



THE CITY OF
NOVATO
CALIFORNIA

**MEASURE F OVERSIGHT/CITIZENS FINANCE COMMITTEE
MINUTES (TO BE FORMALLY APPROVED AT JULY 21ST MEETING)**

**THURSDAY, JUNE 23, 2011: 7:30 – 9:00AM
75 ROWLAND WAY #200
ATHERTON CONFERENCE ROOM**

A. Call to Order

Vice-Chair Bentley called the meeting to order at 7:35 AM

Committee Members Present:

- 1. David Bentley, Vice-Chair*
- 2. George Cohen*
- 3. Caitrin Devine*
- 4. Richard Johnson*
- 5. Robert Jordan*

City Staff Present:

- 1. Michael Frank, City Manager*
- 2. Cathy Capriola, Assistant City Manager*
- 3. Maureen Chapman, Accountant/Analyst*
- 4. 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.*)

There were no public comments.

C. Committee Organizational Items

C – 1: Approval of June 9 Meeting Minutes

Vice Chair Bentley moved to adopt the June 9 minutes. George Cohen seconded the motion and the minutes were unanimously approved.

D. 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.*)

D – 1: Recap of June 14th Council Meeting Re: 2011-2012 Budget
(attachment)

Staff provided a recap of the City Council's budget discussion on June 14th. Staff

explained various transfers between City funds and how those transfers factor into the overall budget picture. The presentation was included as Attachment 1 in the agenda.

D – 2: Elimination of Redevelopment Legislation (attachment)

Staff provided an update on the state's efforts to eliminate redevelopment agencies. On June 15th, the state Legislature approved legislation to end redevelopment. However, the Governor vetoed the main budget bill. Because the redevelopment bills were tied to the vetoed budget, they were not sent to the Governor for his consideration. If and when the Legislature comes to agreement on a new budget, the bills could then be sent to the Governor for his consideration. Attachment 2 of the June 23rd agenda provided additional information on the redevelopment bills.

D – 3: Introduce Fiscal Sustainability Discussion (attachment)

Staff introduced a discussion of fiscal sustainability and suggested various topics that the Committee may wish to consider during its discussions. The City Manager explained that the Commission should consider both expenditures and revenues when considering a path to long-term fiscal sustainability. Undoubtedly, this issue poses a number of questions to the Novato community about service levels within the City. The staff presentation was included in the agenda as Attachment 3.

The Committee members then made individual comments. The comments are summarized below in three categories: 1) Revenue Comments 2) Expenditure Comments and 3) General Finance Comments:

Revenue Comments:

- The City should complete a revenue trend analysis and analyze the City structural deficit.*
- The City should focus on economic development. The general plan can be modified to encourage additional revenue-generating development.*
- Sales tax leakage is a problem in Novato. Residents go to other local communities for various products and the City misses out on the sales tax revenue.*
- At the same time, a balance is needed. The City should not solely develop big-box retail chains. Novato needs to maintain its character so that more families move here.*
- The City needs to have new sources of revenue over the long-term.*

- *City policies should encourage economic development in the downtown region.*

Expenditure Comments:

- *Novato has implemented a number of cuts. Is it possible for the City to make further cuts without seriously affecting the service levels?*
- *The City has the more control over its expenditures than it does its revenues. The City should be looking at ways to control our expenses. However, additional revenue options must also be considered.*

General Finance Comments:

- *The City could consider generating two five-year financial forecasts. The first forecast would be the “status quo” forecast and the second would forecast what the City’s financial picture would look like with additional revenue due to development within the City.*

D – 4: Process/Public Outreach/Communication Strategy Discussion

The discussion was continued to a future meeting.

E. Committee/Staff Comments

There were no additional comments by the committee or staff.

F. Adjournment

The Committee adjourned at 9:05 AM. The next meeting will be on July 21st at City offices.