



THE CITY OF
NOVATO
CALIFORNIA

SPECIAL MEETING MINUTES

MEASURE F OVERSIGHT/CITIZENS FINANCE COMMITTEE
to be held at
NOVATO POLICE DEPARTMENT TRAINING ROOM
909 MACHIN AVENUE
THURSDAY, AUGUST 11, 2011
7:30A.M. – 9:00A.M.

A. Call to Order

The meeting was called to order by Chair MacKenzie at 7:38 A.M.

Committee Members Present Included:

Cris MacKenzie, Chair
David Bentley, Vice-Chair
Alan Berson
George Cohen
Caitrin Devine

City Staff Present Included:

Michael Frank, City Manager
Cathy Capriola, Assistant City Manager
Brian Cochran, Finance Manager
Ron Gerber, Redevelopment Administrator
Dane Wadlé, Management Analyst

B. 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.*)

B – 1:

Staff Presentation of the Voluntary Redevelopment Program Options and Recommendation regarding Opt-In Proposal Relating to AB X1 27.

City staff provided a brief overview and background of the Redevelopment Agency. Staff then discussed the fundamental provisions of AB X1 26 and AB X1 27 and responded to Committee questions.

Finance Manager Cochran then gave an overview of the financial details of the opt-in proposal. This overview included a discussion of the Agency's current financial situation and the effect of paying the remittance payments on the Agency's cash flow. Mr. Cochran related that staff would borrow approximately \$3.5 million from other City funds to pay for the first three remittance payments. This \$3.5 million would come

from the \$6.1 million the redevelopment agency repaid City funds in March. The projections demonstrated that the Agency would have a positive (albeit, small) cash flow in the first three years. The Agency's financial picture would improve after this time period. In addition, the Agency will reduce operational and maintenance expenses going forward.

Overall, city staff emphasized that the city could afford to opt-in to the Voluntary Program and pay remittance payments in accordance with the law. However, the Agency's cash flow will be limited in the short term. Longer term, the Agency will likely have more resources.

Staff also emphasized that opting-in would enable the City to "preserve and protect" previous actions taken to protect various assets. For example, opting-in allows the City to protect the Hamilton and Marin Valley Mobile Country Club property transfers. Without opting-in, these properties are at risk of be sold to the highest bidder with the proceeds to be distributed among other local taxing entities. The opt-in action also preserves the \$17 million bond sale from March. These funds will be utilized to construct a new City office.

Staff then responded to Committee member questions.

Discussion and Possible Action on Recommendation to City Council.

The Committee did not take an action on the recommendation.

C. Adjournment

Vice-Chair Bentley adjourned the meeting at 9:10 A.M.