LLC. that contemplates a ground lease at the Depot site.

Cost Estimate and Revenue Considerations:

Planning and outreach efforts of this project have been supported by the Parking Improvement Fund, Development Impact Fees - Civic Facilities, and Long Term Maintenance - Facilities Fund. Pending the terms and conditions of the future ground lease, additional funding may be needed to support improvements to the Depot site.

Project Schedule Estimate:

It is anticipated that the City and the Developer will complete specific deliverables and draft a long-term development and lease agreement for the property by spring/summer of 2023.

FY23-24 Approved Funding & Future Programming:

Fund Source(s)	Approved in Prior Year(s)	Estimated Balance Remaining as of 06/30/23	23/24 Proposed New Funding	24/25 Programmed	25/26 Programmed	26/27 Programmed	27/28 Programmed
118 - LTM-Facilities	\$ 50,000	\$ 9,062	\$ -	\$ -	\$ -	\$ -	\$ -
213 - Public Parking	\$ 83,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
229.105 - Gas Tax RMRA	\$ 75,000	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ -
234.150 - Grant-PCA/STP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
241.153 - DIF-Civic Facilities	\$ 27,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Corporation Yard Water Quality Improvements

Project No.:	14-003	Category:	MUNI
Budget Status:	Carryover	Funding Status:	Incomplete

Project Objective: To plan and implement stormwater related improvements at the corporation yard.

Location: 550 Davidson St.

Project Description and Background:

A stormwater quality improvement implementation plan was previously prepared for the City Corp. Yard site. The plan outlined specific mitigations and prioritized recommendations for construction. This project will support the completion of the improvements identified in the plan as well as any new requirements imposed under the State Water Board trash amendments to the MS4 permit.

Cost Estimate and Revenue Considerations:

Staff estimates based on size of site and engineer's estimate for the cost of improvements. The Clean Stormwater fund will provide the funding for the project.

Project Schedule Estimate:

Preliminary work was completed in FY 14/15 including a SWPPP and identification of needs. Items from the improvement implementation plan have been completed, but some additional work remains.

FY23-24 Approved Funding & Future Programming:

Fund Source(s)	Approved in Prior Year(s)	Estimated Balance Remaining as of 06/30/23	23/24 Proposed New Funding	24/25 Programmed	25/26 Programmed	26/27 Programmed	27/28 Programmed
211 - Clean Stormwater	\$ 115,000	\$ 73,800	\$ -	\$ -	\$ -	\$ -	\$ -

Storm Drain Improvements (Mt. Burdell Inlets)

Project No.:	15-014	Category:	TDU
Budget Status:	Carryover	Funding Status:	Complete

Project Objective & Description:

This project was created in FY14/15 as a placeholder to repair and replace storm drain facilities as identified in the Storm Drain Master Plan (“SDMP”) and was previously titled “Storm Drain Improvements – Group 1.” The city’s SDMP was completed and adopted by the City Council in January of 2021. One of the storm drain infrastructure needs identified in the SDMP was the replacement/modification to the inlets in the San Marin neighborhood that capture runoff from the Mt. Burdell open space. This project will address the deficiencies with the Mt. Burdell inlets as defined in the SDMP. In order to clearly define the intent of this project, it was retitled “Storm Drain Improvements (Mt. Burdell Inlets)” with the adoption of the FY22/23 budget.

Location:

Various storm drain inlets in the San Marin neighborhood that capture runoff directly from the Mt. Burdell open space.

Cost Estimate and Revenue Considerations:

The scope of work of this project will be developed over the next two years and construction is anticipated in Fiscal Year 23/24. Infrastructure Long Term Maintenance as well as the maximum allowable Development Impact Fee (DIF - Drainage) contribution are the planned funding sources. DIF funds are limited to collector and arterial streets only, therefore these funds will be programmed after project scope/locations are finalized.

Project Schedule Estimate:

Project design is anticipated to be completed in FY 23/24 with construction following.

FY23-24 Approved Funding & Future Programming:

Fund Source(s)	Approved in Prior Year(s)	Estimated Balance Remaining as of 06/30/23	23/24 Proposed New Funding	24/25 Programmed	25/26 Programmed	26/27 Programmed	27/28 Programmed
119 - LTM-Infrastructure	\$ 375,108	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ -
236.300 - TAM Measure AA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
241.158 - DIF-Drainage	\$ 66,982	\$ 66,049	\$ -	\$ -	\$ -	\$ -	\$ -

Reservoir Hill Rehabilitation

Project No.:	16-007	Category:	PRCS
Budget Status:	Carryover	Funding Status:	Complete

Project Objective & Description:

This project will add decomposed granite to existing path where the existing material has been removed with use over time. In FY 18/19 the work scope increased to include drainage improvements to prevent future recurrence of path damage on the Reservoir Hill trails.

Location: Recreational open space trails between Hamilton Parkway and Serra Ct.

Cost Estimate and Revenue Considerations:

The project costs are based on estimated costs in the Facilities Condition Assessment Report for the path, and staff's preliminary estimate of drainage improvements. Project development may lead to additional improvements being identified. Facilities Long Term Maintenance is the funding source.

Project Schedule Estimate:

The project was planned to be completed in 2023, however was delayed due to other priority projects and limited staffing resources.

FY23-24 Approved Funding & Future Programming:

Fund Source(s)	Approved in Prior Year(s)	Estimated Balance Remaining as of 06/30/23	23/24 Proposed New Funding	24/25 Programmed	25/26 Programmed	26/27 Programmed	27/28 Programmed
118 - LTM-Facilities	\$ 101,000	\$ 95,900	\$ -	\$ -	\$ -	\$ -	\$ -

North Redwood Blvd Corridor Study

Project No.:	16-011	Category:	TDU
Budget Status:	Carryover	Funding Status:	Complete

Project Objective:

To develop a comprehensive streetscape plan for Redwood Boulevard between Diablo Avenue and Wood Hollow Drive. Preliminary work will involve consolidation of previous design schemes and determination of constraints for development of the plan. It is anticipated that extensive public outreach will be necessary to develop and select a final streetscape plan concept.

Location: Redwood Blvd. between Diablo Ave. and Wood Hollow Dr.

Project Description and Background:

This project is a continuation of design charettes undertaken by the Community Development Department during the 2014 General Plan update work. There has been private interest over the last few years in development along the corridor, and the study will work towards providing guidance and requirements for future development.

Cost Estimate and Revenue Considerations:

The project cost is based on staff's estimate based on previous similar work. Development Impact Fees (Streets and Intersections) and TAM Measure AA are the identified funding sources for the conceptual design work. Staff will likely need to seek grant funding for future environmental, design, and construction costs.

Project Schedule Estimate:

The North Redwood Boulevard Corridor Streetscape Study has funding programmed in FY25/26 to support the public outreach and conceptual planning process. The schedule of future phases is dependent on the completion of the planning phase.

FY23-24 Approved Funding & Future Programming:

Fund Source(s)	Approved in Prior Year(s)	Estimated Balance Remaining as of 06/30/23	23/24 Proposed New Funding	24/25 Programmed	25/26 Programmed	26/27 Programmed	27/28 Programmed
236.300 - TAM Measure AA	\$ -	\$ -	\$ -	\$ -	\$ 300,000	\$ -	\$ -
241.151 - DIF-Sts.& Intersections	\$ 200,000	\$ 190,000	\$ -	\$ -	\$ 66,000	\$ -	\$ -

Accessibility Enhancements - Municipal Buildings

Project No.:	17-002	Category:	MUNI
Budget Status:	Carryover	Funding Status:	Incomplete

Project Objective:

This project will implement specific projects identified in the City's updated Americans with Disabilities Act (ADA) Transition Plan. A priority project list is maintained by staff and is updated as items are completed. Typical improvements include the installation of ramps, modifications to building amenities such as drinking fountains, and installation of automatic door-openers.

Location: City-owned buildings in active use.

Cost Estimate and Revenue Considerations:

Funding for this project is evaluated during each annual budget cycle. New funding proposed for upcoming fiscal years is based off of the cost estimates for remaining work to be performed and carryover funding balances. This project does not pay for ADA improvements that can be addressed as a part of routine building maintenance (lowering a coathook, for example) or for work that will be incorporated into a CIP project to complete. The Facilities Long Term Maintenance Fund is the source for this project.

Project Schedule Estimate:

This is an annual allocation project and an ongoing effort until all recommended enhancements are completed.

FY23-24 Approved Funding & Future Programming:

Fund Source(s)	Approved in Prior Year(s)	Estimated Balance Remaining as of 06/30/23	23/24 Proposed New Funding	24/25 Programmed	25/26 Programmed	26/27 Programmed	27/28 Programmed
118 - LTM-Facilities	\$ 268,461	\$ 90,000	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000

Accessibility Enhancements - Parks

Project No.:	17-003	Category:	PRCS
Budget Status:	Carryover	Funding Status:	Complete

Project Objective:

This project would implement specific projects identified in the City's updated Americans with Disabilities Act (ADA) Transition Plan. A priority project list is maintained by staff and is the subject of public input to the City's ADA Committee. Typical improvements could include curb ramps, drinking fountains, and accessible play equipment.

Location: City-owned parks

Cost Estimate and Revenue Considerations:

Per the City's ADA transition plan, the City is required to remove all the barriers within the community parks. The following table shows an estimate of the available funding for the current and upcoming fiscal years. This project does not construct ADA improvements at facilities and parks that are subject to improvements by other CIP projects. Long Term Maintenance Fund - Facilities is the source for this project.

Project Schedule Estimate:

This is an annual allocation project and an ongoing effort until all recommended enhancements are completed.

FY23-24 Approved Funding & Future Programming:

Fund Source(s)	Approved in Prior Year(s)	Estimated Balance Remaining as of 06/30/23	23/24 Proposed New Funding	24/25 Programmed	25/26 Programmed	26/27 Programmed	27/28 Programmed
118 - LTM-Facilities	\$ 305,000	\$ 158,449	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
241.152 - DIF-Recreation	\$ 50,000	\$ 49,320	\$ -	\$ -	\$ -	\$ -	\$ -

Hoog Park Playground and Accessibility Enhancements

Project No.:	17-004	Category:	PRCS
Budget Status:	Carryover	Funding Status:	Incomplete

Project Objective:

To replace aged playground equipment and implement accessibility improvements at Hoog Park.

Location: Marin Oaks Dr. north of Montura Way

Project Description and Background:

The need to replace aging playground equipment was identified in the Parks Assessment Report and verified by staff. The ADA transition plan lists a number of ADA improvements required at the park, including regrading and repaving the pathways.

Cost Estimate and Revenue Considerations:

The costs are from the referenced studies/reports plus an allowance for staff time for project development and construction management based on recent similar projects. Facilities Long-Term Maintenance Funds and Recreation Development Impact Fees are the source for this project.

Project Schedule Estimate:

Funding has been programmed for project development and construction to occur in FYs 23/24 and 24/25.

FY23-24 Approved Funding & Future Programming:

Fund Source(s)	Approved in Prior Year(s)	Estimated Balance Remaining as of 06/30/23	23/24 Proposed New Funding	24/25 Programmed	25/26 Programmed	26/27 Programmed	27/28 Programmed
118 - LTM-Facilities	\$ 200,000	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -
241.152 - DIF-Recreation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

ADA ROW Transition Plan

Project No.:	17-005	Category:	TDU
Budget Status:	Carryover	Funding Status:	Complete

Project Objective:

To identify and document access barriers in the public rights-of-way (streets and sidewalks) and develop a plan for correction of the barriers in order to comply with Title II of the Americans with Disabilities Act (ADA).

Location: Citywide

Project Description and Background:

In 2014 the City launched an effort to update its Americans with Disabilities (ADA) Transition Plan. In 2015, the Plan for facilities and parks was completed, but the right-of-way portion of the plan was deferred to FY 18/19. The proposed work includes a self-evaluation and transition plan for all accessible aspects of the public right-of-way.

Cost Estimate and Revenue Considerations:

The project cost is staff's estimate based on similar efforts by neighboring cities. Note that this project is for the evaluation and plan only, and not for any physical improvements. Gas Tax – Highway User Tax Account is the identified funding source.

Project Schedule Estimate:

Phase 1 of the evaluation was completed in FY 19/20. Phase 2 of the evaluation was completed in FY 20/21. Phase 3 and Phase 4 of the evaluation are planned to be completed in FY 23/24.

FY23-24 Approved Funding & Future Programming:

Fund Source(s)	Approved in Prior Year(s)	Estimated Balance Remaining as of 06/30/23	23/24 Proposed New Funding	24/25 Programmed	25/26 Programmed	26/27 Programmed	27/28 Programmed
229 - Gas Tax HUTA	\$ 290,000	\$ 135,000	\$ 50,000	\$ -	\$ -	\$ -	\$ -

Novato Blvd. Multi-use Path Sutro Ave to Stafford Lake

Project No.:	17-006	Category:	TDU
Budget Status:	Carryover	Funding Status:	Incomplete

Project Objective:

To partner with the County of Marin to construct improvements to the bicycle and pedestrian path along Novato Boulevard from Sutro Avenue to Stafford Lake Park.

Location: Along Novato Blvd. from Sutro Ave. to Stafford Lake

Project Description and Background:

In 2015 the County of Marin completed a bike park at Stafford Lake Park. An improved path along Novato Boulevard between Sutro Avenue and the easterly City limits is identified as a future project in the City's adopted Bicycle and Pedestrian Plan, and the County of Marin has identified a need to realign/reconstruct the existing path along the corridor. Preliminary needs include a Project Study Report to identify routes and constraints and develop cost estimates for the project to facilitate grant applications for potential trail easement acquisitions and future construction. Marin County Parks is the lead agency on this project.

Cost Estimate and Revenue Considerations:

Preliminary work within the city limits is estimated at \$200,000 to \$250,000. An agreement will be entered into with the County to define roles, responsibilities, and cost sharing. The responsibilities for actual construction costs will be determined along with the project development cost estimates. The County's portion is anticipated to include a creek crossing and property acquisition, while the City's portion would either be within existing right-of-way or through City property. Gas Tax – Highway User Tax Account is the identified funding source for the City's anticipated share of initial costs.

Project Schedule Estimate:

Project development is anticipated to take 12-24 months depending upon the complexities of property acquisition and other identified constraints. The schedule is dependent on Marin County Parks workplans.

FY23-24 Approved Funding & Future Programming:

Fund Source(s)	Approved in Prior Year(s)	Estimated Balance Remaining as of 06/30/23	23/24 Proposed New Funding	24/25 Programmed	25/26 Programmed	26/27 Programmed	27/28 Programmed
229 - Gas Tax HUTA	\$ 80,000	\$ 80,000	\$ -	\$ -	\$ -	\$ -	\$ -

Citywide Bridge Assessment/Improvement (Group 1)

Project No.:	17-007	Category:	TDU
Budget Status:	Carryover	Funding Status:	Incomplete

Project Objective:

To assess Novato's bridges, quantify deferred maintenance and improvements required, and submit an application to the federal Highway Bridge Program (HBP) under the Bridge Preventive Maintenance Guidelines (BPMG).

Location: Citywide

Project Description and Background:

Novato's bridges are inspected by Caltrans every two years, and reports forwarded to the City. When an issue requiring correction is identified, the City makes application to the HBP for funding of the improvements. There are often issues identified in the reports and observations made by staff or the public that are not substantive enough to warrant an HBP project that would renovate or replace a structure, but would be eligible for funding under the BPMG. This project would complete an inventory of all Novato bridges.

Cost Estimate and Revenue Considerations:

The estimate is for staff/consultant time to generate and evaluate the inventory and complete the application. The project development and construction costs of any improvements would be included in a future CIP project. HUTA & RMRA Gas Taxes are the identified funding source, but additional funding will be required for construction.

Project Schedule Estimate:

Project development work is in process and will continue through the fiscal year. Construction schedule is dependent on additional funding.

FY23-24 Approved Funding & Future Programming:

Fund Source(s)	Approved in Prior Year(s)	Estimated Balance Remaining as of 06/30/23	23/24 Proposed New Funding	24/25 Programmed	25/26 Programmed	26/27 Programmed	27/28 Programmed
229 - Gas Tax HUTA	\$ 75,000	\$ 67,352	\$ -	\$ -	\$ -	\$ -	\$ -
229.105 - Gas Tax RMRA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

MTC Pavement Management Phase IV

Project No.:	18-003	Category:	TDU
Budget Status:	Carryover	Funding Status:	Complete

Project Objective:

Maintain the city's Pavement Management System based on the StreetSaver Program developed by the Metropolitan Transportation Commission (MTC). Continue Novato's certification with MTC as a pavement management program user.

Location: Novato public streets network.

Project Description and Background:

This project is the continuation of previous CIP #13-002, which expired on June 30, 2017. This project will measure the pavement life of a street after construction, reconstruction, or rehabilitation and develop the most cost-effective rehabilitation strategies for pavement maintenance. Through use of the Pavement Management System, Novato remains eligible to apply for transportation grants for other projects. The Pavement Management System database must be maintained on a regular basis by inputting new streets into the system, entering maintenance treatments applied to streets, rating streets that do not receive maintenance treatments within the four-year cycle, updating the unit costs for maintenance treatments, data collection, updating the city's Geographic Information System (GIS), and programming future project funding. To remain certified with MTC the City must submit an annual report or make the database available through the internet for MTC to review.

Cost Estimate and Revenue Considerations:

Project development costs are for the rating of City streets, to maintain the database used by StreetSaver, and for staff to attend MTC pavement management trainings and submit reports and information as required. Gas Taxes (HUTA and RMRA) are the City's funding sources for this project. Every 3 years the City applies for a Pavement Technical Assistance Program ("PTAP") grant through MTC to re-evaluate the street network and update pavement treatment strategies. The PTAP grants are administered through MTC so funding for this work does not pass through the City.

Project Schedule Estimate:

Project development costs are for the rating of City streets, to maintain the database used by StreetSaver, and for staff to attend MTC pavement management trainings and submit reports and information as required.

FY23-24 Approved Funding & Future Programming:

Fund Source(s)	Approved in Prior Year(s)	Estimated Balance Remaining as of 06/30/23	23/24 Proposed New Funding	24/25 Programmed	25/26 Programmed	26/27 Programmed	27/28 Programmed
229 - Gas Tax HUTA	\$ 30,019	\$ -	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
229.105 - Gas Tax RMRA	\$ 140,000	\$ 6,000	\$ -	\$ -	\$ -	\$ -	\$ -
234.157 - Grant-PTAP	\$ 78,995	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Parks Deferred Maintenance Group 3 2017-2023

Project No.:	18-007	Category:	PRCS
Budget Status:	Carryover	Funding Status:	Incomplete

Project Objective:

To perform parks infrastructure repairs and replacements to address deferred maintenance items identified in the December 2013 Novato Parks Facility Condition Assessment and Maintenance Analysis.

Location: Citywide Parks

Project Description and Background:

The Parks Facility Conditions Assessment Report identified and prioritized deferred maintenance items for repair and replacement at parks throughout the city. Two previous Parks Deferred Maintenance CIP projects have addressed high priority items such as repairs to pathways and irrigation systems and replacement of drinking fountains and other older amenities. Parks Deferred Maintenance 2017-2023 will address the items identified for repair/replacement from FY 17/18 to 23/24 and fund other items from previous years that have not been addressed to date.

Cost Estimate and Revenue Considerations:

Costs are based on estimates included in the Parks Facility Conditions Assessment Report. Facilities Long Term Maintenance Fund is the identified funding source.

Project Schedule Estimate:

This project was initiated during the 17/18 Fiscal Year and is planned to continue through Fiscal Year 23/24.

FY23-24 Approved Funding & Future Programming:

Fund Source(s)	Approved in Prior Year(s)	Estimated Balance Remaining as of 06/30/23	23/24 Proposed New Funding	24/25 Programmed	25/26 Programmed	26/27 Programmed	27/28 Programmed
118 - LTM-Facilities	\$ 292,641	\$ 80,712	\$ -	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
240 - Restricted Revenue	\$ 1,922	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Municipal Buildings Deferred Maintenance

Project No.:	18-008	Category:	MUNI
Budget Status:	Carryover	Funding Status:	Incomplete

Project Objective:

To perform municipal building repairs and equipment replacements to address deferred maintenance items identified in the 2013 Novato Facilities Condition Assessment and Maintenance Analysis.

Location: City-owned buildings

Project Description and Background:

The Facility Conditions Assessment Report identified and prioritized deferred building maintenance items for repair and replacement at the 21 active-use city-owned buildings. Two previous Civic Facilities Deferred Maintenance CIP projects have addressed high priority items such as replacement of heating and air conditioning systems, fire suppression systems, roofing, siding, and flooring. Civic Facilities Deferred Maintenance Group 3 will address the items identified for repair/replacement in FY 19/20 and fund other items from previous years that have not been addressed to date.

Cost Estimate and Revenue Considerations:

Costs are based on estimates included in the Facility Conditions Assessment Report for items that exceed the Public Works Buildings Maintenance operating budget capacity or require external technical expertise to repair/replace. In some cases funds are programmed over multiple years in order to cover large expenditures in the future. Facilities Long Term Maintenance Fund is the identified funding source.

Project Schedule Estimate:

Building maintenance is an ongoing activity. Specific expenditures under this project are identified and prioritized in the Facility Conditions Assessment Reports.

FY23-24 Approved Funding & Future Programming:

Fund Source(s)	Approved in Prior Year(s)	Estimated Balance Remaining as of 06/30/23	23/24 Proposed New Funding	24/25 Programmed	25/26 Programmed	26/27 Programmed	27/28 Programmed
118 - LTM-Facilities	\$ 165,000	\$ 10,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000

Police Department HVAC Replacement

Project No.:	18-010	Category:	MUNI
Budget Status:	Carryover	Funding Status:	Incomplete

Project Objective:

To develop preliminary plans and cost estimates to replace the heating, ventilation, and air conditioning (HVAC) system at the Novato Police Station.

Location: 909 Machin Ave.

Project Description and Background:

The 2013 Novato Facility Conditions Assessment Report identified the current air handler units (AHUs) at the police station would reach the end of useful service life and require replacement in 2017 for an estimated cost of nearly \$180,000. The current HVAC system consists of rooftop-mounted AHUs supplied by a four-pipe hot/cold water supply provided by a natural-gas boiler and exterior air chiller. Several rooms within the station also have their own dedicated heating and air conditioning systems. While the boiler and air chiller are newer, the AHUs, ductwork, and system plumbing are mostly original to the building (1979.) Due to the complex nature of the HVAC system, inconsistent temperature zones, and high annual maintenance and operating costs, a study is warranted to examine replacement of the entire HVAC system with a modern high-efficiency multi-zone system. A mechanical engineering contractor will be enlisted to prepare preliminary plans and cost estimates with staged-construction consideration for the continuous operation of the facility.

Cost Estimate and Revenue Considerations:

\$30,000 is allocated toward the preparation of preliminary plans and estimates for full HVAC system replacement. If deemed feasible, a separate CIP project will be programmed for future replacement costs. Facilities Long Term Maintenance Fund 118 is the identified funding source.

Project Schedule Estimate:

This study is anticipated to be completed as a part of a larger conversation about anticipated costs to address other deferred maintenance items and required upgrades at the police station.

FY23-24 Approved Funding & Future Programming:

Fund Source(s)	Approved in Prior Year(s)	Estimated Balance Remaining as of 06/30/23	23/24 Proposed New Funding	24/25 Programmed	25/26 Programmed	26/27 Programmed	27/28 Programmed
118 - LTM-Facilities	\$ 30,000	\$ 19,125	\$ -	\$ -	\$ -	\$ -	\$ -

Hamilton Arts Center Deferred Maintenance

Project No.:	19-005	Category:	MUNI
Budget Status:	Carryover	Funding Status:	Complete

Project Objective:

Remediate the highest priority deferred maintenance and capital renewal projects, including accessibility upgrades, window replacements, floor treatments, plumbing and electrical work as recommended by the Facility Condition Assessment Reports.

Location: Hamilton Arts Center

Project Description and Background:

This project will consolidate the recommended priority maintenance and capital renewal efforts into a series of contracts to address key building improvements identified in the 2013 Faithful and Gould Facility Condition Assessments and the subsequent update to the Americans with Disabilities Act (ADA) Transition Plan. Historical analysis and seismic retrofit assessments will be included in this project. The Hamilton Army Air Field Discontiguous Historic District was established on the National Historical Registry in 1998. In 2000, the City of Novato (through the Novato Public Finance Authority) acquired the 'Building 500 complex' at Hamilton, a group of buildings located in the historic center of the former Hamilton Field military base. Building 500, the former base Headquarters building, is considered the key historical building of the district. The buildings are leased to several tenants, the main tenant being the Marin Museum of Contemporary Art (MarinMOCA), other tenants include individual artists and Beso Bistro Café. The rental revenue and associated operating and building reserves for maintenance and capital expenses are captured in the Hamilton Arts Center Fund.

Cost Estimate and Revenue Considerations:

The cost estimate is based on the Facilities Condition Assessment Report and required modifications identified in the City's Americans with Disabilities Act (ADA) Transition Plan. The project will be funded by the Hamilton Arts Center Fund.

Project Schedule Estimate:

The project schedule is based off of individual work items prioritized by health and safety and ADA improvements, then deferred maintenance, then tenant convenience within the available resources.

FY23-24 Approved Funding & Future Programming:

Fund Source(s)	Approved in Prior Year(s)	Estimated Balance Remaining as of 06/30/23	23/24 Proposed New Funding	24/25 Programmed	25/26 Programmed	26/27 Programmed	27/28 Programmed
220 - Hamilton Arts	\$ 950,000	\$ 783,351	\$ -	\$ -	\$ -	\$ -	\$ -

MTSC Exterior Siding and Roof

Project No.:	19-006	Category:	MUNI
Budget Status:	Carryover	Funding Status:	Complete

Project Objective: The project will replace the roof and siding of the Margaret Todd Senior Center.

Location: 1560 Hill Rd.

Project Description and Background:

The roof and siding of the Margaret Todd Senior Center have reached the end of their useful service life. The plywood siding and roof were 25-years old as of 2018. Maintenance costs to repair leaks and patch dry-rot in the siding have been increasing over the last few years and are expected to increase until the original materials are replaced. Staff will evaluate long-service life/low-maintenance siding options such as fiber-cement products when developing this project and will engage with Todd Center members and staff when recommending material selections.

Cost Estimate and Revenue Considerations:

Preliminary cost estimates are based on consultation with city facilities maintenance staff and informal estimates from industry professionals. Long Term Maintenance - Facilities is the funding source for this project.

Project Schedule Estimate:

Project development and construction are planned for Fiscal Years 24/25 and 25/26.

FY23-24 Approved Funding & Future Programming:

Fund Source(s)	Approved in Prior Year(s)	Estimated Balance Remaining as of 06/30/23	23/24 Proposed New Funding	24/25 Programmed	25/26 Programmed	26/27 Programmed	27/28 Programmed
118 - LTM-Facilities	\$ -	\$ -	\$ -	\$ 350,000	\$ 350,000	\$ -	\$ -

Novato Blvd at San Marin - Sutro Improvements

Project No.:	19-009	Category:	TDU
Budget Status:	Carryover	Funding Status:	Incomplete

Project Objective:

To improve traffic operations, and improve pedestrian and bicycle facilities at the intersection of Novato Blvd. at San Marin Dr./Sutro Ave.

Location: Novato Blvd. at San Marin-Sutro.

Project Description and Background:

This project was initiated by Girl Scout Ashley Leonard to provide continuous pedestrian and bicycle facilities at this intersection and improve traffic operations from the existing Level of Service (LOS) F breakdown conditions during the PM peak hour. The project will study the traffic, bicycle, and pedestrian operations of the intersection; prepare recommendations for improvements, develop conceptual designs, and gather public feedback through a formal outreach process; prepare and circulate an environmental document; develop construction plans and specifications and relocate any necessary utilities; and construct improvements. The project will be designed and constructed in two phases: the first phase will address the immediate pedestrian and bicycle facilities needs by enhancing crosswalks and closing the sidewalk gap along Sutro Ave. The second phase will evaluate the feasibility and community interest in constructing a roundabout or installing a traffic signal.

Cost Estimate and Revenue Considerations:

The project cost estimate is approximately \$2.5M for the first phase to enhance the crosswalks at the intersection and close the sidewalk gap along Sutro Ave. Staff have applied for ATP4 and OBAG3 grant funding to cover 88% of the design and construction costs of the first phase of work. Both applications were unsuccessful. Staff is actively seeking other funding opportunities.

Project Schedule Estimate:

The project schedule is dependent upon on the grant funding status. As of the publication date of this document, a grant application was submitted but awards have not been announced.

FY23-24 Approved Funding & Future Programming:

Fund Source(s)	Approved in Prior Year(s)	Estimated Balance Remaining as of 06/30/23	23/24 Proposed New Funding	24/25 Programmed	25/26 Programmed	26/27 Programmed	27/28 Programmed
229.105 - Gas Tax RMRA	\$ 65,270	\$ 4,335	\$ -	\$ -	\$ -	\$ -	\$ -
234 - Grant Needed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Evaluation of Leib Property for Future Uses

Project No.:	19-010	Category:	PRCS
Budget Status:	Carryover	Funding Status:	Incomplete

Project Objective & Background:

This project was originally intended to develop and construct a community garden at the City-owned Leib property. However, at the April 26, 2022 City Council meeting, staff provided a project update to the City Council and explained the need for additional funding due to several challenges: irrigation water supply issues due to drought conditions, high construction costs due to labor and material shortages, financial constraints and lack of resources available to operate and maintain the garden, and an uncertain level of interest in the community in renting garden plots. Staff were directed to cancel the project and it was suggested to explore potential uses of the entire Leib property as there is no plan for the City’s use of the roughly 10-acre site. This project was renamed and rescoped to evaluate the Leib property for future uses as a part of the FY 23/24 CIP Budget approval process.

Location: 1521 - 1525 Hill Road

Cost Estimate and Revenue Considerations:

Long Term Maintenance - Facilities Fund and Quimby In-Lieu Fees were approved as the initial funding sources for the former community garden project. The remaining balance of these funds—possibly combined with additional funding—will support a future planning process for the potential uses of the site.

Project Schedule Estimate:

Project development work on the community garden initial study and environmental document began in the spring of 2019 and was close to completion in the spring of 2022, however additional funding was needed to address the challenges the project was facing at the time. Development work on the community garden ceased following the April 26, 2022 City Council meeting. Future planning work will determine the next steps for this City-owned property.

FY23-24 Approved Funding & Future Programming:

Fund Source(s)	Approved in Prior Year(s)	Estimated Balance Remaining as of 06/30/23	23/24 Proposed New Funding	24/25 Programmed	25/26 Programmed	26/27 Programmed	27/28 Programmed
118 - LTM-Facilities	\$ 15,000	\$ 2,268	\$ -	\$ -	\$ -	\$ -	\$ -
214 - Quimby In-Lieu Fees	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
237 - Parks Measure A	\$ 150,000	\$ 124,089	\$ -	\$ -	\$ -	\$ -	\$ -

Energy Efficiency Utility Upgrades

Project No.:	20-002	Category:	MUNI
Budget Status:	Carryover	Funding Status:	Incomplete

Project Objective: The project intends to reduce the city's usage of water and electricity.

Location: Citywide, City-owned facilities

Project Description and Background:

Utility rates continue to increase year-by-year and the City's water usage at parks has also increased in recent years. This project will implement energy-efficiency improvements such as installing water saving "smart" irrigation controllers at high-water usage parks and medians and will serve as a platform to seek grant funding to support other energy-saving and sustainability measures.

Cost Estimate and Revenue Considerations:

\$25,000 was included as the initial budget appropriation to purchase new irrigation controllers for priority areas and to serve as "seed" money for grant opportunities. An additional \$25,000 from the Long Term Maintenance - Facilities fund was appropriated in FY22/23 to continue these efforts.

Project Schedule Estimate:

Product research started in the fall of 2019. Purchase and installation of new irrigation controllers for a pilot program at Indian Valley College occurred in May 2020. Staff will continue product research and evaluation identifying water efficiency measures to implement.

FY23-24 Approved Funding & Future Programming:

Fund Source(s)	Approved in Prior Year(s)	Estimated Balance Remaining as of 06/30/23	23/24 Proposed New Funding	24/25 Programmed	25/26 Programmed	26/27 Programmed	27/28 Programmed
118 - LTM-Facilities	\$ 75,000	\$ 53,166	\$ -	\$ -	\$ -	\$ -	\$ -

Sidewalk Repair Program - Matching Funds

Project No.:	21-002	Category:	TDU
Budget Status:	Carryover	Funding Status:	Complete

Project Objective:

To partner with homeowners to repair or replace cracked or uplifted sections of sidewalk.

Location: Citywide

Project Description and Background:

California Streets and Highway Code Sections 5600 et seq. and Novato Municipal Code Section 15-2.46 provide that owners of real property fronting on any portion of a public street or place shall maintain the sidewalk in such condition that it will not endanger persons or property or interfere with the public convenience in the use of those works or areas. Other cities in the area have adopted community sidewalk repair programs, where the city sets aside funds to match homeowner sidewalk repair costs up to a certain amount. This project will initiate Novato's Sidewalk Repair Program and provide funding for the cost sharing of future sidewalk repairs. Exact details of the program are yet to be determined.

Cost Estimate and Revenue Considerations:

\$100,000 to \$150,000 has been programmed for each year in the CIP as matching dollars for repairs and to support the development and administration of the program. TAM Measure AA transportation sales tax dollars serve as the source to fund the city portion of future sidewalk repairs.

Project Schedule Estimate:

The Sidewalk Repair Program is being developed and the matching funds are anticipated to be made available to residents beginning in early 2024.

FY23-24 Approved Funding & Future Programming:

Fund Source(s)	Approved in Prior Year(s)	Estimated Balance Remaining as of 06/30/23	23/24 Proposed New Funding	24/25 Programmed	25/26 Programmed	26/27 Programmed	27/28 Programmed
236.300 - TAM Measure AA	\$ 400,000	\$ 376,419	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000

Update/Replace Grant Avenue Amenities

Project No.:	21-003	Category:	TDU
Budget Status:	Carryover	Funding Status:	Complete

Project Objective:

Beautify and enhance downtown Novato by replacing dead trees, consolidating and refurbishing waste receptacles, and replacing tree lights with commercial-grade LED fixtures.

Location: Grant Ave. from Railroad Ave. to 7th St.

Project Description and Background:

The downtown Grant Avenue improvements were constructed about 15 years ago and many of the amenities are showing their age. This project will replace dead trees, consolidate the separate recycling and waste receptacles into single dual-stream units, remove or replace old concrete waste receptacles, and replace all existing tree lights with new commercial-grade LED fixtures and provide gates for easy closure of Grant Avenue for events.

Cost Estimate and Revenue Considerations:

This project is proposed to be funded by a generous \$50,000 pledge from the Downtown Novato Business Association (DNBA), CalRecycle grants and a match of City Long Term Maintenance Facilities funding.

Project Schedule Estimate:

Refurbished dual-stream waste receptacles were installed in 2021. Tree light replacement work has been completed in 2022. The removal of older concrete garbage cans and replacement of dead trees is an ongoing effort.

FY23-24 Approved Funding & Future Programming:

Fund Source(s)	Approved in Prior Year(s)	Estimated Balance Remaining as of 06/30/23	23/24 Proposed New Funding	24/25 Programmed	25/26 Programmed	26/27 Programmed	27/28 Programmed
118 - LTM-Facilities	\$ 100,000	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -
233 - Grant-CalRecycle	\$ 78,000	\$ 24,125	\$ -	\$ -	\$ -	\$ -	\$ -
240 - Restricted Revenue	\$ 75,000	\$ 11,598	\$ -	\$ -	\$ -	\$ -	\$ -

Underground Fuel Tank Replacement

Project No.:	22-002	Category:	MUNI
Budget Status:	Carryover	Funding Status:	Incomplete

Project Objective & Description:

Permanently close, remove, or possibly replace the City’s two single-walled underground fuel storage tanks in accordance with State Water Board requirements to do so before December 31, 2025;

Location: Near 909 Machin Ave.

Cost Estimate and Revenue Considerations:

The initial cost estimate to permanently close the existing tanks and replace them with above-ground units is \$200,000. Funding from the Long Term Maintenance – Facilities account is programmed for FY 24/25.

Project Schedule Estimate:

Project Planning - From FY 21/22 through FY 23/24. Construction - FY 24/25

FY23-24 Approved Funding & Future Programming:

Fund Source(s)	Approved in Prior Year(s)	Estimated Balance Remaining as of 06/30/23	23/24 Proposed New Funding	24/25 Programmed	25/26 Programmed	26/27 Programmed	27/28 Programmed
118 - LTM-Facilities	\$ -	\$ -	\$ -	\$ 250,000	\$ -	\$ -	\$ -

DeLong-Diablo Ave. Corridor Enhancements

Project No.:	22-003	Category:	TDU
Budget Status:	Carryover	Funding Status:	Complete

Project Objective:

Enhance safety along the corridor by installing traffic signal improvements, modifying right-turn slip lanes, providing high visibility crosswalks, and installing other pedestrian and bicycle improvements.

Location: DeLong-Diablo Corridor from Reichert Ave. to Novato Blvd.

Project Description and Background:

The project proposes several traffic safety elements to be installed to calm arterial traffic, improve pedestrian crossings by shortening pedestrian crossing distances and increasing the visibility of traffic signals. The enhancements were recommended by the 2017 Marin County Travel Safety Report that was prepared as a part of a countywide Systemic Safety Analysis. De Long Avenue/Diablo Avenue is a multi-lane arterial that carries regional traffic through Novato and connects with Highway 101. The corridor is also an important east-west connection for pedestrians and is one block from downtown Novato and the Redwood & Grant Transit Center. Because of collision data and resident concerns, project improvements along De Long Avenue/Diablo Avenue represent a high priority for enhancing safety in the community.

Cost Estimate and Revenue Considerations:

\$1,146,300 was awarded to the City for this project as a part of the Federal Highway Safety Improvement Program (HSIP) in 2019.

Project Schedule Estimate:

Development work is ongoing through FY 22/23 with Construction anticipated during FY 23/24.

FY23-24 Approved Funding & Future Programming:

Fund Source(s)	Approved in Prior Year(s)	Estimated Balance Remaining as of 06/30/23	23/24 Proposed New Funding	24/25 Programmed	25/26 Programmed	26/27 Programmed	27/28 Programmed
119 - LTM-Infrastructure	\$ 300,000	\$ 149,140	\$ -	\$ -	\$ -	\$ -	\$ -
234.121 - Grant-HSIP	\$ 1,142,000	\$ 1,093,308	\$ -	\$ -	\$ -	\$ -	\$ -

Pioneer Park Play Area Upgrades

Project No.:	22-004	Category:	PRCS
Budget Status:	Carryover	Funding Status:	Complete

Project Objective and Description:

Replace the small play structure at Pioneer Park with new, more inclusive play equipment and install rubberized surfacing and perimeter fencing. Due to an arson fire in October, 2023 that damaged the larger play structure along with materials for the in-progress smaller structure, the project scope was ammended to include replacing the large structre, including rubberized surfacing throug the larger play structure area.

Location: Pioneer Park play area, 1007 Simmons Ln.

Cost Estimate and Revenue Considerations:

Funding for this project is made up of Long Term Maintenance - Facilities, Development Impact Fees - Recreation, a Restricted Revenue donation, Quimby in-lieu funds and one-time ARPA funding.

Project Schedule Estimate:

This project is expected to be constructed by the end of calendar year 2023.

FY23-24 Approved Funding & Future Programming:

Fund Source(s)	Approved in Prior Year(s)	Estimated Balance Remaining as of 06/30/23	23/24 Proposed New Funding	24/25 Programmed	25/26 Programmed	26/27 Programmed	27/28 Programmed
118 - LTM-Facilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
234 - Grant Prop 68 Per Capita	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
214-Quimby in Lieu fees	\$ 520,000	\$ 260,000	\$ -	\$ -	\$ -	\$ -	\$ -
240 - Restricted Revenue	\$ 10,000	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -
241.152 - DIF-Recreation	\$ 33,000	\$ 33,000	\$ -	\$ -	\$ -	\$ -	\$ -
One Time ARP Funds	\$ 250,000	\$ 89,757	\$ -	\$ -	\$ -	\$ -	\$ -

Citywide Crosswalks & Traffic Management

Project No.:	22-005	Category:	TDU
Budget Status:	Carryover	Funding Status:	Complete

Project Objective:

Design and construct new crosswalk enhancements and traffic calming measures at approximately 35 locations throughout the city in response to residents’ requests and as recommended by the City’s traffic engineer.

Location: Various locations throughout the City of Novato.

Project Description and Background:

This project will incorporate Complete Streets practices in the planning, design and operation of the City’s circulation network, providing pedestrian safety enhancements (where appropriate and feasible), such as bulb-outs, high-visibility signs and markings, pedestrian warning signals and other amenities in areas with high volumes of pedestrian traffic or safety concerns.

Cost Estimate and Revenue Considerations:

American Recovery Plan Act one-time funds of \$1,000,000 were appropriated to this project in FY 21/22, but were replaced with \$1,050,000 of TAM Measure AA funding in FY 22/23 and an additional \$250,000 in TAM Measure AA in Fiscal Year 23/24..

Project Schedule Estimate:

Project development work has been underway throughout 2023 and the goal is to begin construction in the fall of 2023 calendar year.

FY23-24 Approved Funding & Future Programming:

Fund Source(s)	Approved in Prior Year(s)	Estimated Balance Remaining as of 06/30/23	23/24 Proposed New Funding	24/25 Programmed	25/26 Programmed	26/27 Programmed	27/28 Programmed
236.300 - TAM Measure AA	\$ 1,118,103	\$ 800,000	\$ 250,000	\$ -	\$ -	\$ -	\$ -
One Time ARP Funds	\$ 13,233	\$ 13,233	\$ -	\$ -	\$ -	\$ -	\$ -

Citywide Play Structure Upgrades

Project No.:	22-006	Category:	PRCS
Budget Status:	Carryover	Funding Status:	Incomplete

Project Objective:

Replace, remove, or otherwise modify older play structure equipment and components at all of the City’s parks in order to meet current play structure standards.

Location: City play structures – various locations.

Project Description and Background:

A 2019 Playground Assessment Report identified non-standard play equipment and features. This project will work to address the items identified in the report.

Cost Estimate and Revenue Considerations:

\$250,000 of one-time American Recovery Plan Act funding was approved in FY 21/22 to support this work.

Project Schedule Estimate:

Play structure upgrade work is expected to occur at various parks through 2023.

FY23-24 Approved Funding & Future Programming:

Fund Source(s)	Approved in Prior Year(s)	Estimated Balance Remaining as of 06/30/23	23/24 Proposed New Funding	24/25 Programmed	25/26 Programmed	26/27 Programmed	27/28 Programmed
One Time ARP Funds	\$ 250,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CDD Permit, CPRA, & PCRS Software Procurement

Project No.:	22-007	Category:	TOI
Budget Status:	Carryover	Funding Status:	Complete

Project Objective:

Acquire and implement software to support organizational efficiency and public convenience.

Location: Supports internal operations at the City’s administrative offices.

Project Description and Background:

This project proposes to procure and implement online permitting software for the Community Development Department, California Public Records Act software for the City Clerk’s office, and recreation program scheduling software for the Parks, Recreation, and Community Services Department.

Cost Estimate and Revenue Considerations:

\$500,000 of American Recovery Plan Act one time funds and a matching percentage of Development Impact Fees - Government Systems were approved for this project in FY 21/22.

Project Schedule Estimate:

FY 21-22: Selection, Testing. FY 22-24: Implementation

FY23-24 Approved Funding & Future Programming:

Fund Source(s)	Approved in Prior Year(s)	Estimated Balance Remaining as of 06/30/23	23/24 Proposed New Funding	24/25 Programmed	25/26 Programmed	26/27 Programmed	27/28 Programmed
241.156 - DIF-Gov't Systems	\$ 100,000	\$ 92,852	\$ -	\$ -	\$ -	\$ -	\$ -
One Time ARP Funds	\$ 500,000	\$ 182,469	\$ -	\$ -	\$ -	\$ -	\$ -

2023 Annual Pavement Rehabilitation

Project No.:	23-001	Category:	TDU
Budget Status:	Carryover	Funding Status:	Complete

Project Objective:

To rehabilitate the pavement on streets as identified in the City's Pavement Management Program.

Location: TBD

Project Description and Background:

This project will resurface pavement on city streets as identified in the City's Pavement Management Program and as funding will allow. Pavement Condition Index (PCI) and other factors are used to prepare a recommendation of priority street segments to receive pavement rehabilitation in a given fiscal year. The type of rehabilitation work will include scrub-seal and microsurfacing. This project will also upgrade pedestrian facilities to meet accessibility requirements and include bike lane striping and traffic safety enhancements like crosswalks.

Cost Estimate and Revenue Considerations:

Costs are based on the projected Gas Tax revenue available in FY 23/24 for street paving: the Road Maintenance Rehabilitation Account and Highway User Tax Account funding. \$1.7M was approved in FY 23/24 to support this project. It is anticipated that approximately \$200,000 will be needed for project development and \$1.5M will be available for construction.

Project Schedule Estimate:

Project development work on the City's annual paving projects typically begins in September and is completed by May of each year. Construction usually starts in June and is completed by September of each year so that the majority of work is performed while schools are not in session. This project is anticipated to be constructed during the fall of 2023.

FY23-24 Approved Funding & Future Programming:

Fund Source(s)	Approved in Prior Year(s)	Estimated Balance Remaining as of 06/30/23	23/24 Proposed New Funding	24/25 Programmed	25/26 Programmed	26/27 Programmed	27/28 Programmed
229 - Gas Tax HUTA	\$ 520,000	\$ 469,669	\$ -	\$ -	\$ -	\$ -	\$ -
229.105 - Gas Tax RMRA	\$ 1,180,000	\$ 1,098,000	\$ -	\$ -	\$ -	\$ -	\$ -
235.160 - TAM Measure B (VRF)	\$ 74,826	\$ 74,826	\$ -	\$ -	\$ -	\$ -	\$ -
240 - Restricted Revenue	\$ 25,444	\$ 25,444	\$ -	\$ -	\$ -	\$ -	\$ -

Replace Hamilton Pump Station SCADA System

Project No.:	23-002	Category:	TDU
Budget Status:	Carryover	Funding Status:	Complete

Project Objective:

To replace the Supervisory Control and Data Analysis (“SCADA”) computer system that allows for the electronic operation of the Hamilton Pump Stations.

Location: Hamilton Pump Stations #1 and #2

Project Description and Background:

The existing SCADA system is at the end of its service life and needs to be replaced with modern equipment and software. In addition to allowing staff to remotely operate all components of the pump stations, the SCADA system also provides important pump system operational data.

Cost Estimate and Revenue Considerations:

The cost estimate to complete this project is \$250,000. Funding in this amount was approved in FY 22/23 from the Hamilton Community Facilities District fund.

Project Schedule Estimate:

Following approval of this project as a part of the FY22/23 budget, staff prepared and advertised a Request for Proposals. It is anticipated that the work to replace the existing SCADA system will occur during 2023.

FY23-24 Approved Funding & Future Programming:

Fund Source(s)	Approved in Prior Year(s)	Estimated Balance Remaining as of 06/30/23	23/24 Proposed New Funding	24/25 Programmed	25/26 Programmed	26/27 Programmed	27/28 Programmed
218 - Hamilton CFD	\$ 250,000	\$ 140,000	\$ -	\$ -	\$ -	\$ -	\$ -

Replace Wooden Streetlight Poles

Project No.:	23-003	Category:	TDU
Budget Status:	Carryover	Funding Status:	Incomplete

Project Objective: To replace aged and failing wooden streetlight poles with modern metal poles.

Location: Wooden streetlight pole locations citywide.

Project Description and Background: Each year, the Public Works Department typically replaces a few wooden streetlight poles that have either failed or appear to be near failure. In the past few years, the number of failing wooden streetlight poles has increased and it has become more difficult to obtain replacement poles of similar style. Staff recommend that the failing wooden poles be replaced with metal poles that are expected to have a longer service life.

Cost Estimate and Revenue Considerations:

With approximately 1,500 wooden streetlight poles citywide and an estimated \$8,000/ea replacement estimate, the total cost to replace every wooden pole is approximately \$12M. It is not practical nor is it necessary for the City to replace all 1500 poles at one time, but funding will be necessary to address this need over the next several years. \$200,000 in Long Term Maintenance - Infrastructure funding for replacements was approved in FY 22/23 and programmed through FY 24/25 to replace the highest priority locations as needed. TAM Measure AA is programmed for replacements in FYs 25/26 and 26/27.

Project Schedule Estimate: City Council adopted new metal streetlight pole standards December 6, 2022. Staff will work with homeowners' groups to determine the appropriate streetlighting replacements for each particular neighborhood.

FY23-24 Approved Funding & Future Programming:

Fund Source(s)	Approved in Prior Year(s)	Estimated Balance Remaining as of 06/30/23	23/24 Proposed New Funding	24/25 Programmed	25/26 Programmed	26/27 Programmed	27/28 Programmed
119 - LTM-Infrastructure	\$ 200,000	\$ 179,970	\$ 50,000	\$ 200,000	\$ -	\$ -	\$ -
236.300 - TAM Measure AA	\$ -	\$ -	\$ -	\$ -	\$ 250,000	\$ 250,000	\$ 250,000

Lynwood Slough Storm Drain Project

Project No.:	23-004	Category:	TDU
Budget Status:	Carryover	Funding Status:	Incomplete

Project Objective: To increase the storm drainage capacity in the Lynwood Slough/Sunset Parkway storm drainage system to meet the City’s 25-year capacity requirement.

Location: The drainage system is located east and south of Lynwood Elementary school.

Project Description and Background:

The City’s adopted Storm Drain Master Plan identifies \$3,000,000 worth of improvements needed to increase the capacity of the Lynwood Slough/Sunset Parkway storm drainage system. Specifically, to construct new reinforced concrete pipe culverts in Novato Blvd. and Sunset Pkwy; construct a new reinforced concrete box culvert in S. Novato Blvd. and along the school property; and construct two new reinforced concrete box culverts from the school to Lynwood Slough.

Cost Estimate and Revenue Considerations:

The project cost estimate of \$3,000,000 is based on preliminary concepts for the work and is subject to change as the project is developed. \$750,000 of Long Term Maintenance – Infrastructure funds were programmed in FY 26/27 to support environmental documentation and detailed design work and to serve as local matching funds for future grant applications.

Project Schedule Estimate:

Project development work, including environmental documentation, permitting, and detailed design work is expected to begin in FY 26/27 and may take up to two years to complete. Construction would follow pending the availability of funding.

FY23-24 Approved Funding & Future Programming:

Fund Source(s)	Approved in Prior Year(s)	Estimated Balance Remaining as of 06/30/23	23/24 Proposed New Funding	24/25 Programmed	25/26 Programmed	26/27 Programmed	27/28 Programmed
119 - LTM-Infrastructure	\$ -		\$ -	\$ -	\$ -	\$ 300,000	\$ 800,000
234 - Grant Needed	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -
241.158 - DIF-Drainage	\$ -		\$ -	\$ -	\$ -	\$ -	\$ 600,000

Accessibility Upgrades – San Marin at San Andreas

Project No.:	23-006	Category:	TDU
Budget Status:	Carryover	Funding Status:	Incomplete

Project Objective:

To upgrade the pedestrian facilities at the intersection of San Marin Dr. and San Andreas Dr. to meet accessibility standards.

Location: The intersection of San Marin Dr. and San Andreas Dr.

Project Description and Background:

This project proposes to modify the intersection of San Marin Dr. at San Andreas Dr. to eliminate all of the free right turn lanes from the intersection, extend the existing sidewalks to the raised islands to create bulb-outs to shorten pedestrian crossing distances, and install curb ramps to meet accessibility requirements. The southeast corner of this intersection is the site of an approved “live/work” private development project and a condition of approval of that project is to design and install similar improvements along the project frontage. This project will complete the remaining three corners of the intersection.

Cost Estimate and Revenue Considerations:

The preliminary cost estimate of \$500,000 is based off conceptual plans and anticipated quantities for concrete curb/gutter/sidewalk and curb ramp construction. Preparation of plans and specifications is estimated to cost \$50,000. Gas Tax – Road Maintenance Rehabilitation Account funds are programmed in FY 25/26 to support the development and construction of this project.

Project Schedule Estimate:

The project is currently scheduled to be designed in late 2025/early 2026 with construction to occur in spring/summer 2026 while areas schools are on summer break.

FY23-24 Approved Funding & Future Programming:

Fund Source(s)	Approved in Prior Year(s)	Estimated Balance Remaining as of 06/30/23	23/24 Proposed New Funding	24/25 Programmed	25/26 Programmed	26/27 Programmed	27/28 Programmed
229.105 - Gas Tax RMRA			\$ -	\$ -	\$ 550,000	\$ -	\$ -

2024 Annual Pavement Rehabilitation

Project No.:	24-001	Category:	TDU
Budget Status:	New	Funding Status:	Complete

Project Objective:

To rehabilitate the pavement on streets as identified in the City's Pavement Management Program.

Location: Various City streets to be determined.

Project Description and Background:

This project will resurface pavement on city streets as identified in the City's Pavement Management Program and as funding will allow. Pavement Condition Index (PCI) and other factors are used to prepare a recommendation of priority street segments to receive pavement rehabilitation in a given fiscal year. The type of rehabilitation work will vary from scrub-seals and microsurfacing to grinding/paving or recycled pavement options depending on the condition of the roadways. These projects will also upgrade pedestrian facilities to meet accessibility requirements and often include bike lane striping and traffic safety enhancements like crosswalks. The Complete Streets & Pathways Oversight Committee reviews the pavement management data and streets recommendation list, considers public input, and makes a further recommendation to the City Council for the final approval of each annual pavement rehabilitation project.

Cost Estimate and Revenue Considerations:

Costs are based on the projected revenue available for street paving--The anticipated funding for this project is \$1,250,000 from the Road Maintenance and Rehabilitation Act (SB1 RMRA), \$420,000 from Gas Tax HUTA (Highway User Tax Account), and \$160,000 from TAM Measure B (Vehicle Registration Fees), totaling \$200,000 for project development and about \$1,630,000 for construction capital.

Project Schedule Estimate:

Each annual paving project is designed and approved during the year in the title and either constructed that same year or the following season, weather permitting. Project development work typically begins in September and completed by May of each year. Construction usually starts in June and is completed by September of each year.

FY23-24 Approved Funding & Future Programming:

Fund Source(s)	Approved in Prior Year(s)	Estimated Balance Remaining as of 06/30/23	23/24 Proposed New Funding	24/25 Programmed	25/26 Programmed	26/27 Programmed	27/28 Programmed
229 - Gas Tax HUTA	\$ -	\$ -	\$ 420,000	\$ -	\$ -	\$ -	\$ -
229.105 - Gas Tax RMRA	\$ -	\$ -	\$ 1,250,000	\$ -	\$ -	\$ -	\$ -
235.160 TAM Measure B (VRF)	\$ -	\$ -	\$ 160,000	\$ -	\$ -	\$ -	\$ -

2024-2028 Traffic, Bicycle, & Ped Improvements

Project No.:	24-002	Category:	TDU
Budget Status:	New	Funding Status:	Incomplete

Project Objective:

To provide improvements for bicyclists, pedestrians, drivers and residents by implementing traffic calming features, crosswalk/walkway enhancements, bicycle facilities, and traffic congestion relief measures.

Location: Locations within the public right-of-way citywide.

Project Description and Background:

A five-year program proposed to fund the City’s consulting traffic engineer, traffic engineering investigation program, bicycle pedestrian master plan improvements, and recommendations for safety enhancements and facility improvements that come out of those investigations. As areas of interest are identified by public request, collision data analysis, and operational analyses, this project will allow staff to investigate and implement solutions on a case-by-case basis where improvements are not feasible as part of another CIP project. Complex issues will be brought to the attention of the Complete Streets and Pathways Oversight Committee (CSPOC).

Cost Estimate and Revenue Considerations:

Costs include annual consultant services contract with engineer, project development and recommendations. This project is currently funded by TAM Measure AA.

Project Schedule Estimate:

This is the new continuation of an ongoing capital project that has made many improvements throughout the City over the last several years.

FY23-24 Approved Funding & Future Programming:

Fund Source(s)	Estimated Balance Remaining as of 06/30/23	23/24 Proposed Budget (Amendments Highlighted)	24/25 Programmed	25/26 Programmed	26/27 Programmed	27/28 Programmed
TAM Measure A Reserve		\$ 45,711				
236.300 - TAM Measure AA	\$ -	\$ 54,289	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000

MS4 Permit Trash Capture Devices

Project No.:	24-003	Category:	TDU
Budget Status:	New	Funding Status:	Incomplete

Project Objective: To comply with trash capture requirements for the state of CA.

Location: Various locations throughout the City.

Project Description and Background:

The State Water Resources Control Board issued separate orders to all Municipal Separate Storm Sewer System (MS4) permittees to prevent trash from entering storm drains and waterways. The Trash Capture Devices project, 24-003, will provide local matching funds to be used in conjunction with grant funding to design and install trash capture devices in the City’s storm drain system. This will allow the City to be compliant with new National Pollutant Discharge Elimination System (NPDES) Municipal Separate Storm Sewer System (MS4) stormwater discharge permit requirements.

Cost Estimate and Revenue Considerations:

Funding will come from the Clean Stormwater fund. Also, partnering with the county on an EPA grant.

Project Schedule Estimate:

The final compliance date for implementation of 100% trash capture is December 2030.

FY23-24 Approved Funding & Future Programming:

Fund Source(s)	Estimated Balance Remaining as of 06/30/23	23/24 Proposed Budget (Amendments Highlighted)	24/25 Programmed	25/26 Programmed	26/27 Programmed	27/28 Programmed
211 - Clean Stormwater	\$ -	\$ 500,000	\$ -	\$ -	\$ -	\$ -

Replace Gymnastics Center Roof

Project No.:	24-004	Category:	MUNI
Budget Status:	New	Funding Status:	Incomplete

Project Objective: To replace the Novato Gymnastics Center Roof

Location: Novato Gymnastics Center, 950 Seventh Street

Project Description and Background:

This project proposes \$350,000 of LTM-Facilities funding to replace the roof at the Gymnastic Center. This was identified as a high priority facility need by the Parks, Recreation, and Community Services (PRCS) Department.

Cost Estimate and Revenue Considerations:

Costs are rough estimates for materials and labor. Funding will come through the city’s Long-Term Maintenance Fund.

Project Schedule Estimate:

Project development is estimated to take place starting summer 2024.

FY23-24 Approved Funding & Future Programming:

Fund Source(s)	Estimated Balance Remaining as of 06/30/23	23/24 Proposed Budget (Amendments Highlighted)	24/25 Programmed	25/26 Programmed	26/27 Programmed	27/28 Programmed
118 - LTM-Facilities	\$ -	\$ 350,000	\$ -	\$ -	\$ -	\$ -

Ammo Hill Building Demolition

Project No.:	24-005	Category:	MUNI
Budget Status:	New	Funding Status:	Incomplete

Project Objective: Remove Buildings on Ammo Hill that are regularly tagged with graffiti.

Location: Ammo Hill, in the Hamilton Neighborhood

Project Description and Background:

The Ammo Hill Building Demolition Project, 24-005, proposes to remove two abandoned concrete block buildings from the upper portion of Ammo Hill near the North Marin Water District tank site. The buildings are unused, slated for demolition in the Hamilton Field Reuse planning documents, and are regularly tagged with graffiti that is highly visible from nearby neighborhoods and requires ongoing maintenance resources to abate.

Cost Estimate and Revenue Considerations:

The full cost will be estimated during the planning phase of this project.

Project Schedule Estimate:

TBD

FY23-24 Approved Funding & Future Programming:

Fund Source(s)	Estimated Balance Remaining as of 06/30/23	23/24 Proposed Budget (Amendments Highlighted)	24/25 Programmed	25/26 Programmed	26/27 Programmed	27/28 Programmed
119 - LTM-Infrastructure	\$ -	\$ -	\$ -	\$ 150,000	\$ -	\$ -

HVAC Replacement – DRC & Gymnastics Center

Project No.:	24-006	Category:	MUNI
Budget Status:	New	Funding Status:	Incomplete

Project Objective: To replace the HVAC system at the DRC & Gymnastics Center

Location: Downtown Recreation Center & Gymnastics Center

Project Description and Background:

New project 24-006 is proposed to replace the Heating, Ventilation, and Air Conditioning (HVAC) systems at the Downtown Recreation Center (DRC) and Gymnastics Center. This was also identified as a high priority facility need by the PRCS Department.

Cost Estimate and Revenue Considerations:

Costs are based on the Facilities Condition Assessment Reports.

Project Schedule Estimate:

This project is programmed to be accomplished in Fiscal Year 2026-27.

FY23-24 Approved Funding & Future Programming:

Fund Source(s)	Estimated Balance Remaining as of 06/30/23	23/24 Proposed Budget (Amendments Highlighted)	24/25 Programmed	25/26 Programmed	26/27 Programmed	27/28 Programmed
118 - LTM-Facilities	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ -



Adopted Budget 2023-24

FINANCIAL POLICIES



BUDGET AMENDMENTS

I. PURPOSE

The purpose of this policy is to establish guidelines and procedures for amending the City's operating budget throughout the fiscal year.

II. POLICY

Appropriations may be transferred to meet higher than anticipated costs but may not impact or expand service levels. Each department has the responsibility for managing its own budget and the Budget Manager has overall responsibility for monitoring the City's operating budget.

III. OPERATING BUDGET TRANSFERS

- A. Appropriations of \$15,000 may be transferred to meet higher than anticipated costs and deficit accounts, but may not impact or extend service levels.
- B. All accounts should be reviewed on a monthly basis. At no time should the division (e.g., Planning, Finance, Patrol, Senior Citizens) total exceed its budget appropriation. If a budget amendment is required to correct a negative account balance, the transfer amount should cover expenditures for the balance of the fiscal year.
- C. All budget amendments require the Budget Manager and the Assistant City Manager signatures in order to confirm budget availability. The forms must also include the Department Head signature. The City Manager's signature is required for all amendments including transfers within a department or division.

IV. AMENDING BUDGET RESOLUTIONS

The City Council authorizes budget amendments in the form of an amending budget resolution which are first approved by the City Manager. City Council authorization is required for any unbudgeted capital outlay items in excess of \$15,000, all transfers from the Contingency Reserve Fund and Unallocated Reserve Account, transfers expanding service levels as well as all budget amendments over \$15,000.

V. INTERFUND TRANSFERS

Budget transfers between funds for \$15,000 or less require a budget amendment form with approval from the City Manager. Transfers in excess of \$15,000 require Council authorization in the form of an amending budget resolution.

VI. UNBUDGETED CAPITAL OUTLAY

Capital outlay items are purchases of fixed assets. Generally, fixed assets are non-expendable items with a unit value of \$1,000 or more and a useful life of three or

more years. Examples of fixed assets include: sedans, patrol vehicles, and office equipment and furniture.

The City Manager may authorize the purchase of an unbudgeted capital outlay item(s) of \$15,000 or less in order to maintain services and programs at approved levels. To purchase item(s), appropriations may be transferred from personnel accounts (400 account series), supplies and services accounts (500 to 800 account series) to a capital outlay account (900 account series) using the budget amendment form. The City Manager may also authorize the substitution of budgeted capital outlay items. The necessary budget amendment form must be submitted prior to Finance processing a requisition for the items.

VII. COST COVERING PROGRAMS

Increases to appropriation accounts for cost covering programs supported with a like increase to revenue or donation accounts under \$15,000 may also be accomplished by submitting a budget amendment form.

Roderick J. Wood
City Manager

Attachment: Exhibit A - Budget Transfer Form

DEBT MANAGEMENT POLICY

This Debt Management Policy (the “Debt Policy”) of the City of Novato (the “Issuer”) was approved by the Issuer’s City Council on March 28, 2017. The Debt Policy may be amended by the City Council as it deems appropriate from time to time in the prudent management of the debt of the Issuer.

1. Findings

This Debt Policy is intended to comply with Government Code Section 8855(i), effective on January 1, 2017, and shall govern all debt undertaken by the Issuer.

The Issuer hereby recognizes that a fiscally prudent debt policy is required in order to:

- Maintain the Issuer’s sound financial position.
- Ensure the Issuer has the flexibility to respond to changes in future service priorities, revenue levels, and operating expenses.
- Protect the Issuer’s credit-worthiness.
- Ensure that all debt is structured in order to protect both current and future taxpayers, ratepayers and constituents of the Issuer.
- Ensure that the Issuer’s debt is consistent with the Issuer’s planning goals and objectives and capital improvement program or budget, as applicable.

2. Policies

A. Purposes For Which Debt May Be Issued

(i) Long-Term Debt. Long-term debt may be issued to finance the construction, acquisition, and rehabilitation of capital improvements and facilities, equipment and land to be owned and operated by the Issuer.

(a) Long-term debt financings are appropriate when the following conditions exist:

- When the project to be financed is necessary to provide basic services.
- When the project to be financed will provide benefit to constituents over multiple years.
- When total debt does not constitute an unreasonable burden to the Issuer and its taxpayers and ratepayers.
- When the debt is used to refinance outstanding debt in order to produce debt service savings or to realize the benefits of a debt restructuring.

(b) Long-term debt financings will not generally be considered appropriate for current operating expenses and routine maintenance expenses.

(c) The Issuer may use long-term debt financings subject to the following conditions:

- The project to be financed must be approved by the [GOVERNING BOARD].
- The weighted average maturity of the debt (or the portion of the debt allocated to the project) will not exceed the average useful life of the project to be financed by more than 20%.
- The Issuer estimates that sufficient revenues will be available to service the debt

through its maturity.

- The Issuer determines that the issuance of the debt will comply with the applicable state and federal law.

(ii) Short-term debt. Short-term debt may be issued to provide financing for the Issuer's operational cash flows in order to maintain a steady and even cash flow balance. Short-term debt may also be used to finance short-lived capital projects; for example, the Issuer may undertake lease-purchase financing for equipment.

(iii) Financings on Behalf of Other Entities. The Issuer may also find it beneficial to issue debt on behalf of other governmental agencies or private third parties in order to further the public purposes of Issuer. In such cases, the Issuer shall take reasonable steps to confirm the financial feasibility of the project to be financed and the financial solvency of any borrower and that the issuance of such debt is consistent with the policies set forth herein.

B. Types of Debt

The following types of debt are allowable under this Debt Policy:

- general obligation bonds
- bond or grant anticipation notes
- lease revenue bonds, certificates of participation and lease-purchase transactions
- other revenue bonds and certificates of participation
- tax and revenue anticipation notes
- land-secured financings, such as special tax revenue bonds issued under the Mello-Roos Community Facilities Act of 1982, as amended, and limited obligation bonds issued under applicable assessment statutes
- tax increment financing to the extent permitted under state law
- conduit financings, such as financings for affordable rental housing and qualified 501c3 organizations

The Issuer may from time to time find that other forms of debt would be beneficial to further its public purposes and may approve such debt without an amendment of this Debt Policy.

Debt shall be issued as fixed rate debt unless the Issuer makes a specific determination as to why a variable rate issue would be beneficial to the Issuer in a specific circumstance.

C. Relationship of Debt to Capital Improvement Program and Budget

The Issuer is committed to long-term capital planning. The Issuer intends to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the Issuer's capital budget and the capital improvement plan.

The Issuer shall strive to fund the upkeep and maintenance of its infrastructure and facilities due to normal wear and tear through the expenditure of available operating

revenues. The Issuer shall seek to avoid the use of debt to fund infrastructure and facilities improvements that are the result of normal wear and tear.

The Issuer shall integrate its debt issuances with the goals of its capital improvement program by timing the issuance of debt to ensure that projects are available when needed in furtherance of the Issuer's public purposes.

The Issuer shall seek to avoid the use of debt to fund infrastructure and facilities improvements in circumstances when the sole purpose of such debt financing is to reduce annual budgetary expenditures.

The Issuer shall seek to issue debt in a timely manner to avoid having to make unplanned expenditures for capital improvements or equipment from its general fund.

D. Policy Goals Related to Planning Goals and Objectives

The Issuer is committed to long-term financial planning, maintaining appropriate reserves levels and employing prudent practices in governance, management and budget administration. The Issuer intends to issue debt for the purposes stated in this Policy and to implement policy decisions incorporated in the Issuer's annual operations budget.

It is a policy goal of the Issuer to protect taxpayers, ratepayers and constituents by utilizing conservative financing methods and techniques so as to obtain the highest practical credit ratings (if applicable) and the lowest practical borrowing costs.

The Issuer will comply with applicable state and federal law as it pertains to the maximum term of debt and the procedures for levying and imposing any related taxes, assessments, rates and charges.

When refinancing debt, it shall be the policy goal of the Issuer to realize, whenever possible, and subject to any overriding non-financial policy considerations, (i) minimum net present value debt service savings equal to or greater than 3.0% of the refunded principal amount, and (ii) present value debt service savings equal to or greater than 100% of any escrow fund negative arbitrage.

E. Internal Control Procedures

When issuing debt, in addition to complying with the terms of this Debt Policy, the Issuer shall comply with any other applicable policies regarding initial bond disclosure, continuing disclosure, post-issuance compliance, and investment of bond proceeds.

The Issuer will periodically review the requirements of and will remain in compliance with the following:

- any continuing disclosure undertakings under SEC Rule 15c2-12,
- any federal tax compliance requirements, including without limitation arbitrage and rebate compliance, related to any prior bond issues, and
- the Issuer's investment policies as they relate to the investment of bond proceeds.

Whenever reasonably possible, proceeds of debt will be held by a third-party trustee and the Issuer will submit written requisitions for such proceeds. The Issuer will submit a requisition only after obtaining the signature of the Finance Manager. In those cases where it

is not reasonably possible for the proceeds of debt to be held by a third-party trustee, the Finance Manager shall retain records of all expenditures of proceeds through the final payment date for the debt.

ADMINISTRATIVE POLICY 4.7

Revised: February 2023

(Issued: April, 1996)

CITY OF NOVATO INVESTMENT POLICY

I. POLICY

In accordance with the City of Novato Municipal Code and under authority granted by the City Council, the City Treasurer is responsible for investing the unexpended cash in the City Treasury.

The investment of the funds of the City of Novato is directed by the goals of safety, liquidity and yield. The authority governing investments for municipal governments is set forth in the California Government Code, Sections 53600 through 53659.

The primary objective of the investment policy of the City of Novato is **SAFETY OF PRINCIPAL**. Effective cash flow management and resulting cash investment practices are recognized as essential to good fiscal management and control. The City's portfolio shall be designed and managed in a manner responsive to the public trust and consistent with state and local law. Portfolio management requires continual analysis and as a result the balance between the various investments and maturities may change in order to give the City of Novato the optimum combination of liquidity and yield/return based on cash flow projections.

II. SCOPE

The investment policy applies to all financial assets of the City of Novato as accounted for in its Annual Audit. Policy statements outlined in this document focus on the City of Novato's pooled funds but will also apply to all other funds under the City Treasurers' span of control unless specifically exempted by statute, ordinance or this policy. The City also has a unique irrevocable trust, entered into with the developer of the Hamilton housing subdivisions, the Hamilton Trust Fund. The trust provides investment income to the General Fund and the Affordable Housing Programs Fund.

III. STANDARD OF CARE

1. Prudence

The standard of prudence to be used by City of Novato investment officials shall be the “prudent investor” standard as defined by California Government Code §53600.3 and shall be applied within the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided deviations from expectations are reported in a timely manner and appropriate action is taken to control adverse developments.

“When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the City, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the City.”

2. Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose through filing appropriate disclosure forms with the City Clerk any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City.

3. Delegation of Authority

Through the authority granted by City Council, the responsibility of investing unexpended cash is assigned to the City Treasurer. This

includes the daily management responsibility of the investment program and the maintenance of procedures for the management of all cash that is consistent with this investment policy. No person may engage in an investment transaction except as provided under the limits of this Investment Policy.

The City may contract for the use of investment manager services subject to all other provisions of this Investment Policy. The Treasurer shall maintain investment instructions for internal and external management of investments consistent with Government Code requirements.

IV. OBJECTIVES

1. Safety of Principal

Safety of principal is the foremost objective of the City of Novato. Each investment transaction shall seek to ensure that capital losses are avoided, whether from securities default, broker-dealer default or erosion of market value. The City shall seek to preserve principal by mitigating the two types of risk, credit risk and market risk.

Credit risk, defined as the risk of loss due to failure of the issuer of a security, shall be mitigated by investing in investment grade securities and by diversifying the investment portfolio so that the failure of any one issuer does not unduly harm the City's capital base and cash flow.

Market risk, defined as market value fluctuations due to overall changes in the general level of interest rates, will be mitigated by maintaining a diversified maturity structure.

2. Liquidity

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity).

3. Yield and Return

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of least importance compared to the safety and liquidity objectives described above. The core of investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed.

V. SAFEKEEPING AND CUSTODY OF SECURITIES

1. Safekeeping

To protect against fraud or embezzlement or losses caused by collapse of an individual securities dealer, all securities owned by the City shall be held in safekeeping by a third-party custodian bank, acting as agent for the City under the terms of City Council approved custody agreement or investment agreement, and evidenced by safekeeping receipts.

Securities held in custody for the City shall be independently audited on an annual basis to verify investment holdings.

All exceptions to this safekeeping policy must be approved by the City Treasurer in written form and included in quarterly reporting to City Council.

2. Authorized Financial Dealer and Institution

A list will be maintained of financial institutions authorized to provide investment services. In addition, a list will also be maintained of approved security broker/dealers selected by creditworthiness who are authorized to provide investment services in the State of California. These may include "primary" dealers or regional dealers that are guaranteed by a primary dealer and qualify under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule).

All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must supply the following as appropriate:

- audited financial statements
- proof of Financial Industry Regulatory Authority (FINRA) certification

- proof of state registration
- completed broker/dealer questionnaire
- certification of having read the City's investment policy

An annual review of the financial condition and registration of qualified bidders will be conducted by the City Treasurer.

If the City has engaged the services of a registered investment advisory firm, the City will not be required to maintain its own list of financial institutions for investment related services. Instead, the engaged investment advisory firm is authorized to conduct investment transactions on the City's behalf with their own list of approved broker/dealers and financial institutions. The investment advisor's approved list must be made available to the City upon request.

3. Internal Control

The City Manager or designee is responsible for establishing and maintaining an internal controls structure designed to ensure that the assets of the entity are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

The minimum controls in place for the City of Novato shall be:

a. *Separation of transaction authority from accounting and record keeping.*

The City Treasurer, Director of Administrative Services and their designees may make wire transfers between City accounts. Only the City Treasurer and their designees may make investments. The Director of Administrative Services or designee is responsible for recording all transactions. As part of a dual review and verification process finance staff shall prepare quarterly account reconciliations and recordation of transactions, which shall then be submitted to another finance staff member for approval.

b. *Custodial safekeeping.* Securities purchased from any bank

or dealer including appropriate collateral (as defined by State Law) shall be placed with an independent third party for custodial safekeeping.

c. *Avoidance of physical delivery securities.* Book entry securities are much easier to transfer and account for since actual delivery of a negotiable document never takes place. Delivered securities must be properly safeguarded against loss or destruction. The potential for fraud and loss increases with physically delivered securities.

d. Wire transfer agreement with the lead bank or third-party custodian.

These agreements are on file in the City's Finance Division.

4. Delivery vs. Payment

All trades where applicable will be executed by delivery vs. payment (DVP). This ensures that securities are deposited in the eligible financial institution prior to the release of funds. Securities will be held by a third-party custodian as evidenced by safekeeping receipts.

5. Collateral Requirements

Collateral is required for investments in certificates of deposit, repurchase agreements and reverse repurchase agreements. In order to reduce market risk, the collateral level will be at least 102% of market value of principal and accrued interest.

Only U.S. Treasury securities or Federal Agency securities will be acceptable collateral.

VI. AUTHORIZED INVESTMENTS

1. Authorized Investments

All concentration limits and minimum credit rating requirements shall apply at the time of purchase. In the event a security held by the City is subject to a rating change that brings it below the minimum credit ratings specified in this Policy, the City shall require investment advisors engaged in the investment of City funds to notify City staff of the downgrade and provide a plan of

action to address the downgrade.

With the exception of U.S. Treasuries, federal agencies, and authorized pools, investments detailed below are restricted for any one issuer, regardless of security type, to a maximum of 10% of the cost value of the portfolio at the time the investment is made. The total value invested in any one issuer shall not exceed 5% of the issuer's net worth. A five-year maximum maturity limitation is applicable unless determined otherwise by this policy. For purposes of compliance with this Policy, an investment's term or remaining maturity shall be measured from the settlement date to final maturity. A security purchased in accordance with this Policy shall not have a forward settlement date exceeding 45 days from the time of investment.

Investment of City cash is governed by the California Government Code Sections

53600 et seq. Within the context of the limitations, the following investments are authorized:

- a. Bonds issued by the local agency, including bonds payable solely out of the revenues from a revenue -producing property owned, controlled, or operated by the local agency or by a department, board, agency, or authority of the local agency.
- b. United States Treasury Bills, Bonds, and Notes or those for which the full faith and credit of the United States are pledged for payment of principal and interest. There is no percentage limitation of the portfolio which can be invested in this category, although a five-year maturity limitation is applicable.
- c. Federal Agency or United States Government-Sponsored Enterprise Obligations, Participations, or other Instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. There is no percentage limitation of the portfolio which can be invested in this category, although a five-year maturity limitation is applicable.
- d. Bonds, notes, warrants, or other evidence of indebtedness of this state and any local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the

state or local agency, or by a department, board, agency, or authority of the state or local agency.

Registered treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California.

Securities eligible under this subdivision shall be rated in a rating category of "AA" or the equivalent or better by a Nationally Recognized Statistical Rating Organization (NRSRO).

- e. Bills of exchange or time drafts drawn on and accepted by commercial banks, otherwise known as banker's acceptances. Banker's acceptances purchased may not exceed 180 days to maturity or 40% of the cost value of the portfolio.
- f. Commercial paper rated in the highest letter and number rating category by one or more NRSROs., The corporation that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or paragraph (2).

(1) The entity meets the following criteria: (a) is organized and operating within the United States, as (a) general corporation, (b) has total assets in excess of five hundred million dollars (\$500,000,000), and (c) has debt, other than commercial paper, if any, that is rated in the highest rating category (without regard to any gradations within such categories by numerical qualifier or otherwise) by a NRSRO.

(2) The entity meets the following criteria: (a) is organized within the United States as a special purpose corporation, trust or limited liability company, (b) has program-wide credit enhancements including, but not limited to over collateralization, letters of credit, or surety bond, and (c) has commercial paper that is rated "A-1" or higher, or the equivalent by a NRSRO.

Purchases of eligible commercial paper may not exceed 270 days to maturity. Purchases of commercial paper may not exceed 25% of the cost value of the portfolio.

- g. Negotiable Certificates of deposit issued by a nationally or state chartered bank, a savings association or a federal association, a state or federal credit union, or by a federally

licensed or state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposit may not exceed 30% of the cost value of portfolio. A maturity limitation of five years is applicable.

- h. Repurchase agreements which specify terms and conditions may be transacted with banks and broker dealers. The maturity of the repurchase agreements shall not exceed 90 days. The market value of the securities used as collateral for the repurchase agreements shall be monitored by the investment staff and shall not be allowed to fall below 102% of the value of the repurchase agreement. An investment agreement is required between the City of Novato and the broker dealer or financial institution for all repurchase agreements transacted.
- i. Reverse repurchase agreements which specifies terms and conditions may be transacted with broker dealers and financial institutions but cannot exceed 20% of the cost value of the portfolio value on the date entered into. The City may enter into reverse repurchase agreements only to fund short term liquidity needs. The term of reverse repurchase agreements may not exceed 90 days.
- j. Local Agency Investment Fund (LAIF) which is a State of California managed investment pool may be used up to the statutory limit.
- k. The pooled cash program as managed by the Treasurer of Marin County may be used up to the maximum permitted by California State Law.
- l. Time deposits, non-negotiable and collateralized in accordance with the California Government Code, in those banks and savings and loans associations which meet the requirement for investment in negotiable certificate of deposit. The issuer firm should have been in existence for at least five years. The City may waive the first \$250,000 of collateral security for such deposits if the institution is insured pursuant to federal law. Since time deposits are not liquid, no more than 25% of the cost value of the portfolio may be invested in this investment type.
- m. Medium Term Corporate Notes, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Securities eligible for investment shall be rated in a rating category of "A" or its equivalent or better by a NRSRO. Purchase of

medium term notes may not exceed 30% of the cost value of the portfolio..

- n. Supranationals which are United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), or Inter-American Development Bank (IADB), with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated in a rating category of "AA", its equivalent, or better by a NRSRO. Purchases of supranationals shall not exceed 30% of the cost value of the portfolio.
- o. Asset-backed securities including a mortgage passthrough security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable passthrough certificate, or consumer receivable-backed bond. Securities eligible for investment under this subdivision shall be rated in a rating category of "AAA" or its equivalent or better by an NRSRO and have a maximum remaining maturity of five years or less. Purchase of securities authorized by this subdivision shall not exceed 20% of the cost value of the portfolio.
- p. Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940. The company shall have met either of the following criteria: (A) Attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs. (B) Retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of five hundred million dollars (\$500,000,000). The purchase price of shares of beneficial interest purchased pursuant to this subdivision shall not include commission that the companies may charge and shall not exceed 20% of the cost value of the portfolio.
- q. Local government investment pools including shares of beneficial interest issued by a joint powers authority

organized pursuant to Section 6509.7 that invests in the securities and obligations authorized in Government Code Section 53601 subdivisions (a) to (r), inclusive. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible under this section, the joint powers authority issuing the shares shall have retained an investment adviser that meets all of the following criteria: (1) The adviser is registered or exempt from registration with the Securities and Exchange Commission. (2) The adviser has not less than five years of experience investing in the securities and obligations authorized in Government Code section 53601 subdivisions (a) to (q), inclusive. (3) The adviser has assets under management in excess of five hundred million dollars (\$500,000,000).

It is noted that special circumstances may arise that will necessitate the purchase of securities beyond the five-year limitation. On such occasions, requests must be and reviewed by the City's independent investment advisory firm prior to approval by City Council. Approval will be no less than three months prior to purchase.

Various daily cash funds administered for or by trustees, paying agents and custodian banks contracted by the City of Novato may be purchased as allowed under State of California Government Code and per the Trust Indenture.

The following summary of maximum percentage limits, by instrument, is established for the City's total pooled funds portfolio, at the time purchases are made:

Investment	Percentage
Marin County Investment Pool	0 to 100%
Repurchase Agreements	0 to 100%
Local Agency Investment Fund	0 to 100% <i>up to LAIF's maximum</i>
State and Local Government Agency Debt	0 to 100%
US Treasury Bonds/Notes/Bills	0 to 100%
US Government Agency Obligations	0 to 100%
Bankers' Acceptances	0 to 40%
Commercial Paper	0 to 25%
Negotiable Certificates of Deposit	0 to 30%

Investment	Percentage
Time Certificates of Deposit	0 to 25%
Medium Term Corporate Notes	0 to 30%
Reverse Repurchase Agreements	0 to 20%
Supranational Investments	0 to 30%
Asset-Backed Securities	0% to 20%
Money Market Funds	0% to 20%
Local Government Investment Pools	0% to 100%

2. Legislative Changes

Any State of California legislative action, that further restricts allowable maturities, investment type or percentage allocations, will be incorporated into the City of Novato's Investment Policy and supersede any and all previous applicable language.

3. Interest Earnings

All moneys earned and collected from investments authorized in this policy shall be allocated quarterly to various fund accounts based on the cash balance at the end of each quarter in each fund as a percentage of the entire pooled portfolio.

4. Limiting Market Value Erosion

The longer the maturity of securities, the greater their market price volatility. Therefore, it is the general policy of the City to limit the potential effects from erosion in market values by adhering to the following guidelines:

All immediate and anticipated liquidity requirements will be addressed prior to purchasing all investments.

All long-term securities will be purchased with the intent to hold all investments to maturity under then prevailing economic conditions. However, economic or market conditions may change, making it in the City's best interest to sell or trade a security prior to maturity.

Bond reserves and other cash for which there is a restriction on the expenditure of the principal may be invested in securities maturing in a period greater than five years. On such occasions, requests

must be approved by City Council prior to purchase.

Effective May 22, 2007, the City Council of the City of Novato approved an exception to its Investment Policy to allow for funds deposited in the Hamilton Trust Fund to be invested in securities that can have maturities up to thirty years.

VII. ADVISE AND REVIEW

1. Policy Review

The City of Novato's investment policy shall be reviewed and adopted by resolution of the City Council. This investment policy shall be reviewed at least annually, to ensure its consistency with the overall objectives of preservation of principal, liquidity and yield/return, and its relevance to current law and financial and economic trends. Any amendments to the policy shall be forwarded to City Council for approval. If there are no such amendments, it should be stated.

VIII. INVESTMENT PARAMETERS

1. Diversification

The investments will be diversified by security type and institution.

2. Maximum Maturities

The City of Novato shall limit its maximum final stated maturities to five years unless specific authority is given to exceed at least three months prior to investment. To the extent possible, the Treasurer will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the Treasurer will not directly invest in securities maturing more than five (5) years from the date of purchase. The Treasurer should determine what the appropriate average weighted maturity of the portfolio should be.

Reserve funds may be invested in securities exceeding five (5) years if the maturity of such investments are made to coincide as nearly as practical with the expected use of funds. All bond reserve fund investments will be made in compliance with the bond indenture. The ability to invest these types of funds should be disclosed to the

City Council including appropriate time restrictions, if any apply.

IX. REPORTING

1. Methods

The City Treasurer shall also review and render quarterly reports to the City Manager and City Council, which shall include the face amount of the cash investment, the classification of the investment, the name of the institution or entity, the rate of interest, the maturity date, the current market value, and any other information the City wishes to include. The report shall also detail all repurchase agreements, reverse repurchase positions and associated liabilities. The report shall include a statement of any investment which is an exception to this policy and any realized losses in the prior period. This report will be prepared in a manner which will allow the City Manager and City Council to ascertain whether investment activities during the reporting period have conformed to the investment policy.

2. Performance Standards

The investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. Portfolio performance should be compared to appropriate benchmarks on a regular basis. The investment results shall be reviewed no less than annually with the City Council and Finance Advisory Commission.

3. Marking to Market

A statement of the market value of the portfolio shall be issued quarterly. This will ensure that the minimal amount of review has been performed on the investment portfolio in terms of value and subsequent price volatility. Review should be consistent with the GFOA Recommended Practice on Mark-to Market Practices for State and Local Government Investment Portfolios and Investment Pools.

X. POLICY

1. Exemption

Any investment currently held that does not meet the guidelines of this policy shall be exempted from the requirements of this policy. At maturity or liquidation, such monies shall be reinvested only as provided by this policy.

2. **Amendment**

This policy shall be reviewed on an annual basis. Any changes must be approved by the City Council.

XI. **GLOSSARY OF INVESTMENT TERMS**

Accrued Interest - Interest earned but not yet received.

Active Deposits - Funds which are immediately required for disbursement.

Amortization - An accounting practice of gradually decreasing (increasing) an asset's book value by spreading its premium (discount) over a period of time.

Asked Price - The price a broker dealer offers to sell securities.

Asset-Backed Securities: Securities that are supported by pools of assets, such as installment loans or leases, or by pools of revolving lines of credits. Asset-backed securities are structured as trusts in order to perfect a security interest in the underlying assets.

Bankers' Acceptance (BA) - Short-term credit arrangements to enable businesses to obtain funds to finance commercial transactions. They are time drafts drawn on a bank by an exporter or importer to obtain funds to pay for specific merchandise. By its acceptance, the bank becomes primarily liable for the payment of the draft at its maturity. A BA is a high-grade negotiable investment instrument. Bankers' Acceptances are purchased in various denominations for a term usually not exceeding thirty, sixty, ninety days, but in no case longer than two hundred seventy days.

Basis Point - One basis point is one hundredth of one percent (.01%).

Bid Price - The price a broker dealer offers to purchase securities.

Bond - A financial obligation for which the issuer promises to pay the bondholder a specified stream of future cash flows, including periodic interest payments and a principal repayment.

Book Value - The value at which a debt security is shown on the holder's balance sheet. Book value is acquisition cost less amortization of premium or acquisition cost plus amortization of discount.

Certificate of Deposit - A deposit insured up to \$250,000 by the FDIC at a set rate for a specified period of time.

Collateral - Securities, evidence of deposit or pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposit of public moneys.

Commercial Paper - Short term unsecured promissory note issued by a corporation to raise working capital. These negotiable instruments are purchased at a discount to par value or at par value with interest bearing.

Constant Maturity Treasury (CMT) - An average yield of a specific Treasury maturity sector for a specific time frame. This is a market index for reference of past direction of interest rates for the given Treasury maturity range.

Coupon - The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value.

Credit Analysis - A critical review and appraisal of the economic and financial conditions or of the ability to meet debt obligations.

Current Yield - The interest paid on an investment expressed as a percentage of the current price of the security.

Custody - A banking service that provides safekeeping for the individual securities in a customer's investment portfolio under a written agreement which also calls for the bank to collect and pay out income, to buy, sell, receive and deliver securities when ordered to do so by the principal.

Delivery vs. Payment (DVP) - Delivery of securities with a simultaneous exchange of money for the securities.

Derivative Investments - Derivatives are investments whose value is "derived" from an underlying asset. Frequently derivatives are also indexed in some fashion either directly or indirectly. When appropriate, limited use of derivative investments tied solely to interest rate structures are allowable. However, any investment of this type must receive prior approval from the City Treasurer. Securities or investments classified as derivatives must

be issued by an agency or entity authorized by this investment policy.

Discount - The difference between the cost of a security and its value at maturity when quoted at an amount lower than its value at maturity.

Diversification - Dividing investment funds among a variety of securities offering independent returns and risk profiles.

Duration - The weighted average maturity of a bond's cash flow stream, where the present value of the cash flows serve as the weights; the future point in time at which on average, an investor has received exactly half of the original investment, in present value terms; a bond's zero-coupon equivalent; the fulcrum of a bond's present value cash flow timeline.

Fannie Mae - Trade name for the Federal National Mortgage Association (FNMA), a U.S. sponsored corporation.

Federal Farm Credit Bank (FFCB) - A U.S. sponsored corporation used to finance the short and intermediate term needs of farmers and national agricultural industry.

Federal Deposit Insurance Corporation (FDIC) - Insurance provided to customers of a subscribing bank which guarantees deposits to a set limit (currently \$250,000) per account.

Federal Home Loan Bank (FHLB) - A federal credit agency to help finance the housing industry. The notes and bonds issued by this agency provide liquidity and home mortgage credit to savings and loan associations, mutual savings banks, cooperative banks, insurance companies and mortgage-lending institutions.

Federal Home Loan Mortgage Corporation (FHLMC) - A U.S. corporation and instrumentality of the U.S. government. Through its purchases of conventional mortgages, it provides liquidity to the mortgage markets, much like FNMA. FHLMC assumes and guarantees that all security holders will receive timely payment of principal and interest.

Federal National Mortgage Association (FNMA) - A U.S. sponsored corporation used to assist the home mortgage market by purchasing mortgages insured by the Federal Housing Veterans Administration.

Federal Reserve System - The central bank of the U.S. which consists of a seven-member Board of Governors, 12 regional banks and 5,700

commercial banks that are members.

Fed Wire - A wire transmission service established by the Federal Reserve Bank to facilitate the transfer of funds through debits and credits of funds between participants within the Fed system.

Freddie Mac - Trade name for the Federal Home Loan Mortgage Corporation (FHLMC), a U.S. sponsored corporation.

Governmental National Mortgage Association (GNMA) - A chartered federal corporation guarantees mortgages issued by mortgage bankers, commercial banks, savings and loan associations and other institutions.

Ginnie Mae - Trade name for the Government National Mortgage Association (GNMA), a direct obligation bearing the full faith and credit of the U.S. Government.

Inactive Deposits - Funds not immediately needed for disbursement.

Interest Rate - The annual yield earned on an investment, expressed as a percentage.

Investment Agreements - An agreement with a financial institution to borrow public funds subject to certain negotiated terms and conditions concerning collateral, liquidity and interest rates.

Investment Grade - Securities rated BBB+ (by Standard and Poors and Fitch) and Baa1 by Moody's Investors Service.

Liquidity - Refers to the ability to rapidly convert an investment into cash.

Local Agency Investment Fund (LAIF)- A fund managed by the California State Treasury which local government agencies may use to deposit funds for liquidity and yield. Deposits can be converted to cash within twenty-four hours.

Local Government Investment Pool (LGIP) - Investment pools that range from the State Treasurer's Office Local Agency Investment Fund (LAIF) to county pools, to Joint Powers Authorities (JPAs). These funds are not subject to the same SEC rules applicable to money market mutual funds.

Market Value - The price at which a security is trading and could presumably be purchased or sold.

Mark to Market - The process of establishing market value.

Maturity - The date upon which the principal or stated value of an investment becomes due and payable.

Medium-Term Note - Corporate or depository institution debt securities meeting certain minimum quality standards (as specified in the California Government Code) with a remaining maturity of five years or less.

Money Market Mutual Funds - MMF's are mutual funds that invest exclusively in short-term money market instruments. MMF's seek the preservation of capital as a primary goal while maintaining a high degree of liquidity and providing income representative of the market for short-term investments.

Negotiable Certificates of Deposit - Unsecured obligations of the financial institution, bank or savings and loan, bought at par value with the promise to pay face value plus accrued interest at maturity. They are investment grade negotiable instruments, paying a higher interest rate than regular certificates of deposit. The primary market issuance is in multiples of \$1 million, the secondary market usually trades in denominations of \$500,000.

New Issue - Term used when a security is originally "brought" to market.

Perfected Delivery - Refers to an investment where the actual security or collateral is held by an independent third party representing the purchasing entity.

Portfolio - Collection of securities held by an investor.

Primary Dealer - A group of government securities dealers that submit daily reports of market activity and security positions held to the Federal Reserve Bank of New York and are subject to its informal oversight.

Purchase Date - The date in which a security is purchased for settlement on that or a later date.

Rate of Return - The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

Repurchase Agreement (REPO) - A transaction where the seller (bank) agrees to buy back from the buyer (City) the securities at an agreed upon price after a stated period of time.

Reverse Repurchase Agreement (REVERSE REPO) - A transaction where the seller (City) agrees to buy back from the buyer (bank) the securities at an agreed upon price after a stated period of time.

Risk - Degree of uncertainty of return on an asset.

Safekeeping - see Custody.

Sallie Mae - Trade name for the Student Loan Marketing Association (SLMA), a U.S. sponsored corporation.

Secondary Market - A market made for the purchase and sale of securities that have already been issued.

Separate Trading of Registered Interest and Principal of Securities (STRIPS)
- U.S. Treasury issued zero coupon securities.

Settlement Date - The date on which a trade is cleared by delivery of securities against funds.

Student Loan Marketing Association (SLMA) - A U.S. corporation and instrumentality of the U.S. government. Through its borrowing, funds are targeted for loans to students in higher education institutions.

Strips - U.S. Treasury or municipal securities that brokerage firms have separated into principal and interest which are marketed as zero coupon securities.

Supranationals – Bonds issued by international organizations which promote economic development for members. Examples of Supranational organizations include International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), and Inter-American Development Bank (IADB).

Treasury Bills - Short-term, direct obligations of the U.S. Government issued with original maturities of 13 weeks, 26 weeks and 52 weeks; sold in minimum amounts of \$10,000 in multiples of \$5,000 above the minimum. Issued in book entry form only. T-bills are sold on a discount basis.

U.S. Government Agencies - Instruments issued by various US Government

Agencies most of which are secured only by the credit worthiness of the particular agency.

Yield - The rate of annual income return on an investment, expressed as a percentage. It is obtained by dividing the current dollar income by the current market price of the security.

Yield to Maturity - The rate of income return on an investment, minus any premium or plus any discount, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond, expressed as a percentage.

Yield to Maturity at Maturity - The rate of income return of a callable security with a variable interest rate. The Yield is calculated as if the security matures at par value and is not called.

Yield Curve - The yield on bonds, notes or bills of the same type and credit risk at a specific date for maturities up to thirty years.

Zero-Coupons - A debt security or instrument that does not pay periodic interest. They are issued at a discount to the maturity value of the security, and its value increases as its time to maturity decreases.

City Manager

CITY PURCHASING
PROCEDURES

I. POLICY

All purchases of goods and services purchased on behalf of the City of Novato must be made within the applicable provisions of the California Public Contracts Code, California Government Code, the Novato Municipal Code and the City's Administrative Policies.

Pursuant to Section 2-8.5 of the Novato Municipal Code, no employee may commit payment for goods or services without adherence to the applicable City administrative policies, City and State laws. Any commitment for goods or services by an employee made outside of these policies and laws is subject to non-payment by the City and disciplinary action against the individual employee.

City employees are expected to use good judgement, proper regard and the greatest discretion for taxpayer dollars when making purchases for the City. Employees should be fair and frugal when obtaining bids from vendors and contractors. Splitting contracts is prohibited.

Recognizing that certain aspects of purchasing may occasionally require judgement calls on the part of staff, questions or requests for interpretations of these procedures should be directed to the City's Finance Manager.

II. PURPOSE

The purpose of this document is to provide employees with instructions on how to purchase goods and services for the City of Novato that are consistent with the California Public Contracts Code, California Government Code, the Novato Municipal Code and the City's Administrative Policies.

III. PURCHASING AUTHORITY

The City Manager may sign for purchases associated with Public Projects (construction and professional service agreements) up to \$200,000, provided the project has been included in the approved operating or capital budgets. For all other purchases, the City Manager may sign up to \$60,000. Any purchases made above \$60,000 (with the exception of Public Projects) must be approved by the City Council. Note that the \$60,000 approval threshold is indexed to the limits contained in the Public Contracts Code 22032, as the State adjusts the dollar amount limits for public projects, the City Manager's approval threshold will automatically adjust. Division Managers must receive Department Heads approval for any purchase over \$15,000. Department Heads must notify the Assistant City Manager of any purchases over \$15,000. Department Heads and Division Managers must notify the Information Technology Manager and receive approval for the purchase of technology-related goods and services of a technical nature.

Employees shall be responsible for obtaining proper signatures before submitting to the Finance Division. All signatures must be dated. The Finance Division is responsible for ensuring the proper department approvals are obtained prior to any purchase.

The following table outlines signatures required to authorize a specific amount of purchase:

	Public Projects	Professional Services	Technology	Goods /Supplies/Equipment/General Services
Examples	Any publicly owned infrastructure, construction, reconstruction, renovation, demolition.	Planning, human resources, financial, engineering, architectural consultants	Software and hardware installation, computer equipment, software, on-going maintenance, subscriptions, cell phones	Vehicles, furniture, fixtures, office supplies, uniforms, tools, police/public safety equipment, landscape materials and supplies, graphic design, photography, printing, small/one-time repair projects
>\$200,001	Formal bid process required	Select vendor who can best meet the needs of the City; departments are expected to use a bid solicitation (RFP / RFI / RFQ process) for contracts over \$60,000.		Formal bid process required
\$60,001 - \$200,000	Informal bid process required			
\$5,001- \$60,000	Work may be performed by City employees, negotiated contract, purchase requisition-no bids are required	Vendor who can best meet the needs of the City; no bid process required.		Informal pricing procedures
<\$5,000	No bids required; informal quotations desirable			

Purchase Amount	Public Projects	All Other
>\$200,000	City Council	City Council
\$60,001-\$200,000	City Manager	City Council
\$20,001-\$60,000	City Manager	City Manager
\$10,001-\$20,000	Department Head	Department Head
<\$10,000	Division Manager	Division Manager

IV. TYPES OF PURCHASES AND BIDDING REQUIREMENTS

The following table outlines the bidding procedures that must be followed based on the type of purchase and purchase amount. Specific requirements for formal and informal bidding are contained in the California Public Contracts Code and the Novato Municipal Code. A public works project is defined by Public Contract Code Section 22002.

Informal Pricing Procedures-Prior to purchasing Goods/Services/Equipment/General Services \$5,000-\$60,000, three (3) bids must be obtained (written, email, fax, etc.) and documented on the Bid Summary/Purchase Request form. The lowest responsible bidder shall be selected based on the criteria outlined in the Novato Municipal Code 2.8.8. Bids for purchases less than \$5,000 are not required, however, employees should obtain quotes and use proper judgement in selecting the best vendor to provide the good or service.

Local Preference Policy-Goods/Services/Equipment/General Services purchases over \$5,000 are subject to the local preference policy providing a 5% preference to local vendors. Employees should use the Bid Summary/Purchase Request Form to determine lowest responsible local bids. See the Local Preference Ordinance, Municipal Code Section 2-8.17.

Sole-source purchases- The use of a sole source without observing the bid/proposal/quote process may be used when the City's needs can only be met from one feasible vendor or source because of the unique nature of the product, equipment or service. These purchases are exempt from all bidding requirements. These purchases shall be indicated on the Bid Summary/Purchase Requisition form.

V. PROCUREMENT FORMS AND PROCESS

	Purpose	When to Use, Purchase Limits, & Examples	Process
Agreements			
General Services	Authorizes agreement between City and consultant/contractor to provide specific services to the City	Translation, writing, graphic design, photography, printing, small one-time repairs	Complete required contract information on proper agreement template and obtain required insurance documents Receive signatures from risk management and appropriate supervisors Prepare Bid Summary / Purchase Request form with appropriate account number Submit PR and copy of above documentation to Finance Division
Professional Services		Planning (EIR, transportation studies etc), human resources, architectural consultants, software/hardware installation and maintenance, software subscription	
Maintenance		On-going maintenance projects	
Construction		Any publicly owned infrastructure, construction, reconstruction, renovation, demolition or professional service required to complete project. The construction budget for every project shall be at least 10 percent greater than the award amount at the award of the contract.	
Payment Forms			
BID + Purchase Request	Documents bidding process Authorizes payments for agreements and large one-time payments	Use for all purchases >\$5,000 Vehicles and technology purchases	Complete form, obtain proper signatures and attach to copy of executed agreement package (see above) Submit to Finance Division

Supply Requisition	Authorizes payment of purchases against open/blanket purchase orders	Goods/Supplies/Equipment with vendors. Amounts should not exceed \$1,500 per requisition	Confirm open purchase order with vendor Track purchases from vendor on form Submit form to Finance Division at the end of each month
Payment Stamp	Authorizes one-time payments and progress payments on agreements	Use for purchases under \$5,000 for vendors who cannot process credit cards and progress payments on agreements When paying invoice for a progress payment, only the purchase request # and project manager signature is required	Receive invoice from vendor Stamp invoice and write in date, account number, purchase requisition number (if applicable), obtain appropriate signatures Submit to Finance Division
Credit Card	Issued to specific employees to make small purchases for departmental needs Purchases may not be split	Purchases <\$5,000 and approval of purchase is required by Division Manager Purchases of >\$5,000 may be made after Bid Summary form is completed and signed Purchases goods/supplies/equipment by credit card is strongly encouraged.	Purchase goods/supplies/equipment with credit card, indicate GL account number for each purchase on monthly statement, obtain appropriate signatures on statement, attach receipts Submit to Finance Division within five days of statement closing date
Reimbursements			
Payment Authorization Form	Authorizes payment to reimburse employees for out-of-pocket purchases Purchases may not be split	Petty cash (<\$50), Check (>\$50)	Fill out form with amount to be reimbursed, obtain appropriate signatures, attach receipts or other appropriate backup (if applicable) Submit to Finance Division for cash reimbursement or payment through AP
	Authorizes refund or payment of funds to outside person / entity / agency		

All employees should strive to ensure that processing of purchasing documents are done in a timely manner. In order for purchasing and payments to occur in a timely manner, all procedures outlined above must be followed.

Amendments to Agreements/Change Orders

An amendment to agreement form shall be used when changes to agreements are required. Amendments to agreements that increase the total agreement amount into the next signature threshold must be signed by the proper authority. Amendments that maintain the total cost of the agreement within a signature threshold level must be signed by the level of authority that originally signed the agreement.

VI. USE OF PETTY CASH CHANGE FUND

A petty cash fund of \$2,000 has been established by the Finance Division. The petty cash fund includes change funds. A change fund is defined as cash available to a department for use during regular business transactions. Change fund expenditures are to be made only from the Finance Division's petty cash fund.

1. Finance Division - not to exceed \$50
2. Margaret Todd Senior Center and Gymnastics Center-not to exceed \$50 at each location

Reimbursements (using Petty Cash or Check), regardless of dollar value are not allowed for:

- a. Payment of employee salaries
- b. Payments to firms for supplies and materials which are, or should be, covered by blanket purchase orders; or for items available from the City's stockroom
- c. Payment of per diem for meals; however, reimbursements for meal expenses already incurred (both training and non-training and subject to the maximum allowable as indicated in Administrative Policy 6.1 may be made with supporting documentation).

No advance payments or loans will be made. Change funds located in other departments are to be used for change purposes only. Expenditure reimbursements are to be made only from the Finance Division's petty cash fund.

VII. OTHER PROCEDURES AND DEFINITIONS

- a. Emergency Purchases -in a proclaimed State of Emergency, Emergency Procurement Procedures shall be followed-Novato Municipal Code 2- 13.14.
- b. Green Purchasing Policy/Procedures-TBD
- c. Travel, Training and Expense Reimbursement-purchasing procedures related to employee travel, training and reimbursements can be found in Administrative Policy 6.1
- d. Local Preference Policy – Novato Municipal Code section 2-8.17

CITY OF NOVATO GREEN PURCHASING (ENVIRONMENTALLY
PREFERABLE PURCHASING) POLICY

I. PURPOSE

This Policy is adopted in order to ensure that the City of Novato's (the "City") goal of environmental sustainability is reflected in its purchasing and contracting procedures. The intent of the policy is to:

- Conserve natural resources
- Minimize environmental impacts such as pollution and use of water and energy
- Eliminate or reduce toxics that create hazards to workers and our community
- Support strong recycling markets
- Reduce the use of materials that are landfilled
- Increase the use and availability of products that protect and sustain the environment
- Identify environmentally preferable products and distribution systems
- Reward manufacturers and vendors that reduce environmental impacts in their production and distribution systems or services
- Create a model for successfully purchasing environmentally preferable products that encourages other purchasers in our community to adopt similar goals

II. DEFINITION

The following words and phrases, whenever used in this section, shall have the following meaning to be interpreted in accord with state statute if a contradiction appears:

A. "American Society for Testing and Materials" means ASTM International, an open forum for the development of high quality, market relevant international standards use around the globe.

B. "Bay Area Green Business Program" is a partnership of governments and businesses that certifies the environmental performance of government agencies and businesses.

C. "Bay-Friendly Landscaping" means working with the natural ecosystems of the San Francisco Bay Area to foster soil health, to reduce runoff and pollution, prevent and reuse plant waste, conserve water and other natural resources. Bay-Friendly Landscaping practices are described in the Bay-Friendly Landscape Guidelines, by StopWaste.Org.

D. "Bio-Based Products" means commercial or industrial products (other than food or feed) that utilize agricultural crops or residues but does not include products made from forestry materials.

E. "Biodegradable plastic" means the degradation of the plastic must occur as a result of the action of naturally occurring microorganisms.

F. "Biodegradable Products Institute" (BPI) is a multi-stakeholder association of key individuals and groups from government, industry and

academia, which promotes the use, and recycling of biodegradable polymeric materials (via composting). BPI does not create standards but certifies products that demonstrate they meet the requirements in ASTM D6400 or D6868, based on testing in an approved laboratory.

G. “Buyer” means anyone authorized to purchase or contract for purchases on behalf of Novato or its subdivisions.

H. “The Carpet and Rug Institute” (CRI) is the national trade association representing the carpet and rug industry. CRI has developed and administered the “Green Label” indoor air quality testing and labeling program for carpet, adhesives, cushion materials and vacuum cleaners. The “Green Label Plus” testing program incorporates additional requirements to meet California’s Collaborative for High Performance Schools low emitting materials criteria.

I. “Chlorine free” means products processed without chlorine or chlorine derivatives.

J. “Compostable plastic” means plastic that is biodegradable during composting to yield carbon dioxide, water and inorganic compounds and biomass, at a rate consistent with other known compostable materials and leaves no visually distinguishable or toxic residues.

K. “Contractor” means any person, group of persons, business, consultant, designing architect, association, partnership, corporation, supplier, vendor or other entity that has a contract with the City or serves in a subcontracting capacity with an entity having a contract with the City for the provision of goods or services.

L. “Degradable plastic” means plastic that undergoes significant changes in its chemical structure under specific environmental conditions.

M. “Dioxins and furans” are a group of chemical compounds that are classified as persistent, bioaccumulative, and toxic by the U.S. Environmental Protection Agency (EPA).

N. “Energy Star” means the U.S. EPA’s energy efficiency product labeling program.

O. “Energy Efficient Product” means a product that is in the upper 25% of energy efficiency for all similar products, or that is at least 10% more efficient than the minimum level that meets Federal standards.

P. “Electronic Product Environmental Assessment Tool” (EPEAT) is a procurement tool to help institutional purchasers in the public and private sectors evaluate, compare and select desktop computers, notebooks and monitors based on their environmental attributes.

Q. “Federal Energy Management Program” is a program of the Department of Energy that issues a series of Product Energy Efficiency Recommendations that identify recommended efficiency levels for energy-using products.

R. The “Forest Stewardship Council” is a global organization that certifies responsible, on-the-ground forest management according to rigorous standards developed by a broad variety of stakeholder groups.

S. “Green Building Practices” means a whole-systems approach to the design, construction, and operation of buildings and structures that helps mitigate the environmental, economic, and social impacts of construction, demolition, and

renovation. Green Building Practices such as those described in the LEED™ Rating System, recognize the relationship between natural and built environments and seeks to minimize the use of energy, water, and other natural resources and provide a healthy productive environment.

T. “Green Seal” is an independent, non-profit environmental labeling organization. Green Seal standards for products and services meet the U.S. EPA’s criteria for third-party certifiers. The Green Seal is a registered certification mark that may appear only on certified products.

U. “Integrated Pest Management (IPM)” is an ecosystem-based strategy that focuses on long-term prevention of pests or their damage through a combination of techniques such as biological control, habitat manipulation, modification of cultural practices, and use of resistant varieties. Pesticides are used only after monitoring indicates they are needed according to established guidelines, and treatments are made with the goal of removing only the target organism. Pest control materials are selected and applied in a manner that minimizes risks to human health, beneficial and non-target organisms, and the environment.

V. “LEED™ Rating System” means the most recent version of the Leadership in Energy and Environmental Design (LEED™) Commercial Green Building Rating System, or other related LEED™ Rating System, approved by the U.S. Green Building Council and designed for rating new and existing commercial, institutional, and high-rise residential buildings.

W. “Organic Pest Management” prohibits the use and application of toxic chemical pesticides and strives to prevent pest problems through the application of natural, organic horticultural and maintenance practices. All pest control products shall be in keeping with, but not limited to, those products on the approved list of California Certified Organic Foods (CCOF).

X. “Post consumer Material” means a finished material which would normally be disposed of as a solid waste, having reached its intended end-use and completed its life cycle as a consumer item, and does not include manufacturing or converting wastes.

Y. “Practical” and “Practical” mean whenever possible and compatible with local, state and federal law, without reducing safety, quality, or effectiveness and where the product or service is available at a reasonable cost in a reasonable period of time.

Z. “Preconsumer Material” means material or by-products generated after manufacture of a product is completed but before the product reaches the end-use consumer. Preconsumer material does not include mill and manufacturing trim, scrap, or broke which is generated at a manufacturing site and commonly reused on-site in the same or another manufacturing process.

AA. “Recovered Material” means fragments of products or finished products of a manufacturing process, which has converted a resource into a commodity of real economic value, and includes preconsumer and post consumer material but does not include excess resources of the manufacturing process.

BB. “Recycled Content” means the percentage of recovered material, including preconsumer and post consumer materials, in a product.

CC. “Recycled Content Standard” means the minimum level of recovered material and/or post consumer material necessary for products to qualify as “recycled products.”

DD. “Recycled Product” means a product that meets [organization’s] recycled content policy objectives for post consumer and recovered material.

EE. “Remanufactured Product” means any product diverted from the supply of discarded materials by refurbishing and marketing said product without substantial change to its original form.

FF. “Reused Product” means any product designed to be used many times for the same or other purposes without additional processing except for specific requirements such as cleaning, painting or minor repairs.

GG. “Source Reduction” refers to products that result in a net reduction in the generation of waste compared to their previous or alternate version and includes durable, reusable and remanufactured products; products with no, or reduced, toxic constituents; and products marketed with no, or reduced, packaging.

HH. “U.S. EPA Guidelines” means the Comprehensive Procurement Guidelines established by the U.S. Environmental Protection Agency for federal agency purchases as of May 2002 and any subsequent versions adopted.

II. “Water-Saving Products” are those that are in the upper 25% of water conservation for all similar products, or at least 10% more water-conserving than the minimum level that meets the Federal standards.

III. POLICY

It is the policy of the City to, whenever practical and cost effective:

A. Be guided by an environmentally preferable purchasing and contracting policy which minimizes environmental impacts, toxics, pollution, hazards to workers and promotes community safety to the greatest extent practical.

B. Institute practices that reduce waste by increasing product efficiency and effectiveness.

C. Purchase products that include recycled content, are durable and long- lasting, conserve energy and water, use agricultural fibers and residues, reduce greenhouse gas emissions, use unbleached or chlorine free manufacturing processes, are lead-free and mercury-free, and use wood from sustainably harvested forests.

D. Purchase products that include recycled content, are durable and long- lasting, use agricultural fibers and residues, unbleached or chlorine free manufacturing processes, wood from sustainably harvested forests; conserve energy and water and reduce greenhouse gas emissions.

E. Encourage and support standardization and consider life cycle cost when making all purchases for the City, such as vehicles, computers and workstations.

It is not the intent of this policy to require a department, buyer or contractor to take any action that conflicts with local, state or federal requirements or to procure products that do not perform adequately for their intended use or are not available at a reasonable price (e.g. environmentally preferable products/services purchased may not exceed the cost of non-environmentally preferable products/services) and/or within a reasonable period of time.

IV. SPECIFICATIONS

A. SOURCE REDUCTION

1. The City shall institute practices that reduce waste and result in the purchase of fewer products whenever practical and cost-effective, but without reducing safety or workplace quality, and services to the public.
2. The City shall purchase remanufactured products such as toner cartridges, tires, furniture, equipment and automotive parts whenever practical, but without reducing safety, quality or effectiveness.
3. The City shall require all equipment bought after the adoption of this policy to be compatible with source reduction specifications referred to in this Source Reduction section, when practical.
4. All departments shall consider short-term and long-term costs in comparing product alternatives, when feasible. This includes evaluation of total costs expected during the time a product is owned, including, but not limited to, acquisition, extended warranties, operation, supplies, maintenance, disposal costs and expected lifetime compared to other alternatives.
5. Products that are durable, long lasting, reusable or refillable are preferred whenever feasible.
6. The City shall request vendors eliminate packaging or use the minimum amount necessary for product protection, to the greatest extent practical.
7. Packaging that is reusable, recyclable or compostable is preferred, when suitable uses and programs exist.
8. Vendors shall be encouraged to take back and reuse pallets and other shipping and packaging materials. In the event that vendors are unable to take back or reuse pallets, the City will continue current recycling practices of recycling pallets with the Novato Sanitary District.
9. Suppliers of electronic equipment, including but not limited to cell phones, computers, monitors, printers, and copiers, shall be required to take back equipment for reuse or environmentally safe recycling when the City discards or replaces such equipment, whenever possible.
10. The City shall consider provisions in contracts with suppliers of non-electronic equipment that require suppliers to take back equipment for reuse or environmentally safe recycling when the City discards or replaces such equipment, whenever practical.
11. All documents shall be printed and copied on both sides to reduce the use and purchase of paper on existing equipment that allows for duplexing, whenever practical.

B. RECYCLED CONTENT PRODUCTS

1. All products for which the United States Environmental Protection Agency established minimum recycled content standard guidelines in the Agency's Comprehensive Procurement Guidelines which are posted at <http://www.epa.gov/epaoswer/non-hw/procure/index.htm>, such as those for printing paper, office paper, janitorial paper, construction, landscaping, parks and recreation, transportation, vehicles, miscellaneous, and non-paper office products, shall contain the highest post consumer content practical, but no less than the minimum recycled content standards established by the U.S. EPA Guidelines.
2. Copiers and printers purchased shall be compatible with the use of recycled content and remanufactured products.
3. In accordance with California Public Contract Code, Sec. 10409, the City shall purchase re-refined lubricating and industrial oil for use in its vehicles and other equipment, as long as it is certified by the American Petroleum Institute (API) as appropriate for use in such equipment. This is an extensive list that is updated yearly and can be found at <http://compositelist.api.org/January2008CompositeList.pdf>.
4. When specifying asphalt concrete, aggregate base or portland cement concrete for road construction projects, The City shall use recycled, reusable or reground materials when practical.
5. The City shall specify and purchase recycled content transportation products, including signs, cones, parking stops, delineators, channelizers and barricades, which shall contain the highest post consumer content practical, but no less than the minimum recycled content standards established by the U.S. EPA Comprehensive Procurement Guidelines.
6. All pre-printed recycled content documents intended for distribution that are purchased or produced shall contain a statement that the paper is recycled content.

C. ENERGY AND WATER SAVINGS

1. Where applicable, energy-efficient equipment shall be purchased with the most up-to-date energy efficiency functions. This includes, but is not limited to, high efficiency space heating systems and high efficiency space cooling equipment.
2. When practical, the City shall replace inefficient interior lighting with energy efficient equipment.
3. When practical, the City shall replace inefficient exterior lighting, street lighting and traffic signal lights with energy-efficient equipment. Exterior lighting shall be minimized where possible to avoid unnecessary lighting of architectural and landscape features while providing adequate illumination for safety and accessibility.

4. All products purchased by the City and for which the U. S. EPA Energy Star certification is available shall meet Energy Star certification, when practical. When Energy Star labels are not available, the City shall choose energy-efficient products that are in the upper 25% of energy efficiency as designated by the Federal Energy Management Program.
5. The City shall purchase water-saving products whenever practical. This includes, but is not limited to, high-performance fixtures like toilets, low-flow faucets and aerators, and upgraded irrigation systems.

D. LANDSCAPING

1. All landscape renovations, construction and maintenance performed by the City, including workers and contractors providing landscaping services for the City, shall employ Bay- Friendly Landscaping or sustainable landscape management techniques for design, construction and maintenance whenever possible, including, but not limited to, integrated pest management, grass cycling, drip irrigation, composting, and procurement and use of mulch and compost that give preference to those produced from regionally generated plant debris and/or food waste programs.
2. Plants should be selected to minimize waste by choosing species for purchase that are appropriate to the microclimate, species that can grow to their natural size in the space allotted them, and perennials rather than annuals for color. Native and drought- tolerant plants that require no or minimal watering once established are preferred.
3. Hardscapes and landscape structures constructed of recycled content materials are encouraged.
4. The City shall limit the amount of impervious surfaces in the landscape, wherever practical. Permeable substitutes, such as permeable asphalt or pavers, are encouraged for walkways, patios and driveways.

E. TOXICS AND POLLUTION

1. To the extent practical, the City shall purchase, or require janitorial contractors to supply, industrial and institutional cleaning products that meet Green Seal certification standards for environmental preferability and performance.
2. To the extent practical, the City shall purchase, or require janitorial contractors to supply, vacuum cleaners that meet the requirements of the Carpet and Rug Institute “Green Label” Testing Program – Vacuum Cleaner Criteria, are capable of capturing 96% of particulates 0.3 microns in size, and operate with a sound level less than 70dBA. Where possible and as applicable, other janitorial cleaning equipment shall be capable

of capturing fine particulates, removing sufficient moisture so as to dry within 24 hours, operate with a sound level less than 70dBA, and use high-efficiency, low- emissions engines.

3. The use of chlorofluorocarbon and halon-containing refrigerants, solvents and other products shall be phased out and new purchases of heating/ventilating/air conditioning, refrigeration, insulation and fire suppression systems shall not contain them.
4. All surfactants and detergents shall be readily biodegradable and, where practical, shall not contain phosphates.
5. When maintaining buildings and landscapes, the City shall manage pest problems through prevention and physical, mechanical and biological controls. The City may either adopt and implement an organic pest management policy and practices or adopt and implement an Integrated Pest Management (IPM) policy and practices using the least toxic pest control as a last resort.
6. When maintaining buildings, the City shall use products with the lowest amount of volatile organic compounds (VOCs), highest recycled content, and low or no formaldehyde when practical when purchasing materials such as paint, carpeting, adhesives, furniture and casework.
7. The City shall take steps to reduce or eliminate its use of products that contribute to the formation of dioxins and furans (chemical compounds classified as persistent, bioaccumulative, and toxic by the EPA). This includes, but is not limited to:
 - (a) Purchasing paper, paper products, and janitorial paper products that are unbleached or that are processed without chlorine or chlorine derivatives, whenever possible.
 - (b) Prohibiting purchase of products that use polyvinyl chloride (PVC) such as, but not limited to, office binders, furniture, flooring, and medical supplies whenever practical.
8. The City shall purchase products and equipment with no lead or mercury whenever possible. For products that contain lead or mercury, the City shall give preference to those products with lower quantities of these metals and to vendors with established lead and mercury recovery programs. For products and equipment that contain lead or mercury, The City will continue recycling practices.
9. The City shall specify that desktop computers, notebooks and monitors purchased meet, at a minimum, all Electronic Product Environmental Assessment Tool (EPEAT) environmental criteria designated as "required" as contained in the IEEE 1680 Standard for the Environmental Assessment of Personal Computer Products, whenever practical.

10. When replacing vehicles, the City shall consider less-polluting alternatives such as compressed natural gas, bio-based fuels, hybrids, electric batteries, and fuel cells, as available and whenever practical.

F. FOREST CONSERVATION

1. When possible, the City shall give preference to wood products that are certified to be sustainably harvested by a comprehensive, performance based certification system. The certification system shall include independent third-party audits, with standards equivalent to, or stricter than, those of the Forest Stewardship Council certification.
2. The City encourages the purchase or use of previously used or salvaged wood and wood products whenever practical.

G. BIO-BASED PRODUCTS

1. Paper, paper products and construction products made from non- wood, plant-based contents such as agricultural crops and residues are encouraged whenever practical.
2. Bio-based plastic products that are biodegradable and compostable, such as bags, film, food and beverage containers, and cutlery, are encouraged whenever practical.
3. Compostable plastic products purchased shall meet American Society for Testing and Materials (ASTM) standards as found in ASTM D6400-04. Biodegradable plastics used as coatings on paper and other compostable substrates shall meet ASTM D6868- 03 standards.
4. Proof of compliance with ASTM standards for compostable, biodegradable and degradable plastic products shall be provided by vendors of such products, upon request. One acceptable proof of compliance for compostable plastic products will be certification by the Biodegradable Products Institute (BPI). A list of approved products may be found at <http://www.bpiworld.org/BPI- Public/Approved.html>.

V. PRIORITIES

The health and safety of workers and people who live and work in Novato is of the utmost importance and takes precedence over all other policies. All policies and practices shall be protective of the health of children, the elderly and other vulnerable populations, and the greater global community.

The City with the Novato Sanitary District has made significant investments in developing a successful reuse and recycling system and recognizes that recycled content products are essential to the continuing viability of that recycling system and for the foundation of an environmentally sound production system. Therefore, to the greatest extent practical, recycled content shall be included in products that also meet

other specifications, such as chlorine free or bio-based.

Nothing contained in this policy shall be construed as requiring a department, purchaser or contractor to procure products that do not perform adequately for their intended use, are not available at a reasonable price in a reasonable period of time, or to take any action that conflicts with local, state or federal requirements, or compromises employee health and safety.

VI. IMPLEMENTATION

The City Manager shall implement this policy in coordination with other appropriate The City personnel.

As applicable, successful vendors shall certify in writing that the environmental attributes claimed in competitive bids are accurate. In compliance with State law, vendors shall be required to specify the minimum or actual percentage of recovered and post consumer material in their products, even when such percentages are zero.

Upon request, department making the selection from competitive bids shall be able to provide justification for product choices that do not meet the environmentally preferable purchasing criteria in this policy.

Purchasers shall include businesses certified by the Bay Area Green Business Program in requests for products and services.

Vendors shall be encouraged to comply with applicable sections of this policy for products and services provided to the City, where practical.

VII. PROGRAM EVALUATION

The City Manager shall periodically evaluate the success of this policy's implementation.

VIII. EFFECTIVE DATES

This policy shall take effect on [date]

City of Novato Reserve Policies

The City of Novato endeavors to maintain adequate reserves for its General Fund and several other funds as a matter of fiscal prudence and sound financial management. These policies will guide the City in:

- Planning for contingencies and unexpected events;
- Maintaining good standing with credit rating agencies;
- Ensuring cash availability when revenue is unavailable; and
- Deciding when to use reserves and how to replenish reserves if they have been spent.

Per current governmental accounting standards (“GASB 54”), fund balances are divided into 5 categories in the financial statements:

Category	Description
Non-Spendable	Cannot be readily converted to cash or cannot legally be spent
Restricted	Externally imposed (by granting agencies, governmental entities, etc.) restrictions on spending
Committed	City Council formally-imposed (by resolution or other action) restrictions on spending
Assigned	Funds reserved by Council direction or City Manager for designated purposes
Unassigned	Residual balance not classified in any of the above categories

For purposes of this document, a fund’s “reserves” include the sum of the Committed, Assigned, and Unassigned Fund Balances for that fund.

General Fund and Emergency & Disaster Response Fund

The General Fund shall not maintain any reserves at year end, except for those designated as Assigned for capital projects, which represent budgeted funds for capital projects that have yet to be completed. Instead, the City shall maintain a separate fund on its books, called the “Emergency and Disaster Response Fund” (hereinafter the “EDRF”) which shall be the main reserve fund for the General Fund. The City maintains this fund to provide a financial buffer in the event of significant economic downturns or for unexpected severe emergencies or natural disasters.

The Government Finance Officers Association maintains a best practice for general reserve funds. While the level of reserves should be assessed on a City’s unique circumstances or risk levels, the generally recommended best practice is to keep at least two months of operating expenditures or 15% reserves.

For Novato, the EDRF shall be maintained at a level equal to 15% of annual General Fund expenditures (excluding “Transfers Out” for purposes of this calculation).

When adopting the budget for each fiscal year, the General Fund budget shall be balanced. If the General Fund budget projects a surplus of revenues over expenditures, then a fund transfer out of the General Fund to the EDRF shall be budgeted. If the General Fund budget is expected to encounter a deficit of revenues compared to expenditures, then a transfer of funds from other available, unencumbered funds shall be budgeted to balance the General Fund. If no such funds are available from another source, a fund transfer shall be budgeted from the EDRF to the General Fund in the amount of the projected deficit to ensure that the budget is balanced.

If the General Fund ends the fiscal year with a surplus of revenues over expenditures, any Unassigned fund balance that would result shall be transferred out of the General Fund and into the EDRF.

If the General Fund ends the year with an unexpected deficit which would create a negative Unassigned fund balance, funds shall be transferred from the EDRF at year end to ensure a zero Unassigned fund balance for the General Fund.

The City Council may from time-to-time authorize budget appropriations that would reduce the EDRF below its policy-mandated 15% level. These appropriations should be made only in response to significant events such as (but not limited to):

- Economic downturns / recessions that impact City revenues;
- Natural disasters and declared emergencies; and/or
- State government reductions or takeaways of City revenues.

If the City Council appropriates funds that, for any purpose authorized in this policy, would drop the EDRF below 15%, the next budget cycle should include a plan outlining how the EDRF will be restored to the 15% required reserve level within a reasonable time period.

If the level of the EDRF rises above the required 15% level, appropriations of EDRF funds may be authorized by the City Council for one-time purchases or projects that bring the EDRF back down to the 15% level. Funds above the 15% level shall not be spent on recurring operating expenditures unless otherwise authorized in this policy or a long-term plan for ongoing funding is developed.

It may be prudent from time-to-time to loan funds from the EDRF to other City funds or to invest EDRF in less-than-immediately liquid investments. The City Council shall authorize all such loans and shall make findings in a resolution acknowledging the duration and payback timeframe of said loans, which should not exceed five years. If the loan is made with another entity (for example, the Redevelopment Successor Agency), the loan should also be accompanied by a written loan agreement.

In case of emergencies falling under the purview of Novato Municipal Code Section 2-13, purchases authorized by the Director of Emergency Services under Section 2-13.13(c) may cause the balance in the EDRF to drop below the required 15% level.

Measure F Transactions and Use Tax Fund

This fund, hereinafter known as the Measure F fund, shall be used to account for all funds collected under the Measure F transactions and use tax, which shall be collected in the City of Novato from April 1, 2011 through March 31, 2016.

There are no specific reserves required within this fund. However, the City Council has designated \$3 million of unassigned Measure F fund balance as a “Risk Mitigation Reserve”. This reserve will be subject to future City Council decisions about uses for the funds, but is intended to mitigate risk from economic recessions, pension rate and investment earnings fluctuations, unanticipated state takeaways, or unanticipated required expenditures due to changing laws or regulatory requirements.

To the extent Measure F funds are available beyond the Risk Mitigation Reserve mentioned above, they may be used to backfill General Fund deficits while permanent revenue streams or other longer-term budget balancing strategies are implemented.

Recognizing its status as a general purpose tax, the City Council has complete purview to appropriate Measure F funds for any lawful government purpose. However, as a tax with a fixed 5-year duration, Measure F funds should be spent on one-time or short term programs and projects rather than ongoing operating expenditures.

Self-Insurance Fund

The City shall maintain a reserve of \$1 million in the Self-Insurance Fund. This reserve can be used at the City Council’s discretion to pay one-time insurance and liability related costs, such as large unexpected claims, settlements, etc. in addition this fund may be used for one-time proactive risk mitigation measures. The next year’s budget should include a plan to replenish the reserve back to the \$1 million level.

Equipment, Technology and Vehicle Replacement Fund

The City shall maintain an Equipment and Vehicle Replacement Fund (hereinafter “EVRF”) to properly fund the replacement of vehicles, technology and equipment. The City will set aside an appropriate amount of money annually in the fund for each vehicle, technology, or equipment, based on that item’s typical usage and expected useful life. Monies that have accumulated in the fund for a specific asset’s replacement can then be used when the asset is replaced.

No specific reserves are required for the EVRF. However, excess funds not specifically needed for replacements from sources such as interest earnings, surplus sales or trade-ins, auction sales, and lower-than-expected replacement prices should remain in the fund until other EVRF-related purposes are identified for the funds and appropriated by the City Council. Such excess funds can also be used to replace or begin replacement cycles for vehicles, equipment, or technology items that are not currently in the replacement fund.