



THE CITY OF
NOVATO
CALIFORNIA

AGENDA
MEASURE F OVERSIGHT/CITIZENS FINANCE COMMITTEE
THURSDAY, FEBRUARY 16, 2012: 7:15AM – 9:15AM
75 ROWLAND WAY #200
ATHERTON CONFERENCE ROOM

- A. Call to Order
- 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.)*
- C. Committee Organizational Items
- C – 1: Welcome New Committee Member: Bob Scott
 - C – 2: Update on Committee Notification Process and Brown Act
 - C – 3: Approval of December 15, 2011 Meeting Minutes
 - C – 4: Approval of January 19, 2012 Meeting Minutes
- 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 City Council of the City of Novato as Successor Agency to Dissolved Redevelopment Agency (Verbal Report)
 - D – 2: 2011/2012 Mid-Year Budget Update (Presentation)
 - D – 3: Fiscal Sustainability Update (Presentation)
- E. Committee/Staff Comments
- F. Attachments:
- 1. December 15, 2011 Meeting Minutes
 - 2. January 19, 2012 Meeting Minutes
- G. Adjournment
- G – 1: Next Regular Meeting – March 15, 2012

AFFIDAVIT OF POSTING

I, Dane Wadlé, certify that on, February 10, 2012, I caused to be posted the agenda of the Thursday, February 16, 2012 meeting of the Measure F Oversight/Citizens Finance Committee of the City of Novato, California, on the City of Novato Community Service Boards in City Hall and the Police Department.

/Dane Wadlé/
Dane Wadlé, Management Analyst



THE CITY OF
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MINUTES TO BE FORMALLY ADOPTED AT THE NEXT MEETING

MINUTES MEASURE F OVERSIGHT/CITIZENS FINANCE COMMITTEE THURSDAY, DECEMBER 15, 2011: 7:30 – 8:30AM 75 ROWLAND WAY #200 ATHERTON CONFERENCE ROOM

A. Call to Order

The meeting was called to order at 7:31A.M. In attendance were:

Committee Members:

Cris MacKenzie, Chair

David Bentley, Vice-Chair

Alan Berson

George Cohen

Robert Jordan

City Staff:

Cathy Capriola, Assistant City Manager

Jim Berg, Operations Captain, Police Department

Brian Cochran, Finance Manager

Maureen Chapman, Accounting Supervisor

Dane Wadlé, Management Analyst

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.*)

Tom MacDonald made general comments on the employee compensation. He specifically highlighted police department data and encouraged the Committee to address compensation as part of the fiscal sustainability conversations.

C. Committee Organizational Items

C – 1: Approval of November 17 Meeting Minutes

Committee Member Bentley asked a follow-up question on the meeting minutes. He would like staff to research what the call provisions are on redevelopment tax allocation bonds approved earlier this year. The Finance Manager will research this issue for the next meeting.

After this discussion, 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: Use of Measure F Revenues:

- Public Safety COPS Grant

Police Captain Jim Berg provided an overview of the COPS grant awarded to the City by the Department of Justice. The grant amount is for \$1,095,873 and is to be used to hire three sworn police officers for a 36-month period. As a condition of accepting the grant, the City must retain the three officers for an additional year. The grant only funds the officers for the first three years.

To fully equip the new officers, the department estimates additional costs in the 1st year of \$99,000. This cost includes the following expenses:

- | | |
|--------------------------|----------|
| 1. Equipment = | \$3,000 |
| 2. Vehicles (2) = | \$60,000 |
| 3. Vehicle Maintenance = | \$36,000 |

The total cost of retaining the officers in the 4th year is \$429,000.

Staff recommended utilizing Measure F funds to support retaining the grant supported officers and the associated operating costs for a total Measure F expenditure of \$528,000.

Captain Berg outlined the potential areas where the new officers will provide service to the community:

- *Working with local schools and the Marin County Office of Education*
- *Working with other local law enforcement agencies*
- *Addressing quality of life issues within Novato (example: response to the graffiti issue that emerged earlier this year)*

Committee Members asked questions about the COPS Grant proposal:

Question: How does staff plan on managing officer staffing after the 4th year?

Answer: The intent is to have these officers remain with the organization after the 4th year. Ideally, the staffing will be managed through attrition. It is incumbent on the PD to have vacancies in four years. After four years, the PD staffing levels retreat back to what they are now if the vacancies do not occur.

Question: Committee Members requested additional information on the inclusion of the two police vehicles and the cost of the vehicles.

Answer: Captain Berge provided a copy of the City's PD Vehicle Replacement policy. He also referenced the Vehicle Utilization Study that was completed approximately 18 months ago and concluded that the City is only using the number of vehicles that are needed and that our usage is within industry guidelines. Finally, Captain Berg informed the Committee that fully-equipped police vehicles generally cost between \$35,000 and \$40,000.

Staff provided general comments to address questions about the public perception of the police having an excess number of vehicles. The specific example cited was the number of police vehicles visibly parked on the street at 909 Machin Avenue and in the City's lot across from the Police Department. Staff responded that private vehicles are sometimes stored as evidence (example: recent homicide case) in the police's underground lot. As such, some PD vehicles must be parked on the street to accommodate the private vehicles. In addition, while all officers do not work all the time, the Department must be prepared for potential situations. The summary is that the City does not have an excess number of police vehicles.

The Committee approved the following motion by a vote of 5-0.

"The Measure F Oversight/Citizens Finance Committee endorses the expenditure of \$429,000 in Measure F revenues for the three police officers. The Committee believes the Council should further explore the use of Measure F revenues for the police vehicles."

- Future Staffing and Information Technology (IT) Investments

This item was continued to a future meeting.

D – 2: Discussion of City Office Letter

The Committee considered the draft City Office letter drafted by the Subcommittee (consisting of the Chair and Committee Member Jordan). The Committee requested that the property list in Appendix A be categorized by city to demonstrate the location of each property. The Committee also asked that the properties be delineated between current properties for sale and prior sales. Finally, the Committee asked for a clarification of "Class A vs. Class B" buildings.

With these changes, the Committee adopted the letter. Staff will send the letter to the Council (along with the previously approved fiscal sustainability letter) as soon as possible.

E. Committee/Staff Comments

Assistant City Manager Capriola provided a general response to the public comments regarding police compensation. She informed the Committee and the public that the Council will be having a broad discussion on city compensation in early 2012. The City will conduct a public workshop with a pension consultant to outline the issues.

The specific conversations about compensation will occur through the labor negotiation process. Many of these discussions will be held in closed session, pursuant to the law.

F. Adjournment

The meeting was adjourned at 8:40A.M. The next regular meeting will be on January 19, 2012.

MINUTES
MEASURE F OVERSIGHT/CITIZENS FINANCE COMMITTEE
THURSDAY, JANUARY 19th, 2012: 7:30 – 9:00AM
75 ROWLAND WAY #200
ATHERTON CONFERENCE ROOM

A. Call to Order

The meeting was called to order at 7:37. In attendance were:

Committee Members:

David Bentley, Vice-Chair

Alan Berson

George Cohen

Caitrin Devine

City Staff:

Cathy Capriola, Assistant City Manager

Brian Cochran, Finance Manager

Matt Podolin

In addition, there were 2 members of the public in attendance.

B. Public Comments (*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.*)

Tom MacDonald made general comments regarding employee compensation. Specifically, he distributed a handout with data showing a difference between maximum annual salary and total compensation for Police Department staff. He encouraged the Committee and Council to review and understand this difference before labor negotiations begin.

C. Committee Organizational Items

C – 1: Approval of December 15 Meeting Minutes

Committee member Cohen raised questions about whether the December 16th, 2012 meeting agenda was noticed in accordance with the Brown Act. The Assistant City Manager will review this issue and provide information at the next meeting.

Approval of the minutes was deferred to the January 16th meeting.

C – 2: Update on Committee Vacancy

The Assistant City Manager reported that the Counsel is taking action on committee vacancies on Tuesday, January 24th, 2012.

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: Redevelopment Update

The Assistant City Manager and the Finance Manager provided an update on the recent California Supreme Court rulings regarding Redevelopment Agencies and their impact on the City and Novato Redevelopment Agency. The Finance Manager reported that the Counsel had opted to serve as the successor agency for the Novato Redevelopment Agency. The League of California Cities and California Redevelopment Association are working on a legislative strategy to restore a form of redevelopment for the future. They are trying to push back the date of the February dissolution to provide time to develop a compromise measure that hopefully preserves some elements of redevelopment.

Committee Members asked about the financial impact of the recent rulings. Staff replied that the law and ruling set out enforceable obligations and that bonds are likely safe. An Oversight Committee will review these obligations. The Finance Manager reported that there will be approximately \$6 million transferred to the general fund, but that the loss of Redevelopment Agencies will also cost the general fund about \$800,000.

Vice-Chair Bentley asked about the advantages of becoming a successor agency. The Assistant City Manager reported that benefits include the role of interacting with the Oversight Committee, and an increased degree of control over a process which will require significant staff time. The ruling allows \$250,000 in administrative offset, but it is currently unclear how this needs to be justified and what it can be used for.

Staff explained that the housing function of the RDA owes the RDA project fund approximately \$21 million for bonds issued for the construction of affordable housing at Hamilton. Staff feels that since the RDA is being dissolved, this may eliminate the obligation, but given the recent ruling and pending legislation, this is highly unclear. This presents a potential risk that if the City takes over the housing function it may be liable for the outstanding debt. Once the City takes over the housing function, there is no opting out. Also, there is no funding for administration of the housing program. It had taken a full-time staff position to maintain Novato's affordable housing program.

D – 2: FY 2012-2013 Budget/Fiscal Sustainability Process

The Assistant City Manager reviewed the timeline for labor negotiations with the Committee. She provided information on Bob Kinsley, an outside negotiator.

Committee Member Berson asked if the budget is affected by the outcome of labor negotiations. Staff replied that it is and that budget models are made with assumptions about labor negotiations based on Council direction.

Committee members questioned the role of the committee in budget discussions and Vice-Chair Bentley replied that it is to 1) oversee measure F funding, and 2) assist staff and give feedback on the City's finance work.

E. Committee/Staff Comments

G. Adjournment

The meeting was adjourned at 8:55. The next regular meeting will be February, 16th, 2012