



THE CITY OF
NOVATO
CALIFORNIA

**MEASURE F OVERSIGHT/CITIZENS FINANCE COMMITTEE
MINUTES
THURSDAY, OCTOBER 20, 2011: 7:30 – 9:00AM
75 ROWLAND WAY #200
ATHERTON CONFERENCE ROOM**

A. Call to Order

The meeting was called to order at 7:33A.M. In attendance were:

Committee Members:

Cris MacKenzie, Chair

David Bentley, Vice-Chair

George Cohen

Caitrin Devine

Alan Berson

Robert Jordan

City Staff:

Cathy Capriola, Assistant City Manager

Brian Cochran, Finance Manager

Maureen Chapman, Accounting Supervisor

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 was no public comment.

C. Committee Organizational Items

C – 1: Approval of October 6 Meeting Minutes

Committee Member Bentley requested a change to the minutes. He asked for the following language to be included in Item D-2 from the October 6th minutes:

- Staff should show a hypothetical scenario in the model for Year 5 (i.e. 2016) when Measure F revenues expire and various actions that would be needed to eliminate the deficit.

With this change, Committee Member Bentley moved adoption of the minutes. Committee Member Jordan seconded the motion and the motion was 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: Continue Discussion of 5-Year Financial Forecast

The Finance Manager discussed changes made to the 5-year financial forecast. The committee had requested some of the changes at the October 6th meeting. The other changes were the result of the Finance department having updated information.

The presentation's primary message was that the City's financial picture has improved slightly. This improvement is largely related to increased sales tax revenue coming into the City along with higher investment returns for the California Public Employees Retirement System retirement fund. Higher investment returns result in the City paying a lower rate/amount for retirement benefits of current and former Novato employees. Therefore, the City is seeing some increase in revenues and a decrease in compensation expenditures.

While these developments are helpful, the City's long-term structural deficit remains.

The Committee had questions and offered suggestions to staff regarding alternate ways to illustrate the information in the presentation.

D – 2: Continue Fiscal Sustainability Discussion

The Committee also requested options or solutions towards addressing the structural deficit. The Finance Manager outlined general options and provided general financial figures (such as the estimated savings of certain actions). Of note: this discussion was very general as the City Council will be discussing long-term fiscal sustainability at upcoming Council meetings.

The Committee expressed a desire to provide comments to the Council on the fall financial update and the fiscal sustainability discussions. The intent is to give the Committee's perspective. The Committee and staff discussed developing an outline of general statements that all Committee members agree on. Four statement/themes discussed by the Committee were:

1. The Council should consider revenue options as part of a long-term strategy
2. The Council should plan ahead for when Measure F expires in March 2016
3. The Council should try to avoid further staff cuts

4. The Council should be cautious with one-time Measure F revenues due to the lingering structural deficit.

Staff will work with the Committee on a statement that encompasses these points.

E. Committee/Staff Comments

As part of the above item of wanting to report back directly to the City Council, the Committee discussed also including a comment about the need to be judicious with the redevelopment funding and the financial commitment to the construction of city offices.

The Committee discussed revisiting the City office project. Members felt that due to the large financial expenditure associated with building a new office, the Committee should have another discussion on this topic. The Committee recalled the fact that the Finance Committee already held a special meeting on the City office project in September. At that meeting, there were two motions asking the Council to: consider a different building/site and to re-open the discussion of a new City office location with the community. Both motions failed for lack of a second and therefore there was no vote.

Ultimately, the Committee decided to allocate 30 minutes at a special Committee meeting to revisit the City offices project. At the conclusion of the 30 minutes, the Committee will decide whether or not to allocate additional time to continue the discussion. A motion summarizing this action was made by Committee Member MacKenzie and seconded by Committee Member Berson. The motion was approved unanimously.

Staff will coordinate with the Chair of the Committee to determine a time and date to hold this meeting.

F. Adjournment

The meeting was adjourned at 9:08A.M.