



THE CITY OF
NOVATO
CALIFORNIA

SPECIAL MEETING

AGENDA

MEASURE F OVERSIGHT/CITIZENS FINANCE COMMITTEE

Friday, January 25, 2013: 7:30AM – 9:00AM

75 ROWLAND WAY #200

ATHERTON CONFERENCE ROOM

A. Call to Order

B. Approval of Final Agenda

C. 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.*)

D. Committee Organizational Items

D – 1: Approval of December 13, 2012 Meeting Minutes (5 minutes)

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: Fiscal Sustainability: Preview of Working Draft Economic Development Work Session with Economic Development Manager Chris Stewart and Finance Staff (to be distributed at the meeting) (75 minutes)

E – 2: Update on Fiscal Sustainability Work Plan and Public Outreach (5 minutes)

E – 3: Overview and discussion of the Comprehensive Annual Financial Report with Finance Director Brian Cochran (10 minutes)

F. Committee/Staff Comments

G. Attachments:

1. December 13, 2012 Meeting Minutes

H. Adjournment

G – 1: Next Regular Meeting – TBD

1) Fiscal Sustainability: Preview of Employee Compensation Work Session

AFFIDAVIT OF POSTING

I, Carla Hansen, certify that on, January 22, 2013, I caused to be posted the agenda of the Friday, January 25, 2013 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.

/Carla Hansen/ Carla Hansen, Management Analyst



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MEASURE F OVERSIGHT/CITIZENS FINANCE COMMITTEE
THURSDAY, DECEMBER 13, 2012: 7:30AM – 9:00AM
75 ROWLAND WAY #200
ATHERTON CONFERENCE ROOM

A. Call to Order

The meeting was called to order at 7:35a.m. In attendance were:

Committee Members: Cris MacKenzie, Caitrin Devine, Bob Scott, Bob Ratto, David Bentley and Al Berson. Robert Jordan was absent

City Staff: Cathy Capriola, Brian Cochran, Maureen Chapman and Carla Hansen

B. Approval of Final Agenda

The final agenda was approved unanimously

C. 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.

D. Committee Organizational Items

D – 1: Approval of November 29, 2012 Meeting Minutes (5 minutes)

The minutes were approved unanimously.

D – 2: Communications Coordinator Peggy Flynn Introduction (5 minutes)

Peggy Flynn, Communication Coordinator, introduced herself and previous public sector experience. She has 15 years experience working as a Communications Manager for San Jose Redevelopment Agency, the Santa Clara Valley Water District, and most recently, the Sonoma County Agricultural Preservation and Open Space District.

She spoke about a communications survey currently underway to understand how well the City is communicating internally and with the public. The survey results will help improve how the City is disseminating information, the most effective ways to reach busy residents and reveal what information is important to them.

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: Fiscal Sustainability: Discussion of Public Outreach Work Plan and Recap of City Council Revenue Work Plan Presentation (45 minutes)

C. Capriola presented the fiscal sustainability public outreach work plan. The goal of the outreach is to understand what services and what services levels residents' value in order to achieve a fiscally sustainable City in the future. The public outreach will consist of a community survey, three town hall meetings (one specifically for Committee and Board members) where residents can provide input on what revenue and expenditure options are most important to them using an options tool currently being developed.

A draft of the fiscal sustainability plan incorporating public feedback will be presented to Council in June along with the FY 13/14 proposed budget.

B. Cochran presented a recap of the City Council's revenue work plan presentation. The Council did not have any major changes or concerns with the presentation. Staff incorporated the additions, edits and further research requested from the Oversight Committee. B. Cochran briefly went through the presentation slides where changes were made:

- **Slide 10: Per Capita Tax Revenue- 2010/2011** - *The slide compares Novato's total per capita tax revenue (excluding Fire and EMS net expenses/revenue) to 22 other comparable Cities within the Bay Area. At the Committee's request, one-quarter of Measure F revenue (\$700,000) was excluded from the chart. Novato ranks 7th from the bottom in per capita tax revenue. B. Cochran noted that a minimal \$10 tax increase per person in Novato could create \$520,000 in revenue for City services.*
- **Slide 24: Transient Occupancy Tax** - *This slide shows how much revenue is generated by the Transient Occupancy Tax (Novato hotel guest pay a 12% tax- \$1 million annually. The Committee requested an estimate on how much revenue would be generated from a new hotel. A new 116-room business-class hotel at Hannah Ranch could generate \$368,000 annually (assuming 70% occupancy at \$138 per night), but this calculation does not include any cannibalization from other Novato hotels.*
- **Slides 26-28: Business License Fees** - *The City has an ordinance (put into place in 1993) that charges businesses a flat fee for a license to operate within the City. Within this ordinance there is a CPI escalator that should increase the fee each year. The fee has not been increased since 2003. The Committee requested staff include what the rates could be if the CPI escalator was implemented. If the fee was "caught up" or increased 25%, a basic business license would increase from \$97 to \$123 annually. An option for a staggered, year-to-year increase get "caught up" was also discussed. Staff also included research of other Cities' business license fees and structures. Most have a mixture of a flat rate with added fees for the number of employees and a sliding-scale gross receipts range of fees.*
- **Slide 30: Refuse Franchise/Vehicle Impact Fee** - *The Novato Sanitary District grants the franchise for waste hauling in Novato. The total fees collected from the hauler by the Sanitary District are \$45,000 plus CPI factor annually. This fee does not include a vehicle impact fee. The City of Novato maintains the roads the hauler drives on but is not compensated. The Committee requested staff research the amount of refuse franchise fees other Cities were collecting. The amount of revenue generated in other Cities ranges from \$925,000 to \$2.6 million (including vehicle impact fees). The City of Novato receives nothing. B. Cochran pointed out that the Sanitary District recently extended the franchise fee and that the hauler could pass along any increase in fees to customers.*

Staff sincerely appreciates the Committee's input and ideas on working draft presentations. The input allows staff to polish and further research areas of community interest making final outputs better.

F. Committee/Staff Comments

There were no additional comments

G. Adjournment

G – 1: Next Regular Meeting – TBD

The meeting was adjourned at 9:15 AM.