



THE CITY OF  
**NOVATO**  
CALIFORNIA

**MINUTES**  
**MEASURE F OVERSIGHT/CITIZENS FINANCE COMMITTEE**  
**THURSDAY, NOVEMBER 17, 2011: 7:00 – 9:00AM**  
**75 ROWLAND WAY #200**  
**ATHERTON CONFERENCE ROOM**

A. Call to Order

*The meeting was called to order at 7:03A.M. In attendance were:*

*Committee Members:*

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

*City Staff:*

*Cathy Capriola, Assistant City Manager*  
*Brian Cochran, Finance Manager*  
*Maureen Chapman, Accounting Supervisor*  
*Dane Wadlé, Management Analyst*

In addition, there were two members 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.*)

*Burt Hoffman made comments regarding the Committee's special agenda item on City Offices.*

*Tom MacDonald made comments on the Committee's general business items related to the Committee letter to the Council on Measure F/Fiscal Sustainability and the continued fiscal sustainability discussion.*

C. Committee Organizational Items

C – 1: Approval of October 20 Meeting Minutes

*Committee Member Bentley requested a minor change to the October 20<sup>th</sup> minutes regarding the fiscal sustainability discussion. With this amendment, the minutes were approved unanimously.*

D. Special Agenda Item: 7:00-7:30A.M.

D – 1: City Offices Discussion

*Committee Member Jordan opened the presentation with the following comments:*

*The City's budget is in dire straits. The one-time bond money should be used for fiscal sustainability as opposed to construction of a new City office building.*

*He distributed a handout outlining the Marin County office sales from 2005-Present to the Committee. This document outlined various properties throughout Novato and the sales costs associated with each property. He further expressed his opinion that there are other, less expensive options than the current downtown proposal.*

*He concluded by stating his view that a formal letter to Council on the City Office project is within the purview of the Committee's roles and responsibilities as outlined in the Measure F ordinance.*

*Other Committee members asked questions of City staff. These questions and staff response are summarized:*

- *What factors did the Council consider when making the City Office decision?*  
*(Answer: The Council looked at a number of factors including: having a building that would last 50-100 years, having offices centrally located in the City, and financial aspects, among others).*
- *What would the City have to do to refinance or call the existing Tax Allocation Bonds?*  
*(Answer: Staff was unsure on the call provisions on the bond. There would of course be a cost associated with such an action).*
- *How much money has the City spent on the City office project?*  
*(Answer: Staff did not have a specific figure, but reminded the Committee that staff has contracts with consultants and are moving forward. However, these contracts can be cancelled).*

*Burt Hoffman provided public comment. He stated that financial decisions are always changing and that due to the less expensive options available, the Committee should consider advising the Council to stop the current City office project.*

*After further discussion, Committee Member Berson motioned that the Committee send a letter to the Council that included the following language:*

*"The Measure F Oversight/Citizens Finance Committee requests that the Council stop the current City office project at the downtown site and review*

*other options to determine the best course of action. The Committee believes that the fiscal considerations should be a major consideration as Council is reviewing this decision.”*

*Committee Member Bentley seconded this motion.*

*The motion was approved on a 4-2 vote (AYES: Bentley, Berson, Cohen, Jordan; NOES: Devine, MacKenzie).*

*The Committee appointed a sub-Committee comprised of members Jordan and MacKenzie to write the letter.*

*City staff will draft an outline and submit this letter to the sub-Committee for further edits. Upon completion of the letter, it will be distributed to the City Council.*

*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: Discussion of Committee Letter to Council Re: Measure F/Fiscal Sustainability*

*At its last regular meeting, the Committee decided to submit a letter to the Council expressing the Committee’s initial thoughts on Measure F and fiscal sustainability. The Council will begin these discussions in early 2012. Staff organized a draft letter for review by the Committee, which the Committee discussed. After these discussions, the Committee approved the letter which included the following five points:*

- 1. The Council should plan ahead for when Measure F expires in March 2016*
- 2. The Council should be cautious with one-time Measure F revenues due to the lingering structural deficit.*
- 3. The Council should consider revenue options as part of a long-term strategy*
- 4. The Council should carefully consider the impact of further staff cuts*
- 5. The Council should consider options now to ensure we are fiscally sustainable after Measure F*

*Staff will incorporate these changes into the final letter. This letter will be distributed to the City Council. The Committee also heard public comments from Tom MacDonald.*

## E – 2: Continue Fiscal Sustainability Discussion

*The Finance Manager provided a handout to the Committee outlining current fiscal sustainability initiatives underway. These initiatives include various studies being completed by the Administrative Services Department and the City Office project. Mr. Cochran also presented ideas on how the City could strategically utilize Measure F revenues.*

*Finally, he related how fiscal sustainability is ultimately a balancing act. Four essential components that must be balanced include:*

- 1. Managing Employee Compensation Balanced With Sustaining a Talented Work Force.*
- 2. Encouraging Commercial Development Balanced With Retaining Community Character and Neighborhoods.*
- 3. Increasing Revenues and Fees to Ensure Cost Recovery Balanced With Ensuring Access and Overall Competitiveness.*
- 4. Controlling Operating Expenses and Improving Efficiency Balanced with Retaining Flexibility and Resources to be Responsive and Creative.*

*The City is currently working on projects within these four components and will pursue additional projects as outlined in the City's Strategic Plan.*

*The Committee offered the following ideas/perspectives:*

- 1. The City should provide incentives to make properties low-cost to attract businesses – specifically, bio-tech companies;*
- 2. The City should look at options to incentivize individuals to re-open empty retail/store buildings;*
- 3. The City should explore bio-tech incubator programs;*
- 4. Ultimately, we as a community need to support/invest in education;*

*Tom MacDonald provided public comment and highlighted the importance of education and the need to address the City's pension and OPEB liabilities.*

## F. Committee/Staff Comments

*Staff provided responses to the ideas/perspectives above and stated that the City is working on establishing a business retention program going forward.*

## G. Adjournment

*The meeting was adjourned at 9:00A.M. The Committee will not meet in December. The next regular meeting will be on January 19, 2012.*