



THE CITY OF
NOVATO
CALIFORNIA

MINUTES
MEASURE F OVERSIGHT/CITIZENS FINANCE COMMITTEE

THURSDAY, APRIL 14, 2011: 7:30 – 9:00AM
75 ROWLAND WAY #200
ATHERTON CONFERENCE ROOM

A. Call to Order

The meeting was called to order at 7:02A.M. Attendees included:

Measure F Oversight Committee:

- 1. David Bentley*
- 2. Alan Berson*
- 3. Caitrin Devine*
- 4. Robert Jordan*
- 5. Cris MacKenzie*

City Staff:

- 1. Michael Frank, City Manager*
- 2. Cathy Capriola, Assistant City Manager*
- 3. Sheri Hartz, City Clerk*
- 4. Deborah Lauchner, Finance Manager*
- 5. Dane Wadlé, Management Analyst*

B. Public Comment (*Anyone wishing to speak on non-agenda items will be recognized at this time. These items can legally have no action as they are not on the agenda. There is a three minute time limit.*)

Tom MacDonald gave the Committee a handout outlining the City's financial situation over the next five years. He emphasized that the biggest challenge will be in the sixth year when Measure F sunsets. Mr. MacDonald stated that the Committee should establish a baseline as to how to measure the uses of Measure F revenues going forward.

C. Welcome and Introductions

The Committee members and City staff each introduced themselves and discussed their backgrounds.

D. Committee Role, Responsibilities and Administration

D – 1 Role and Responsibilities (Attachments)

City staff discussed the role and responsibilities of the Committee as approved by the City Council.

D – 2 Committee Member Terms of Service

The resolution establishing the Oversight Committee stated that three Committee members shall serve a two-year term. In addition, four Committee members shall serve a three year term.

After deliberation by the Committee, the following terms were approved:

2-Year Term:

Caitrin Devine

3-Year Term:

Alan Berson

David Bentley

Robert Jordan

Cris MacKenzie

George Cohen will be appointed to a two-year term at the next meeting.

D – 3 Discussion of Ralph M. Brown Act

City Clerk Sheri Hartz provided an overview of the Brown Act and explained the Committee operates in accordance with the open meeting requirements of the Act. The Clerk handed out a guide to the Brown Act to each Committee member.

D – 4 Committee Member Requirements: FPPC Form 700

The purpose of the state Fair Political Practices Commission Form 700 is to provide the public with an opportunity to review where a potential conflict of interest may exist for an elected or appointed public official.

The Clerk explained the Committee members responsibilities to file a Form 700 with the FPPC. Each Committee member must file an “Assuming Office” form outlining their economic interests within 30 days of their appointment. These forms need to be returned to the clerk by April 29th.

D – 5 Committee Meeting Dates and Times/Master Calendar

Committee Meeting Dates/Times:

The Committee discussed when future Committee meetings should occur. Staff suggested that the Committee may wish to have an introductory educational meeting in May. The members have different levels of knowledge and experience with the City’s budget. The Committee agreed an informational meeting would be valuable. Staff suggested that a three-

hour meeting in the late afternoon/early evening would be appropriate. Staff also suggested that a separate meeting that discussed the City's debt policy might also be valuable. The Committee agreed with this suggestion.

The Committee also debated how many often to meet. One suggestion was to meet twice a month. There were questions that this often may be too frequent. Staff commented that there does not necessarily need to be a rigid schedule. The budget process and changing economic conditions may dictate more or less meetings. For instance, the Committee may meet once a month or less during certain times and then meet twice a month in response to emerging financial issues.

The Committee asked staff to send out possible times for an introductory meeting on City finances. Staff will organize a meeting time.

E. General Business (Anyone wishing to speak on agenda items will be recognized after the Committee has concluded their initial discussions. There is a three minute time limit for public comment per item.)

E – 1 Measure F Provisions: Timing/Projections

Staff also discussed that the City will receive Measure F payments from the state Board of Equalization (BOE) on a quarterly basis. The first payment is expected to be received on June 1st. Staff also outlined that Measure F revenues will be a separated from the regular sales tax revenue the City receives from the BOE. The City will put Measure F revenues in a separate "Measure F" fund in the City budget. As such, it will be easier for the Committee and the City Council to review any expenditures to determine if they are appropriate under the Measure F ordinance.

E – 2 City Budget Model: Overview

The Finance Manager presented a 5-year history of the General Fund Forecast. The information illustrated that the City faces an average \$2.3 million forecast deficit over the next five years. The deficit is smaller in year 1 and steadily grows between years 2-5. This update demonstrated the importance and the need for the long-term fiscal sustainability discussion that will occur in the coming months.

E – 3 April 19th City Council Work Session: 2011-2012 Budget

Staff explained that the Council will hold a work session on the 2011-2012 budget on April 19th. Each department will present its current financial

outlook. Departments will also outline staffing and operational changes and accomplishments in the current year and proposed changes for the new fiscal year.

For the 2011-2012 year, staff is recommending that Measure F revenues be utilized to:

- 1) Create a temporary (1-year) half-time School Liaison position to assume some of the responsibilities of the former School Resource Officer position and;*
- 2) Extend two maintenance worker positions that were scheduled to be eliminated as of July 1, 2011 for another year. These positions are assigned to graffiti cleanup and Little League baseball field maintenance. Extending these positions for one year will assist the City in developing a long-term proposal on how to best provide these services.*

The total cost of these two actions is approximately \$200,000. As a reminder: the City expects to receive \$3 million in Measure F revenues next year.

E – 4 Fiscal Sustainability: Future Discussion and Meetings

City staff informed the Committee that the Council will begin its discussion on long-term fiscal sustainability at the April 19th Council meeting. This discussion will help define what fiscal sustainability means to the Council and the community. The Council will begin discussing the actual policy actions and changes needed to move the City towards sustainability in the summer of 2011.

The Committee will be noticed when these meetings will occur and will provide input as appropriate.

F. Committee/Staff Comments

F – 1 Recruiting for Additional Member: Ideas

City staff asked the Committee to encourage individuals who may want to serve to apply to the City Clerk. Committee members will provide any recruitment ideas to City staff.

F – 2 Appointment of Chair and Vice-Chair

This item was continued to the next meeting due to absence of the sixth committee member.

Agendized Items for Next Meeting:

Member Berson stated that he saw the Committee as a body that responds to changes in the City's budget. His particular interest is determining how the Committee can make its concerns known to staff in the event of a significant financial event. He proposed that staff notify the Committee within a specific period of time if a major financial variance emerges. Staff will add an item to a future agenda so the Committee can discuss this process.

Member Berson also asked for the Committee to discuss how to communicate the Committee's actions to the public. Staff will include a "Public Information/Outreach Strategy" item on a future agenda.

G.Adjournment

The meeting was adjourned at 9:15am.