

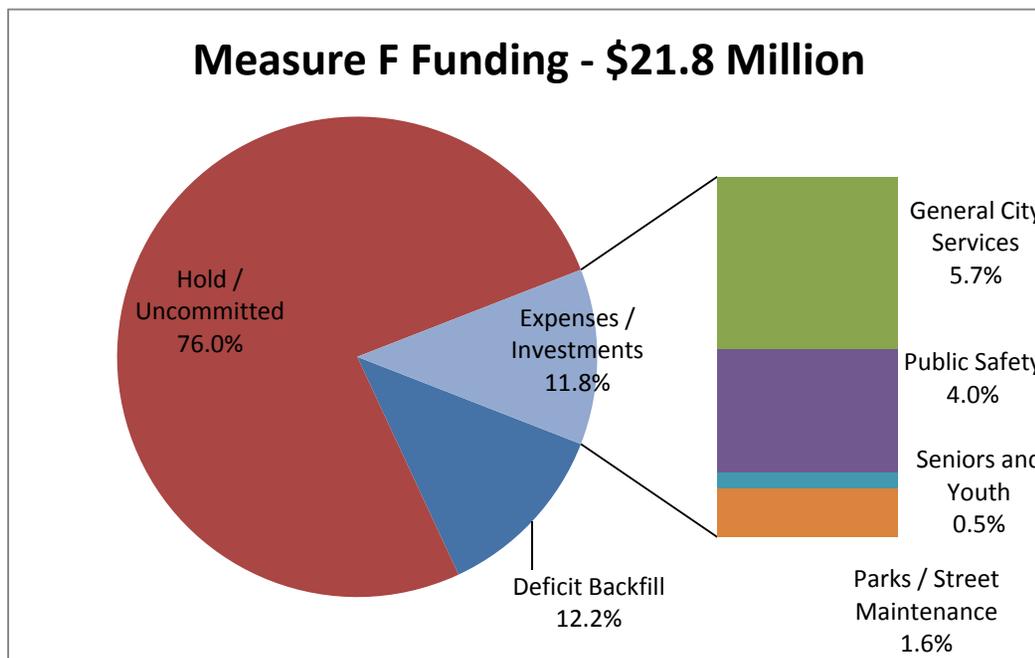
City of Novato

Measure F Annual Report Executive Summary

FISCAL SUSTAINABILITY FOR YOUR CITY

During the recession, the City Council made difficult decisions to reduce service levels by eliminating staff positions through layoffs and early retirements, negotiating employee concessions, and realigning, eliminating and consolidating services. 23% of the City workforce was eliminated. 30% of staff were reduced in every department, except Police. The City's economic development program was discontinued with the State's elimination of redevelopment agencies across California. Employees took furloughs, assumed a portion of retirement costs, and received no cost-of-living adjustment for five years. Over 5 years, almost \$5 million was cut from the City's General Fund, yet a structural deficit remained – expenses remained greater than revenues. In 2010, the Council declared a fiscal emergency and placed Measure F (a 5 year ½ cent sales tax) on the ballot. Measure F passed by a vote of 58% to 42%, preventing more cuts impacting Novato residents and our overall quality of life. With Measure F in place, the City has been analyzing options to create a long-term plan to allow the City organization to operate in a fiscally balanced manner.

Since adoption by the Novato voters in November 2010, the Measure F sales tax has filled a number of crucial gaps in the City of Novato's services, as well as backfilled the overall budget deficit in the General Fund to prevent additional service reductions. The tax generates over \$4 million annually in new revenue to the City; thus, over the five-year horizon of the Measure, approximately \$21.8 million is projected to be generated for the provision of programs and services to local residents.



Much of the money generated to date from Measure F remains unspent. This is a deliberate decision on the part of the City to conservatively allocate the funds. The City Council and the Measure F Oversight Committee view Measure F as one-time funds. The use of Measure F funds is directly tied to a long-term fiscal sustainability strategy and decision for the City. Different options exist to attain this sustainability, and once a long-term plan is adopted, additional discussions about the use of the remaining Measure F funds can commence.

Of the approximately \$9 million in Measure F tax that has been collected through the end of fiscal year 2012-13, \$722,000 has been spent directly on programs, staffing, and

services to the community; another \$548,000 has been used to directly offset General Fund deficits and avoid / prevent additional budget reductions. The 2013-14 fiscal year will see the continuation of many of the Measure F funded programs. Additionally, for FY 2013-2014, there are some new Measure F expenditures budgeted . Measure F funds the following programs and services as broadly described below.

Economic Development and General City Services	Enhance Neighborhood Services or Public Safety	Support Seniors, Youth and Families	Reinvest in Park and Street Maintenance
<ul style="list-style-type: none"> ▪ Re-establishment of an Economic Development program after the State’s elimination of Novato’s Redevelopment Agency. ▪ Establishment of a Hamilton base reuse program to move forward with key studies and negotiations on the reuse of City-owned properties. ▪ One front desk receptionist to improve overall customer service (originally scheduled to be laid off). 	<ul style="list-style-type: none"> ▪ One Management Analyst staff person along with equipment and supplies to support the Novato Response Team in the Police Department. ▪ Emergency preparedness planning and assistance.* 	<ul style="list-style-type: none"> ▪ Afterschool initiative pilot program. ▪ Low-income youth recreation scholarships and an expansion of the afterschool initiative.* ▪ Youth needs summit.* 	<ul style="list-style-type: none"> ▪ One additional streets / landscape maintenance worker (originally scheduled to be laid off). <p style="text-align: right;">*New for the 2013-14 Fiscal Year</p>

The City Council spent much of 2012-13 engaged in a detailed fiscal sustainability planning effort. This effort will continue into 2013-14 with additional public outreach and communication, resulting in the City Council’s adoption of a formal Fiscal Sustainability Plan. The fiscal sustainability plan will most likely utilize some additional Measure F funds in strategic ways – both to bridge any additional deficits and to make some key investments to improve the long-term financial viability of the City. After the fiscal sustainability plan has been adopted, there will be additional opportunities to discuss future use of the remaining Measure F funds, whether for additional programs and services, infrastructure and technology improvements, additional strategic financial investments, or a wide variety of other possible uses.

The Measure F Committee looks forward to engaging in these future discussions and assisting the City Council and Community plan for the long-term vision for Novato’s sustainability. As stated in last year’s Measure F Annual Report, the Committee urges the City Council to adopt a fiscal sustainability plan in 2013 that provides the City with a balanced budget by 2015-16 when the Measure F tax sunsets.

The Committee welcomes input from Novato residents and encourages you learn more about Measure F and read the full Measure F Annual Report at the City’s Measure F webpage: <http://www.novato.org/Index.aspx?page=1991>

View the City’s Draft Fiscal Sustainability Plan: <http://www.novato.org/index.aspx?page=1982>

