



CITY OF NOVATO
CALIFORNIA

Finance Advisory Commission

APPROVED Minutes

Thursday, June 6, 2024 – 7:30 AM

A. CALL TO ORDER AND ROLL CALL

The meeting was called to order by Chair Thomas at 7:31 A.M.

Commissioners Present: Cris MacKenzie, Rafelina Maglio, Michele Manos, Tina McMillan, Larisa Thomas, Andy Zmyslowski

Absent: Regina Bianucci Rus

Staff Present: City Manager Amy Cunningham, Finance Director Carla Carvalho-DeGraff, Management Analyst I Stacey Hoggan, Principal Management Analyst Jennifer Maldonado

B. APPROVAL OF FINAL AGENDA

Commission Action: Upon a motion by Vice Chair McMillan, and seconded by Commissioner MacKenzie, the Commission voted 6-0-0-1 to approve the final agenda .

Ayes: MacKenzie, Maglio, Manos, McMillan, Thomas, Zmyslowski

Noes: None

Abstain: None

Absent: Bianucci Rus

Motion carried.

C. PUBLIC COMMENT

None

D. CONSENT ITEMS

D.1. Approve Meeting Minutes of May 9, 2024

Commission approved the meeting minutes of May 9, 2024.

Commission Action: Upon motion by Commissioner Zmyslowski, and seconded by Commissioner Maglio, the Commission voted 5-0-1-1 to approve items on consent.

Ayes: MacKenzie, Maglio, Manos, Thomas, Zmyslowski

Noes: None

Abstain: McMillan

Absent: Bianucci Rus

Motion carried.

E. UNFINISHED AND OTHER BUSINESS

F. GENERAL BUSINESS

F.1. Fiscal Year 2024/2025 Budget Preparation Update

Staff provided the Commission with a report on the FY24/25 budget development process. The report to Commissioners included updates and direction from City Council members following the May 14, 2024, City Council meeting.

Throughout the past few months, staff have been working on developing the budget, incorporating input from City Council, the community, and other City Commissions, Committees, and Boards. With projected revenues of \$50.3 million and projected expenses of \$54.4 million, the City is facing a projected deficit of nearly \$4.1 million. In previous years, deficits were covered using one-time funds, which are now depleted. The only remaining option is to use the limited reserves.

Commissioners had questions for staff and provided recommendations to bring to the City Council at the June 11, 2024, meeting. Commissioners expressed concerns about depleting the Emergency and Disaster Response Fund, as using it to cover the deficit would reduce the fund to a level that does not comply with the City's Reserve Policy of 15%.

Commission Action: Upon motion by Chair Thomas and seconded by Commissioner Manos, the Commission voted 6-0-0-1 to provide a statement to City Council that using the Emergency and Disaster Response Fund (Fund 116) to cover a structural deficit is not sustainable. Additionally, by using the reserves, the City would be significantly out of compliance with the Reserve Policy in Fiscal Year 2024/2025.

Ayes: MacKenzie, Maglio, Manos, McMillan, Thomas, Zmyslowski

Noes: None

Abstain: None

Absent: Bianucci Rus

Motion carried.

F.2. Strategic Plan Update

Staff provided Commissioners with an update on outreach efforts regarding Strategic Plan items that focus on the City's fiscal sustainability.

Staff have been educating the community through mailers and meetings with community groups. The City Manager and Assistant City Manager have been meeting with the City's Commissions, Committees, and Boards to ensure consistent messaging. Staff have also created a dedicated local funding page on the City of Novato website, outlining the key messages communicated, and "palm cards" that can be given to members of the public that have detailed financial questions.

Report was received by Commissioners.

F.3. Update on Finance Department Activities

Staff provided an update on activities in the Finance Department, including the upcoming scheduled audit work for fiscal year 2022/2023. Auditors will be on site the week of September 16, 2024. Staff are also currently working on the year end close for fiscal year 2023/2024. The Deputy Director position remains open and there is a scheduled interview with one candidate next week.

Report received by Commissioners.

G. COMMITTEE AND LIAISON REPORTS

G.1. Staff Updates

None

G.2. Commission Member Reports

The Fiscal Sustainability Ad Hoc Committee has not been able to meet but hopes to have information for the upcoming June 27th meeting.

H. ADJOURNMENT

The meeting was adjourned at 9:21 AM.

I HEREBY CERTIFY that the foregoing minutes were duly adopted at the Finance Advisory Commission Meeting of _____, 2024.

/ Stacey Hoggan /
Stacey Hoggan, Management Analyst I