



THE CITY OF
NOVATO
CALIFORNIA

**MINUTES TO BE FORMALLY APPROVED AT THE OCTOBER 20TH
MEETING
SPECIAL MEETING MINUTES**

**MEASURE F OVERSIGHT/CITIZENS FINANCE COMMITTEE
THURSDAY, OCTOBER 6, 2011: 7:30 – 9:00AM
75 ROWLAND WAY #200
ATHERTON CONFERENCE ROOM**

A. Call to Order

The meeting was called to order at 7:30a.m. In attendance were:

Committee Members:

David Bentley, Vice-Chair

Alan Berson

George Cohen

Caitrin Devine

Robert Jordan

City Staff:

Michael Frank, City Manager

Cathy Capriola, Assistant City Manager

Brian Cochran, Finance Manager

In addition, there was one member of the public in attendance.

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 was no public comment.

C. Committee Organizational Items

C – 1: Approval of August 25 Meeting Minutes

C – 2: Approval of September 8 Meeting Minutes

The minutes were approved unanimously.

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: Update on Council actions regarding Redevelopment

Staff provided a brief update on the Council's actions relating to the Redevelopment Agency and answered questions from the Committee.

D – 2: Review of Draft 5-Year Financial Forecast

Assistant City Manager Capriola and Finance Manager Cochran presented a draft of the City's updated 5-Year financial forecast. The forecast outlined revenue and expenditure assumptions for the next five years. Staff also highlighted a forecast of the City's general fund, which included Measure F revenues for this time period. Finally, staff presented an alternate forecast using higher sales tax revenue estimates. At the conclusion of this presentation, staff answered questions from the Committee.

Committee members asked the following questions and/or raised the following points:

- Does the model contain funding for the maintenance of the new City office building?
- What effect will the new target in the City of San Rafael have on Novato's sales tax revenue?
- The model should include increases for inflation in earlier years. Economic reports and models are demonstrating that inflation is beginning to rise. Along the same lines, inflation affects both revenues and expenditures, so the inflation percentage should be applied to revenues and expenses.
- Staff should consider developing a 10-year financial model after Measure F ends (March, 2016)
- Has staff performed sensitivity analysis on the projections? What are the confidence levels of the figures?
- What are possible solutions to the budget deficit that the Committee can consider and we begin our discussions on fiscal sustainability?
- Staff should show a hypothetical scenario in the model for Year 5 (i.e. 2016) when Measure F revenues expire and the deficit is zero.

Staff will revise the financial model to take these questions and issues into consideration. This update will provide further clarification on certain items and will add additional historical context.

D – 3: Fiscal Sustainability Discussion (if time)

The Committee did not have time to discuss fiscal sustainability.

E. Committee/Staff Comments

There were no additional comments from the Committee or staff.

F. Adjournment

F – 1: Next Regular Meeting

The meeting was adjourned at 9:00a.m. The Committee's next meeting will be on October 20th.