



THE CITY OF
NOVATO
CALIFORNIA

NOVATO CITIZENS FINANCE ADVISORY/ OVERSIGHT COMMITTEE MEETING

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

DECEMBER 21, 2017
7:30 AM

Chair

Tim O'Conner

Vice Chair

Regina Bianucci Rus

Commissioners

Caitrin Devine

David Bentley

Cris MacKenzie

Rafelina Maglio

Robert J. Scott, Jr

MINUTES

A. CALL TO ORDER

Meeting called to order at 7:34 am. Committee Members: David Bentley, Regina Bianucci Rus, Cris MacKenzie, Rafelina Maglio. Staff Members: Assistant City Manager Michael Antwine (arrived at 7:53 am), Finance Manager Tony Clark, Accounting Supervisor Maureen Chapman, Accounting Technician Christina Soares, Technology Manager Scott Sanders. City Council Member: Pam Drew, Pat Eklund (arrived at 7:37)

B. APPROVAL OF FINAL AGENDA

Bentley motioned to approve, MacKenzie seconded the motion. Approved unanimously. Ayes: 4 (Bentley, Maglio, Bianucci Rus, MacKenzie) Noes: 0. Absent: 3 (O'Conner, Devine, Scott, Jr.)

C. PUBLIC COMMENT

None

D. COMMITTEE ORGANIZATIONAL ITEMS

D-1: APPROVAL OF NOVEMBER 16, 2017 MINUTES

Bentley motioned to approve, Bianucci Rus seconded motion upon minor changes: Correct Measure E to F and add MacKenzie comment regarding flat percentage instead of range due to change or flexibility. Ayes: 4 (Bentley, Maglio, Bianucci Rus, MacKenzie) Noes: 0. Absent: 3 (O'Conner, Devine, Scott, Jr.)

E. GENERAL BUSINESS

E-1: REQUEST TO APPROVE \$88,400 IN MEASURE F FUNDS TO BE TRANSFERRED TO THE GENERAL FUND CAPITAL IMPROVEMENT PROJECTS AND USED FOR A POLICE DEPARTMENT VIDEO MANAGEMENT SYSTEM

Information, discussion, and request approval to move \$88,400 in funds from Measure F Fund 111 to General Fund-Capital Improvements Projects Fund 101 and increase appropriations by \$88,400 in the following GL-Accounts:

111.00.00-991.301 *Operating Transfers Out Capital Projects
Measure F IT Division for Visual Camera Upgrade system*

301.00.000-891.111 *Operating Transfers In Measure F Sales Tax*

301.15.941-600.126 *Capital Projects, Administrative Services, CIP
Development-Outside Services / Professional Services IT Services
CP18011 Security Cameras & Council Chambers AV Equipment*

Technology Manger Scott Sanders presented current technology improvement projects to the Committee. Sanders asked the Committee to consider allocating additional Measure F Funds of \$88,400.00 to complete the Council Chambers Audio/Visual improvements and the Police Department Video Management system.

Bentley asked about the Technology Replacement Fund. Sanders noted it includes funding for IT equipment and software but does not include funding for current Council Chambers improvements and police video surveillance equipment.

MacKenzie asked what the City's process is for revised budget/project increases and changing scopes of projects. Chapman added at the time of the budget approval process, projects have an anticipated cost. When the scope of a project changes and requires additional funding, Council is asked to approve additional funding.

Bentley motioned to move for staff recommendation, Bianucci Rus seconded. Ayes: 4 (Bentley, Maglio, Bianucci Rus, MacKenzie) Noes: 0. Absent: 3 (O'Conner, Devine, Scott, Jr.)

Bianucci Rus suggested looking at Technology Replacement Reserve Fund for deficiencies to be made known and an opportunity to fix underfunding in that reserve.

E-2: FUTURE USE OF MEASURE F FUNDS

Information and discussion on the future use of an unassigned Measure F Fund Balance of \$1.03m

Finance Manager Tony Clark established a dialogue with the Committee regarding Unassigned Fund balance. ACM Antwine noted looking strategically at key projects that fit within Measure F Fund use. The Committee suggested looking at a longer review period to cover future deficits and added that Measure F was approved specifically for deficits. The Committee also suggested having a more strategic view of fiscal sustainability, major projects over the next five years and five year forecast before chipping away

at unassigned balance. Using funds within ballot language strategic proposals with long-term sustainability outcomes. MacKenzie requested to have the overall strategic plan in front of the Committee before making a decision.

E-3: REVIEW MID-YEAR BUDGET STRATEGY & TIMELINE

Information and discussion of Mid-Year Budget and FY18/19 Strategy and timeline that will be presented to Council on February 27, 2018

Finance Manager Clark looking for input from Committee regarding Profit & Loss Report. ACM Antwine also looking at strategic approach during budget process. Develop process that builds timeframe that allows time for feedback from various groups. Thoughts and feedback on budget process going forward. The Committee suggested adding historical information on Profit & Loss Statement. MacKenzie asked about impact of external decisions that affect the City and build budget around assumptions. Antwine noted Los Angeles County budget forecasting using external factors, existing conditions and future known liabilities that form budget conversation. Looking at similar approach during budget process. Clark added working on developing forecast leading to budget process. Also to develop a stronger Purchase Policy and utilize the Blanket Purchase Orders to encumber funds to generate more accurate estimated actuals. Bentley thanked Antwine & Clark for their hard work and for moving so quickly with the process. Suggested creating sub-committee to make budget process easier and more user-friendly.

E-4: REPORT ON FY16/17 COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

Information and discussion of audited FY16/17 CAFR

Chapman noted the audit is complete and will be posted to the City's website today. Audit came back clean with few minor suggestions for improvement. The final General Fund balance is \$1.56 million. At the November meeting, Council approved \$350,000 from Unassigned Fund balance to be used for employee recognition payments and wellness program. \$300,000.00 also transferred to Insurance Reserve. Bentley asked how long we have been with the current auditors. Noted they change auditors every three years.

F. COMMITTEE / STAFF COMMENTS

Antwine agrees a great idea to create sub-committee for budget process. Bianucci Rus volunteered for sub-committee. Bentley requested the suggestion for sub-committee be added to the agenda. Bianucci Rus asked for a timeline as well. Antwine discussing with Council potential strategies for pension obligations. Will be emailing Council for suggestions of other use of funds and incorporate into Staff Report. Also looking at work-force housing, attracting and retaining employees. Potential costs would be long-term and would be discussed with labor groups. Try to incorporate those changes next fiscal year.

G. FUTURE MEETINGS

Next meeting scheduled for January 18th, 2018

Bentley would like to review CAFR Report at meeting. Antwine will add to agenda.

H. ADJOURNMENT

Meeting adjourned at 8:37 am.