



THE CITY OF
NOVATO
CALIFORNIA

MINUTES
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.