



THE CITY OF
NOVATO
CALIFORNIA

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

Chair
Tim O'Conner
Vice Chair
Regina Bianucci Rus
Commissioners
Caitrin Devine
David Bentley
Cris MacKenzie
Rafelina Maglio
Robert J. Scott, Jr

AMENDED

NOVATO CITIZENS FINANCE ADVISORY/ OVERSIGHT COMMITTEE MEETING

to be held at

City Administrative Offices
Womack Conference Room
922 Machin Ave

May 17th, 2018
7:30 AM

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

- ¹D-1: APPROVAL OF MARCH 26, 2018 MINUTES
- D-2: APPROVAL OF APRIL 19, 2018 MINUTES

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

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.

- ²E-1: TO REVIEW AND PROVIDE FEEDBACK ON THE PROPOSED FY 18-19 MEASURE F & TECHNOLOGY AND ORGANIZATION INVESTMENT (TOI) FUNDS FOR THE FUNDING REQUESTS AND OVERVIEW OF THE PROPOSED OPERATING GENERAL FUND BUDGET

F. COMMITTEE / STAFF COMMENTS

¹ This was inadvertently placed on the agenda in error.

² Originally, this item stated that only the Operating Budget Departmental Requests would be discussed. Now, the item will include a discussion of also the proposed usage of Measure F and TOI Funds for the Operating General Fund Budget.

G. FUTURE MEETINGS

Next meeting scheduled for June 7th, 2018

H. ADJOURNMENT

AFFIDAVIT OF POSTING

I, Tony Clark, certify that on May 16, 2018, I caused to be posted the agenda of the May 17, 2018 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.

/Tony Clark/
Finance Manager



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

held at

**City Administrative Offices
Womack Conference Room
922 Machin Ave**

**April 19th, 2018
7:30 AM**

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AGENDA

A. CALL TO ORDER

Meeting called to order at 7:32am. Committee Members: Regina Bianucci Rus, Caitrin Devine, David Bentley (arrived at 7:56am), Cris MacKenzie (left at 9:06am), Rafelina Maglio, Robert Scott, Jr. Staff Members: City Manager Regan Candelario, Assistant City Manager Michael Antwine (arrived at 7:56am), Finance Manager Tony Clark, Deputy Director of Public Works Chris Blunk, Accounting Technician Christina Soares. Council Members: Pat Eklund (arrived at 7:39am), Pam Drew.

B. APPROVAL OF FINAL AGENDA

MacKenzie motioned to approve, Scott seconded motion Approved unanimously. Ayes: 6 (Bianucci Rus, Devine, Bentley, MacKenzie, Maglio, Scott, Jr.) Noes: 0, Absent: 1 (O'Connor)

C. PUBLIC COMMENT

None

D. COMMITTEE ORGANIZATIONAL ITEMS

D-1: APPROVAL OF MARCH 26, 2018 MINUTES

Scott motioned to approve, Devine seconded motion Approved unanimously. Ayes: 6 (Bianucci Rus, Devine, Bentley, MacKenzie, Maglio, Scott, Jr.) Noes: 0, Absent: 1 (O'Connor)

E. GENERAL BUSINESS

E-1: REVIEW FY18/19 PROPOSED CIP BUDGET

Chris Blunk presented Capital Improvement Program budget to Committee. Blunk reviewed 7 new projects with \$2.67million in new funds requests, 11 carryover projects with funding proposed, 56 total projects to be active within new fiscal year. Federal Grants make up 30% of CIP funding. Gas tax repeal efforts could be a loss of \$1million for roadway funding maintenance. TAM Measure A sales tax extension could provide additional funding if approved.

CIP prioritization: multi-fiscal year projects receive priority. Studies and reports identify planning needs. Funds available determine what they can be spent on. Funds have restrictions for specific needs. Projects must also meet ADA needs.

Blunk presented the 18/19 proposed new funds (all projects) for Nave Drive, Hill Recreation, PD waterproofing and ADA issues regarding front door access. MacKenzie asked if community ADA advocates at City level. Blunk added they include community feedback as part of project planning.

Bentley noted he was unaware of Hamilton Arts Center project.

Blunk noted there is no ADA ramp at the site and the building needs a new roof. Added that improvements are funded by rent paid by tenants. Rent goes into fund and those dollars set aside for improvements.

Council Member Eklund noted the fund was established to set aside maintenance funds, former City Manager Frank eliminated fund and Eklund re-established the fund for historic Hamilton buildings.

Blunk spoke about the Downtown SMART station: no train control at platform, trains cannot stop with current tracks. Council approved \$3.1 million in funding for station in May 2017. SMART provided updated estimate for downtown station: \$5.2 million in March 2018. Funding increased due to Federal Positive Train Control deadline of December 31, 2018. Phase I funded and complete. Still need \$2.1 million to complete Phase II. Phase III cost unknown. Bentley mentioned the Committee is good representation of the community and the SMART station not a good use of Measure F funds.

Blunk discussed with the Committee proposed new projects. Hamilton pump station-\$75,000 corrosion prevention. Use leftover funds to cover expense.

Lieb Property-\$100,000 of Measure F funds for maintenance. Anticipate to spend all funds. Additional \$100k will be needed to cover additional improvements; painting and septic.

Hamilton pool resurfacing. \$500k-all of fund will pay for resurface. Programmed for 20/21. Antwine looking at revenue sharing agreement with City of San Rafael and possibly renegotiate agreement in year or two. Hamilton Pool great asset for community but lot of expense to maintain. Candelario closely examining agreement and hoping to see better outcome for City. Bianucci Rus inquired about organized swim team. Help organize program, non-profit provide funds while creating funding source to help offset expense.

Blunk presented projects impacted by SB1 (Transportation Funding) repeal:

-) Olive Phase III*
-) Redwood & San Marin Improvements*
-) Traffic, bicycle, pedestrian improvements*
-) N Redwood corridor study*
-) Citywide bridge assessment/improvement*
-) Traffic signal upgrades*

Bentley asked how much of a loss funding would be. Blunk stated \$1m year. MacKenzie inquired about retaining wall projects. Blunk answered the

projects are Simmons Lane retaining wall being built, Sunset Parkway project will start once school is out, third on Simmons Lane (Creekside) but no funding available so project pulled until funding is available at future date.

Blunk finished his presentation to the Committee with the 5 Year project highlights: Novato Blvd improvements, Nave Drive & BMK Blvd-road resurfacing, Hill Recreation Master Plan, Dogbone Meadow and Vineyard Road improvements.

E-2: DISCUSSION ON FY18/19 PROPOSED OPERATING BUDGET

Bianucci Rus asked if anything had changed since Tony's last presentation. Antwine noted nothing major had. Candelario added there have been a lot of budget requests. Antwine noted more public budget planning workshops to be held.

Bianucci Rus suggested combining items E2 & E3 for meeting, since presenting to Council on April 24, May 8th receiving actual direction from Council. Eklund noted council input will occur on May 8th and when could Committee provide input prior to meeting? Bianucci Rus-suggested the Committee meet prior to May 8 due to Council recommendation.

Candelario noted the community workshop on April 24th. Bianucci Rus suggested May 3rd meeting at 7:30 to react to council discussion on April 24 and public workshop feedback. Antwine noted Strategic Plan workshop and plan discussion with Council. Trying to identify projects that align with Strategic Plan. New proposed dates to be sent to council, will be able to identify projects. Try to get plan adopted. Start incorporating Strategic Plan with budget process.

E-3: DISCUSS UPDATED FY18/19 BUDGET TIMELINE

Combined with E-2

E-4: DISCUSSION ON FUTURE SPECIAL MEETINGS TO DISCUSS BUDGET & CAFR

Bianucci Rus clarification on E4 to discuss budget and NOT CAFR

F. COMMITTEE / STAFF COMMENTS

Bentley thanked staff and Blunk for looking at SB1. Devine asked if Train Depot workshop input was going to be incorporated into project. Candelario mentioned they are meeting that evening to discuss.

G. FUTURE MEETINGS

Special meeting scheduled for May 3rd and scheduled meeting for May 17th cancelled. June meeting will be Thursday the 7th.

H. ADJOURNMENT

Bentley motioned to adjourn, Devine seconded motion. Meeting adjourned at 9:07am



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STAFF REPORT

MEETING

DATE: May 17th 2018

TO: Novato Citizens Finance Advisory Oversight Committee

FROM: Michael L. Antwine, Assistant City Manager

PRESENTER: Michael L. Antwine, Assistant City Manager
Tony Clark, Finance Manager

SUBJECT: **REVIEW THE PROPOSED FY18/19 MEASURE F BUDGET
REQUESTS AND OVERVIEW OF THE PROPOSED
FY18/19 OPERATING GENERAL FUND BUDGET**

REQUEST

To review and provide feedback on the proposed FY 18-19 Measure F and Technology & Organization Investment (TOI) funds for the funding requests and overview of the proposed Operating General Fund Budget.

BACKGROUND

As part of the City's budget development process, on April 19th, staff provided the Committee with an overview of the proposed CIP budget for FY 2018-2019. Since that time, staff has made three (3) presentations to the City Council as part of the budget process. The focus of those presentations was an overview of the Five-Year General Fund Financial Forecast, department manager presentations of their respective FY17/18 accomplishments, FY18/19 goals, and proposed FY18/19 budget line item requests and recommendations.

On May 8th, department managers provided the City Council with justifications for their proposed FY18/19 operational expenditure requests. Council provided some initial provided feedback to staff regarding the proposed new operating fund expenditures.

At the May 14th special City Council Meeting, staff provided a prioritization list and proposed funding strategy for the departmental budget requests. The City Council provided some feedback and requested additional time to review the prioritization list and provide staff with additional feedback. Staff will include Council's feedback within the draft FY18/19 proposed City budget, which will be provided to the City Council by May 25, 2018. Staff will provide any Committee feedback to City Council prior to June 12, 2018 public hearing – budget adoption.

DISCUSSION

Budget Development Assumptions:

The FY18/19 budget development process includes a 2.5% growth rate assumption to the current year's approved operations and maintenance (O&M) budgets, a 3% cost of living adjustment (COLA) increase for FY18/19, and respective personnel fringe benefits per the current employee labor agreements. The proposed FY18/19 budget as presented is a balanced budget with an estimated \$40,000 general fund surplus and complies with the City's Emergency Reserve Policy of 15%.

In light of these facts, staff has identified additional services and has requested from the City Council additional funds for one-time and on-going expenditures. In order to fund these activities, staff has submitted a proposed expenditures to the City Council that would utilize a portion of the \$1,000,000 in unallocated Measure F funds, an estimated current year \$750,000 fund balance, a \$509,000 reallocation of FY18/19 General Fund appropriations to the operating account, \$49,637 in Capital Improvement Program (CIP) funds, and \$45,000 from the Technology & Organizational Investment (TOI) funds to assist with implementing the staff recommended projects and activities.

Table 1 below represents a summary of each departments FY18/19 budget requests and their respective funding sources. For the purposes of the Committee, staff is requesting that the Committee provide feedback to regarding the proposed uses of Measure F & TOI funds.

Department	General Fund	Surplus	TOI	Measure F	CIP	Total by Dept.
ASD Admin	\$ 9,024	\$ -	\$ -	\$ 50,000	\$ -	\$ 59,024
Citywide	\$ -	\$100,000	\$ -	\$ 75,000	\$ -	\$ 175,000
Econ Dev	\$ 5,000	\$ 10,000	\$ -	\$ -	\$ -	\$ 15,000
Comm	\$ 15,000	\$ 10,000	\$ -	\$ 25,000	\$ -	\$ 50,000
City Manager	\$ 40,028	\$ -	\$ -	\$ -	\$ -	\$ 40,028
Council	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ 5,000
CDD	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ 40,000
City Clerk	\$ 29,203	\$ 20,000	\$ -	\$ -	\$ -	\$ 49,203
Finance	\$ 13,600	\$ 75,000	\$ -	\$ 75,000	\$ -	\$ 163,600
IT	\$ 68,916	\$ -	\$ 45,000	\$ 78,965	\$ -	\$ 192,881
HR	\$ 17,500	\$ 10,000	\$ -	\$ -	\$49,637	\$ 77,137
Police	\$ 144,300	\$ -	\$ -	\$ 2,588	\$ -	\$ 146,888
PRCS	\$ 65,553	\$ 15,000	\$ -	\$ -	\$ -	\$ 80,553
Public Works	\$ 91,239	\$ 64,200	\$ -	\$ 68,000	\$ -	\$ 223,439
Total :	\$ 544,363	\$304,200	\$ 45,000	\$ 374,553	\$49,637	\$ 1,317,753

Table 2 represents a summary of each departments FY18/19 budget requests by priority. Staff has defined the term “Mandatory” to mean items that are either contractually obligated, State and other mandates, or legal requirements. Additionally, the term “Priority 1” means that either the City Council or staff recommended the item as a key program or service for implementation. Staff would like to advise the Committee that the City Council may reprioritize some of these requests.

Table 2 ~ One Time & Ongoing - Mandatory & Priority 1 Requests				
Department	Ongoing	Mandatory	1	Total by Dept.
ASD Admin	Ongoing	\$ -	\$ 4,024	\$ 4,024
Citywide	Ongoing	\$ -	\$ -	\$ -
Econ Dev	Ongoing	\$ -	\$ 5,000	\$ 5,000
Comm	Ongoing	\$ -	\$ 15,000	\$ 15,000
City Manager	Ongoing	\$ 39,028	\$ 1,000	\$ 40,028
Council	Ongoing	\$ -	\$ 5,000	\$ 5,000
CDD	Ongoing	\$ -	\$ 40,000	\$ 40,000
City Clerk	Ongoing	\$ 15,000	\$ 14,203	\$ 29,203
Finance	Ongoing	\$ 13,600	\$ 75,000	\$ 88,600
IT	Ongoing	\$120,500	\$ 72,381	\$ 192,881
HR	Ongoing	\$ 2,500	\$ 15,000	\$ 17,500
Police	Ongoing	\$ 16,888	\$130,000	\$ 146,888
PRCS	Ongoing	\$ -	\$ 80,553	\$ 80,553
Public Works	Ongoing	\$105,139	\$ 66,100	\$ 171,239
Total Ongoing:		\$312,655	\$523,261	\$ 835,916
Department	One-Time	Mandatory	1	Total by Dept.
ASD Admin	One-Time	\$ -	\$ 55,000	\$ 55,000
Citywide	One-Time	\$175,000	\$ -	\$ 175,000
Econ Dev	One-Time	\$ -	\$ 10,000	\$ 10,000
Comm	One-Time	\$ -	\$ 35,000	\$ 35,000
City Manager	One-Time	\$ -	\$ -	\$ -
Council	One-Time	\$ -	\$ -	\$ -
CDD	One-Time	\$ -	\$ -	\$ -
City Clerk	One-Time	\$ 20,000	\$ -	\$ 20,000
Finance	One-Time	\$ 75,000	\$ -	\$ 75,000
IT	One-Time	\$ -	\$ -	\$ -
HR	One-Time	\$ -	\$ 59,637	\$ 59,637
Police	One-Time	\$ -	\$ -	\$ -
PRCS	One-Time	\$ -	\$ -	\$ -
Public Works	One-Time	\$ -	\$ 52,200	\$ 52,200
Total One-time:		\$270,000	\$211,837	\$ 481,837

Measure F Funding:

Staff is recommending the following \$374,553 in budget requests be funded from the unallocated Measure F balance of approximately \$1M. The detail of these requests are indicated below:

- Central Administration – Public Engagement
 - \$25,000 for City-wide website upgrade (One-time)
- Public Works
 - \$55,000 for the continuation of the Downtown Streets Team volunteer work experience program (One-time)
 - \$13,000 for the Hamilton Pool repair & re-patching (One-time)
- Administrative Services Department - Administration Division
 - \$50,000 for the Cannabis Outreach Plan (One-time)
- Administrative Services Department - Citywide Programs
 - \$75,000 for Grant Writer (2-year Limited Term position) – One-Time
- Information Technology
 - \$78,965 for a Technical Business Analyst position
- Administrative Services Department - Finance Division
 - \$75,000 for contract with HDL to provide business license and TOT revenue collection services (2-year program)
- Police Department
 - \$2,588 increase for the Major Crimes Task Force for new annual costs of \$41,588.

Measure F Technology & Organization Investments (TOI) Funding:

- Information Technology
 - \$45,000 for Administrative costs of IT Infrastructure projects (One-time)
- Central Administration – Economic Development
 - \$150,000 - Tenant Assistance Program (One-time)

Feedback from May 14, 2018 – Budget Workshop

During the May 14, 2018 budget workshop staff received feedback to include a funding request for Economic Development programs. As such, staff is including this additional request below that was not previously included in Table 1 or 2 or the materials presented at the May 14 budget workshop.

- Central Administration – Economic Development
 - \$150,000 - Tenant Assistance Program (One-time)

NEXT STEPS

The schedule for the remaining Operating Fund budget meetings is listed below:

May 25, 2018	<input type="checkbox"/> Distribute proposed FY18/19 budget draft for review
June 7, 2018	<input type="checkbox"/> Finance Oversight Committee – Discuss updated FY18/19 budget per Council direction
June 12, 2018	<input type="checkbox"/> Council Meeting / Public Hearing – Budget Adoption
June 21, 2018	<input type="checkbox"/> Budget Review Meeting with Finance Oversight Committee (if needed)
June 26, 2018	<input type="checkbox"/> Council Meeting / Public Hearing #2 – Budget Adoption (if needed)

RECOMMENDATION

Provide feedback to staff on the proposed use of Measure F and TOI funds for FY 18-19 budget.