



THE CITY OF
NOVATO
CALIFORNIA

**NOVATO CITIZENS FINANCE ADVISORY/
OVERSIGHT COMMITTEE MEETING**

to be held at

922 Machin Avenue
Novato, CA 94945
415/899-8900
FAX 415/899-8213
www.novato.org

City Administrative Offices
Womack Conference Room
922 Machin Ave

February 16, 2017
7:30AM

Chair

Caitrin Devine

Vice Chair

Tim O'Connor

Commissioners

David Bentley

Regina Bianucci Rus

Don Bibeault

Cris MacKenzie

Robert J. Scott, Jr

AGENDA

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.

7:35 A.M. *(Time is approximate.)*

D. COMMITTEE ORGANIZATIONAL ITEMS

D-1: APPROVE MEETING MINUTES OF DECEMBER 8, 2016

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.

7:40 A.M. *(Time is approximate.)*

E-1: RECAP OF COUNCIL ACTION ON MEASURE C ACCOUNTING / COMMITTEE ROLE

Receive a brief update on the City Council actions of December 13, 2016 regarding the Committee role and the accounting policy for Measure C sales tax.

7:50 A.M. *(Time is approximate.)*

E-2: ONE-TIME FUNDING REQUEST FOR NOVATO INDEPENDENT ELDERS PROGRAM

Consider a one-time funding request of \$11,000 from Measure F funds for the Novato Independent Elders Program.

8:00 A.M. (Time is approximate.)

E-3: REVIEW OF DRAFT FIVE-YEAR FORECAST

Review and provide feedback on an updated draft five-year General Fund forecast.

8:30 A.M. (Time is approximate.)

E-4: REVIEW OF IT MASTER PLAN AND IT PROJECTS

Receive an overview and update from information technology staff on recent technology project expenditures and upcoming key projects.

F. COMMITTEE / STAFF COMMENTS

G. ADJOURNMENT

AFFIDAVIT OF POSTING

I, Brian Cochran, certify that on February 9, 2017 I caused to be posted the agenda of the February 16, 2017 meeting of the Novato Citizens Finance Advisory/Oversight Committee meeting of the City of Novato, California, on the City of Novato Community Service Boards in City Hall and the Police Department, and on the City's website at www.novato.org.

/Brian Cochran/
Finance Manager



THE CITY OF
NOVATO
CALIFORNIA

922 Machin Avenue
Novato, CA 94945
415/ 899-8900
FAX 415/ 899-8213
www.novato.org

STAFF REPORT

MEETING

DATE: February 16, 2017

TO: Citizens Finance Advisory / Oversight Committee

FROM: Pam Shinault, Director Parks, Recreation and Community Services

SUBJECT: **NOVATO INDEPENDENT ELDER'S PROGRAM ONE-TIME FUNDING REQUEST**

REQUEST

Allocate one-time funding to fill Community Development Block Grant funding shortfall

RECOMMENDATION

Recommend allocation of \$11,000 in one-time funds using Measure F

DISCUSSION

History of Novato Independent Elders Program

The Novato Independent Elders Program (NIEP) formed in 1990, as part of the Marin Independent Elders Project. In 1995, the City of Novato took over NIEP and brought the program to Margaret Todd Senior Center. Initial funding support for the program was provided by Marin Community Foundation, who funded a half time position, and provided funding for operating expenses. The City provided in-kind contributions in the early days at Margaret Todd Senior Center.

NIEP provides programs and services to older adults with a focus on the isolated, frail, multicultural, and low income older adults in Novato. The program is located at the City-owned and operated Margaret Todd Senior Center. Throughout NIEP's history, most NIEP programs have been free to the community.

Beginning in FY 08/09, the City paid for a full time position to manage the program, plus continued to provide in-kind support. Marin Community Foundation supported operating expenses only. Then, in FY 9/10, the City began consecutive years of budget reductions, and eliminated the position. However, MCF stepped back in and provided funding of \$65,000 and a Community Development Block Grant (CDBG) funded \$32,000, thereby saving the position and the program for an additional year.

A chance meeting in a grocery store, began the discussion and launched the partnership with Episcopal Senior Communities (ESC), who took over the program in FY 11/12. ESC is a 501c3, nondenominational corporation founded in 1965, and operates continuing care retirement communities, affordable housing sites, and outreach services in Alameda, Contra Costa, San

Francisco, Monterey, Sonoma and Marin counties. The partnership between the City of Novato and ESC has allowed the NIEP program to continue at MTSC for over six years now. NIEP programs support the independence and improve the quality of life of Novato older adults and the City of Novato has continued to host them at Margaret Todd Senior Center.

NIEP collaborates with many agencies and individuals to identify gaps in service delivery and develops programs to meet many needs. NIEP has and remains committed to creating broad based community support systems to enable older adults to maintain independence, dignity and avoid isolation and unnecessary institutionalization. NIEP programs include, yardwork assistance, home-delivered groceries for homebound older adults, a produce market, operation of a daily nutrition site, and holds workshops on topics to support retaining independence for as long as possible. NIEP serves over 13,000 older adults each year in Novato.

COMMUNITY DEVELOPMENT BLOCK GRANT FUNDING

In anticipation of the permanent reduction of City financial support for NIEP staff and operation, beginning in FY 11/12, Community Development Block Grant (CDBG) funding was sought by ESC to assist with retention of the program at MTSC.

The CDBG programs is a federally funded program in the Department of Housing and Urban Development that provides funding for housing, community facilities and human services. In Novato, examples of CDBG funded projects have included site acquisition for transitional housing, rehabilitation of child care centers, and a wide range of human services, including support for older adult services, particularly NIEP, and child care scholarships provided through non-profit providers.

In 2009, the Novato City Council adopted CDBG guidelines to give greater consideration to public service CDBG applicants that:

- (a) Are City of Novato programs or are City sponsored.
- (b) Provide services to Novato residents, youth, families and older adults, emphasizing economic needs.
- (c) Have a history of successfully managing past grants.
- (d) Can expend the funds in a timely fusion.

The NIEP program meets each of these criteria and consequently, has successfully secured CDBG funding each year, competing against other programs. ESC has received CDBG funding for NIEP at Margaret Todd Senior Center each year as follows:

FY 11/12:	\$15,000
FY 12/13:	\$25,000
FY 13/14:	\$25,000
FY 14/15:	\$26,000
FY 15/16:	\$26,000
FY 16/17:	\$15,000

With the reduction of \$11,000 in CDBG funding for FY 16/17, Council directed City staff to find the funding to fill the gap this year. Therefore, since the program targets low-income, frail and multicultural older adults in Novato, providing support services and programs to help them remain

independent and healthy for as long as possible, use of Measure F funding to fill this gap is recommended.

One-time gap funding of \$11,000 from Measure F, will support our valued ESC partner and continuation of the many great NIEP programs offered for Novato older adults at the City's dedicated senior center. The work of ESC and the NIEP program, benefits everyone in Novato, and allows our most vulnerable older adults to remain connected with our community and not isolated and alone.

Staff will pursue returning the level of CDBG funding next year, to \$26,000, to continue support of Novato's older adults.

FISCAL IMPACT

\$11,000 of Measure F funds allocated to ESC to continue NIEP programs and services at Margaret Todd Senior Center is recommended.

ALTERNATIVES

1. Do not recommend use of Measure F funds for this purpose.

ATTACHMENTS

None



THE CITY OF
NOVATO
CALIFORNIA

922 Machin Avenue
Novato, CA 94945
415/ 899-8900
FAX 415/ 899-8213
www.novato.org

STAFF REPORT

MEETING

DATE: February 16, 2017

TO: Citizens Finance Advisory / Oversight Committee

FROM: Brian Cochran, Finance Manager

SUBJECT: **REVIEW OF DRAFT FIVE-YEAR GENERAL FUND FORECAST**

REQUEST

Review the draft updated five-year General Fund forecast and provide feedback to staff.

DISCUSSION

City staff prepare and maintain a General Fund five-year forecast to conduct budget planning and analysis of upcoming revenue and expenditure trends. The forecast is updated several times a year as new information becomes available. It is largely assumption-driven based on known information and assumed growth rates of revenues and expenditures. Several factors are driving the latest updates to the forecast, including the following:

- Property tax growth trends;
- Sales tax growth trends;
- Increasing contribution rates for CalPERS retirement; and
- Implementation of the recently completed bargaining unit memoranda of understanding.

Staff will review the forecast and assumptions at the meeting and the Committee may provide feedback and input to staff. As is typically the case, the forecast is still in draft format and may change over the next few weeks as staff finalizes the documentation for presentation at the City Council meeting on February 28, 2017.

ATTACHMENTS

1. Draft Five-Year Forecast Summary

**City of Novato - Five Year
General Fund Forecast**

**February 2017 Update - Five Year Forecast
WORKING DRAFT - 2/16/2017**

	Actual 2015/16	Current Year 2016/17	Forecast 2017/18	→			
				2018/19	2019/20	2020/21	2021/22
Revenues	34,049,200	35,304,826	36,140,705	37,210,229	38,314,564	39,454,917	40,632,537
Transfers In	1,265,456	1,310,500	1,442,500	1,452,610	1,463,023	1,473,749	1,484,796
TOTAL REV'S & TRANSFERS IN	35,314,656	36,615,326	37,583,205	38,662,839	39,777,588	40,928,666	42,117,334
Expenditures	31,623,046	33,673,848	35,066,103	36,210,132	37,980,254	39,441,431	41,140,488
Position Vacancy / Savings Factor	-	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)
Transfers Out	3,011,948	2,900,365	3,087,522	3,168,375	3,270,070	3,375,833	3,485,827
TOTAL EXP'S & TRANSFERS OUT	34,634,994	36,074,213	37,653,625	38,878,507	40,750,324	42,317,264	44,126,315
Operating Surplus / (Deficit)	679,662	541,113	(70,420)	(215,667)	(972,737)	(1,388,598)	(2,008,981)
Beginning Reserve Fund Balance	5,309,052	5,458,846	5,549,959	5,549,959	5,549,959	5,697,038	5,916,215
Use of Measure F - Deficit Backfill	-	-	70,420	215,667	1,119,816	1,607,774	2,263,840
Novato Theater Contribution	(550,000)	(450,000)					
Balance Sheet Adjustments	20,132						
Ending Reserve Fund Balance	5,458,846	5,549,959	5,549,959	5,549,959	5,697,038	5,916,215	6,171,073
% of Expenditures	17.26%	16.48%	15.83%	15.33%	15.00%	15.00%	15.00%

Revenue Assumptions

**February 2017 Update - Five Year Forecast
WORKING DRAFT - 2/16/2017**

	Actuals	Current Yr	Forecast		→							
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2017/18	2018/19	2019/20	2020/21	2021/22
Property Tax	8,475,000	8,814,000	8,958,560	9,316,902	9,689,578	10,077,162	10,480,248	4.0%	4.0%	4.0%	4.0%	4.0%
In-Lieu Sales Tax (Triple Flip)		-	-	-	-	-	-					
In-Lieu VLF	4,363,000	4,515,700	4,696,328	4,884,181	5,079,548	5,282,730	5,494,040	4.0%	4.0%	4.0%	4.0%	4.0%
Sales Tax	8,987,283	8,704,525	8,922,138	9,145,192	9,373,821	9,608,167	9,848,371	2.5%	2.5%	2.5%	2.5%	2.5%
Measure C Sales Tax	500,000	2,531,000	2,609,461	2,690,354	2,773,755	2,859,742	2,948,394	3.1%	3.1%	3.1%	3.1%	3.1%
Prop 172 Sales Tax	442,000	455,260	466,642	478,308	490,265	502,522	515,085	2.5%	2.5%	2.5%	2.5%	2.5%
Real Property Transfer Tax	350,000	353,500	357,035	360,605	364,211	367,854	371,532	1.0%	1.0%	1.0%	1.0%	1.0%
Transient Occupancy Tax	1,605,400	1,669,616	1,719,704	1,771,296	1,824,434	1,879,168	1,935,543	3.0%	3.0%	3.0%	3.0%	3.0%
Business Tax	1,112,000	1,206,520	1,236,683	1,267,600	1,299,290	1,331,772	1,365,067	2.5%	2.5%	2.5%	2.5%	2.5%
Cable Television Tax	991,000	1,010,820	1,031,036	1,051,657	1,072,690	1,094,144	1,116,027	2.0%	2.0%	2.0%	2.0%	2.0%
PG&E Tax	565,000	570,650	576,357	582,120	587,941	593,821	599,759	1.0%	1.0%	1.0%	1.0%	1.0%
Licenses and Permits	1,111,150	1,132,450	1,155,099	1,178,201	1,201,765	1,225,800	1,250,316	2.0%	2.0%	2.0%	2.0%	2.0%
Intergovernmental	532,150	438,050	442,431	446,855	451,323	455,837	460,395	1.0%	1.0%	1.0%	1.0%	1.0%
Charges for Services	3,123,455	2,828,305	2,884,871	2,942,569	3,001,420	3,061,448	3,122,677	2.0%	2.0%	2.0%	2.0%	2.0%
Fines and Forfeitures	496,500	510,500	515,605	520,761	525,969	531,228	536,541	1.0%	1.0%	1.0%	1.0%	1.0%
Uses of Money	624,035	482,530	487,355	492,229	497,151	502,123	507,144	1.0%	1.0%	1.0%	1.0%	1.0%
Miscellaneous	138,000	81,400	81,400	81,400	81,400	81,400	81,400	0.0%	0.0%	0.0%	0.0%	0.0%
	33,415,973	35,304,826	36,140,705	37,210,229	38,314,564	39,454,917	40,632,537	2.4%	3.0%	3.0%	3.0%	3.0%

Key Expenditure Assumptions

February 2017 Update - Five Year Forecast WORKING DRAFT - 2/16/2017

	2017/18	2018/19	2019/20	2020/21	2021/22
Salaries - MISC	3.50%	3.50%	3.00%	3.00%	3.00%
Salaries - SAFETY	3.50%	3.50%	3.00%	3.00%	3.00%
PERS - MISC Employer Contribution Rate	8.66%	9.10%	9.500%	9.900%	10.300%
PERS - MISC Unfunded Amortization \$\$	\$ 1,024,709	\$ 1,332,678	\$ 1,676,822	\$ 1,907,956	\$ 2,196,995
PERS - SAFETY Employer Contribution Rate	16.50%	16.60%	17.00%	17.400%	17.800%
PERS - SAFETY Pool Unfunded Amortization \$\$	\$ 1,033,004	\$ 1,387,100	\$ 1,783,739	\$ 2,066,189	\$ 2,388,691
PERS - SAFETY PEPRRA Contribution Rate	12.00%	12.00%	12.00%	12.00%	12.00%
Other Benefits	1.00%	1.00%	1.00%	1.00%	1.00%
Contract / Consultant Services	2.50%	2.50%	2.50%	2.50%	2.50%
Materials / Supplies	2.50%	2.50%	2.50%	2.50%	2.50%
Liability / Risk Management	5.00%	5.00%	5.00%	5.00%	5.00%
Utilities	5.00%	5.00%	5.00%	5.00%	5.00%

Notes:

- Salary growth rates include an assumption of 0.5% growth due to merit / step increases.
- With the except of PERS Contribution Rates, assumptions listed are the baseline growth assumptions used in the expenditure forecast. They do not factor in one-time items, limited-term positions, grants expiring, etc. PERS Contribution Rates are expressed as a percentage of pensionable wages/salary.

All Departments Expenditures

**February 2017 Update - Five Year Forecast
WORKING DRAFT - 2/16/2017**

	Actuals 2015/16	Current Year 2016/17	Forecast 2017/18	2018/19	2019/20	2020/21	2021/22	2017/18	2018/19	2019/20	2020/21	2021/22
Salaries - MISC	9,504,718	9,615,637	9,952,184	10,133,323	10,437,323	10,750,443	11,072,956	3.5%	1.8%	3.0%	3.0%	3.0%
Salaries - SAFETY	6,268,663	6,113,742	6,327,723	6,549,193	6,745,669	6,948,039	7,156,480	3.5%	3.5%	3.0%	3.0%	3.0%
One-Time MOU Payments	-		185,000					0.0%	0.0%	0.0%	0.0%	0.0%
Salaries - Overtime and Temp	1,443,854	1,487,170	1,539,221	1,593,093	1,640,886	1,690,113	1,740,816	3.5%	3.5%	3.5%	3.5%	3.5%
PERS - MISC	1,486,049	1,673,541	1,851,002	2,208,167	2,609,679	2,905,471	3,260,614	10.6%	19.3%	18.2%	11.3%	12.2%
PERS - SAFETY	1,648,982	1,776,414	1,928,567	2,302,357	2,724,737	3,038,043	3,391,218	8.6%	19.4%	18.3%	11.5%	11.6%
Other Benefits	3,552,630	4,243,740	4,286,177	4,329,039	4,372,330	4,416,053	4,460,213	1.0%	1.0%	1.0%	1.0%	1.0%
												0.0%
Budget Additions 16/17		337,000	260,863	267,384	274,069	280,920	287,943	-22.6%	2.5%	2.5%	2.5%	2.5%
Contract / Consultant Services	2,827,403	2,754,588	2,858,687	2,841,732	2,974,275	2,987,132	3,123,311	3.8%	-0.6%	4.7%	0.4%	4.6%
Materials / Supplies	4,438,918	4,452,516	4,563,829	4,677,925	4,794,873	4,914,745	5,037,613	2.5%	2.5%	2.5%	2.5%	2.5%
OPEB Funding	269,000	270,000	279,000	288,000	297,000	307,000	307,000	3.3%	3.2%	3.1%	3.4%	0.0%
Risk / Liability (higher growth)	835,000	824,250	865,463	908,736	954,172	1,001,881	1,051,975	5.0%	5.0%	5.0%	5.0%	5.0%
Utilities (higher growth)	821,667	862,750	905,888	951,182	998,741	1,048,678	1,101,112	5.0%	5.0%	5.0%	5.0%	5.0%
CIP Reimbursement	(737,500)	(737,500)	(737,500)	(700,000)	(700,000)	(700,000)	(700,000)	0.0%	-5.1%	0.0%	0.0%	0.0%
One Time Savings Items	-	-	-	(140,000)	(143,500)	(147,088)	(150,765)	0.0%	0.0%	0.0%	0.0%	0.0%
TOTAL	32,359,384	33,673,848	35,066,103	36,210,132	37,980,254	39,441,431	41,140,488	4.1%	3.3%	4.9%	3.8%	3.9%