



THE CITY OF
NOVATO
CALIFORNIA

AGENDA
MEASURE F OVERSIGHT/CITIZENS FINANCE COMMITTEE
THURSDAY, MAY 17, 2012: 7:30AM – 9:00AM
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: Approval of December 15, 2011 Meeting Minutes
 - C – 2: Approval of January 19, 2012 Meeting Minutes
 - C – 3: Approval of April 12, 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: Recap of City Council Operating and Capital Improvement Program Budget Discussions (Verbal Report/Handout)
 - D – 2: Discussion of Upcoming Fiscal Sustainability Work Plan
 - D – 3: Introduce Committee Annual Report Process and Timeline
- E. Committee/Staff Comments
- F. Attachments:
 - 1. December 15, 2011 Meeting Minutes
 - 2. January 19, 2012 Meeting Minutes
 - 3. April 12, 2012 Meeting Minutes
- G. Adjournment
 - G – 1: Next Regular Meeting – June 21, 2012

AFFIDAVIT OF POSTING

I, Dane Wadlé, certify that on, May 10, 2012, I caused to be posted the agenda of the Thursday, May 17, 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 15th, 2011 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 February 16th meeting.

C – 2: Update on Committee Vacancy

The Assistant City Manager reported that the Council 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 Council 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



THE CITY OF
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MEETING MINUTES – TO BE APPROVED AT NEXT MEETING

**MEASURE F OVERSIGHT/CITIZENS FINANCE COMMITTEE
THURSDAY, APRIL 12, 2012: 7:30AM – 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:

Cris Mackenzie

George Cohen

Caitrin Devine

Rob Jordan

Bob Scott

City Staff:

Michael Frank, City Manager

Cathy Capriola, Assistant City Manager

Joseph Kreins, Police Chief

Jim Berg, Police Captain

Brian Cochran, Finance Manager

Maureen Chapman, Accounting Supervisor

Dane Wadle, Management Analyst

Members of the Public:

Jim Tross

Diane Vogel

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 December 15, 2011 Meeting Minutes

Due to the fact that there was not a quorum of members who were present at the December 15, 2011 meeting, the Committee could not take action on the minutes. The approval of these minutes will be considered at the Committee's next meeting.

C – 2: Approval of January 19, 2012 Meeting Minutes

Due to the fact that there was not a quorum of members who were present at the January 19, 2012 meeting, the Committee could not take action on the minutes. The approval of these minutes will be considered at the Committee's next meeting.

C – 3: Approval of February 16, 2012 Meeting Minutes

Committee Member Scott made a motion to approve the February 16, 2012 meeting minutes. The motion was seconded by Committee Member Jordan and the motion was approved on a 4-0 vote.

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: City Manager's Recommendation on FY 2012-2013 Budget and Measure F Expenditures (Verbal Report/Handout)

The staff presentation for this item is available at this link:

<http://www.cityofnovato.org/Modules/ShowDocument.aspx?documentid=8743>

The Assistant City Manager first outlined the budget process and timing:

- 1. The Council will receive the operating budget presentation on April 17th;*
- 2. The Council will receive the capital improvement program budget presentation on April 24th and will provide feedback/direction to staff on the City Manager's operating budget recommendations;*
- 3. The Council will hold a public hearing on the proposed 2012-2013 budget on June 12th;*
- 4. The Council will formally adopt the operating and CIP budgets on June 26th.*

The City Manager provided an overview of the environment in which the operating budget was developed. The City's key priorities, as articulated by the Council, are:

- Fiscal Sustainability*
- Economic Development*
- Advancing the City Office project*

Measure F revenues for the 2012-2013 fiscal year will be used to preserve and protect programs and services and to make strategic investments that move the City toward long-term fiscal sustainability.

The City Manager highlighted the department recommendations to Council. These recommendations are included in Pages 12-22 on the link above.

Police Chief Kreins specifically discussed the Novato Response Team (previously called the Intervention, Prevention and Enforcement Team). This Team will be comprised of 3 Police Officers, a Corporal and a Management Analyst/Project Coordinator from the City Manager's office. The Team is designed as a crime prevention program and will be flexible to respond to crime trends in the community. The Team will integrate with the code enforcement and housing divisions and work with local schools to prevent and/or respond to crime issues.

The Finance Manager then discussed the five-year forecast part of the presentation (See Pages 4-11) on the attached link. The key messages from the presentation include:

- *Deficits in early years are lower; later years remain similar*
 - *PERS assumption changes are increasing PERS rates*
 - *Salary / benefit forecast uncertain due to negotiations*
 - *12/13 budget includes key investments*
 - *Community and Council priorities*
 - *Long-term revenue growth*
 - *Better funding policies for OPEB / Pension liabilities*
 - *Technology investments*
 - *Measure F recommendations*
 - *Fund several key limited-term initiatives*
 - *Backfill 12/13 deficit estimated at \$1 million*
- *Discuss, Review and Provide Input to Staff to Forward to City Council*

Committee Members provided feedback and input to staff. Upon completion of the discussion, the Committee agreed on the following four points:

- 1. Members did not have concerns about the City Manager's Proposed FY 12/13 Budget;*
- 2. Members are anxious that the City continues to have a growing long-term structural deficit and a lack of identified revenue opportunities;*
- 3. Members had questions regarding staff's projected increase in sales tax revenues considering the new retail developments in neighboring communities and the potential for sales tax leakage;*
- 4. Members believe that Measure F revenues should be utilized to make strategic investments including the Police NET Team and the Economic Development position.*

*These comments were passed along to the Council at the April 17th
Council meeting in the City Manager's Overview presentation.*

E. Adjournment

*The meeting was adjourned at 9am. The Committee's next meeting will be on
May 17, 2012.*