

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