



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

THE CITY OF
NOVATO
CALIFORNIA

to be held at

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

**May 17th, 2018
7:30 AM**

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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

AGENDA

A. CALL TO ORDER

Meeting called to order at 7:38AM. Committee Members: Tim O'Connor, Regina Bianucci Rus, Caitrin Devine, Rafelina Maglio. Staff Members: City Manager Regan Candelario (left at 9:08), Assistant City Manager Michael Antwine, Finance Manager Tony Clark, Accounting Assistant Mackenzie Kelly. City Council Members: Pam Drew, Pat Eklund.

B. APPROVAL OF FINAL AGENDA

O'Connor motioned to approve, Bianucci Rus seconded motion.

C. PUBLIC COMMENT

None

D. COMMITTEE ORGANIZATIONAL ITEMS

D-1: APPROVAL OF March 26th, 2018 MINUTES

Already approved during April 19th meeting.

D-2: APPROVAL OF APRIL 19th, 2018 MINUTES

Unable to approve due to Committee Member absence.

E. GENERAL BUSINESS

ACM Antwine stated that the purpose of the meeting is to discuss Measure F funding requests for FY 18/19 and to give the committee an overview of the proposed operating general fund. Staff will incorporate committee recommendations into the proposed budget document presented to council. FM Clark provided an update that AS Chapman found additional savings in operating funds which resulted in a \$750,000 increase in the anticipated surplus. FM Clark reviewed FY 18/19 anticipated revenues and expenditures. ACM Antwine emphasized the importance of admin services and how the funds for this benefit each department as well as city-wide activities. FM Clark mentioned that FY 18/19 is expected to have a balanced budget with approximately \$120,000 surplus.

**E-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**

FM Clark proposed the HDL initiative: This service handles sales tax, TOT tax, and business license revenue collection. AS Chapman is retiring, and the finance division is losing 20 years of institutional knowledge. The department is trying to leverage personnel costs and better utilize resources. BL collections and TOT tax collections are performed by the same individual and the current process takes a lot of manual effort and duplicative data entry. HDL would automate this process and provide better data analytics to audit businesses that aren't currently remitting fees. The service is a variable ongoing fee (roughly \$75,000) based on the number of license fees collected and could bring in \$130,000 annually. ACM Antwine further explained the audit process. CM Candelario noted his high confidence level in HDL from previous experience. O'Connor asked if this would increase BL fees. CM Candelario and ACM Antwine confirmed there are no proposed changes for BL fees at this time.

ACM Antwine proposed the remaining items:

Business Analyst IT position: This position is the main project manager for PRCS's BlueRec program and is a key support system for CDD and PD. Maglio asked why council didn't include it in the general fund. ACM Antwine responded that council is prioritizing funding a School Resource Officer; this is a request to have Measure F continue funding the full cost of \$127,000 for this. Committee discussed concern over funding positions out of Measure F that should be long term. ACM Antwine mentioned that he'd presented to council that the city should be more aggressive with generating revenue to fund expenditures such as these in the future.

PD Emergency Services and Strategic Planning: This is a proposal to continue Measure F funding for this.

Grant Writer: Council and staff want \$75,000 for this to identify grants as the city has a significant amount of CIP projects that could benefit from grant funding. It would be a 2 yr part-time, limited-term position that would assist all departments (preferably contractually).

Cannabis Outreach: ACM Antwine noted that council passed an ordinance granting a moratorium on cannabis. Purpose is to ask the community what they want, ranging from testing labs to retail locations. Committee discussed whether expenditure of \$50,000 would outweigh revenue. Antwine noted that revenue depends on the structure the community wants- the highest revenue source would be retail. He mentioned it fits under Measure F based on the revenue generation standpoint and the opportunity with business licenses. FM Clark noted that HDL would be able to augment the business license form to incorporate a fee structure for these types of businesses.

Downtown Streets Team: Proposal to continue funding volunteer program as it keeps downtown clean and create opportunities for jobs.

Hamilton Pool: Capital investment to repair pool to benefit community, but the revenue is nominal.

Website Upgrades: To enhance efficiency and services to make the city website more interactive with public comments and feedback. Likely a two-year proposal of \$50,000.

Tenant Assistance Program: With \$150,000 of tenant improvements, the city would create economic incentive that could create jobs. It's a one-time program that would aid a few businesses.

Committee discussed pros and cons of each proposal. Bianucci Rus noted HDL and Grant Writer would generate revenue. Mentioned that Measure F is meant to fund opportunities, not ongoing projects and that there isn't enough information on the Cannabis initiative or the Tenant Assistance Program. O'Connor mentioned HDL should be paid out of the general fund, likes the Tenant Assistance Program but doesn't think it would generate enough revenue and doesn't think some of the remaining ideas were related to Measure F. Maglio responded that the tenant program could really help because many business deals fall apart due to difficult landlords. ACM Antwine noted that it's a retention and attraction tool to help facilitate development in the city. FM Clark pointed out that HDL fits into Measure F as the measure funds technological improvements and efficiencies. He mentioned they could later look at funding it out of the general fund and that it is a potential one-time expenditure out of Measure F.

Committee called for a vote to recommend proposals:

HDL: Ayes: 3 (Bianucci Rus, Maglio, Devine) Noes: 1 (O'Connor) Absent: 3 (Bentley, MacKenzie, Scott)

Business Analyst: Ayes: 2 (Bianucci Rus, Devine) Noes: 2 (O'Connor, Maglio) Absent: 3 (Bentley, MacKenzie, Scott)

PD Emergency Services: Noes: 4. Absent: 3 (Bentley, MacKenzie, Scott)

Grant Writer: Ayes: 4 (Bianucci Rus, Maglio, Devine, O'Connor) Absent: 3 (Bentley, MacKenzie, Scott)

Cannabis Research: Ayes: 2 (Maglio, Devine) Noes: 2 (Bianucci Rus, O'Connor) Absent: 3 (Bentley, MacKenzie, Scott)

Downtown Streets: Noes: 4. Absent: 3 (Bentley, MacKenzie, Scott)

Hamilton Pool: Noes: 4. Absent: 3 (Bentley, MacKenzie, Scott)

Website Improvements: Noes: 4. Absent: 3 (Bentley, MacKenzie, Scott)

Tenant Assistance Program: Ayes: 2 (Maglio, Devine) Noes: 2 (O'Connor, Bianucci Rus) Absent: 3 (Bentley, MacKenzie, Scott)

The committee reviewed the budget timeline. The draft budget will be provided to the council and community May 25, the full budget will be brought to council June 12, and the final budget adoption with council is June 26.

F. COMMITTEE / STAFF COMMENTS

Councilmember Drew reviewed budget process notes from council with the committee and noted that if Measure F doesn't fund these expenditures that there aren't really any other options to fund them with the budget.

G. FUTURE MEETINGS

Next meeting scheduled for June 7th, 2018

H. ADJOURNMENT

Meeting adjourned at 9:19AM.